

# Registration **DOCUMENT**

Annual Financial Report

# 2014



**ALBIOMA**

OUR NATURE IS FULL OF ENERGY

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This English-language version of the registration document is a free translation of the original French text. It is not a binding document. In the event of a conflict of interpretation, reference should be made to the French version which is the authentic text. The Statutory Auditors' reports apply to the French version of the Management Report and the financial statements.



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# 1 • THE ALBIOMA GROUP

## 1.1. History

### 1.1. History

#### 1982-1989 : THE COAL PERIOD

In the economic aftermath of the oil shocks, the Charbonnages de France coal group founded SIDEC (Société Industrielle pour le Développement de l'Énergie Charbon), at the initiative of the public authorities, to help industrial firms reduce the weight of hydrocarbons in their energy mix by using alternative fuels, so enabling them to focus their investment efforts on their core businesses. Sidec agreed to invest directly in facilities to produce steam, which it sold to its industrial partners, pioneering a business model in which industrials outsource the "energy" function. As a result of this model, industrial companies receive the benefits of facilities that deliver optimised energy efficiency and environmental performance with no need to tie up precious capital.

The Group built its first cogeneration plants (producing both electricity and steam) at approximately 30 industrial sites in a variety of sectors (including agri-business, chemicals, car manufacturing, tire manufacturing and paper-making).

#### 1990-2003 : FIRST BAGASSE/COAL COGENERATION PROJECTS

In 1992, the Group commissioned the world's first hybrid bagasse/coal cogeneration plant at the Bois-Rouge site on Reunion Island. This 60 MW power plant provided the sugar refinery operating at the site with a solution to improve its energy procurement by recovering its main operating by-product, bagasse, so reducing the cost price of electricity consumed on Reunion Island.

This success prompted Séchilienne, an Air Liquide subsidiary, to acquire a participating interest in Sidec in 1994; Séchilienne then gradually increased its holding until it owned a majority interest, culminating in the 2001 merger that gave birth to Séchilienne-Sidec.

Similar cogeneration plants were built in Le Gol (64 MW) on Reunion Island in 1995, at the Le Moule facility (64 MW) on Guadeloupe in 1998, and in Belle Vue (70 MW) on Mauritius in 2000.

#### 2004-2011 : THE GROUP EXPANDS ITS THERMAL BIOMASS BUSINESS AND ENTERS THE WIND AND SOLAR POWER MARKETS

In 2004, the Group moved into the Wind power market in mainland France, building its first 37.5 MW wind farm in Haute-Lys in the Nord-Pas-de-Calais department; this facility was sold in 2007.

In 2005, Air Liquide disposed of its participating interest to our current principal shareholder, Financière Hélios, which is controlled by Apax Partners and Altamir Amboise.

The Group continued to develop its Thermal Biomass business, successively commissioning:

- a second plant unit (48 MW) at the Bois-Rouge site on Reunion Island in 2004,
- a new installation (30 MW) in Saint-Aubin on Mauritius in 2005,
- a second plant unit (58 MW) at the Le Gol site on Reunion Island in 2006,
- two 45 MW plant units in Savannah on Mauritius in 2007.

In 2007, the Group also began operating a domestic heating oil-fired combustion turbine facility at the Le Galion facility in Martinique (40 MW), to cover peaking demand and emergency grid requirements.

Growth in the Group's photovoltaic power fleet in the Indian Ocean, the Antilles, French Guiana, mainland France and Southern Europe (Spain and Italy), as well as its wind farms in mainland France, increased the total installed capacities to approximately 70 MWp (solar) and 56 MW (wind)

In 2011, the Group's Caraïbes Énergie (later renamed Albioma Caraïbes) coal-fired thermal power plant (38 MW) began operating at the Le Moule site in Guadeloupe.

#### 2012-2015 : PRIORITY TO BIOMASS

##### 2012-2013 : A new strategy centred on the energy efficient recovery of biomass

In March 2012, shareholders attending the General Meeting approved the new strategy centred on recovering various forms of biomass for energy, with a parallel solar power offering and a focus on internationalising the Group's activities.

In May 2012, the Group acquired a 60% stake in Methaneo, a company specialising in agricultural and community-based collective anaerobic digestion units in mainland France. The first project, Tiper Méthanisation (2 MW), was inaugurated in April 2013. The second, Cap'ter Méthanisation (0.5 MW), began ramp-up operations during the second half of 2013.

Refocusing on its core business, the Group sold its Wind power business to EDF Énergies Nouvelles on satisfactory terms in early 2013.

On 30 May 2013, Séchilienne-Sidec's shareholders approved a project to change the Group's name to Albioma; the new identity reflects its growth strategy focused on highly energy-efficient recovery of biomass, particularly bagasse, and its international ambitions.

In July 2013, the Group created its first Brazilian subsidiary, Albioma Participações do Brasil.

##### 2014-2015 : The Group establishes itself as the preferred partner of the sugar and ethanol industry

2014 and the first few months of 2015 saw a return to sustained growth, with Albioma signing several major 100% biomass contracts in Overseas France and Brazil.

In March 2014, Albioma finalised its first acquisition in Brazil, taking over the bagasse cogeneration plant from the Rio Pardo sugar producer. This first acquisition of a bagasse cogeneration plant in Brazil will serve as a launchpad for new projects in the country. In April 2015, Albioma announced the signature of final documentation relating to a second acquisition, Codora Energia.

In December 2014, Albioma's signature of a contractual amendment with EDF covering bagasse/biomass prices for the Galion 2 plant in Martinique validated its investment of €170 million to construct the largest all-biomass plant in Overseas France (40 MW), which is due to be brought into service in the first half of 2017.

In January 2015, Albioma signed a 25-year contract with EDF for the purchase of electricity produced by the future Saint-Pierre combustion turbine plant on Reunion Island: this innovative 40 MW plant will be the first French peaking plant to operate mainly with bio-ethanol from the distillation of sugar cane molasses. It is scheduled to be brought into service in the second half of 2016.

These achievements validate the growth strategy approved by the General Meeting in March 2012, and enable the Group to confirm its objective of investing around €1 billion over the 2013-2023 period.



## Priority to biomass 2012-2015



## Expansion into wind and solar power 2004-2011



## Bagasse/coal cogeneration begins 1990-2003



## Coal period 1982-1989

2014

1st ALL. BAGASSE PLANT IN BRAZIL:  
RIO PARDO TERMOELECTRICA

2013

1st ANAEROBIC DIGESTION UNIT

Séchilienne-Sidec  
renamed Albioma

DISPOSAL OF WIND POWER BUSINESS

2011

ALBIOMA CARAÏBES

2006

1st PHOTOVOLTAIC PLANT

2005

Air Liquide sells stake  
to Financière Hélios

2004

1st WIND FARM

2001

Séchilienne merged  
with Sidec

2000

TERRAGEN

1998

ALBIOMA LE MOULE

1995

ALBIOMA LE GOL

1994

Séchilienne (Air Liquide)  
acquires a stake in Sidec

1992

ALBIOMA BOIS-ROUGE

1982

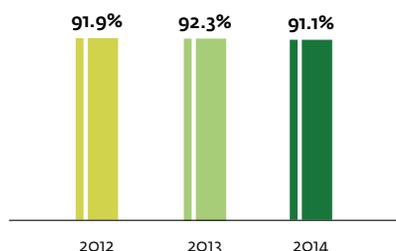
Sidec is founded

# 1 • THE ALBIOMA GROUP

## 1.2. Key Figures

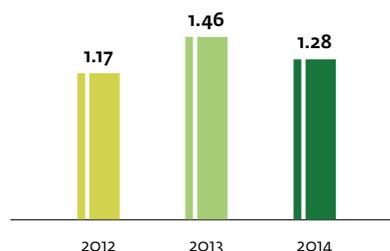
### 1.2. Key Figures

#### AVAILABILITY OF THERMAL BIOMASS PLANTS<sup>1</sup>

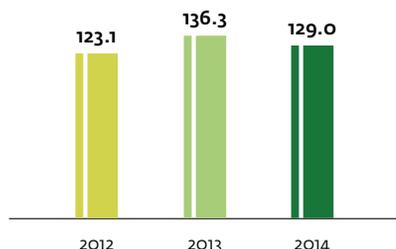


1. Excluding Brazil. Average availability rates of thermal power plants weighted to factor in net power output. The availability rate is the ratio between the maximum energy produced by the plant and the maximum demand for energy.

#### CONSOLIDATED BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE (in euros)

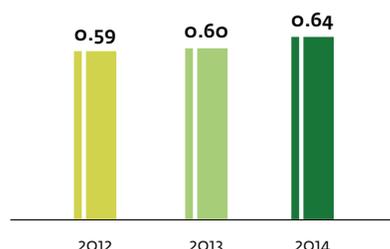


#### EBITDA (in millions of euros)<sup>1</sup>



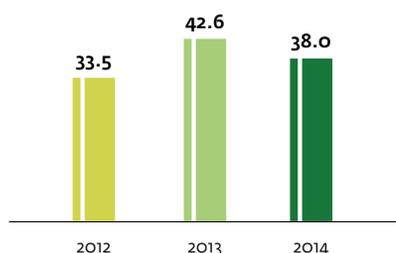
1. Excluding overseas taxation and adjusted to factor in the Wind power business, sold early in 2013. EBITDA: operating income before depreciation and amortisation charges and net of charges to provisions, including Group income from companies consolidated using the equity method. 2012 and 2013 data has not been adjusted to take account of the change in the consolidation method used for the Quantum Caribes and Albioma Power Alliance entities. See further information in Note 2.1 to the consolidated financial statements for the 2014 financial year, in chapter 4, on page 106 of this Registration Document.

#### DIVIDEND PER SHARE (in euros)<sup>1</sup>

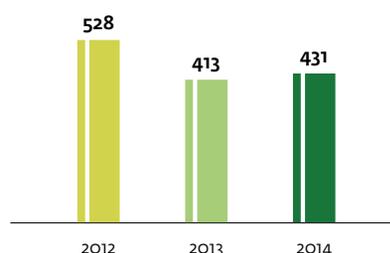


1. The 2014 dividend of €0.64 will be submitted for approval by the shareholders at the General Meeting to be held on 28 May 2015.

#### NET INCOME, GROUP SHARE (in millions of euros)



#### CONSOLIDATED NET DEBT<sup>1</sup> (in millions of euros)



1. Not adjusted to factor in the Wind power business, sold early in 2013. See further information in Note 23.3 to the consolidated financial statements for the 2014 financial year, in chapter 4, on page 128 of this Registration Document.

## 1.3. Activities and main markets

### 1.3.1. ACTIVITIES

For more than 22 years, Albioma has been the preferred partner for the sugar industry in French overseas territories and Mauritius. Albioma successfully rolled out its core business – the highly energy-efficient recovery of bagasse – in those markets. In 2014, the unique know-how it has built up over the years enabled the Group to export its original model to Brazil, the world's leading producer of sugar and of ethanol obtained from sugar cane. As a producer of base load electricity that is available at every moment of every day, Albioma has developed recognised expertise in the hybrid combustion of various types of biomass and coal.

Taking full advantage of its presence in very sunny regions, the Group is developing and operating an efficient and profitable fleet of photovoltaic power plants. In 2014, Albioma commissioned its first photovoltaic solar farm with storage capability, demonstrating its ability to integrate this new technology into its existing offering.

Following on from the development of new base load renewable energy production facilities, the Group became a player in collective agricultural anaerobic digestion with the acquisition of Methaneo in 2012. Gaining control of this business activity facilitating the recovery of agricultural and agri-business by-products provided an opportunity to extend the Group's offering for the sugar and ethanol production sector.

Albioma's industrial and economic model has clearly proved itself since the early 1990s and the Group is proud of the trusting relations it has been able to establish with its agri-business partners, its electricity distributing customers and local authorities.

#### 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 electricity 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 dual-fuel combustion technology to produce electricity and heat from bagasse and coal.

In France and Mauritius, during the sugar harvest 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 harvesting campaigns (nine or 10 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 thermal power plants by recovering new types of 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.

In Brazil in March 2014, Albioma acquired Rio Pardo Termoelétrica, a cogeneration plant located in the State of São Paulo. This plant, commissioned by the sugar maker in 2009, is fitted with high-quality equipment and has an installed capacity of 60MW, similar to that of the Group's other plants. Albioma's technical teams focused their expertise on improving the efficiency of this new plant in order to boost yields as from the first sugar harvesting campaign. Steps were taken to reduce the moisture content of the bagasse when leaving the sugar mill, optimise one of the turbine generators, boost the efficiency of the boiler and enable the recovery of sugar cane straw. As a result of these measures, the plant's initial performance of exporting 44 kWh per tonne of cane to the electricity grid was increased to 57 kWh at the end of the harvesting campaign.

In the context of water stress, resulting in a low level of electricity production due to water scarcity, yields of this kind provide a sustainable addition of renewable electricity to Brazil's power grid which is facing increasing demand from people and industry.

#### 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 green energy obtained from bagasse. With a solar power portfolio providing a capacity of 71 MWp, Albioma is a major player in the production of photovoltaic solar energy in France. About 50% of the facilities are ground-based and 50% are rooftop installations. Some 80% of the Group's solar farms are located in French overseas territories, where they benefit from exceptional sunshine conditions, with exposure exceeding the average for French farms by more than 20%. In this context, Albioma has secure long-term agreements with EDF.

In 2014, the Group commissioned its first photovoltaic solar farm with storage capability. This technology will significantly increase the installation's availability and smooth the production of energy which is otherwise naturally variable. This 1 MWp plant, installed on a shopping centre rooftop in Saint-Pierre, on Reunion Island, is equipped with lithium-ion batteries which have the purpose of compensating for production troughs during the daytime (due to cloudy spells or spells of bad weather). Albioma was selected by France's Energy Regulation Board (CRE: Commission de Régulation de l'Énergie) after responding to requests for proposals for another plant with storage capability. This 2 MWp ground-based plant is to be built in Guyana.

#### 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 agri-business: manure, slurry, plant co-products and waste from agri-business industries. This sector accounts for 52% of European biogas production sources and is driving growth in the biogas market in France.

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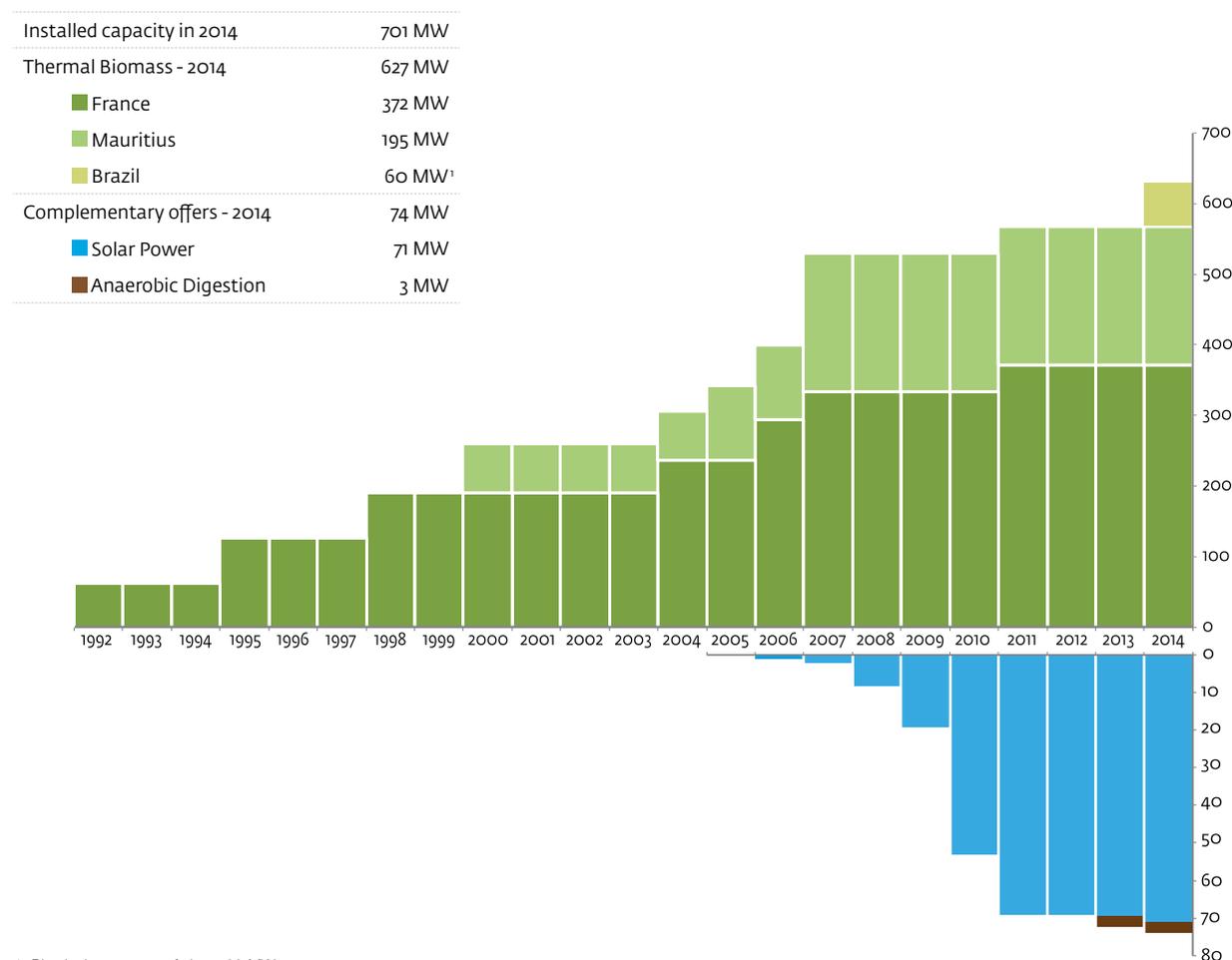
## 1.3. Activities and main markets

The biogas produced can then either be injected directly into the gas distribution network or burned to produce steam and electricity.

Three initial anaerobic digestion facilities, all in the west of France, were in service in 2014: Tiper Méthanisation (2 MW), Cap'ter Méthanisation (0.5 MW) and Sain'ter Méthanisation (0.5 MW). Production ramp-up at these plants - which are based on technology that is new not only for Albioma but also for the other French operators - took longer than initially planned. The Group's

teams are currently perfecting the control of the biogas production process to ensure optimal industrial operation. During this validation phase to finalise the anaerobic digestion industrial model, the development of other agricultural anaerobic digestion units has been temporarily suspended.

### Installed capacity (in MW) of the Group, showing changes and distribution by business sector as at 31 December 2014



1. Physical guarantee of about 20 MW.

### Breakdown of the Group's 2014 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	290.7	84.3	59.4
France and Southern Europe - Solar	41.6	36.6	22.9
Mauritius	-	2.8	2.8
Brazil	18.2	12.0	10.2
Holding company, Anaerobic Digestion and others	3.6	(6.7)	(20.3)

## 1.3.2. REGULATORY AND CONTRACTUAL FRAMEWORK

### 1.3.2.1. Regulatory framework of French electricity market

#### Legal framework of French energy market

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.

#### Operation of classified installations for environmental protection (ICPE - *Installation Classée pour la Protection de l'Environnement*)

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). The ICPE 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 6.3.1.4, page 180 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 96/61/EC of 24 September 1996 on integrated pollution prevention and control).

Classified installations for environmental protection are supervised by the local Prefects and the DREAL (the French regional 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.

#### 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.

#### Regulation on 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.

### 1.3.2.2. Contractual framework applying to the sale of electricity

The Group operates its electricity production plants on the basis of 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.

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## 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 set premium which covers all fixed costs generated by the financing, construction and maintenance of the plant, and the producer's margin.

The set 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 set premium is reduced, in stages for the older contracts or on a straight-line basis for contracts signed since 2010. The annual nominal value of the set 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 set premium to be applied in the future, and the expiry dates for contracts for base load 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 <sup>1</sup>	Straightline reduction over contractual term				2047

1. Scheduled to begin operating in the first half of the 2017 financial year.

In addition to the set premium, each plant is remunerated by payment of a proportional price, 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 affecting the balance after signature.

### 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 per kWh, which is linked to fuel supply prices.

### Brazil

The regulated Brazilian electricity market essentially consists of:

- a regulated market (73% of consumption), on which electricity is purchased by means of a competitive-bidding process resulting in the award of concession agreements on the basis of the lowest price; in these cases, electricity is sold under 20-year purchase agreements;
- a free market (27% of consumption), on which agreements are negotiated bilaterally with industrial customers (terms and conditions, duration, indexing formula) 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; however, during periods of hydric stress the authorities often impose a cap on electricity prices.

On regulated markets, the price of electricity sold is generally linked to inflation only; the producer has a duty to deliver the energy sold or to buy in energy on a spot basis 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 order to capitalise on higher prices during periods of hydric stress.

The Group has secured a substantial portion of the production of its first Brazilian plant on the free market for the second half of 2014 and for 2015 and 2016 (approximately 60%). In 2014, the remaining production was sold on the spot market for exceptionally high prices. On 27 April 2015, following a competitive bidding process, Rio Pardo Termoelétrica secured the sale of 82 GWh each year, i.e., approximately 50% of its production, on the regulated market for a 20-year period from 2016, at a record price of BRL 212/MWh, indexed to inflation.

### Contractual framework of the Anaerobic Digestion and Solar businesses

Electricity produced by the Anaerobic Digestion and Solar 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 Guyana (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 Guyana is scheduled to become operational in 2015.

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 (FFPH), 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 co-existence 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:

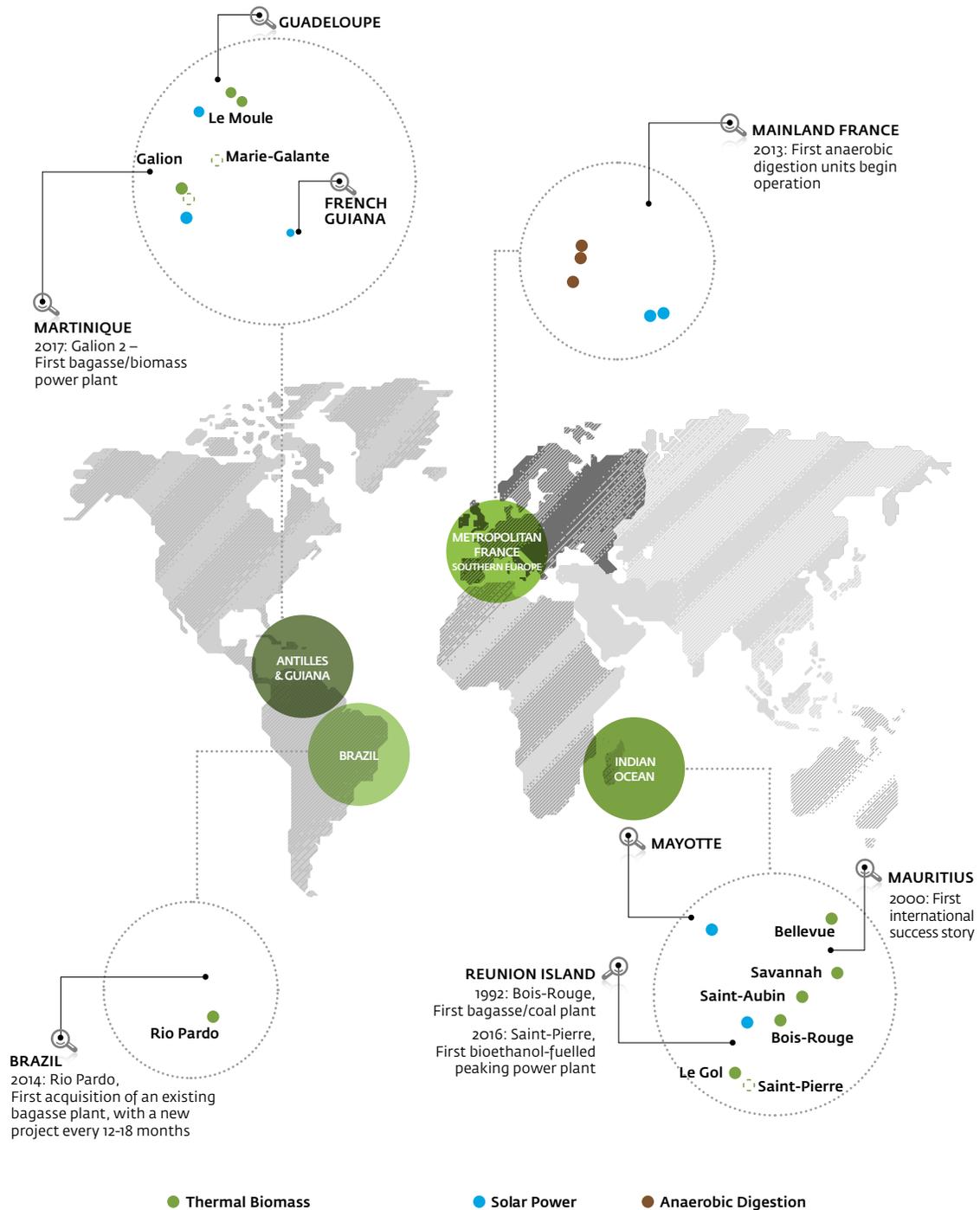
- a basic price, which tapers according to the unit's maximum biogas production capacity;
- bonuses based on the inputs.

The current price framework in this sector means the profitability of the Group's existing facilities (Tiper Méthanisation, Cap'ter Méthanisation and Sain'ter Méthanisation) is not guaranteed.

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## 1.3. Activities and main markets

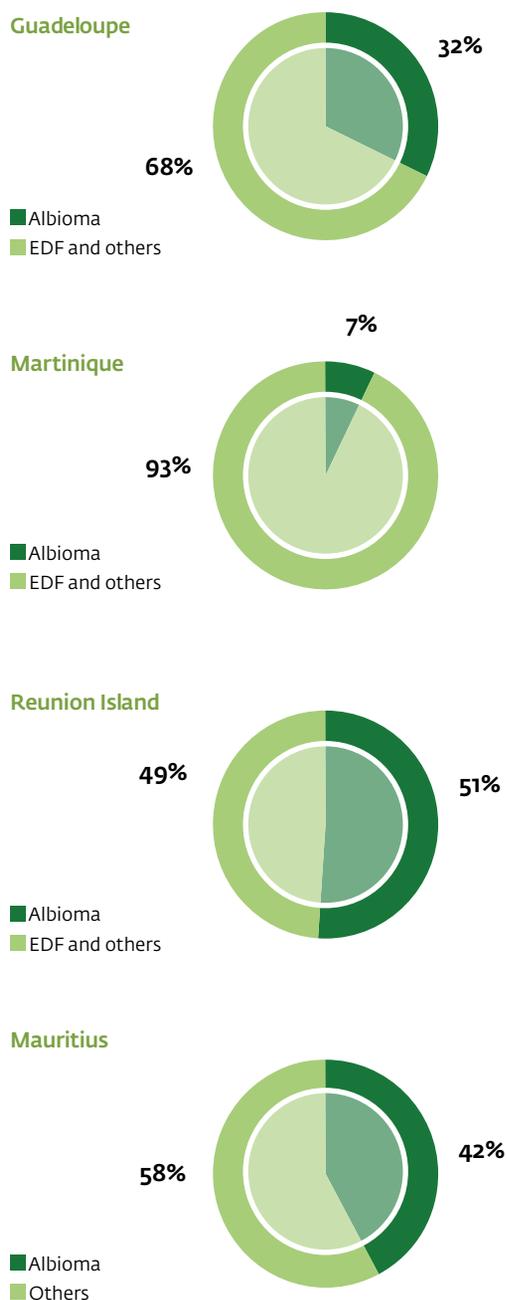
### 1.3.3. PRINCIPAL MARKETS



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

Albioma is the leading electricity producer in France's overseas departments 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 2014<sup>1</sup>



### 1.3.3.2. Thermal biomass

#### 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 high production cost of these forms of energy.

At global level, electricity production from biomass grew at an average rate of 7.9 % per year over the period 2002-2012, compared with an average annual growth rate of 3.4 % for total electricity production, and 4.7 % for total production from all renewable energy sources<sup>2</sup>. 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 2013, some 412.6 TWh of electricity, representing a little over 1.8% of the global total, was produced from biomass, making it the third-largest source of renewable energy (total output from renewables: 5,065 TWh), after hydro-electricity (3,759.4 TWh) and wind power (664.7 TWh) but well ahead of solar power (160.4 TWh)<sup>3</sup>.

At European level, the 15th EurObserv'ER inventory of renewable power generation revealed that over the decade from 2002-2012, solid biomass-fuelled electricity production grew at an average annual rate of 9.7% in western Europe (compared to 0.7% for total electricity production and 4.9% for electricity production from all renewable sources). In 2013, solid biomass was used to generate 81.6 TWh of electricity in this region, representing 2.2% of total electricity production (3,768 TWh) and 7.7% of electricity production from renewable sources. This figure of 81.6 TWh ranks solid biomass among the main renewable sources, after hydro power (678.2 TWh) and wind power (234.4 TWh), but before solar power (80.8 TWh).

Considering the French market, the same source notes that over the period 2002-2012, electricity production featuring solid biomass grew at an average annual rate of 5.3 % in France (compared with 0 % for total electricity production and 2.3 % for renewable production). In 2013, solid biomass was used to produce 2.4 TWh<sup>4</sup> of electricity in France, representing 0.44% of total electricity production (550.9 TWh) and 2.3% of renewable production. Based on this figure of 2.4 TWh, solid biomass ranked as the fourth-largest renewable source over the studied period, after hydro power (75.7 TWh), wind power (15.9 TWh) and solar power (4.6 TWh), but offers major competitive advantages in terms of its relative growth outlook.

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.

2. Source: EurObserv'ER, 15th inventory of renewable power generation, 2013 edition.

3. Source: REN21, Global Status Report, Renewables 2014.

4. Source: EurObserv'ER, 2014 barometer of the state of renewable energies in France.

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## 1.3. Activities and main markets

### Strong positions in the French overseas departments and Mauritius

These regional markets are of prime importance for Albioma, and continue to offer growth prospects due to their ongoing requirement for additional power generation capacities. 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.

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.

#### Brazil

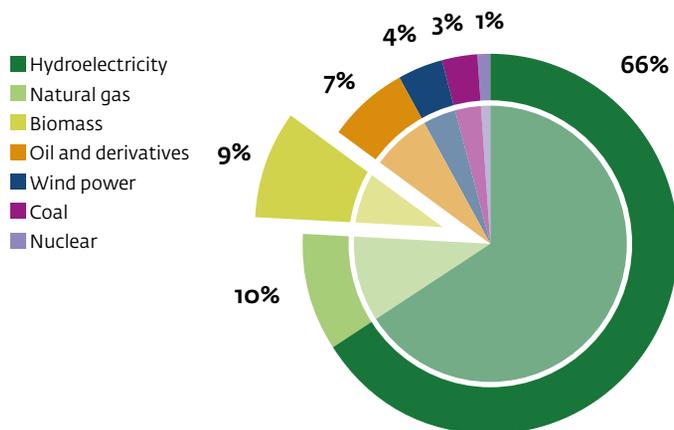
In March 2014, Albioma announced the acquisition of Rio Pardo Termoeletrica, a 60 MW cogeneration plant located in the State of São Paulo (for further information, see section 3.2.5.1 on page 89 of this Registration Document). The plant, located in an area that is very conducive to the cultivation of sugarcane, operates all year round using the bagasse harvested over nine months.

#### An exceptionally deep market

Brazil is the world's leading sugar producer (38 million tonnes of sugar produced during the 2014/2015 campaign (April 2014 to March 2015), representing 21% of total world production and 45% of global exports), the world's number one sugarcane producer (629 million tonnes of cane processed in the 2014/2015 season) and the second-largest ethanol producer after the USA (28 billion litres produced in the 2014/2015 season).

There are currently more than 400 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 2014 (%)



### A booming market

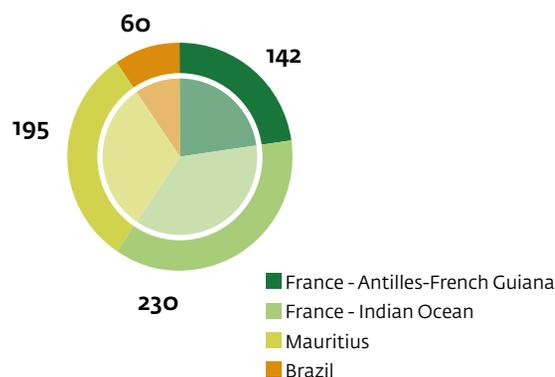
The Brazilian electricity market – characterised by an installed capacity (153 TW) equivalent to that of France but with a population three times larger – offers very considerable growth potential. Power generation installed capacity is forecast to grow at an average annual rate of 5% over 2013-2023, compared with a figure of only 0.4% in France. Renewable energy sources (hydro power, wind power and biomass) will make up the lion's share of the new capacity.

### Favourable market conditions make for an offering tailored to the needs of the sugar cane industry

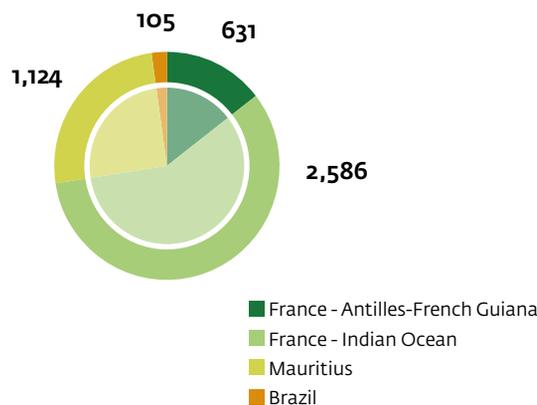
Brazil's sugar cane industry is having to invest in order to remain competitive. Sugar-making industrials are seeking to improve their agricultural yields and increasing the individual capacities of their facilities, in an environment where sugar and ethanol prices are being squeezed. Over the past two years, the industry has also had to cope with challenging climate conditions (including, most recently, a severe drought).

This context has offered an opportunity for Albioma to leverage its unique energy efficiency expertise, by not only addressing the need for technical know-how expressed by sugar makers as they strive to enhance their competitiveness but also offering a solution to the cash flow issues associated with their necessary investments. Inflationary pressure, combined with the major water crisis that is affecting the entire country, has also allowed the Group to benefit from exceptionally high electricity sale prices since it acquired its first plant.

### Installed capacity (in MW) of the thermal biomass activity in 2014, by geographical region



### Electricity production (in GWh) by the thermal biomass activity in 2014, by geographical region



### 1.3.3.3. Solar Power

#### A steadily growing global market

At global level, photovoltaic electricity installed capacity, which was no more than 1,500 MW in 2000, rose to almost 9,500 MW in 2007 and then 40,000 MW in 2010. Growth remained very strong in subsequent years, reaching 70,000 MW in 2011, more than 100,000 MW in 2012 and 138,000 MW in 2013<sup>1</sup>. The boom in the global photovoltaic power fleet continued unabated between 2007 and 2013, 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 and Japan emerged as leading contributors to growth in 2013.

In the European Union, photovoltaic electricity installed capacity, which was less than 200 MW in 2000, approached 5,000 MW in 2007 and 30,000 MW in 2010. The figure broke the 70,000 MW barrier in 2012 and reached 80,000 MW in 2013, largely driven by Germany. 2013 was marked by a sudden slowdown in growth of new solar power facilities connected to the European grid. The main causes of this slowdown include the reduction in feed-in tariffs and an increase in the proportion of photovoltaic power generated for on-site consumption by smaller installations than those used to inject electricity into the grid.

In France, the photovoltaic power market had an installed capacity of 5,412 MW (of which 343 MW in the overseas departments) at the end of the third quarter of 2014, compared with 1,000 MW in 2010<sup>2</sup>.

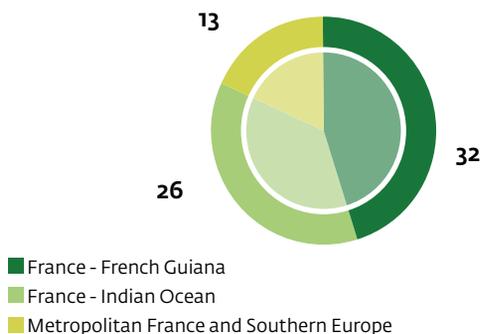
#### Extending Albioma's offering

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 and Reunion Island) but also in French Guiana, the South of France, Spain and Italy, which benefit from excellent sunshine conditions.

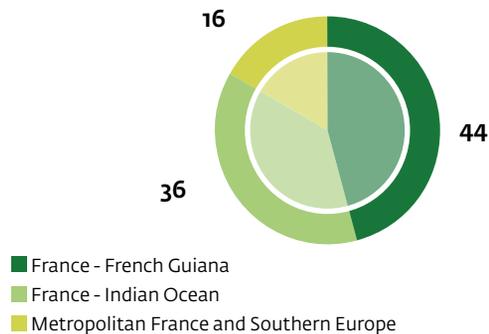
The Group adapts the pace at which it is developing this activity, and the corresponding locations, to reflect the changing mechanisms and regulations applicable in its target regions.

In 2014, Albioma accounted for 20% of the total photovoltaic installed capacity in the Antilles-French Guiana region, and 14% of the Indian Ocean region<sup>3</sup>.

#### Solar Power installed capacity (in MW) in 2014, by region



#### Power generation (in GWh) by the solar energy business in 2014, by region



### 1.3.3.4. Anaerobic Digestion

#### Europe leading the way

Growth in this market is essentially concentrated in the European Union, which is the world's leading region for biogas production, accounting for more than half of global output, ahead of the United States of America and Canada. In keeping with the European Union's target to cover 20% of its energy requirements with renewables by 2020 (Directive 2009/28/EC), it established a programme to support the development of renewable energy industries (Directive 2009/20/EC), 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).

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. By September 2012, the country already had 7,000 agricultural anaerobic digestion units with combined power generating capacity approaching 3,000 MWe.

In France, the potential market for anaerobic digestion in the livestock waste and agro-industry sectors is huge, and this is a priority area in the draft law on energy transition. However, a number of players in this sector, including Albioma, have experienced both operational and financial problems.

#### Three ground-breaking units are now operational

In 2014, Albioma brought into service three ground-breaking plants with a total capacity of 3 MW (Tiper Méthanisation and Cap'ter Méthanisation in Deux-Sèvres, and Sain'ter Méthanisation in Vendée), while seeking rapid solutions to its operational problems. The ramp-up of all three plants is ongoing.

The development of new projects has currently been suspended while the Group addresses the operational issues identified, and until prices improve.

1. Source: European Photovoltaic Industry Association (EPIA).

2. Source: EurObserv'ER, 2014 barometer of the state of renewable energies in France.

3. Source: Albioma in-house analyses and the EDF 'Island energy systems assessment of 31 December 2014.

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## 1.4. Strategic priorities and investment policy

### 1.4. Strategic priorities and investment policy

Albioma's achievements in 2014 and the first few months of 2015 are confirmation of the growth strategy approved by the General Meeting in March 2012, and enable the Group to go ahead with its plans to invest approximately one billion euros over the 2013-2023 period.

In a global context in which the role of fossil energy is increasingly unclear and frequently questioned, the Group has a firm conviction that biomass free from conflicts of use will play a major role in the development of environmentally-friendly and competitive base load electricity production. Albioma continues to develop renewable energy production facilities that are available round the clock, all year. More specifically, it has developed a bagasse/biomass model in its Thermal Biomass division, commissioned solar energy plants with storage capabilities, and built up its expertise in the industrial processes involved in agricultural anaerobic digestion.

As part of its international strategy, Albioma is targeting high growth potential markets such as Brazil, an agricultural power that ranks renewable energies as one of its key sources of electricity. The complementarity between the Group's Thermal Biomass offer and Brazil's hydroelectric production allows Albioma to envisage the development of a number of new projects in the short and medium term.

#### 1.4.1. BIOMASS PROJECTS

##### Two innovative all-biomass projects in the French overseas departments

In keeping with the strategy set out in 2012, new projects developed by the Group in the French overseas departments are now all-biomass. Coals, which existing thermal power plants use as a substitute fuel for bagasse outside sugar harvests, will be replaced wherever possible by locally-sourced biomass, with any additional requirements being met by biomass imported from North America and Brazil.

The Group is developing two iconic projects that embody this strategic stance.

In December 2014, Albioma signed a contractual amendment covering bagasse/biomass prices for the Galion 2 plant in Martinique with EDF. The plant (40 MW, an investment of €170 million) will recover and process bagasse produced by the Galion sugar mill, supplying it with steam. In addition, the Group will develop new projects using other forms of biomass. The plant is due to be brought into service in the first half of 2017. This innovative project will be the largest all-biomass plant in Overseas France.

In January 2015, the Group signed a 25-year agreement with EDF for the purchase of electricity produced by the Saint-Pierre combustion turbine plant in Reunion Island. This innovative 40 MW plant will be the first French peaking plant to operate mainly with bio-ethanol from the distillation of sugar cane molasses, produced by the Rivière du Mât distillery (COFEPP group) on Reunion Island and Omnicane in Mauritius. The plant is due to be brought into service in the second half of 2016.

In parallel, the Group is examining the scope for using locally-sourced biomass as a substitute for coal at its existing bagasse/coal power plants.

##### Brazil: a project every 12 to 18 months

In 2013, the Group announced that Brazil would be its priority among international markets.

Following the announcement in March 2014 of the acquisition of its first cogeneration plant in Brazil (see further information in section 3.2.5.1, page 89 of this Registration Document), and the announcement in April 2015 of the signature of the final documentation for a second investment, the Group has confirmed the numerous opportunities to acquire existing brownfield cogeneration plants or develop new greenfield plants in this country. The Group is in ongoing discussions with several potential partners, and has maintained its objective of building a new project every 12 to 18 months on average.

This is consistent with Albioma's goal of investing €400 million in Brazil by 2023.

#### 1.4.2. MODERNISATION OF EXISTING PLANTS IN OVERSEAS FRANCE

The transposition into French law of the Industrial Emissions Directive (2010/75/EU of 24 November 2010) by two decrees (2013-374 and 2013-375 of 2 May 2013), supplemented by the ministerial order of 26 August 2013 on combustion installations rated at or above 20 MW and subject to authorisation under the terms of Section 2910 and Section 2931 of the register of installations classified for protection of the environment (ICPE), requires the Group to bring its thermal facilities located in Overseas France into compliance by no later than 1 January 2020. In particular, the new provisions significantly reduce the emissions limits for gaseous atmospheric pollutants (sulphur oxide, nitrogen oxide, carbon monoxide and particulate matter).

The Group intends to implement the most cost-effective technological solutions, with the aim of minimising investment and maintaining the competitiveness of our facilities.

In this respect, Albioma expects to invest around €200 million over the period 2014-2019.

As a result, discussions are underway with EDF with a view to implementing clauses designed to safeguard the economic balance of long-term electricity sale agreements, guaranteeing a minimum return of 11% on capital invested.

#### 1.4.3. ANAEROBIC DIGESTION: A STILL FRAGILE EMERGING SECTOR

In France, the potential for anaerobic digestion in the livestock waste and agro-industry sectors is huge, and is a priority area in the draft law on energy transition. However, a number of players in this sector, including Albioma, have experienced both operational and financial problems. The Tiper Méthanisation (2 MW) and Cap'ter Méthanisation (0.5 MW) plants are now operational. Industrial problems arose during the ramp-up of these ground-breaking facilities. The electricity purchase prices are not sufficient in view of the high operating costs.

Construction of the Sain'ter Méthanisation plant (0.5 MW) is now completed and the ramp-up process is ongoing, with the objective of reaching full capacity in 2015. Feedback from the first two projects has proved invaluable.

The development of new projects has currently been suspended while the Group addresses the operational issues identified, and until prices improve. This situation has resulted in a depreciation of assets, with an impact of (4.6) million euros on 2014 net income, Group share.

In the medium term, the Group plans to capitalise on its industrial experience gained from the operation of these ground-breaking plants in order to extend its offering to the sugar and ethanol industry, with a focus on anaerobic digestion of certain sugar by-products.

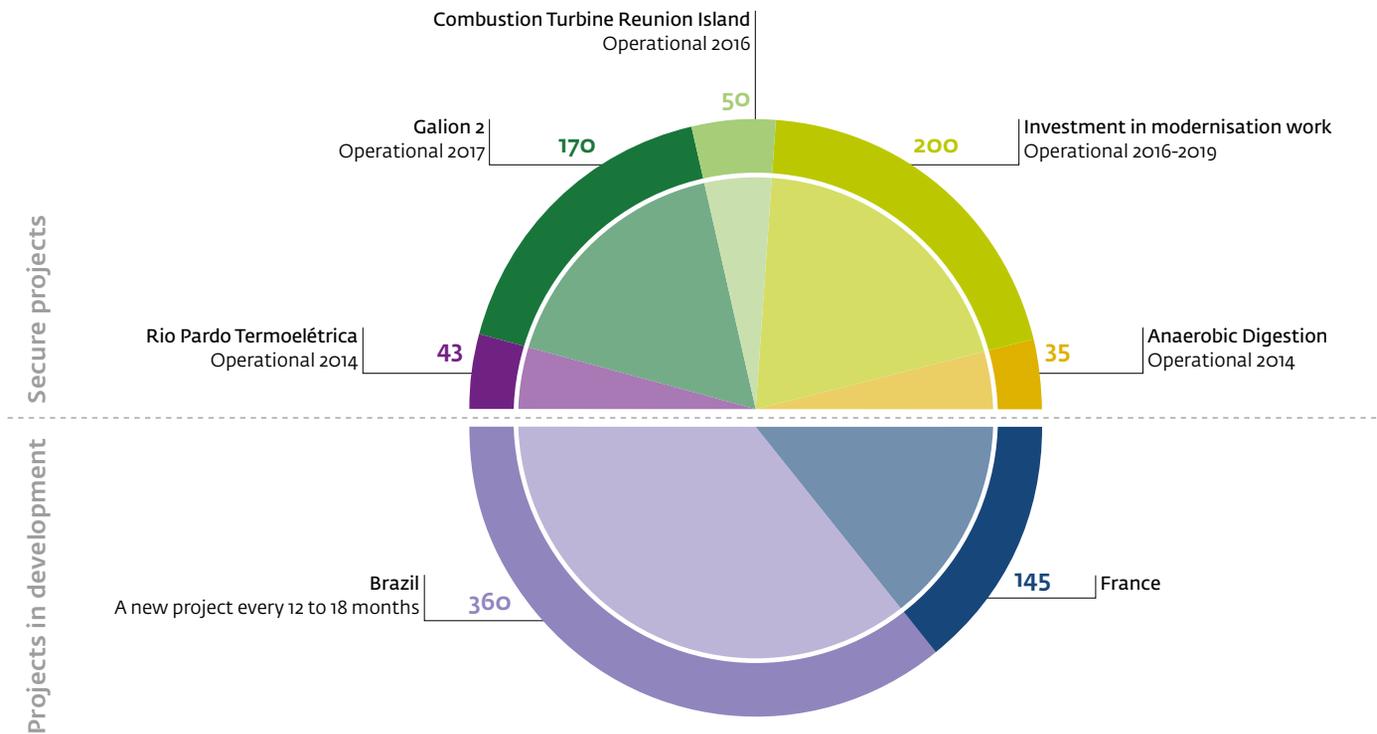
1.4.4. SOLAR POWER - BIDDING FOR CONTRACTS FOR SOLAR FARMS WITH STORAGE CAPABILITIES

In the light of changes in pricing regulations, the Group is henceforth positioned to respond to requests for proposals issued by France's Energy Regulation Board (Commission de Régulation de l'Énergie, CRE) in relation to photovoltaic projects that feature a significant technical innovation (installations with energy storage capabilities). The Group submitted the winning proposals for two such projects in 2013, in Reunion Island (1 MWp, brought into service in 2014) and in Guyana (2 MWp, scheduled to come onstream in 2015).

1.4.5. CONFIRMATION – €1 BILLION TO BE INVESTED IN GROWTH OVER THE PERIOD 2013-2023

The Group confirmed its target to invest €1 billion for growth over the period 2013-2023, half of which has now been secured over five years. These investments will be financed as follows: 60% to 70% via project-related borrowings and 30% to 40% from equity advanced by Albioma and, in some cases, investment partners.

€1 billion invested in growth over the period 2013-2023 (in € million)



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## 1.5. Organisation

### 1.5. Organisation

#### 1.5.1. SIMPLIFIED LEGAL ORGANISATION CHART (as at the Registration Document filing date)



1. With the COFEPP group.

2. With the Tereos group.

3. With COFEPP and Tereos.

4. The Group owns 27% of Terragen Ltd 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 Ltd, together with the sugar producer Mon Trésor et Mon Désert Ltd and the Sugar Investment Trust.

6. The Group owns 25% of Omnicane Thermal Energy Operations La Baraque Ltd, together with the sugar producer Mon Trésor et Mon Désert Ltd and the Sugar Investment Trust.

7. Via Albioma Rio Pardo Participações SA.

8. The Group owns 50% of Énergipole Quantum SAS (together with the Energipole group) and Quantum Caraïbes SAS (alongside the Financière Duval group).

9. The Group owns 80% of Albioma Solaire Habitat SAS, Albioma Solaire Antilles SAS 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 its two founders.

13. Together with Séolis Prod SAS and the local biomass association l'Association des Apporteurs de Biomasse du Bassin Thouarsais.

14. Together with Seolis Prod SAS and Avena Méthanisation SAS.

15. Together with Aemda SAS, Vendée énergie SAEM and Société Nouvelle Interplume SAS.

### Additional information on the Group's legal structure

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 2014 is provided in Note 37 to the consolidated financial statements for the 2014 financial year, in chapter 4, page 138 et seq. of this Registration Document.

### Acquisitions and disposals of participating and controlling interests

#### Significant acquisitions of participating and controlling interests in 2014

The following significant transactions took place in 2014:

- incorporation of the Brazilian company Albioma Rio Pardo Participações SA, 99.99% owned by Albioma Participações do Brasil Ltda;
- acquisition by Albioma Rio Pardo Participações SA of 100% of the shares in the Brazilian company Rio Pardo Termoelétrica Ltda;
- acquisition of 50% of the shares in Power Alliance SCE SAS (renamed Albioma Power Alliance SAS);
- investment by the Company in Biomasse de Martinique SAS at the time of its incorporation, acquiring 33% of its capital.

#### Disposal of significant interests in 2014

The following significant transactions took place in 2014:

- transfer to Océan Indien Participations SAS (Tereos group) and COFEPP SA of 30% and 19% respectively of the capital of Albioma Saint-Pierre SAS;
- early dissolution of Caraïbes Thermique Production SAS and transfer of all the assets and liabilities to Albioma Le Moule SAS (incorporated as a société anonyme at the time), which had become its sole shareholder;
- early dissolution of Caraïbes Énergie Production and transfer of all the assets and liabilities to Albioma Caraïbes, its sole shareholder;
- early dissolution of Exploitation Maintenance Services SAS and transfer of all the assets and liabilities to Albioma Bois-Rouge SAS (incorporated as a société anonyme at the time), which had become its sole shareholder;
- early dissolution of Sud Thermique Production SAS and transfer of all the assets and liabilities to Albioma Le Gol SA, which had become its sole shareholder.

## 1.5.2. FUNCTIONAL ORGANISATION AND MANAGEMENT TEAM

### Functional organisation

In 2014, the Group was structured around operating divisions, created by combining its three businesses (Thermal Biomass, Solar Energy and Anaerobic Digestion) and the areas in which it operates:

- Thermal Biomass – France
- Thermal Biomass – Brazil
- Thermal Biomass - Mauritius
- Solar Energy - France and Southern Europe

- Anaerobic Digestion

At head office, the central departments form a separate operating division, which offers central support services. They are organised as follows:

- Purchasing and Maintenance Department
- Technical and Construction Department
- Industry and Innovation Department
- Administrative and Financial Department, including the Contracts and Legal Affairs Department, the Accounting Department and the Management Control and Information Systems Department
- Corporate Social Responsibility Department (formerly the Social and Environmental Responsibility Department)
- Human Resources Department
- Company Secretariat

### Management team (as at the date of filing of this Registration Document)

The Chairman and Chief Executive Officer and the four Chief Operating Officers form the General Management Committee. A larger body – the Executive Committee - comprises, in addition to the members of the General Management Committee, the main Heads of Corporate Development and Heads of Centralised Support Services.

#### Jacques Pétry, Chairman and Chief Executive Officer<sup>1</sup>

Born on 16 October 1954, Jacques Pétry is a graduate of the École Polytechnique who also has a civil engineering qualification from Ponts et Chaussées. He 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 South 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.

#### Pascal Langeron, Chief Operating Officer

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. In 2012, he was appointed Chief Operating Officer in charge of France.

#### Frédéric Moyné, Chief Operating Officer

Born on 15 October 1975, Frédéric Moyné 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. Since 2013, he is in charge of the development of the Group's activities in Brazil.

<sup>1</sup> Further information is provided in section 2.2.3 on page 39 of this Registration Document.

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## 1.6. Property, plant and equipment

### Louis Decrop, Chief Operating Officer

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, 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.

### Julien Gauthier, Chief Operating Officer

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 Chief Operating Officer in charge of finance in 2015.

## 1.6. Property, plant and equipment

The Group's property, plant and equipment are described in Note 15 to the consolidated financial statements for the 2014 financial year, in chapter 4, page 119 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.

Assets	Location	Activities	Total gross capacity (MW)	Land tenure	Facility tenure
Albioma Bois-Rouge1 (tranches 1 and 2)	Reunion Island	Bagasse/coal cogeneration	60.0	Construction lease	Freehold
Albioma Bois-Rouge 2 (tranche 3)	Reunion Island	Bagasse/coal cogeneration	48.0	Construction lease	Financial lease
Albioma Le Gol A (tranches 1 and 2)	Reunion Island	Bagasse/coal cogeneration	64.0	Construction lease	Freehold
Albioma Le Gol B (tranche 3)	Reunion Island	Bagasse/coal cogeneration	58.0	Freehold	Freehold
Albioma Le Moule	Guadeloupe	Bagasse/coal cogeneration	64.0	Freehold	Freehold
Albioma Caraïbes	Guadeloupe	Coal-fired base-load thermal	38.0	Freehold	Financial lease
Albioma Galion 1	Martinique	Peaking thermal (heating oil)	40.0	Construction lease	Freehold
Albioma Galion 2	Martinique	Biomass cogeneration	36.5	Emphyteutic leases	Freehold
Terragen	Mauritius	Bagasse/coal cogeneration	70.0	Freehold	Freehold
OTEO Saint-Aubin	Mauritius	Biomass cogeneration	35.0	Freehold	Freehold
OTEO La Baraque	Mauritius	Bagasse/coal cogeneration	90.0	Freehold	Freehold
Solar - Metropolitan France	Metropolitan France	Ground array solar	8.2	Emphyteutic leases	Freehold
Solar - Indian Ocean	Reunion Island, Mayotte	Ground array and rooftop solar	25.3	Common-law and emphyteutic leases	Lease with purchase option
Solar - Antilles	Guadeloupe, Martinique	Ground array and rooftop solar	15.6	Common-law and emphyteutic leases	Freehold and lease with purchase option
Solar - French Guiana	French Guiana	Ground array solar	16.0	Emphyteutic leases	Freehold and lease with purchase option
Solar - Spain	Spain	Ground array solar	2.4	Emphyteutic leases	Financial lease
Solar - Italy	Italy	Ground array solar	2.0	Emphyteutic leases	Financial lease
Tiper Méthanisation	Metropolitan France	Anaerobic Digestion	2.0	Freehold	Freehold
Cap'ter Méthanisation	Metropolitan France	Anaerobic Digestion	0.5	Freehold	Freehold
Sain'ter Méthanisation	Metropolitan France	Anaerobic Digestion	0.5	Freehold	Freehold
Rio Pardo Termoelétrica	Brazil	Biomass cogeneration	60.0 <sup>1</sup>	Use free of charge	Freehold

1. Physical guarantee of about 20 MW.

## 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 or planned.

This business activities concerned cover a wide range of field, the main ones being as follows:

- thermal biomass,
- anaerobic digestion of agricultural and agri-business waste and by-products,
- storage of electricity generated by renewable energy production processes,
- 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. These activities are analysed to assess whether they are eligible for assistance and subsidies available for this type of activity.

### THERMAL BIOMASS

Activity is mainly focused in the following areas:

- characterising and researching ways of recycling,
- seeking local industries to supplement existing biomass sources,
- setting up agronomic programmes to study the possibilities of local production of biomass compatible with existing installations.

### ANAEROBIC DIGESTION

The main areas of work are currently as follows:

- adapting methods for the analytical monitoring of digesters to conditions in the field in order to remain within an operational scope providing reasonable margins compared with inhibition risks;
- charge preparation methods with the aim of optimising methane production potential and reaction kinetics;
- tests confirming the agronomic efficiency of the sector's various products:
  - crystallised ammonium sulphate,
  - liquid digestates,
  - solid digestates.

### 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),
- managing the control of energy storage and release,
- the predictability of expected production and its profile on the basis of available meteorological data.

### PREDICTIVE MAINTENANCE (*condition-based 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,
- alternators,
- high-power transformers.

### PRIMARY REDUCTION OF POLLUTANT EMISSIONS

This section concerns the following:

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

The basic logic is the same in all cases: minimising the formation or introduction of pollutants at the very heart of 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.

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## 1.8. Risk factors and insurance policy

### 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 mainly:

- reducing secondary losses from turbine steam paths, notably by using autoclave seals,
- optimising the reheating of water and air in steam cycles, either using energy recovered from processes or by tapping steam at intermediate pressures.

### 1.8. Risk factors and insurance policy

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 the report by the Chairman of the Board of Directors drawn up pursuant to Article L. 225-37 of the French Commercial Code, which can be found in section 2.6, page 75 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. OPERATIONAL RISKS

##### Operational incidents

The operation of industrial units entails risks, which cannot be totally eliminated, relating to industrial accidents (see § 1.8.2, page 23 of this Registration Document for details), 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.

In the specific context of the anaerobic digestion business, it is not possible to operate facilities at full power until a ramp-up phase has been conducted, enabling the bacteria required for the anaerobic fermentation process to develop. The duration of the ramp-up period may be extended in the event of an industrial accident, production facility malfunction, machine breakage or safety shortcoming.

To reduce these risks, the Engineering and Works Department 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. Following the technical problems at the Moule and Bois-Rouge plants in 2014, the strategic stock management system was reviewed and improved.

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.

The procedures and certifications intended to reduce the risk of occurrence of industrial accidents are described in § 1.8.2, page 23 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 and Anaerobic Digestion 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;
- 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;
- non-delivery of an industrial installation under construction;
- industrial accidents during construction of an installation.
- 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 to ensure it 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 the Group as early in the process as possible. Moreover, the Group is currently working on improving 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.

### Access to financing

The Group's capacity to develop its projects, and in particular its Thermal Biomass and Anaerobic Digestion 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.

### Human resources

The highly technical nature of the Group's business activities means that it requires a high level of availability of highly 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 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.

### 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. These are described in the report by the Chairman of the Board of Directors drawn up pursuant to Article L. 225-37 of the French Commercial Code, which can be found in section 2.6, page 75 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 judgment, 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.

## 1.8.2. INDUSTRIAL AND ENVIRONMENTAL RISKS

### Industrial accidents and environmental damage

The operation of electricity 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, 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 and electrofilters) 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).

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## 1.8. Risk factors and insurance policy

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). Terragen in Mauritius obtained the same three certifications in 2014, and OTEO Saint-Aubin obtained ISO 14001:2004 certification in 2014. The Group intends to extend it in the short term to the Albioma Le Moule and Albioma Caraïbes facilities, then to all its activities, regardless of their location. Work is ongoing to ensure the Indian Ocean Solar business obtains triple certification by the end of 2015.

### 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 ICPE 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 6.3.1.4, page 180 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 96/61/EC of 24 September 1996 on integrated pollution prevention and control).

Classified installations for environmental protection are supervised by the local Prefects and the DREAL (the French regional 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. The Company has acquired a number of updated operational tools and resources over the past few years, including a certified health and safety management system which consists of:

- training/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 2013, Safety Committees were set up in the four base load thermal power plants. In 2014, this initiative was extended to all Group activities, supplementing existing on-site safety measures. Committee meetings provide the opportunity for monitoring each production site's safety record, sharing experience and highlighting achievements.

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 will be examined in 2015 and the action plans will be adjusted accordingly.

### 1.8.3. CLIMATE RISKS

Given the nature of its business activities and the location of its sites, the Group is exposed to weather-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 the specific area, 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.

1. When the Bejisa cyclone hit Reunion Island on 2 January 2014 the Group's installations continued to operate and to supply electricity to the network throughout the event. Production was constantly adjusted in view of the special technical conditions caused by the cyclone. Inspections identified only minor damage that did not affect the operational capacity of the thermal and photovoltaic installations, which continued to supply the required level of power as the network was gradually brought back into service.

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 (i.e., approximately 40% for Rio Pardo Termoeletrica, the Group's first Brazilian facility).

The Brazilian climate may also affect a sugar mill's ability to meet its contractual commitments in terms of deliveries of biomass fuel (quantity and quality of the bagasse delivered), 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.

The strategy consisting of the guaranteed sale of electricity produced (see additional information in section 1.8.10.1 on page 28 of this Registration Document) and the geographic diversity of Albioma's sites both contribute to the management of climatic risk in Brazil.

#### 1.8.4. LABOUR-RELATED RISKS

##### Risk of strikes

The Group is exposed to the risk of strikes and other labour disputes, particularly at its overseas Thermal Biomass plants, 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.

On 21 January 2015, certain Thermal Biomass division employees working at the Le Moule site in Guadeloupe went on strike, encouraged by the FE-CGTG trade union (*Fédération de l'Énergie de la Confédération Générale du Travail de la Guadeloupe*).

Energetic negotiations took place under the aegis of Guadeloupe DIECCTE (Directorate of Business, Competition, Consumption, Work and Employment), which resulted in a consensus of opinion. Position statements and decisions were then signed by all the parties. These were confirmed in the form of a memorandum of agreement signed with the FE-CGTG, bringing an end to the conflict. Staff returned to work on 5 March 2015; non-striking employees had been operating both plants since 14 February 2015. The cost of the strike is estimated at approximately €3 million.

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 shares, profit-sharing agreements and incentive schemes. For further information, please refer to section 6.2.1.3., page 175 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 Électriques 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.

#### 1.8.5. COUNTRY-RELATED RISKS

The Group's presence in Mauritius and in Brazil exposes it to specific 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.

In the French overseas departments, the Group is exposed to risks associated with a large-scale political or social crisis that may, in particular, result in general strikes (see further information in section 1.8.4, page 25 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 areas in which it operates.

#### 1.8.6. CREDIT AND COUNTERPARTY RISK, RISKS RELATING TO 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 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 further information in section 1.3.2.2, page 10 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 industrial 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 specific 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 will not be exposed to the risk in the future, as its plants will be able to operate on the basis of injection into the network). The Group carefully selects its clients in both these business sectors in order to substantially reduce the risk, although it cannot be completely eliminated.

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## 1.8. Risk factors and insurance policy

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 (see further 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 further information below on risks associated with supplies). If the sugar producer is unable to deliver the bagasse needed to operate the plant as the result of an operational failure or financial default, this could have a material adverse impact on the Group's results. 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

With regard to its Thermal Biomass and Anaerobic Digestion businesses, the Group is exposed to a risk of a shortage or delay in supplies of raw materials or fuels needed for its operations.

- With regard to the Thermal Biomass business, the Group is exposed more specifically to the following risks:
  - in the French overseas departments 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 further information above on the counterparty risk) or adverse weather conditions (see further information in section 1.8.3., page 24 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 further information in section 1.8.10.1, page 28 of this Registration Document).
- With regard to the Anaerobic Digestion business, the Group is essentially exposed to the potential consequences of the poor quality of the inputs, which may contain materials such as metals or stones that could damage the production equipment. Given the collective nature of the anaerobic digestion units operated by the Group, the risk associated with biomass supplies is immaterial.

More generally, the Group is exposed to the risk of a shortage of or delay in supplies of critical 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 critical 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 Group's largest supplier over the past three financial years has been a supplier of coal; the Group does not have any contractual obligation to purchase from this supplier. In 2014, invoices from this single supplier totalled €46.7 million, excluding tax. In 2014, the total amount invoiced by the Group's ten largest suppliers was €139.8 million, excluding tax.

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 €317.3 million in 2014, representing 89.6% of consolidated income for the 2014 financial year. This is below 2013 income (95.4%), due to the Group's first acquisition in Brazil, where part of production is sold to major industrial players within a contractual framework, and the remainder is sold on the spot market. 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.

### 1.8.7. 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.

### 1.8.8. LITIGATION RISKS AND MAIN DISPUTES

#### 1.8.8.1. 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 have an adverse impact on 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, page 9 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, page 10 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, page 10 of this Registration Document on the situation in Spain), to energy generated by anaerobic digestion, 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.

### 1.8.8.2. 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.

### 1.8.8.3. 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 (*statut*) 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. In a recent decision, the Conseil d'Etat 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 Ltd, 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 Ltd filed a new procedural suit before the lower courts. In April 2015, the court again found in favour of Albioma Bois-Rouge; however, there is still a risk that QBE Insurance Europe Ltd may appeal the decision.
- 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. The action on the merits seeking its cancellation is ongoing.

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 2013 or since the end of the year.

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## 1.8. Risk factors and insurance policy

### 1.8.9. 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 arrange-

ments in terms of their duration and legal terms and conditions. More specifically, it arranges confirmed credit lines to guarantee optimal flexibility in Group financing. These commitments are described in Note 23 to the consolidated financial statements for the 2014 financial year, in chapter 4, page 127 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 2014, the breakdown of the liquidity position compared with that of previous years was as follows:

€ thousands	31/12/2014	31/12/2013	31/12/2012
Other current financial assets	75,869	66,870	61,194
Bank accounts	27,268	38,192	18,193
Unutilised credit lines	40,000	43,500	15,000
<b>Liquidity position</b>	<b>143,137</b>	<b>148,562</b>	<b>94,387</b>

### 1.8.10. MARKET RISKS

#### 1.8.10.1. Risk of adverse 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 further information in section 1.3.2.2, page 9 of this Registration Document).

With regard to the Group's Brazilian activities (see further information in section 3.2.5, page 89 of this Registration Document on the Group's activities in Brazil and section 1.3.2.2, page 10 of this Registration Document on the contractual framework of the Brazilian business activities), contracts have been entered

into with industrial clients at predetermined prices for the second half of 2014 and for 2015 and 2016. Approximately 60% of forecast production has been sold at fixed prices, thus limiting exposure to the risk of adverse 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.

On 27 April 2015, following a competitive bidding process, Rio Pardo Termoeletrica secured the sale of 82 GWh each year, i.e., approximately 50% of its production, on the regulated market for a 20-year period from 2016, at a record price of BRL 212 reais/MWh, indexed to inflation.

#### 1.8.10.2. 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 2014, the Group's borrowings were split as follows:

€ thousands	31/12/2014					31/12/2013				
	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
<b>BORROWINGS FROM FINANCIAL INSTITUTIONS</b>										
Fixed rate	(1,617)	80,302	1,500	80,000	160,185	–	67,242	3,055	–	70,297
Variable rate	(1,392)	226,985	–	–	225,593	432	224,479	–	52,918	277,829
<b>Total</b>	<b>(3,009)</b>	<b>307,287</b>	<b>1,500</b>	<b>80,000</b>	<b>385,778</b>	<b>432</b>	<b>291,721</b>	<b>3,055</b>	<b>52,918</b>	<b>348,126</b>
<b>FINANCIAL LEASING DEBT</b>										
Fixed rate	–	18,813	–	–	18,813	–	31,045	–	–	31,045
Variable rate	–	134,887	–	–	134,887	–	144,449	–	–	144,449
<b>Total</b>	<b>–</b>	<b>153,701</b>	<b>–</b>	<b>–</b>	<b>153,701</b>	<b>–</b>	<b>175,494</b>	<b>–</b>	<b>–</b>	<b>175,494</b>
<b>Total financial debt</b>	<b>(3,009)</b>	<b>460,988</b>	<b>1,500</b>	<b>80,000</b>	<b>539,479</b>	<b>432</b>	<b>467,215</b>	<b>3,055</b>	<b>52,918</b>	<b>523,620</b>

Financial debt included variable-rate debt of €360.5 million in 2014, as opposed to €422.3 million in 2013. The reduction is due in particular to the refinancing of the holding via an €80 million fixed-rate bond issue.

For tranche 3 of the Albioma Bois-Rouge power plant, for which the financing by means of finance leases is not at fixed interest rates, the impact of the change in interest rates on the financing is passed on to customers in accordance with the contractual terms. For all other power plants except tranches 1 and 2 of Albioma Le Gol, which are subject to fixed-rate financing, the impact of the change in interest rates cannot be passed on to customers. As such, those 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.

The interest rate hedges are described in Note 24 to the consolidated financial statements for the 2014 financial year, in chapter 4, page 128 of this Registration Document.

Sensitivity of financial assets and liabilities to variations in interest rates is described in Note 32.1 to the consolidated financial statements for the 2014 financial year, in chapter 4, page 133 of this Registration Document.

### 1.8.10.3. Currency risk

The Group publishes its consolidated financial statements in euros, and in 2014 95% of its income and 87% 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;

- the activities of the Brazilian companies: following 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 performance from one year to the next. For example, if the euro appreciates against the real, this will reduce the contribution to 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. The 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 borrowings, denominated in certain cases in euros;
  - the partial indexation to the euro of contracts for the sale of electricity.
  - also, the Group has recognised embedded currency derivatives (euro/Mauritian rupee) relating to contracts for the sale of electricity.

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

At 31 December 2014, currency risks were as follows:

#### Value in euros of assets in BRL

<i>€ thousands</i>	31/12/2014	31/12/2013	31/12/2012
Assets	57,755	-	-
Liabilities	(23,230)	-	-
Net position before management	34,525	-	-
Off-balance sheet position	-	-	-
Net position after management	34,525	-	-

#### Value in euros of assets in Mauritian rupees

<i>€ thousands</i>	31/12/2014	31/12/2013	31/12/2012
Assets	24,467	23,560	24,104
Liabilities	-	-	(539)
Net position before management	24,467	23,560	23,565
Off-balance sheet position	-	-	-
Net position after management	24,467	23,560	23,565

These net positions in Mauritian rupees are subject to a hedge of a net investment in a foreign operation (see further information in Note 16 to the financial statements for the 2014 financial year, in chapter 4, page 120 of this Registration Document). As such, a movement in the euro / Mauritian rupee exchange rate would have no material impact on shareholders' equity.

#### Sensitivity to currency risk (euro/brazilian real)

2014	Impact on net income		Impact on shareholders' equity	
	5% increase	5% decrease	5% increase	5% decrease
Brazilian real	+1.7%	-1.5%	+0.5%	-0.4%

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## 1.8. Risk factors and insurance policy

### 1.8.10.4. 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 further information in section 7.3.6, page 203 of this Registration Document).

### 1.8.10.5. Risks relating to significant off-balance sheets commitments

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

These commitments are described in Note 33 to the consolidated financial statements for the 2014 financial year, in chapter 4, page 135 of this Registration Document.

## 1.8.11. INSURANCE

### 1.8.11.1. Insurance policy

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 €4.2 million in 2014, as compared to €3.8 million in 2013).

### 1.8.11.2. Summary of main policies

#### Damage and operating losses policies

##### Thermal Biomass

As at the date of filing of this Registration Document, the Group's thermal power plants in France and Mauritius ) were covered by the following insurance policies:

- First-line policy with an insured amount of €1,089 million for direct damage and €379 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 damage, and between 30 and 45 days for operating losses), with an aggregate pay-out limit per plant (€250 million) 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 damage and €200 million for operating losses, with an excess of €250 million and an aggregate pay-out limit per plant of €150 million.

In Brazil, Rio Pardo Termoelétrica was covered by an "all risks except" policy for BRL 143 million for direct damage and BRL 58 million for operating losses, with an excess of BRL 400,000 or 10% of the amount of the loss (direct damage) and 45 days (operating losses).

##### Solar Power

As at the date of filing of this Registration Document, the Group's photovoltaic installations were covered by several insurance policies for a total amount of €167 million for direct damage and €48 million for operating losses.

##### Anaerobic Digestion

As at the date of filing of this Registration Document, 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 the replacement value of each anaerobic digestion unit or the operating losses over a 12-month period (currently, €23.4 million for direct damage and €4.2 million for anticipated or established operating losses), with a variable excess based on the plants and the type of damage or loss.

#### Operational civil liability

##### Thermal Biomass and Solar

As at the date of filing of this Registration Document, the Group's Solar and Thermal Biomass activities in Overseas France were covered by operational civil liability policies for €35 million per claim, and also have civil liability coverage after delivery/professional civil liability coverage of €6 million per claim and per annum.

The Group's Brazilian subsidiaries were covered by operational civil liability policies for BRL 20 million.

1. Excluding OTEO La Baraque and OTEO Saint-Aubin in Mauritius.

### **Anaerobic Digestion**

As at the date of filing of this Registration Document, the Group's Anaerobic Digestion installations were covered by an operational civil liability policy per plant for between €3 million and €7.5 million per claim, depending on the scale of the project, and also have civil liability coverage after delivery/professional civil liability coverage per plant of between €1.5 million and €2 million per claim and per annum, depending on the size of the unit.

### **Civil liability for environmental damage**

As at the date of filing of this Registration Document, 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 the date of filing of this Registration Document, 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 46 million.





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## 2 • CORPORATE GOVERNANCE

### 2.1. Principles

#### 2.1. Principles

##### 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 June 2013.

The Company attaches paramount importance to the effectiveness 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:

<http://www.medef.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 2.5, on page 74 of this Registration Document) setting out the reasons for this choice.

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

The following includes the report of the Chairman of the Board of Directors, prepared pursuant to Article L. 225-37 of the French Commercial Code, on the composition of the Board of Directors and conditions for the preparation and organisation of its work (comprising sections 2.1, 2.2 and 2.5, on pages 34 and 74 of this Registration Document), and on the internal control and risk management procedures implemented by the Company (section 2.6, on page 75 of this Registration Document)<sup>1</sup>.

In accordance with the provisions of this same article, it is noted that the information referred to in Article L. 225-100-3 of the French Commercial Code is shown in section 7.5, on page 213 of this Registration Document.

The sections of this Registration Document constituting the report of the Chairman of the Board of Directors covered by Article L. 225-37 of the French Commercial Code were specifically approved by the Board of Directors at its meeting of 3 March 2015, in accordance with the provisions of said article.

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

##### 2.2.1. COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2014

The table below summarises the composition of the Board of Directors at 31 December 2014. Detailed information on the Corporate Officers in office on this date is provided in section 2.2.3, on page 39 of this Registration Document. Information is also provided in section 2.2.2.2, on page 36 of this Registration Document on changes to the composition of the Board of Directors since the beginning of the 2015 financial year and the terms of office that will expire at the end of the General Meeting to be held on 28 May 2015 to approve the financial statements for the 2014 financial year.

At 31 December 2014, the Company's Board of Directors comprised nine members:

- the Chairman and Chief Executive Officer,
- five independent Directors (including the Deputy Chairman of the Board of Directors),
- and three Directors from the Apax Partners group (including Financière Hélios, the Company's main shareholder, which, together with funds managed by Apax Partners to which it is related, held 42.47% of the share capital at 31 December 2014)<sup>2</sup>.

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)<sup>3</sup>;
- any Directors representing the employee shareholders (Article L. 225-23 of the French Commercial Code), given that the percentage of the share capital held by employees of the Company or of any related companies at 31 December 2014 was lower than 3% (see the information provided in section 7.3.4, on page 203 of this Registration Document).

The works council representative is systematically given notice of Board meetings and may attend in a non-voting capacity.

1. Article L. 225-37 of the Commercial Code: [free translation from the French text] "[...] The Chairman of the Board of Directors gives an account of, in a report appended to the report referred to in Articles L. 225-100, L. 225-102, L. 225-102-1 and L. 233-26, the composition of the Board and application of the principle of balanced representation of men and women on the Board, the conditions for the preparation and organisation of the Board's work, as well as the internal control and risk management procedures implemented by the Company, by detailing in particular those procedures that relate to the preparation and treatment of accounting and financial information for the parent company financial statements and, where applicable, for the consolidated financial statements. Without prejudice to the provisions of Article L. 225-56, this report also indicates any limitations that the Board of Directors places on the Chief Executive Officer's powers.

When a company voluntarily complies with a Corporate Governance Code drawn up by an organisation that represents companies, the report covered by this article also stipulates the provisions that have not been adopted and the reasons for this. The place where this code can be consulted is also stipulated. If a company does not refer to such a Corporate Governance Code, this report indicates the rules applied in addition to the requirements stipulated by the law and explains the reasons behind the company's decision not to apply any provisions of this Corporate Governance Code.

The report stipulated in this article also stipulates the specific procedures relating to participation of shareholders in General Meetings and refers to the provisions of the Memorandum and Articles of Association that set out these procedures.

This report also presents the principles and rules approved by the Board of Directors for determining the remuneration and benefits-in-kind granted to Corporate Officers and it refers to disclosure of the information stipulated in Article L. 225-100-3.

The report stipulated in this article is approved by the Board of Directors and is made public."

2. A breakdown of the Company's share capital is provided in section 7.3, on page 201 of this Registration Document.

3. 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 2015, any measures that would result in the appointment of salaried Directors.

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

Full name	Offices held within the Company <sup>1</sup>	Date of first appointment	Last renewal date <sup>7</sup>	Expiry date <sup>8</sup>
Jacques Pétry	Director	29/10/2011 <sup>2</sup>	30/05/2013	2017 GM
	Chairman of the Board of Directors	29/10/2011	30/05/2013	2017 GM
	Chief Executive Officer	29/10/2011	30/05/2013	2017 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
	Chairman of CESO	18/01/2012	27/05/2014	2018 GM
	Member of CACR	09/06/2009	27/05/2014	2018 GM
Jean-Carlos Angulo	Independent Director	30/05/2013	n/a	2017 GM
	Member of CESO	30/05/2013	27/05/2014	2017 GM
	Member of CRSE	30/05/2013	27/05/2014	2017 GM
Patrick de Giovanni	Director	12/07/2005 <sup>3</sup>	25/05/2011	2015 GM
	Member of CACR	18/01/2012	27/05/2014	2015 GM
	Member of CRSE	30/05/2013	n/a	2015 GM
Financière Hélios	Director	12/07/2005 <sup>4</sup>	30/05/2013	2017 GM
	Member of CESO	19/12/2008	27/05/2014	2017 GM
	Member of CNR	30/05/2013	27/05/2014	2017 GM
Edgard Misrahi	Permanent representative of Financière Hélios in its capacity as Director	21/10/2011	n/a	n/a
Myriam Maestroni	Independent Director	25/01/2012 <sup>5</sup>	n/a	2015 GM
	Chair of CRSE	24/09/2012	27/05/2014	2015 GM
Michèle Remillieux	Independent Director	30/05/2013	n/a	2017 GM
	Chair of CNR	30/05/2013	27/05/2014	2017 GM
Maurice Tchenio	Director	21/10/2011 <sup>6</sup>	n/a	2015 GM
Daniel Valot	Independent Director	30/05/2013	n/a	2017 GM
	Chairman of CACR	30/05/2013	27/05/2014	2017 GM
	Member of CNR	30/05/2013	27/05/2014	2017 GM

1. Board of Directors: Board of Directors; CESO: Commitments and Monitoring Committee (Comité des Engagements et de Suivi des Opérations); CACR: Audit, Accounts and Risks Committee (Comité d'Audit, des Comptes et des Risques); CNR: Nomination and Remuneration Committee (Comité des Nominations et Rémunérations); CRSE: Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) (Comité de la Responsabilité Sociale et Environnementale).

2. 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.

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

4. 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.

5. Provisional appointment by the Board of Directors of Myriam Maestroni to her seat for the remaining term of office, ratified by the shareholders at the General Meeting of 14 March 2012. Her seat as Director (first provisional appointment on 25 May 2011) had been left vacant following her automatic resignation on 25 November 2011 because the Director did not hold the minimum number of shares required by the Company's Memorandum and Articles of Association.

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

7. 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.

8. 2015 GM: term of office expiring at the end of the General Meeting to be held in 2015 with a view to approving the financial statements for the 2014 financial year; 2017 GM: term of office expiring at the end of the General Meeting to be held in 2017 with a view to approving the financial statements for the 2016 financial year; 2018 GM: term of office expiring at the end of the General Meeting to be held in 2018 with a view to approving the financial statements for the 2017 financial year.

## 2 • CORPORATE GOVERNANCE

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

#### 2.2.2. SUNDRY CONSIDERATIONS RELATING TO THE ORGANISATION OF GENERAL MANAGEMENT, THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE STATUS OF THE DIRECTORS

##### 2.2.2.1. Considerations relating to the organisation of General Management

Since 17 May 2006, the Chairman of the Board of Directors is responsible for the Company's General Management. This principle of combining the functions of Chairman of the Board of Directors and Chief Executive Officer was recently confirmed by the Board of Directors at its meeting of 30 May 2013, which followed the holding of the General Meeting of the same day, at which it renewed the terms of office of Jacques Pétry as Chief Executive Officer and Chairman of the Board of Directors.

On this occasion, the Board of Directors confirmed the reasons that had previously led it to adopt this organisation of General Management, deeming that it was best suited to the Group's desired organisation and *modus operandi*, and the most likely to:

- make the most of the Chairman's knowledge and business experience;
- foster a close relationship between senior managers and the Company's shareholders, and optimise the responsiveness of the Board of Directors;
- optimise coordination within the Group.

The Chief Executive Officer and the Chairman of the Board of Directors, who is a member of the Board of Directors, are appointed by the Board of Directors for the terms of office set by it.

Pursuant to the Company's 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. However, 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 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.

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 Chairman and Chief Executive Officer was, during 2014, authorised to furnish sureties, pledges and guarantees under the following conditions (at the end of the 2014 financial year this authorisation was renewed by the Board of Directors on identical terms for the 2015 financial year):
  - 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.
- Pursuant to the Board of Directors' Internal Regulations, the Board of Directors must give prior authorisation for the investments required by industrial projects or planned acquisitions during the year and/or their funding.

##### 2.2.2.2. Considerations relating to the composition of the Board of Directors and the status of the Directors

#### Principles applicable to the appointment of Directors

The Board of Directors is composed of three to 12 members, appointed by the shareholders at a General Meeting. Their term of office lasts four years and expires at the end of the General Meeting called to approve 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 established as a result of a decision of the Board of Directors.

At 31 December 2014, two Directors were aged over 70. The average age of the members of the Board of Directors was 65.

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 2014, 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.

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

### Independence of Directors and management of known and potential conflicts of interest – Declarations made pursuant to Appendix 1 of European Commission regulation no. 809/2004 of 29 April 2004

#### Independence of Directors within the meaning of the AFEP-MEDEF Code

At least once a 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 2013 financial year, undertaken at the Board of Directors meeting of 4 March 2014, the following Directors were deemed to qualify as independent Directors:

- Jean-Carlos Angulo;
- Michel Bleitrach;
- Myriam Maestroni;
- Michèle Remillieux;
- Daniel Valot.

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

- Jacques Pétry, given his roles as Chairman and Chief Executive Officer;
- Patrick de Giovanni and Maurice Tchenio, given their roles exercised within the Apax Partners group, the Company's main shareholder;
- Financière Hélios (represented in that capacity as Director by Edgard Misrahi), given its status as the Company's main shareholder, along with funds managed by the Apax Partners group.

These findings were confirmed at the time of the annual review of the position of the Directors for the 2014 financial year at the Board of Directors meeting of 3 March 2015. As such, at 31 December 2014 and on the date of filing of this Registration Document, independent Directors accounted for 55.6% of the members of the Board of Directors (i.e. five Directors out of nine), which is the same proportion as at 31 December 2013, thus remaining significantly higher than the minimum of one third recommended by the AFEP-MEDEF Code.

#### Management of conflicts of interest

Over and above the considerations relating to identification of independent Directors and their proportion on the Board 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 with regard to 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 thus requested to:

- formally confirm his/her undertaking to inform the Board of Directors, in accordance with the provisions of the Directors' Charter appended to the Board of Directors' Internal Regulations, of any situation involving a conflict of interest, even potential, and, in such a case, to abstain from participating in debates and voting on the corresponding deliberation;
- where applicable, formally inform the Board of Directors of the existence of such situations involving a known or potential conflict of interest.

The annual review of the position of the Directors for the 2014 financial year at the Board of Directors' meeting of 3 March 2015 did not reveal, based on the declarations made by each Director, the existence of any situation involving a conflict of interest.

#### Multiple offices

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its meeting of 4 March 2014, decided to amend the Directors' Charter, appended to the Board of Directors' Internal Regulations, as necessary to comply with the AFEP-MEDEF Code's recommendations on the number of offices held by Corporate Officers and Directors (§ 19 of the AFEP-MEDEF Code). On the date of filing of this Registration Document, the rules applicable to Directors of Albioma are thus as follows:

- the Chairman and Chief Executive Officer cannot hold more than two other terms of office as Directors in non-Group listed companies, including foreign companies;
- the Chairman and Chief Executive Officer must submit for prior authorisation by the Board of Directors acceptance of any term of office in any non-Group listed company;
- Directors other than the Chairman and Chief Executive Officer cannot hold more than four other terms of office in non-Group listed companies, including foreign companies;
- the Directors must keep the Board of Directors informed of all significant terms of office and roles, including their roles as members of specialised Committees of a Board of Directors, that they hold in any non-Group company, whether listed or unlisted.

On the date of filing of this Registration Document, all Directors of the Company, including its Chairman and Chief Executive Officer, complied with these obligations. The significant terms of office and roles held by Corporate Officers during the year are set out in section 2.2.3 on page 39 of this Registration Document.

## 2 • CORPORATE GOVERNANCE

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

#### Declarations made pursuant to Appendix 1 of European Commission regulation no. 809/2004 of 29 April 2004

During the annual review of the position of the Directors for the 2014 financial year, undertaken at the Board of Directors meeting of 3 March 2015, 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.

#### Balanced representation of men and women on the Board of Directors

At 31 December 2014, two women sat on the Board of Directors out of a total of nine Directors, representing 22.2%, which is the same proportion as at 31 December 2013.

At this date, the proportion of Directors of the same gender was therefore consistent with the dictates 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 professional equality, and Article 5 (II) of the same law.

The Board of Directors, with the support of the Nomination and Remuneration Committee, will take the necessary action to ensure that its composition meets the objectives set by the aforementioned provisions by no later than the date of the General Meeting to be held in 2017 with a view to approving the financial statements for the 2016 financial year (minimum proportion of 40% of Directors of each gender or, when the Board of Directors consists of no more than eight members, a maximum difference of two between the number of female Directors and the number of male Directors).

#### Staggering of the terms of office of the Directors

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 2014, whose renewal was spread over three financial years (2015, 2017 and 2018, see additional information in section 2.2.1 on page 35 of this Registration Document), does not require the implementation of any specific provisions in this regard.

#### Renewal of terms of office and changes made to the composition of the Board of Directors during the 2014 financial year

The General Meeting of 27 May 2014 renewed the appointment as Director of Michel Bleitrach, which expired at the end of said meeting, for a term of four years to expire at the end of the General Meeting to be held in 2018 with a view to approving the financial statements for the 2017 financial year.

Accordingly, after that General Meeting, the Board of Directors:

- renewed the appointment as Deputy Chairman of the Board of Directors of Michel Bleitrach, for his term of office as Director<sup>1</sup>;
- confirmed the composition of the Board of Directors' specialised Committees as stated in the resolutions adopted on 30 May 2013 (details of the composition of the Board of Directors' specialised Committees are provided in section 2.2.4.1, on page 51 et seq. of this Registration Document).

#### Terms of office expiring at the end of the General Meeting called on 28 May 2015 with a view to approving the financial statements for the 2014 financial year

The current terms of office as a Director of Patrick de Giovanni, Myriam Maestroni and Maurice Tchenio will expire at the end of the General Meeting to be held on 28 May 2015 with a view to approving the financial statements for the 2014 financial year. At its meeting of 28 April 2015, the Board of Directors accordingly decided, on the basis of recommendations by the Nomination and Remuneration Committee, to invite the shareholders at the General Meeting of 28 May 2015 to:

- renew the appointment as Director of Maurice Tchenio for a term of four years to expire at the end of the General Meeting to be held in 2019 with a view to approving the financial statements for the financial year ending 31 December 2018;
- record expiry of the term of office as Director of Patrick de Giovanni, who does not wish to stand for office again, and appoint as Director Franck Hagège for a term of four years to expire at the end of the General Meeting to be held in 2019 with a view to approving the financial statements for the financial year ending 31 December 2018;
- record expiry of the term of office as Director of Myriam Maestroni, who does not wish to stand for office again, and appoint as Director Marie-Claire Daveu for a term of four years to expire at the end of the General Meeting to be held in 2019 with a view to approving the financial statements for the financial year ending 31 December 2018.

More detailed information on this renewed appointment and these new appointments is provided in the report by the Board of Directors to the General Meeting, in section 8.2, on page 220 et seq. of this Registration Document.

1. At the same time, the Board of Directors confirmed the resolutions adopted at its meeting of 4 March 2014, at which it had decided to put the renewal of the appointment as Director of Michel Bleitrach to the General Meeting and to also renew his appointment as Deputy Chairman of the Board of Directors if the shareholders renewed his appointment as Director.

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

## 2.2.3. LIST OF THE MAIN OFFICES AND POSITIONS HELD BY THE CORPORATE OFFICERS DURING THE 2014 FINANCIAL YEAR AND THE FIVE PREVIOUS YEARS

**Jacques Pétry, Chairman and Chief Executive Officer**

- Born: 16 October 1954
- Nationality: French
- Main position held outside the Group at 31 December 2014 (when the position held within the Group is not the main position): not applicable
- Business address: Albioma, Tour Opus 12, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex

Holds 85,996 Albioma shares as at 31 December 2014 (see further information in section 2.3.5.3, on page 68 of this Registration Document on shares held following their effective acquisition under the bonus share plans.

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 South 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.

**Other offices and positions****Other offices and positions (information at 31/12/2014)****WITHIN THE ALBIOMA GROUP**

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

**OUTSIDE THE ALBIOMA GROUP**

Jacques Pétry Strategic Services EURL <sup>1</sup>	Manager
Shanks Plc <sup>2</sup>	Non-Executive Director

**Other terms of office and positions held during the last five years, expired at 31/12/2014****Expiry****WITHIN THE ALBIOMA GROUP**

Methaneo SAS	Member of the Supervisory Board	2014
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**OUTSIDE THE ALBIOMA GROUP**

Idex SA	Member of the Supervisory Board	2011
Idex SA	Chairman of the Supervisory Board	2011
Jacques Pétry Strategic Services Ltd	Director	2011

1. Dormant company.

2. Listed company.

## 2 • CORPORATE GOVERNANCE

### 2.2. 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, Chairman of the Commitments and Monitoring Committee, member of the Audit, Accounts and Risks Committee**

- Born: 9 July 1945
- Nationality: French
- Main position held outside the Group at 31 December 2014 (when the position held within the Group is not the main position): Chairman of the Supervisory Board of Vincipark
- Business address: Albioma, Tour Opus 12, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 420 Albioma shares as at 31 December 2014

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 Vincipark's Supervisory Board in 2014. In 2006 he joined the Board of Directors of Albioma (then called Séchillienne-Sidec), and in 2011 was appointed Deputy Chairman of the Board of Directors.

#### Other offices and positions

##### Other offices and positions (information at 31/12/2014)

###### WITHIN THE ALBIOMA GROUP

Not applicable

###### OUTSIDE THE ALBIOMA GROUP

Holding d'Infrastructure des Métiers de l'Environnement (HIME) SAS	Director
JC Decaux SA <sup>1</sup>	Director
Spie SA	Director
Vincipark SAS	Member of the Supervisory Board
Vincipark SAS	Chairman of the Supervisory Board

##### Other terms of office and positions held during the last five years, expired at 31/12/2014

Expiry

###### WITHIN THE ALBIOMA GROUP

Albioma SA	Member of the Nomination and Remuneration Committee	2012
Albioma SA	Chairman of the Nomination and Remuneration Committee	2012

###### OUTSIDE THE ALBIOMA GROUP

Effia SA	Director	2014
Kéolis SA	Director	2014
Kébéxa SAS	Chairman	2012
Keolis Downer EDI Rail (KDR) (Australia)	<i>Non-Executive Chairman</i>	2012
Kéolis SA	Chairman of the Board of Directors	2012
Kéolis SA	Chief Executive Officer	2012
Kéolis SAS	Chairman of the Management Board	2012
Facéo SA	Director	2010

1. Listed company.

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

**Jean-Carlos Angulo, independent Director, member of the Commitments and Monitoring Committee, member of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee)**

- Born: 13 April 1949
- Nationality: French
- Main position held outside the Group at 31 December 2014 (when the position held within the Group is not the main position): not applicable.
- Business address: Albioma, Tour Opus 12, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 707 Albioma shares as at 31 December 2014

A graduate of the École Nationale Supérieure des Mines de Nancy (1971) and INSEAD, 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 Mana 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. He joined Albioma as a Director on 30 May 2013.

**Other offices and positions****Other offices and positions (information at 31/12/2014)****WITHIN THE ALBIOMA GROUP**

Not applicable

**OUTSIDE THE ALBIOMA GROUP**Lafarge Cement WAPCO Plc (Nigeria)<sup>1</sup> Director**Other terms of office and positions held during the last five years, expired at 31/12/2014****Expiry****WITHIN THE ALBIOMA GROUP**

Not applicable

**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

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

#### **Patrick de Giovanni, Director, member of the Audit, Accounts and Risks Committee, member of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee)**

- Born: 04 March 1945
- Nationality: French
- Main position held outside the Group at 31 December 2014 (when the position held within the Group is not the main position): Managing Partner of Apax Partners
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Holds 430 Albioma shares as at 31 December 2014

After graduating from École Polytechnique, Patrick de Giovanni started his career with Compagnie Française d'Organisation (COFROR), before holding a range of positions within the Neiman group (automotive equipment manufacturer). He then joined the industrial research department at Société Générale before setting up his own business, and then joining the Apax Partners group. He has been a Managing Partner at Apax since 1983. He is a former Chairman of AFIC, the French Private Equity Association. Patrick de Giovanni joined Albioma (then called Séchillienne-Sidec) as a Director in 2005.

#### **Other offices and positions**

##### **Other offices and positions (information at 31/12/2014)**

###### **WITHIN THE ALBIOMA GROUP**

Not applicable

###### **OUTSIDE THE ALBIOMA GROUP**

Apax Partners SA	Director
Financière Hélios SAS	Chief Executive Officer
GFI Informatique SA <sup>1</sup>	Director
Impact Partenaires SAS	Chairman of the Supervisory Board
Itefin Participations SAS	Chief Executive Officer
Itefin Participations SAS	Member of the Board of Directors
SC Plamet	Manager

##### **Other terms of office and positions held during the last five years, expired at 31/12/2014**

**Expiry**

###### **WITHIN THE ALBIOMA GROUP**

Albioma SA	Member of the Nomination and Remuneration Committee	2013
Albioma SA	Member of the Commitments and Monitoring Committee	2010

###### **OUTSIDE THE ALBIOMA GROUP**

Altamir Gérance SA	Director	2014
Financière Hélios SAS	Member of the Executive Committee	2013
NWL Investissements SA (Luxembourg)	Director	2012
Finalliance SAS	Permanent representative of Apax Partners SA in its capacity as member of the Board of Directors	2011
Camelia Participations SAS	Director	2010
Vedici Groupe SAS	Director	2010

1. Listed company.

#### **Financière Hélios, Director, member of the Commitments and Monitoring Committee, member of the Nomination and Remuneration Committee**

- French simplified limited company (Société par actions simplifiée) with share capital of €9,641,000, registered in the Paris Trade and Companies Register under number 483,039,806
- Registered office: 1 Rue Paul Cézanne, 75008 Paris
- Holds 11,023,435 Albioma shares as at 31 December 2014 (see information provided in section 7.3, on page 201 of this Registration Document on the breakdown of the share capital at 31 December 2014)

#### **Other offices and positions**

Not applicable.

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

**Edgard Misrahi, permanent representative of Financière Hélios in its capacity as Director**

- Born: 11 December 1954
- Nationality: French
- Main position held outside the Group as at 31 December 2014 (when the position held within the Group is not the main position): Chairman and Chief Executive Officer of Apax Partners MidMarket
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Holds 410 Albioma shares as at 31 December 2014

A graduate of the École Polytechnique and Harvard Business School, after spending a few years at McKinsey Co. in Paris, then in an American telecommunications group in the US, Edgard Misrahi joined Apax Partners in 1991 as Associate Director. He is currently Chairman and Chief Executive Officer of Apax Partners Midmarket. He served as Chairman of AFIC, the French Private Equity Association, from 2007 to 2008. Since 2011 he has represented Financière Hélios, Albioma's core shareholder, on the Board of Directors.

**Other offices and positions****Other offices and positions (information at 31/12/2014)****WITHIN THE ALBIOMA GROUP**

Not applicable

**OUTSIDE THE ALBIOMA GROUP**

Alexympia SA (Luxembourg)	Chairman of the Board of Directors
Alexympia SA (Luxembourg)	Director
Altamir Gérance SA	Director
Apax Partners MidMarket SAS	Chairman
Apax Partners MidMarket SAS	Director
ETAI SAS	Member of the Management Committee
Financière Hélios SAS	Chairman
Financière MidMarket SAS	Chairman
Financière MidMarket SAS	Director
InfoPro Digital SAS	Chairman of the Supervisory Board
SC Carmel	Manager
SC Cassiopée	Managing Partner
SC Infolvest	Permanent representative of Apax Partners SA in its capacity as Manager
SC Pégase	Managing Partner
Vocalcom SAS	Permanent representative of Apax Partners MidMarket SAS in its capacity as Director
Willink SAS	Permanent representative of Apax Partners MidMarket SAS in its capacity as Director

**Other terms of office and positions held during the last five years, expired at 31/12/2014****Expiry****WITHIN THE ALBIOMA GROUP**

Albioma SA	Permanent representative of Financière Hélios in its capacity as member of the Audit, Accounts and Risks Committee	2012
Albioma SA	Director	2011
<b>OUTSIDE THE ALBIOMA GROUP</b>		
Apax Partners SA	Director	2014
Dxo Labs SA	Director	2013
Financière Hélios SAS	Member of the Executive Committee	2013
Arkadin Holding SAS	Permanent representative of Apax Partners SA in its capacity as member of the Supervisory Board	2012
H Participations SAS	Chairman	2012
Odyfinance SA (Luxembourg)	Director	2012
SC SE Bizet	Manager	2012
Camélia Participations SAS	Director	2011
Groupe Outremer Télécom SA	Director	2011
Prosodie SA	Director	2011
Cegid SA	Permanent representative of Apax Partners SA in its capacity as Director	2010
Hubwo.com SA	Director	2010
Ardadin SA	Représentant permanent de Apax Partners SA	2009
Apax Partners SA	Directeur Général Délégué	2009
Oséo Garantie SAEM	Censeur	2009

## 2 • CORPORATE GOVERNANCE

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

#### **Myriam Maestroni, independent Director, Chairwoman of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee)**

- Born: 31 May 1967
- Nationality: French
- Main position held outside the Group at 31 December 2014 (when the position held within the Group is not the main position): Chairwoman of Économie d'Énergie
- Business address: Économie d'Énergie, 67 Boulevard Bessières, 75017 Paris
- Holds 409 Albioma shares as at 31 December 2014

A graduate of the École Supérieure de Commerce de Bordeaux and holder of a postgraduate degree in International Business and Financial Techniques from the University of Barcelona and an MBA from ESADE (Barcelona), Myriam Maestroni worked for audit firms (Mazars, Salustro), then from 1991 to 1996, she served as Head of Management Control and then as Executive Managing Director for the Dyneff group (Spain) in the oil products distribution sector. She was then appointed Executive Managing Director of Primagaz Distribution (Spain), International Projects Manager of SHV Gas (Netherlands), Sales Director of Primagaz (France) and, finally, Executive Managing Director of Primagaz and SHV Gas. She is currently the founding Chairwoman of Economie d'Énergie SAS, a subsidiary of SHV Energy, the parent company of Primagaz. In November 2011, she was the recipient of La Tribune Women's Award in the "Green Business" category. She joined Albioma (then called Séchillienne-Sidec) as a Director in 2011.

#### **Other offices and positions**

##### **Other offices and positions (information at 31/12/2014)**

###### **WITHIN THE ALBIOMA GROUP**

Not applicable

###### **OUTSIDE THE ALBIOMA GROUP**

Économie d'Énergie SAS Chair

##### **Other terms of office and positions held during the last five years, expired at 31/12/2014**

###### **WITHIN THE ALBIOMA GROUP**

		<b>Expiry</b>
Albioma SA	Chair of the Nomination and Remuneration Committee	2013
Albioma SA	Independent Director	2011

###### **OUTSIDE THE ALBIOMA GROUP**

CGP Primagaz	Chief Executive Officer	2011
Société Métallurgique Liotard Frères SA	Director	2011
Société Métallurgique Liotard Frères SA	Chair of the Board of Directors	2011

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

**Michèle Remillieux, independent Director, Chairwoman of the Nomination and Remuneration Committee**

- Born: 19 October 1946
- Nationality: French
- Main position held outside the Group at 31 December 2014 (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, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 403 Albioma shares as at 31 December 2014

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 as a Director on 30 May 2013.

**Other offices and positions****Other offices and positions (information at 31/12/2014)****WITHIN THE ALBIOMA GROUP**

Not applicable

**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 31/12/2014****Expiry****WITHIN THE ALBIOMA GROUP**

Not applicable

**OUTSIDE THE ALBIOMA GROUP**

Hay Group SA	Chief Operating Officer	2013
Hay Group SA	Director	2013

## 2 • CORPORATE GOVERNANCE

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

#### Maurice Tchenio, Director

- Born: 19 January 1943
- Nationality: French
- Main position held outside the Group at 31 December 2014 (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, Chairman of AlphaOmega Foundation
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Holds 132,652 Albioma shares as at 31 December 2014

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 AFIC, the French Private Equity Association, and is a former director of the European Venture Capital Association. In 1995 he founded Altamir, a listed private equity company, 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 Séchillienne-Sidec) as a Director in 2011.

#### Other offices and positions

##### Other offices and positions (information at 31/12/2014)

##### WITHIN THE ALBIOMA GROUP

Not applicable

##### OUTSIDE THE ALBIOMA GROUP

Altamir Gérance SA	Director
Altamir Gérance SA	Chairman of the Board of Directors
Altamir Gérance SA	Chief Executive Officer
Altran Technologies SA <sup>1</sup>	Permanent representative of Apax Partners SA in its capacity as Director
Amboise SNC	Manager
Apax Partners SA	Director
Apax Partners SA	Chairman of the Board of Directors
Apax Partners SA	Chief Executive Officer
Financière de l'Echiquier SA	Director
Fondation AlphaOmega	Director
Fondation AlphaOmega	Chairman of the Board of Directors
Lion/Seneca France I SAS	Advisory member of the Board
SC AlphaOmega	Managing Partner
SC Capri	Permanent representative of Apax Partners SA in its capacity as Manager
SC Carmel	Permanent representative of Apax Partners SA in its capacity as Manager
SC Cimarosa	Manager
SC Cimarosa II	Manager
SC Copernic Partenaires	Manager
SC Etoile II	Manager
SC Firoki	Permanent representative of Apax Partners SA in its capacity as Manager
SC Immobilière Mauryland	Co-Manager
SC SE Wagram	Manager
SC TT Investissements	Partner
Thom Europe SAS	Member of the Supervisory Board
Toupargel Groupe SA	Director
Toupargel SASU	Deputy Chairman

1. Listed company.

1. Including 132,236 shares held indirectly under a unit-linked life insurance policy.

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

Other terms of office and positions held during the last five years, expired at 31/12/2014			Expiry
<b>WITHIN THE ALBIOMA GROUP</b>			
Not applicable			
<b>OUTSIDE THE ALBIOMA GROUP</b>			
SC Moussecarrie	Manager		2014
SC Cimarosa Media	Manager		2013
SC Cimarosa Tubes	Manager		2013
SC Galilée Partenaires	Manager		2013
SC Galilée Partenaires II	Manager		2013
SC Longchamp	Manager		2013
3AB Optique Développement SAS	Director		2012
3AB Optique Expansion SAS	Director		2012
3AC Finance SAS	Chairman		2012
F2L SAS	Director		2012
Rue du Commerce SA <sup>1</sup>	Permanent representative of Apax Partners SA in its capacity as Director		2011
SC Equa	Permanent representative of Apax Partners SA in its capacity as Manager		2011
Financière des Docks SAS	Permanent representative of Apax Partners SA in its capacity as member of the Supervisory Board		2010

1. Listed company.

### Daniel Valot, independent Director, Chairman of the Audit, Accounts and Risks Committee, member of the Nomination and Remuneration Committee

- Born: 24 August 1944
- Nationality: French
- Main position held outside the Group at 31 December 2014 (when the position held within the Group is not the main position): Director of CGG (Compagnie Générale de Géophysique-Véritas), Director of Scor
- Business address: 14 Rue du Lac, 1207 Geneva, Switzerland
- Holds 410 Albioma shares as at 31 December 2014

A graduate of the École Nationale d'Administration and the Institut d'Études Politiques de Paris, Daniel Valot is an honorary member of the Court of Auditors, where he began his career. He has spent most of his career in the energy sector, first at Total (1981-1999), where he was inter alia head of the Exploration and Production Division, and then at Technip (world leader in oil engineering), where he served as Chairman and Chief Executive Officer from 1999 to 2007. Daniel Valot joined Albioma as a Director on 30 May 2013.

### Other offices and positions

Other offices and positions (information at 31/12/2014)		
<b>WITHIN THE ALBIOMA GROUP</b>		
Not applicable		
<b>OUTSIDE THE ALBIOMA GROUP</b>		
CGG (Compagnie Générale de Géophysique-Véritas) SA <sup>1</sup>	Director	
CGG (Compagnie Générale de Géophysique-Véritas) SA <sup>1</sup>	Member of the Health, Safety and Environment Committee	
Scor Reinsurance Asia-Pacific Private Ltd (Singapore)	Director	
Scor Reinsurance Asia-Pacific Private Ltd (Singapore)	Chairman of the Audit Committee	
Scor SE <sup>1</sup>	Director	
Scor SE <sup>1</sup>	Chairman of the Audit Committee	
Scor SE <sup>1</sup>	Member of the Nomination and Remuneration Committee	
Scor SE <sup>1</sup>	Member of the Risk Committee	
Scor SE <sup>1</sup>	Member of the Strategic Committee	

Other terms of office and positions held during the last five years, expired at 31/12/2014			Expiry
<b>WITHIN THE ALBIOMA GROUP</b>			
Not applicable			
<b>OUTSIDE THE ALBIOMA GROUP</b>			
CGG (Compagnie Générale de Géophysique-Véritas) SA <sup>1</sup>	Member of the Audit Committee		2014
Dietswell SA	Director		2014

1. Listed company.

## 2 • CORPORATE GOVERNANCE

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

#### 2.2.4. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

##### 2.2.4.1. Conditions for the preparation and organisation of the work of the Board of Directors and of the specialised Committees during the 2014 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, draw up recommendations for its attention.

The Directors' Charter, appended to the Board of Directors' Internal Regulations, lays down a number of rules, in particular relating to ethics, applicable to Directors in the performance of their duties.

On the recommendations of the Nomination and Remuneration Committee, at its meeting of 4 March 2014, the Board of Directors resolved to amend the Directors' Charter to comply with the AFEP-MEDEF Code recommendations on the number of offices that can be held by the Corporate Officers and Directors (§ 19 of the AFEP-MEDEF Code). The rules applicable to the Directors of Albioma on the date of filing of this Registration Document are described in section 2.2.2.2, on page 37 of this Registration Document.

Moreover, at its meeting of 3 March 2015 the Board of Directors made minor modifications to the Internal Regulations in order to reflect the change of name of the Environmental and Social Responsibility Committee to the Corporate Social Responsibility Committee.

Each Director automatically subscribes to the provisions of the Internal Regulations and the Directors' Charter simply by accepting his/her duties.

###### The Board of Directors' activity

###### 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.

During the meeting, a detailed presentation on the topics appearing on the agenda is made by the Chairman of the Board of Directors, 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 is systematically invited to 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 approved by the Board of Directors at the following 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.

###### The Deputy Chairman of the Board of Directors

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.

###### Principle of collegiality and confidentiality

Above all, 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.

###### 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 Albioma.

Each 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.

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

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 trading days before and ending two trading days after, firstly, the disclosure of the Company's annual results and, secondly, the disclosure of the Company's half-yearly results;
- periods beginning fifteen trading 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 223-22 to 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 €5,000 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 in the form of a decision/information, available on its website.

A summary of transactions in the Company's securities disclosed during the 2014 financial year is provided in section 2.4, on page 73 of this Registration Document.

### The Board of Directors' areas of intervention

The Board of Directors' remit is set 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 2014

#### A highly motivated Board

Participation in the work of Albioma's Board of Directors calls for a considerable investment from the Directors. Pursuant to the Board of Directors' Internal Regulations, they 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.

In 2014, the Board of Directors met ten times, compared with nine times in 2013. The attendance rate of Directors at Board meetings was 86% in 2014, compared with 89% in 2013<sup>1</sup>.

Attendance fees, paid only to independent Directors, include a major variable component linked to their actual participation in meetings of the Board of Directors. A breakdown of attendance fees is provided in section 2.3.3 on page 66 of this Registration Document.

#### Ongoing work on the strategic orientations of the business

During the 2014 financial year, the Board of Directors devoted a significant portion of its work to monitoring implementation of the strategy of highly efficient energy production from biomass, presented to the shareholders at the General Meeting of 14 March 2012. Held at the start of each new financial year since 2012, the Board of Directors' annual seminar enables the Directors to devote a full day's work to reviewing implementation of this strategy during the year just completed, as well as medium- and long-term strategic options. This work is conducted in conjunction with the work by the Commitments and Monitoring Committee, which is systematically consulted and submits proposals and recommendations on these topics to the Board of Directors.

Within the above framework, the Board of Directors considered several development projects and formally authorised some of them. During 2014 the Group made major progress in implementing its development strategy.

- A major focus for the Board of Directors was its monitoring of the finalisation of the Group's first acquisition in Brazil, which it had authorised at the end of the 2013 financial year. In March 2014, the Group announced the acquisition, in Brazil, for BRL137 million (€43 million), of Rio Pardo Termoelétrica, a cogeneration plant located in the State of São Paulo. The acquisition of 100% of the cogeneration plant's shares, funded on a 50/50 basis through local debt and equity, was completed on 31 March 2014.
- In addition, the Board of Directors closely monitored Group progress in the development of the Galion 2 project in Martinique throughout the year. The Board of Directors' work consisted of monitoring negotiations with EDF concerning the rider covering bagasse/biomass prices amending the existing contract for the sale of electricity, prior to its submission to the Energy Regulatory Commission, which approved its content at the end of the 2014 financial year. The Board of Directors therefore formally authorised investments in this flagship project, totalling €170 million, which will be funded by a long-term loan of approximately €120 million. The Board of Directors also carefully considered the development strategy for the plant's future local biomass supply sources, and the impact of deferring the unit's commissioning date, now scheduled for the first half of 2017.
- In addition, at the end of the 2014 financial year the Board of Directors formally authorised an investment of around €50 million in connection with the Saint-Pierre combustion turbine plant on Reunion Island, following the approval by the Energy Regulatory Commission of the contract for the purchase of electricity negotiated with EDF.

Other development opportunities for the Thermal Biomass activity were also studied by the Board of Directors in 2014: more specifically, much thought was given to the strategy for growth of this activity in French Guyana, and the acceptability of new local biomass supply structures. The Board of Directors also considered investment opportunities in Mauritius, including the Carbon Burn Out pilot project, which will enable the Group to create new outlets in order to re-utilise its combustion by-products from the cement industry.

<sup>1</sup>. 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

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

Another key area of the Board of Directors' work was the monitoring of the ramping-up of the first agricultural anaerobic digestion facilities in operation, namely Tiper Méthanisation, Cap'ter Méthanisation and Sain'ter Méthanisation. The problems identified led the Board of Directors to approve a strategy shift, with an initial focus on optimising the industrial operation of existing units; the development of new projects will be considered only after the profitability of the first plants in operation has been established. In view of this shift, the Board of Directors approved the appointment of a new management team with responsibility for the optimisation phase of the activity's industrial processes.

Lastly, in connection with its strategy-related work, the Board of Directors reviewed and approved the 2015 budget and the 2015-2019 business plan, including in particular the Group's investment plan stemming from the strategic avenues thus defined.

#### **Permanent monitoring of the Group's financial position, cash position, commitments and the risks to which it is exposed**

The Board of Directors was kept informed of the Group's financial position, in conjunction with the work of the Audit, Accounts and Risks Committee and that of the Commitments and Monitoring Committee.

In 2014, the Board of Directors notably examined and approved the 2013 parent company and consolidated financial statements with a view to their presentation to the General Meeting of 27 May 2014. It also reviewed and approved the consolidated financial statements for the first half of the 2014 financial year, and reviewed the quarterly financial statements for the first and third quarters of the year, in connection with the publication of quarterly financial information. The Board of Directors therefore regularly reviewed and approved the objectives for EBITDA and net income, Group share, presented to the market.

Over and above the monitoring of the Group's financial position in connection with the presentation to the market of the annual and half-yearly financial statements and the quarterly financial information, during 2014, the Board of Directors was kept regularly informed of the Group's cash position and funding needs. More specifically, at the end of the General Meeting of 27 May 2014 the Board of Directors authorised the refinancing of corporate debt, through the private placement of a €80 million "Euro PP" bond issue, to mature in December 2020 with an annual coupon of 3.85%, and renewing short-term credit facilities in the form of a confirmed €40 million revolving credit<sup>1</sup>.

Lastly, in conjunction with the work of the Audit, Accounts and Risks Committee, the Commitments and Monitoring Committee and the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee), the Board of Directors also paid close attention to the review of the Group's risk mapping and the level of its commitments. For example, the Board of Directors examined and approved the strategy to secure in the medium term the sale price of electricity produced by the Group's first plant in Brazil.

#### **Corporate social responsibility has become a constant priority for the Board of Directors**

In conjunction with the work of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee), in 2014 the Board of Directors regularly monitored the Group's performances in matters of social responsibility.

The Board of Directors reviewed and approved the corporate social responsibility information published in the Registration Document for the 2013 financial year, as required by Article L. 225-102-1 of the French Commercial Code. In addition to the work carried out by the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee), which reported regularly to the Board of Directors, the Board also devoted a significant portion of its work to these topics, focusing in particular on monitoring compliance with environmental regulations, problems concerning employee safety in view, in particular, of the increased number of accidents in the workplace in 2014, the management of combustion by-products, acceptability criteria for local or imported biomass supply sources and the development of these supply sources.

#### **Constant attention paid to governance**

In 2014, the Board of Directors kept a constant watch on the efficiency of the organisation and operation of Group governance, in conjunction with the Nomination and Remuneration Committee.

The Board of Directors carried out its annual review of the status of Directors, looking at their independence and potential conflicts of interest that may arise during performance of their duties. It also conducted its annual self-assessment for the 2014 financial year, the main findings of which are set out in section 2.2.4.2, on page 55 et seq. of this Registration Document. 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.

Furthermore, the Board of Directors proposed to the shareholders at the General Meeting of 27 May 2014 the renewal of Michel Bleitrach's appointment as Director. Following the resolutions adopted by the shareholders at the said General Meeting, the Board of Directors confirmed its decision to renew the appointment as Deputy Chairman of the Board of Directors of Michel Bleitrach and confirmed the unchanged composition of its specialised Committees (see the details provided in section 2.2.2.2, on page 38 of this Registration Documents).

During 2014, the Board of Directors also amended the Directors' Charter to comply with the AFEP-MEDEF Code's recommendations on the number of offices held by executive Corporate Officers and Directors (see the details provided in section 2.2.2.2 on page 37 of this Registration Document).

The Board of Directors also reviewed the terms of remuneration of independent Directors, in view of the new AFEP-MEDEF recommendations that the variable component of directors' fees paid to Directors is higher than the fixed component of these fees, and of market practice. The Board of Directors accordingly decided to propose to the shareholders at the General Meeting of 27 May 2014 a 10% increase in the total amount to be allocated between the Directors as directors' fees, and to modify the terms of allocation of this increased total amount between its members with effect from the 2014 financial year (see the details provided in section 2.3.3, on page 65 of this Registration Document).

<sup>1</sup> The corresponding prospectus, approved by the AMF (Autorité des Marchés Financiers) on 3 June 2014 under number 14-267, is available in English on the websites of Albioma ([www.albioma.com](http://www.albioma.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

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

### Close monitoring of the Chairman and Chief Executive Officer's performance and remuneration

In 2014, the Board of Directors assessed the Chairman and Chief Executive Officer's performance in respect of the 2013 financial year, mainly for the purpose of determining the amount of the variable component of his remuneration in respect of said year, on the basis of the recommendations made by the Nomination and Remuneration Committee. The Board of Directors also set the amount of the fixed component of the Chairman and Chief Executive Officer's remuneration for the 2014 financial year, as well as the method for determining the variable component of this remuneration, by setting the quantitative and qualitative targets underpinning payment of this component (see the details provided in section 2.3.2, on page 63 of this Registration Document).

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 27 May 2014, the shareholders voted by a considerable majority in favour of the remuneration, as presented (see the details provided in section 2.3.8, on page 73 of this Registration Document).

The Board of Directors also decided, based on the recommendations of the Nomination and Remuneration Committee, to amend the terms and condition of the severance payment likely to be paid to Jacques Pétry when he steps down from office as Chairman and Chief Executive Officer, to ensure that they comply with the provisions of the AFEP-MEDEF Code, which recommends that the performance conditions on which any such payment is based are assessed over at least two financial years. As required by the applicable laws and regulations, the shareholders were asked to approve this decision at the General Meeting of 27 May 2014 (see the details provided in section 2.3.6, on page 71 of this Registration Document).

### A detailed review of the structure of the long-term incentive scheme for Group employees

In conjunction with the work of the Nomination and Remuneration Committee, the Board of Directors conducted a detailed review of the structure of the long-term incentive scheme for Group employees.

The Board of Directors first verified the performance conditions governing the effective acquisition of the shares allotted under the bonus share plan adopted by the shareholders at the General Meeting of 14 March 2012, which was extended to all Group employees at the beginning of 2014. More specifically, at its meeting of 22 July 2014 the Board of Directors granted full powers to the Chairman and Chief Executive Officer to record satisfaction of the performance conditions governing the effective acquisition of allotted shares. As a result of this decision, on 26 July 2014 the Chairman and Chief Executive Officer recorded that the performance conditions had been satisfied by the achievement of the six-month moving average end-of-day Albioma share price (€18.50), leading to the effective acquisition of the first third of the allotted shares (see the details provided in section 7.4.3.1, on page 210 of this Registration Document).

At the end of 2014, the Board of Directors also considered the possibility of setting up a share buy-back programme as a source of shares effectively acquired, instead of increasing the capital, as has been done in the past. As a result of the Board of Directors' decisions, 66,930 shares were bought back between the end of December 2014 and the beginning of January 2015 (see the details provided in section 7.3.6.2 on page 205 of this Registration Document).

As the authorisation to allot bonus shares to Group employees and Corporate Officers granted to the Board of Directors by the shareholders at the General Meeting of 14 March 2012 has been used almost in its entirety, the Board of Directors also decided to table a resolution at the General Meeting of 27 May 2014 to renew the said authorisation. On the basis of this new authorisation, the Board of Directors set up a new long-term incentive programme for Group employees and Corporate Officers in the form of two separate bonus share plans, one for members of the Executive Committee and the other for Group employees (see the details provided in section 7.4, on page 208 et seq. of this Registration Document).

### Regular monitoring of relations with shareholders and the financial community

In 2014, the Board of Directors regularly discussed topics relating to the Company's relations with its shareholders and, more generally, with the financial community as a whole.

In that connection, the Board of Directors regularly received information on major changes to share ownership and feedback on meetings with investors organised by General Management.

The Board of Directors also reviewed the main press releases issued over the year and considered a number of issues relating to the Group's communications strategy.

### Activity of the specialised Committees

#### The Commitments and Monitoring Committee

##### The Commitments and Monitoring Committee's remit

The Commitments and Monitoring Committee's remit is determined by the Board of Directors' Internal Regulations.

The Commitments and Monitoring Committee has a broad remit to prepare the Board of Directors' deliberations relating to the definition of the Group's key strategic actions and the monitoring of their implementation by General Management. It participates in particular in monitoring the Group's portfolio of projects, using its preliminary analyses to provide more information on the authorisation requests submitted to the Board of Directors. It thus ensures that the projects identified by General Management are compatible with the strategy defined by the Board of Directors, reviews their funding conditions and the level of risk that they involve for the Group.

More generally, the Commitments and Monitoring Committee regularly monitors the Group's operating and financial performances, on which it reports to the Board of Directors. To this end, it draws on the monthly reports prepared by the Administrative and Financial Department with assistance from the Group's other operational and support departments.

Accordingly, together with the Board of Directors' other specialised Committees, the Commitments and Monitoring Committee makes an essential contribution to the proper functioning of the Group's internal control and risk management mechanism.

##### Composition and operating procedures of the Commitments and Monitoring Committee

At 31 December 2014, the Commitments and Monitoring 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;
- Jean-Carlos Angulo, independent Director, Committee member;
- Financière Hélios, Director, represented in that capacity by Edgard Misrahi, Committee member.

## 2 • CORPORATE GOVERNANCE

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

This composition results from the deliberations of the Board of Directors meeting of 30 May 2013, following the appointment, by the shareholders at the General Meeting held on the same day, of three new Directors, to replace Xavier Lencou-Barème, Guy Rico and Jean Stern, whose terms of office expired at the end of the General Meeting without them seeking renewal. The composition of the Committee as decided by the Board of Directors was confirmed by the Board at its meeting of 27 May 2014, held following the General Meeting held earlier in the day, at which the shareholders renewed the appointment as Director of Michel Bleitrach.

All other Directors have a standing invitation to Committee meetings, and generally do attend.

The dossiers are generally presented by the Chairman and Chief Executive Officer, the Chief Operating Officers or the Chief Financial Officer, assisted, where applicable, by members of their teams responsible for the dossiers presented. The Company Secretary acts as Committee Secretary.

#### The Commitments and Monitoring Committee's meetings and work in 2014

In 2014, as in 2013, the Commitments and Monitoring Committee met 11 times. The meeting attendance rate for Committee members was 88% in 2014, compared with 90% in 2013<sup>1</sup>. Directors who are not Committee members have a standing invitation to its meetings and generally did attend.

In 2014, based on the monthly reports prepared by the Administrative and Financial Department and working with the Board of Directors, the Commitments and Monitoring Committee was responsible for continuous monitoring of the operational and financial management of the business, and of the portfolio of current projects. In this connection, the Committee considered several development projects and, for certain of these, formulated for the attention of the Board of Directors recommendations in favour of their formal authorisation by the Board.

With regard to development projects, particular attention was paid to:

- finalisation of the Group's first acquisition in Brazil;
- the Galion 2 project in Martinique and, more specifically, monitoring negotiations with EDF concerning the rider covering bagasse/biomass prices amending the existing contract for the sale of electricity and the development strategy for future local biomass supply sources;
- discussions between the Group and EDF led to the Energy Regulatory Commission approving the contract for the purchase of electricity from the Saint-Pierre combustion turbine project on Reunion Island.

The Committee closely monitored the portfolio of projects in Brazil and examined a number of opportunities to acquire bagasse cogeneration units. The Committee devoted an entire meeting to a detailed analysis of the micro-economic and macro-economic outlook for the Brazilian sugar and ethanol market, and reviewed its strategy for securing the sale of electricity produced in Brazil, given the favourable trends in electricity prices on the Brazilian markets in 2014.

The Committee also monitors operational performance, and it focused its work on:

- the impact of technical problems affecting the Group's thermal plants in Guadeloupe and Reunion Island, as regards the financial consequences, the management of strategic stocks and the size of the Group's Technical and Construction Department;
- monitoring the launch of the Group's first cogeneration unit in Brazil and the gradual improvement of its performance over the year;
- monitoring the ramping-up of the first agricultural anaerobic digestion facilities in operation, and approving a strategic roadmap with a new focus on optimising the operation of existing units.

The Commitments and Monitoring Committee reported to the Board of Directors on all its work during 2014.

#### Audit, Accounts and Risks Committee

##### The Audit, Accounts and Risks Committee's 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 of the Audit, Accounts and Risks Committee

At 31 December 2014, the Audit, Accounts and Risks Committee was composed of three Directors, two of whom were independent Directors, including the Committee Chairman:

- Daniel Valot, independent Director, Committee Chairman;
- Michel Bleitrach, independent Director and Deputy Chairman of the Board of Directors, Committee member;
- Patrick de Giovanni, Director, Committee member.

This composition results from the deliberations of the Board of Directors meeting of 30 May 2013, following the appointment, by the shareholders at the General Meeting held on the same day, of three new Directors, to replace Xavier Lencou-Barème, Guy Rico and Jean Stern, whose terms of office expired at the end of the General Meeting without them seeking renewal. The composition of the Committee as decided by the Board of Directors was confirmed by the Board at its meeting of 27 May 2014, held following the General Meeting held earlier in the day, at which the shareholders renewed the appointment as Director of Michel Bleitrach.

Given their professional experience, all members of the Audit, Accounts and Risks Committee have proven specific capability in accounting and financial matters (see the details provided in section 2.2.3, on page 39 et seq. of this Registration Document). The Group's key accounting and financial features and issues were presented to Daniel Valot by the Administrative and Financial Department shortly after his appointment as a Committee member.

The dossiers are generally presented to the Committee by the Chairman and Chief Executive Officer or the Chief Financial Officer, assisted, where applicable, by members of their teams responsible for the dossiers presented. The Chairman and Chief Executive Officer is not a member of the Audit, Accounts and Risks Committee, which is free to deliberate without the presence of key figures from within the Group when it deems it necessary. The Statutory Auditors are invited to attend each Committee meeting, except for those devoted to renewal of their appointment and those devoted to the conditions under which they exercise their external audit assignment. The Company Secretary acts as Committee Secretary.

<sup>1</sup> 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.

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

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.

### The Audit, Accounts and Risks Committee's meetings and work in 2014

In 2014, the Audit, Accounts and Risks Committee met four times, i.e. the same as in 2013. The attendance rate for Committee members at meetings of the Audit, Accounts and Risks Committee was 92% in 2014, compared to 94% in 2013<sup>1</sup>.

In anticipation of the approval of the parent company and consolidated financial statements for the 2013 financial year, the Committee notably reviewed the highlights for the year, 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 resulting provisions for liabilities and impairment. In this regard, the Committee heard the Statutory Auditors, who presented their audit conclusions. The Committee also reviewed the short- and medium-term objectives for EBITDA and net income, Group share, proposed by General Management, with a view to their presentation to the market.

Similarly, in anticipation of the approval of the abridged consolidated financial statements for the first half of 2014, the Committee reviewed the highlights for the first half, the main closing points, the key figures appearing in the financial statements, the cash position and the Group's level of debt. It once again examined the main accounting options used by General Management and, on this occasion, heard the Company's Statutory Auditors, which presented to the Committee the main conclusions of their limited review. The Committee also reviewed the short- and medium-term objectives for EBITDA and net income, Group share, proposed by General Management, with a view to their presentation to the market.

In addition to examining the financial statements, the Committee also:

- considered ways of increasing the value of investments and using the revalued net asset method to add value;
- reviewed the Group's risk mapping and the main risks to which the Group is exposed, enhancing the risk matrix and improving the risk management systems;
- reviewed the Group's insurance cover, including in particular cover against potential operating losses and the applicable excess limits;
- considered whether to modify the sector-based presentation of financial information.

Lastly, the Committee devoted one meeting to reviewing the official roll-out of the Group's internal audit function over the 2014 financial year. In that connection, it reviewed the audit report produced following the first two audits and approved the action plans proposed to remedy the identified weaknesses. The Committee also approved the audit plan for the 2015 financial year.

The Audit, Accounts and Risks Committee reported to the Board of Directors on all its work during 2014.

### Nomination and Remuneration Committee

#### The Nomination and Remuneration Committee's 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 matters 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 also provides its input in respect of employee savings schemes and employee share-ownership plans (bonus share plans and share subscription and share purchase option plans).

#### Composition and operating procedures of the Nomination and Remuneration Committee

At 31 December 2014, the Nomination and Remuneration Committee was composed of three Directors, two of whom were independent Directors, including the Committee Chairwoman:

- Michèle Remillieux, independent Director, Committee Chairwoman;
- Financière Hélios, Director, represented in that capacity by Edgard Misrahi, Committee member;
- Daniel Valot, independent Director, Committee member.

This composition results from the deliberations of the Board of Directors meeting of 30 May 2013, following the appointment, by the shareholders at the General Meeting held on the same day, of three new Directors, to replace Xavier Lencou-Barème, Guy Rico and Jean Stern, whose terms of office expired at the end of the General Meeting without them seeking renewal. The composition of the Committee as decided by the Board of Directors was confirmed by the Board at its meeting of 27 May 2014, held following the General Meeting held earlier in the day, at which the shareholders renewed the appointment as Director of Michel Bleitrach. The Group's key staff-related features and issues were presented to Michèle Remillieux by the Human Resources Department shortly after her appointment as a Committee member.

As the Board of Directors did not include any employees among its members, the Nomination and Remuneration Committee did not include any employee Directors at 31 December 2014 (see the details provided in section 2.2.1, on page 34 of this Registration Document).

<sup>1</sup> 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

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

The dossiers are generally presented by the Chairman and Chief Executive Officer, the Director of Human Resources or the Company Secretary. The Chairman and Chief Executive Officer is not a member of the Nomination and Remuneration Committee, which is free to deliberate without the presence of key figures from within the Group when it deems it necessary. The Committee deliberates without the presence of the Chairman and Chief Executive Officer when his position is under discussion. By contrast, the Chairman and Chief Executive Officer is systematically involved in the Committee's work on the selection and appointment of Directors and preparation of the succession plan. The Company Secretary acts as Committee Secretary.

#### The Nomination and Remuneration Committee's meetings and work in 2014

In 2014, the Nomination and Remuneration Committee met five times, compared to four times in 2013. The attendance rate for Committee members at meetings of the Nomination and Remuneration Committee was 93% in 2014, compared to 100% in 2013<sup>1</sup>.

The Committee devoted one meeting to reviewing the components of the Chairman and Chief Executive Officer's remuneration (variable component in respect of the 2013 financial year, fixed component and procedures for determining the variable component for the 2014 financial year, other components of his remuneration for the 2014 financial year). The Committee's recommendations were finalised at a meeting that was not attended by the Chairman and Chief Executive Officer or the Company Secretary, who is a Company employee. The remuneration components for the 2014 financial year were, moreover, reviewed on the basis of a positioning study carried out by an independent firm of consultants appointed by the Committee (see the details provided in section 2.3.2 on page 63 of this Registration Document).

The Committee also submitted recommendations to the Board of Directors, advising it to amend the terms and condition of the severance payment likely to be paid to Jacques Pétry if he steps down from office as Chairman and Chief Executive Officer, to ensure that they comply with the provisions of the AFEP-MEDEF Code, which recommends that the performance conditions on which any such a payment is based are assessed over at least two financial years (see the details provided in section 2.3.6 on page 71 of this Registration Document).

As well as information on the Chairman and Chief Executive Officer's remuneration, the Committee received information on the salary policy applicable within the Group for the 2014 financial year.

The Committee intervened ahead of the Board of Directors' annual review of the status of Directors in the 2013 financial year and, more specifically, their independence and potential conflicts of interest that they may face, and the Board of Directors' self-assessment of the operation of the Board in the 2013 financial year (see the details provided in section 2.2.4.2, on page 55 of this Registration Document).

The Committee also submitted recommendations to the Board of Directors on the remuneration of independent Directors, in view of the new provisions of the AFEP-MEDEF Code, which recommends that the variable component of the directors' fees paid to Directors should be higher than the fixed component, and of market practices. These recommendations led the Board of Directors to propose to the shareholders at the General Meeting of 27 May 2014 a 10% increase in the total amount to be allocated between the Directors as directors' fees, and the modification of the terms of allocation of this increased total amount between its members with effect from the 2014 financial year (see the details provided in section 2.3.3 on page 66 of this Registration Document).

As Michel Bleitrach's term of office as Director expires at the close of the General Meeting of 27 May 2014, the Committee recommended that the Board of Directors ask the shareholders to approve the renewal of his appointment and, if applicable, renew his appointment as Deputy Chairman of the Board of Directors (see the details provided in section 2.2.2.2, on page 38 of this Registration Document).

The Committee also devoted a significant portion of its work to considering the organisation of new long-term incentive schemes for Group employees; as a result, it submitted various recommendations to the Board of Directors concerning the introduction, on the basis of a new authorisation granted by the shareholders at the General Meeting of 27 May 2014, of two new bonus share plans, one for members of the Executive Committee and the other for Group employees (see the details provided in section 7.4.3.1, on page 211 of this Registration Document).

As in 2013, the Committee devoted one meeting to reviewing the Group's succession plan, during which it satisfied itself that the Group's succession plan would effectively enable it to surmount a possible General Management vacancy. It also examined the main elements of the succession plan for key Group executives.

Lastly, the Committee contributed to the review of the Group's policy on professional equality and equal pay, and the implementation of action plans on diversity and professional equality.

The Nomination and Remuneration Committee reported to the Board of Directors on all its work during 2014.

#### Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee)

At its meeting of 3 March 2015, the Board of Directors decided to change the name of the Environmental and Social Responsibility Committee to the Corporate Social Responsibility Committee. It amended the Board of Directors' Internal Regulations accordingly.

#### The remit of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee)

The remit of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) is determined by the Board of Directors' Internal Regulations.

The newest of the Board of Directors' specialised Committees, the Corporate Social Responsibility Committee (formerly the Environmental and 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.

<sup>1</sup> 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.

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

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 of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee)

At 31 December 2014, the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) was composed of three Directors, two of whom were independent Directors, including the Committee Chairwoman:

- Myriam Maestroni, independent Director, Committee Chairwoman;
- Jean-Carlos Angulo, independent Director, Committee member;
- Patrick de Giovanni, Director, Committee member.

This composition results from the deliberations of the Board of Directors meeting of 30 May 2013, following the appointment, by the shareholders at the General Meeting held on the same day, of three new Directors, to replace Xavier Lencou-Barème, Guy Rico and Jean Stern, whose terms of office expired at the end of the General Meeting without them seeking renewal. The composition of the Committee as decided by the Board of Directors was confirmed by the Board at its meeting of 27 May 2014, held following the General Meeting held earlier in the day, at which the shareholders renewed the appointment as Director of Michel Bleitrach.

The dossiers are generally presented by the Chairman and Chief Executive Officer, the Chief Operating Officer France or the Advisor to the Chairman on matters of corporate social responsibility, assisted, where applicable, by members of their teams responsible for the dossiers presented. The Company Secretary acts as Committee Secretary.

### The meetings and work of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) in 2014

In 2014, the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) met four times, compared to twice in 2013. The attendance rate for Committee members at meetings of the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) was 92% in 2014, compared to 100% in 2013<sup>1</sup>.

In 2014 a significant number of issues were referred to the Committee, allowing it to conduct a comprehensive review of all areas of the Group's social responsibility. It regularly reviewed changes to the main corporate social responsibility indicators used by the Group.

It paid particular attention to:

- security, particularly in view of the increase in accidents in the workplace over the year. The Committee carefully analysed the causes of the accidents and monitored the action plans put in place by General Management;
- the compliance of production units with environmental regulations and, more generally, oversight of compliance risk management action plans;
- the development plan for biomass supplies, in anticipation of the commissioning of the Group's first 100% biomass facilities in the medium term; the Committee approved the principles of responsible procurement defined by the Group and recorded in the Biomass Procurement Charter;

- analysing corporate social risks, in conjunction with the Audit, Accounts and Risks Committee; the Committee reviewed the Group's risk mapping, ensuring that the risks specifically within its remit were correctly identified and managed;
- the combustion by-products management plan for the Thermal Biomass activity and, for the Anaerobic Digestion activity, the action plan drawn up with a view to the return-to-the-earth of anaerobic digestion by-products;
- the management of the Group's relations with its stakeholders; the Committee, assisted by an independent firm instructed by the Group, conducted a review of the current situation and determined medium-term work streams, based in particular on the mapping of existing stakeholders, crisis management and possible communication areas and tools.

The Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) reported to the Board of Directors on all its work during 2014.

### 2.2.4.2. 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 after they are reviewed by the Nomination and Remuneration Committee. 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.

Given the major changes that have occurred in the Company's governance during the last three financial years, the frequency of assessments of the operation of the Board of Directors has been as follows:

- in respect of 2009 and 2010, the Board of Directors assessed its operation by means of a self-assessment;
- the major changes that took place in 2011 in the composition of the Board of Directors and in the organisation of General Management resulted in the deferral of the assessment of the operation of the Board of Directors in respect of 2011;
- the Board of Directors subsequently decided, on 18 January 2012, to carry out a documented assessment of its operation with the help of an external consultant (Rivoli Consulting). This assessment was conducted in April and May 2012 and its conclusions were examined at the Board of Directors meeting of 26 July 2012;
- in respect of 2013, so that the assessment approach could cover an entire financial year, the Board of Directors assessed its operation by means of a self-assessment at its meeting of 4 March 2014;
- in respect of 2014, the Board of Directors once again carried out a self-assessment of its operation at its meeting of 3 March 2015; the next assessment, which should be carried out at the start of 2016 and cover the 2015 financial year, will therefore be a formal, documented assessment carried out with the assistance of an independent consultant.

<sup>1</sup>. 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

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

#### Consideration taken of the conclusions of the documented assessment examined by the Board of Directors on 26 July 2012, and the conclusions of the self-assessment by the Board of Directors carried out on 4 March 2014

The assessment conducted in 2012 with the help of an external consultant had notably resulted in:

- the formulation of a very positive assessment of the contribution made by the Deputy Chairman of the Board of Directors, and the Commitments and Monitoring Committee that he chairs, to the quality of communications between all members of the Board of Directors, independent or otherwise, General Management and the heads of the Company's main departments;
- a desire to ensure that the next proposals concerning the composition of the Board of Directors to be submitted to the General Meeting reflect objectives to increase female representation and introduce new skills;
- anticipating the implementation of initiatives aimed at enhancing the Directors' knowledge of changes in the Company's businesses and the context in which it carries out these businesses;
- planning for greater involvement of the Board of Directors in matters of corporate social responsibility and, more specifically, human resources.

In general, the assessment conducted in 2014 highlighted a very positive perception of the operation of the Board of Directors, and an improvement compared with the findings of the previous assessment carried out in 2012. In particular, the Board of Directors recommended that:

- the role and remit of the Deputy Chairman of the Board of Directors be further formalised, in particular concerning his role in consolidating good corporate governance;
- the Board of Directors and specialised Committees be reminded that their respective members can, if they feel the need, call upon information from external sources and specialists as well as from General Management;
- the training offered to the Directors (especially new Directors) is enhanced.

Various measures were implemented to take the recommendations pertaining to both assessments into account. In particular:

- the appointment as Directors, by the General Meeting of 30 May 2013, of Jean-Carlos Angulo, Michèle Remillieux and Daniel Valot, to replace Xavier Lencou-Barème, Guy Rico and Jean Stern, whose terms of office expired without them seeking renewal, resulted in:
  - an increase in the proportion of independent Directors on the Board of Directors;
  - an increase in the proportion of female Directors on the Board of Directors;
  - a strengthening of the Board of Directors' skills in areas such as its knowledge of the Brazilian market, human resources management and industrial site safety;
- at meetings organised with the Group's staff responsible for topics handled by the Committees of which they became members, the Directors appointed on 30 May 2013 were informed of the key issues falling within their domain; presentation meetings were thus organised for Michèle Remillieux with the Human Resources Department and the Company Secretary, and for Daniel Valot with the Administrative and Financial Department, while Jean-Carlos Angulo was asked to travel to Brazil, where he discussed with the team responsible for the Group's development in this new territory the key challenges facing this major strategic area, and the Group's sites on Reunion Island and in Mauritius, where he discussed with the operating staff the key safety issues at the Group's industrial sites;

- the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee), whose members were appointed at the end of the Ordinary and Extraordinary General Meeting of 30 May 2013, met regularly and focused its work on all issues associated with the Group's social responsibility;
- a number of Committees (the Audit, Accounts and Risks Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee, formerly the Environmental and Social Responsibility Committee) were assisted in their work by independent consultants, some of whom were appointed following a request by the relevant Committee.

#### Conclusions of the assessment conducted by means of a self-assessment examined by the Board of Directors on 3 March 2015

At its meeting of 3 March 2015, the Board of Directors assessed its operation by means of a self-assessment, based on questionnaires submitted to the Nomination and Remuneration Committee for prior review, and also on meetings held by the Chair of the Nomination and Remuneration Committee with each Director, the specific purpose of which was to assess each Director's contribution to the work of the Board of Directors.

In general, the assessment highlighted a very positive perception of the operation of the Board of Directors, and continued improvements in the areas identified during previous assessments.

More specifically, the Board of Directors:

- clarified its needs with regard to the use of independent specialists other than those from General Management, and took note that the Board of Directors was free to formally request the appointment of any specialist at any time;
- took note that the organisation of General Management (separation or combination of the offices of Chief Executive Officer and Chairman of the Board of Directors) would be discussed more frequently and, in particular, when the Nomination and Remuneration Committee and the Board of Directors review the succession plan;
- took note of the measures put in place by General Management with immediate effect in order to provide the Directors with more frequent information on the shareholding structure and documents drawn up by financial analysts concerning the Company;
- approved the proposal by General Management to adjust the timing of strategy reviews, which have always been carried out at the start of each financial year at the Board of Directors' seminar; this seminar will now be held at the start of the last quarter of the financial year, before the budget for the following financial year is approved, and will be supplemented by a review of implementation of the strategy by the Commitments and Monitoring Committee held in the second quarter of the next financial year;
- requested that efforts be made to enhance the skills and expertise of the Board of Directors in the medium term and increase the number of female Directors; the Nomination and Remuneration Committee has been instructed to propose an ideal composition of the Board of Directors, and its recommendations will be examined in 2015.

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

## 2.2.4.3. Appendix: full text of the Board of Directors' Internal Regulations and of the Directors' Charter updated on 3 March 2015

## BOARD OF DIRECTORS' INTERNAL REGULATIONS

## Introduction

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. Therefore, third parties may not assert the Internal Regulations against the Company. 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.

## 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, one third 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 judgment. 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. In addition, it shall study its operation annually. It shall meet once a year outside the presence of the Company's internal Directors to evaluate the performance of the Chairman and Chief Executive Officer, if these functions are combined, or the performances of both the Chairman and the Chief Executive Officer, if these functions are separated.

## 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 Company's business policies and ensuring they are carried out, by having its Chairman submit reports to it about on-going business and projects;
- considering any matter relating to the proper operation of the Company;
- authorising the furnishing of sureties, pledges and guarantees;
- authorising "regulated" agreements and commitments before they are concluded, in accordance with the statutes in force and the Company's Memorandum and Articles of Association;
- carrying out the controls and verifications it deems necessary;
- preparing and approving the parent company and consolidated financial statements, as well as half-yearly financial statements;
- reviewing interim management documents;
- authorising investments required for industrial or external growth projects during the year and/or the financing thereof;
- authorising all significant sales (or contributions) of assets;
- studying all proposed merger, demerger or contribution transactions;
- setting the remuneration of the Chairman and Chief Executive Officer;
- creating Committees tasked with studying issues that the Board itself or its Chairman submit for their review and opinion.

The Board of Directors shall review and approve the information published in the Company's annual report on 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.

Specific meetings dealing with strategy, human resources, risk management or any other subject may be scheduled depending on priorities and needs.

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 three business days before the Board meeting, except in the event of an emergency.

## 2 • CORPORATE GOVERNANCE

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

#### 3.2. Information provided to Directors

The Chairman or the Chief Executive Officer 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, Directors shall 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.

In particular, the Directors shall 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 principal managers outside the presence of the Corporate Officers, provided they submit a request for such a meeting to the Chairman of the Board of Directors, who will inform the Corporate Officers thereof.

#### 3.3. Proxies

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 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 granted 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 appointed by the Board to assist the Chairman in consolidating proper governance of the Company, 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 in meetings by videoconference or other means of telecommunication

For the purposes of calculating the quorum and majority, Directors who participate in Board meetings by videoconference 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.

- Videoconference 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 videoconference 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 videoconference 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, and which, if applicable, shall state the names of Directors who took part in the deliberations by videoconference 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 in accordance with applicable legislation, who sent their apologies or 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.

The minutes shall mention any videoconference 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 reestablishment of remote participation.

Copies or extracts of minutes may be validly certified 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. 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. Members of these Committees shall be responsible for reviewing any matters referred to them by the Board or its Chairman.

The following Committees have been created by the Board of Directors:

- the Audit, Accounts and Risks Committee,
- the Nomination and Remuneration Committee,
- the Commitments and Monitoring Committee,
- the Corporate Social Responsibility Committee.

Each Committee shall report on its assignments to the Board of Directors.

The Committees act in an advisory capacity only.

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

The Board of Directors shall have full discretion to decide on any action to be taken with regard to 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.

### 5. Audit, Accounts and Risks Committee

#### 5.1. Composition

The Audit, Accounts and Risks Committee shall comprise at least three Directors.

At least two thirds of its members shall be independent Directors within the meaning of the AFEP-MEDEF Corporate Governance Code.

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.

The Committee shall be chaired by one of its members, who shall be designated by the Board of Directors.

#### 5.2. Operating procedures

The Audit, Accounts and Risks Committee shall meet at least four times a year and, in any event, before the Board of Directors' meetings at which the annual and half-yearly financial statements, the quarterly financial information and matters falling within its remit are studied.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman.

The Committee shall have a secretariat to prepare meetings under the authority of its chairman.

The Committee shall receive all elements, documents and information relating to the performance of its duties.

The Committee may request to meet with the Chairman of the Board of Directors.

The Committee may also interview the Directors, the employees of the Company and its subsidiaries, members of the internal control function and the external auditors of the Company and its subsidiaries.

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 by means of the briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state if its members were present or absent.

#### 5.3. 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 and reporting to the Board on its activities.

- Monitoring the process for preparation of financial information: reporting on the financial position, financial policy and financial strategy of the Company and its subsidiaries; reporting on the procedures used to prepare, collect, analyse and verify accounting and financial information, in particular information communicated to the shareholders and the market; reviewing the communications of the Company and its subsidiaries on accounting and financial matters; reviewing 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; approving the architecture of all systems

used to prepare financial information; reviewing the compliance of accounting measurements and choices made with the accounting standards framework and reviewing the means implemented to achieve the objectives set (accurate and complete picture of the position of the Company and its subsidiaries, transparency, clarity and consistency over time).

- Monitoring the effectiveness of internal control and risk management systems: reviewing the organisation and application of internal control procedures within the Company and its subsidiaries; reviewing the work and analyses carried out in this respect, and the work, analyses and reports of external auditors; meeting with the internal control managers and the external auditors; reviewing the procedures used to identify and monitor risks; reviewing and monitoring risks identified, their classification and prevention and action plans; reviewing the report of the Chairman of the Board of Directors on the operation of the Board of Directors and internal control and risk management systems.
- Monitoring the annual and half-yearly financial statements as well as quarterly financial information: reporting on the consolidation scope, accounting methods and control procedures; reviewing the financial statements and, in particular, analysing provisions, risks and significant off-balance sheet commitments; reporting on accounting positions taken in recording significant transactions; overseeing the Statutory Auditors' review of the parent company and consolidated financial statements; conducting a prior review of draft accounting documents submitted to the Board of Directors.
- Monitoring the conditions for exercise of the external auditors' assignments: supervising the procedure for selecting or reappointing Statutory Auditors; reviewing the manner in which they perform their assignments and the fees paid to external auditors; monitoring their independence and the updated declarations and information with respect to such independence.
- When it reviews the financial statements, the Committee shall focus on significant transactions that may generate conflicts of interest.

### 6. Nomination and Remuneration Committee

#### 6.1. Composition

The Nomination and Remuneration Committee shall be comprised of three Directors, at least one of whom shall be an independent Director.

#### 6.2. Operating procedures

The Nomination and Remuneration Committee shall meet before any Board of Directors' meeting at which matters within its purview are to be considered and, in any event, at least once a year.

The Committee shall inform the Board of Directors of its work and observations through minutes submitted to the Chairman of the Board of Directors and briefings by its members at Board of Directors' meetings.

The Committee may request to meet with the Chairman of the Board of Directors.

#### 6.3. Powers

The Nomination and Remuneration Committee is tasked with examining the following topics: composition of the Board, appointments of Directors and renewal of their appointments, Directors' fees, the Group's organisation and structures, and all aspects of appointments and remuneration (including benefits of all types) of the Corporate Officers and members of the Executive Committee.

It shall thus make proposals to the Board with respect to appointments of Directors and renewal of their appointments, after a detailed review of all information it is required to take into account concerning 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 establish a procedure for selecting future independent Directors and shall study potential candidates before they are approached.

## 2 • CORPORATE GOVERNANCE

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

The Committee shall also propose succession solutions to the Board in the event of a foreseeable vacancy in executive Corporate Officer positions and study the succession plans for the main senior executives.

The Board of Directors shall decide the remuneration of Corporate Officers, and the Chairman and Chief Executive Officer shall decide the remuneration of executives who are members of the Executive 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 policy with respect to options to subscribe or purchase shares and share allotments.

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.

#### 7. Commitments and Monitoring Committee

The Commitments and Monitoring Committee shall be composed of at least three Directors, including the Deputy Chairman of the Board of Directors, who shall chair the Committee.

The Committee shall meet an average of ten times a year to become familiar with the reported situation arising from the Company's commitments and to review and assess the factors relevant to changes thereto, to examine development projects at their various stages, and to regularly report on all significant matters in respect of the Company and the Group.

The Committee shall make observations, give opinions and make recommendations to the Board of Directors on all matters referred to it by General Management relating to projects and the monitoring of operations.

#### 8. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be composed of at least three Directors.

The Committee shall meet an average of three times a year and its duties shall involve:

- examining the Group's main social and environmental opportunities and risks in light of the issues associated with its strategy and business operations, and providing the Board with opinions on recommended actions in the area within the framework of its sustainable development policy;
- reviewing the Company's sustainable development and social and environmental responsibility policies and commitments, proposing modifications whenever appropriate in view of the Group's expansion, and assessing achievements in light of predetermined objectives;
- reviewing non-financial information published by the Group, in particular on social and environmental matters;
- monitoring application of the rules of conduct defined by the Group.

#### 9. 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 Company's shareholders at a General Meeting. The Board of Directors shall have full discretion to determine the allocation of such directors' fees, in light of the recommendations and proposals of the Nomination and Remuneration Committee.

#### DIRECTORS' CHARTER (APPENDED TO THE BOARD OF DIRECTORS' INTERNAL REGULATIONS)

This Charter specifies the duties 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 shareholders and shall, in all circumstances, act in the corporate interest. Each Director, regardless of the manner in which he/she was appointed, shall represent all shareholders.

##### 2. Knowledge of duties and obligations

Before accepting his/her position, each Director shall become familiar with the laws and regulations relevant to his/her position, the Company's Memorandum and Articles of Association, this Charter and the Board of Directors' Internal Regulations.

Each Director may at any time consult the Secretary of the Board of Directors regarding the scope of such texts and the duties and obligations attached to his/her position.

##### 3. Holding a minimum number of shares in the Company

Each Director must hold four hundred shares in the Company, in registered form, throughout his/her term of office.

##### 4. Information

Each Director shall ensure that he/she receives in a timely manner all information necessary to perform his/her duties. He/she shall, within the appropriate time periods, request and demand from the Chairman of the Board of Directors the information he/she deems necessary to perform his/her duties and to discuss business on the agenda of Board of Directors' meetings.

##### 5. Regular attendance

Each Director shall devote to his/her position the necessary time and attention and, when he/she accepts another position, should ask himself/herself whether it will permit him/her to fulfil this duty. Except in cases of genuine impossibility, he/she shall attend all meetings of the Board of Directors and of the Committees of which he/she is a member, as well as the General Meetings of shareholders.

##### 6. Conflicts of interest

Directors shall inform the Board of Directors of any conflict of interest situation, including potential conflicts of interest, immediately they become aware thereof, and shall refrain from participating in discussions and votes on the corresponding decision. If a Director has a permanent conflict of interest, he/she must resign.

##### 7. Number of terms of office held by the Directors

The Chairman and Chief Executive Officer can hold no more than two other offices as director in non-Group listed companies, including foreign companies.

Furthermore, the Chairman and Chief Executive Officer must seek prior authorisation from the Board of Directors before accepting any office in any non-Group listed company.

Directors other than the Chairman and Chief Executive Officer cannot hold more than four other offices in non-Group listed companies, including foreign companies.

The Directors shall keep the Board of Directors informed of all offices and significant positions, including as members of specialised Committees of a Board of Directors, that they hold in any listed or unlisted non-Group company.

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

### 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 to maintain professional secrecy that goes beyond the mere duty of non-disclosure stipulated by Article L. 225-37, paragraph 5, of the French Commercial Code.

The duty of non-disclosure applies to all persons who are requested 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

#### Privileged information

In accordance with the provisions of Article 621-1 of the General Regulations of the Autorité des Marchés Financiers ("AMF"), privileged information is defined as specific, non-public information that directly or indirectly concerns one or more listed companies, which if made public is likely to have a noticeable influence on the share price and, more broadly, on the price of the financial instruments issued by the relevant companies, or to influence the decisions investors may take regarding such shares or instruments.

Information is considered to be public if it has been communicated to the public in the form of a press release issued by the Company.

#### Principles

Directors shall use privileged information concerning the Group only in the performance of their duties. Such information shall in no event be disclosed 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 privileged information concerning the Group is considered to be an "insider" and shall 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, so long as the information has not been made public.

Any Director who holds privileged information concerning the Group shall refrain from recommending to any other person to buy or sell, on his/her own behalf or on behalf of a third party, whether directly or indirectly, the Company's securities, so long as the information has not been made public.

Each Director shall be personally 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.

#### Blackout periods

In addition to the period prior to the publication of any privileged information of which they are aware, during which, in accordance with the law, insiders must refrain from carrying out any transactions in the Company's securities, Directors are recommended to refrain from carrying out any transactions in the Company's securities during the following periods:

- periods beginning 30 days before and ending two trading days after, firstly, the disclosure of the Company's annual results and, secondly, the disclosure of the Company's half-yearly results;
- periods beginning 15 days before and ending two trading days after each publication of quarterly information.

#### Insider trading

Directors have been informed of the provisions in force on the holding of privileged information and insider trading: Articles 621-1 *et seq.* of the AMF General Regulation and Article L. 465-1 of the French Monetary and Financial Code.

#### Obligation to report transactions in the Company's securities

In accordance with the provisions of Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code, Articles 223-22 to 223-26 of the AMF General Regulations and AMF Instruction no. 2006-05 of 3 February 2006 on transactions of senior managers and the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code in a Company's securities, Directors and their family and friends are required to report to the AMF purchases, sales, subscriptions and exchanges of the Company's financial instruments, as well as transactions carried out in instruments associated therewith, if the total amount of such transactions exceeds €5,000 in any calendar year.

Directors and their family and friends must make the disclosure to the AMF using its dedicated and secure electronic platform for filing information (Direction des Émetteurs - ONDE). To this end, they should create an account giving access to this platform if they do not already have such an account.

If disclosure is made to the AMF, the persons who file such information shall provide the Secretary of the Company's Board of Directors with a copy of the disclosure. Each Director can, by any written means, and notably by email, authorise the Secretary of the Board of Directors to make, on his behalf, any filings that the Director is required to make. To this end, the Director shall transmit to the Secretary of the Board of Directors the terms and conditions of the transactions to be disclosed as soon as they are carried out. The Secretary of the Board of Directors will file the information via his own account with the ONDE platform.

The AMF displays the disclosed information on its website, and a yearly summary thereof is included in the management report submitted to the Company's Annual General Meeting.

### 2.2.5. 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 Company's Memorandum and Articles of Association are available on its website [www.albioma.com](http://www.albioma.com) and the principal provisions (including those of Article 32) are described in section 7.1.2, on page 190 *et seq.* of this Registration Document.

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### 2.3. Remuneration received by Corporate Officers

#### 2.2.6. PRINCIPLES AND RULES DRAWN UP BY THE BOARD OF DIRECTORS TO DETERMINE THE REMUNERATION AND BENEFITS OF ANY KIND AWARDED TO CORPORATE OFFICERS

Only the Board of Directors has the authority to determine, based on the recommendations of the Nomination and Remuneration Committee, the remuneration and benefits of any kind awarded to the executive Corporate Officers (in the case of the Company, the Chairman and Chief Executive Officer). The Board of Directors and the Nomination and Remuneration Committee are responsible for determining said remuneration and benefits, on the basis of the following principles since 2012:

- the remuneration paid in cash takes into account the importance of the responsibilities actually assumed and the Group's need to be competitive; the variable component is significant, and may be as high as 100% of the fixed component, in the event that the stringent quantitative and qualitative objectives, determined at the start of the financial year in line with the strategy approved by the Board of Directors, are achieved;
- as regards long-term incentive compensation, executive Corporate Officers are allotted bonus shares, effective acquisition of which is subject to strict and exacting performance conditions, which enable General Management's interests to be aligned with shareholders' interests.

The work of the Nomination and Remuneration Committee and the Board of Directors is based on comparative data which enables the Group to ensure that, whilst remaining competitive, the total remuneration paid to executive Corporate Officers is in accordance with market standards in companies of a comparable size and/or operating in similar business sectors.

In this context, at the beginning of the year, the Nomination and Remuneration Committee made recommendations to the Board of Directors concerning the setting of the variable component of executive Corporate Officers' remuneration in respect of the previous financial year, by carrying out a detailed review of the objectives the Board of Directors had set for them. It also made recommendations to the Board of Directors concerning the amount of the fixed component of executive Corporate Officers' remuneration for the current financial year, and the procedures for determining the variable component of this remuneration (in particular the quantitative and qualitative objectives to be set for the executive Corporate Officers).

The Board of Directors then set, based on the recommendations of the Nomination and Remuneration Committee, the various components of executive Corporate Officers' remuneration for the previous and current financial years.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors also determined the bonus share allotments to be made to the executive Corporate Officers, ensuring, in particular, that these allotments, valued in accordance with IFRS, do not represent a disproportionate portion of executive Corporate Officers' total remuneration and that the portion of the allotments reserved for executive Corporate Officers within a bonus share plan is in accordance with market practices.

Detailed information on Corporate Officers' remuneration is provided in section 2.3 on page 62 of this Registration Document.

### 2.3. Remuneration received by Corporate Officers

Information concerning the remuneration received by Corporate Officers is presented in accordance with the provisions of the AFEP/MEDEF Code and the AMF's recommendation of 22 December 2008 on information to be disclosed on remuneration received by Corporate Officers, summarised in AMF position/recommendation no. 2009-16 of 10 December 2009 and most recently amended on 17 December 2013.

The information referred to in Articles L. 225-184 and L. 225-197-4 of the French Commercial Code relating to, respectively, stock options allotted during the financial year to the Company's employees and stock options exercised by said employees, and to bonus shares allotted during the financial year to the Company's employees and shares effectively acquired by said employees, is presented in sections 7.4.2 and 7.4.3, on page 208 et seq. of this Registration Document.

It should be noted that no remuneration was due to Corporate Officers by companies controlled by Albioma in respect of the 2013 and 2014 financial years, nor was any paid to Corporate Officers by these companies during said financial years.

#### 2.3.1. SUMMARY OF REMUNERATION AND STOCK OPTIONS ALLOCATED TO EACH EXECUTIVE CORPORATE OFFICER

€ thousands <sup>1</sup>	2014	2013
<b>JACQUES PÉTRY - CHAIRMAN AND CHIEF EXECUTIVE OFFICER</b>		
Remuneration for the financial year <sup>2</sup>	899.00	820.73
Value of multi-year variable remuneration awarded during the financial year <sup>3</sup>	–	–
Value of stock options awarded during the financial year <sup>4</sup>	–	–
Value of bonus shares awarded during the financial year <sup>5</sup>	900.80	–
<b>Total</b>	<b>1,799.80</b>	<b>820.73</b>

1. Remuneration components are presented on a gross, pre-tax basis.

2. 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 from 1 January to 31 December of the financial year concerned. See explanations given in section 2.3.2, on page 63 of this Registration Document.

3. There was no mechanism for allocating multi-year, variable remuneration to the Chairman and Chief Executive Officer in respect of the 2013 and 2014 financial years.

4. Value, on their allotment date, of the options allotted during the financial year concerned, as used in connection with the application of accounting standard IFRS 2. See explanations given in section 2.3.4, on page 66 of this Registration Document.

5. Value, on their allotment date, of the bonus shares allotted during the financial year concerned, as used in connection with the application of accounting standard IFRS 2. See explanations given in section 2.3.5 on page 67 of this Registration Document.

## 2.3.2. SUMMARY OF REMUNERATION RECEIVED BY EACH EXECUTIVE CORPORATE OFFICER

	2014		2013	
	Amounts due <sup>2</sup>	Amounts paid <sup>3</sup>	Amounts due <sup>2</sup>	Amounts paid <sup>3</sup>
<i>€ thousands</i> <sup>1</sup>				
<b>JACQUES PÉTRY - CHAIRMAN AND CHIEF EXECUTIVE OFFICER</b>				
Fixed remuneration <sup>4</sup>	430.00	430.00	400.00	400.00
Annual variable remuneration <sup>5</sup>	430.00	400.00	400.00	400.00
Multi-annual variable remuneration <sup>6</sup>	–	–	–	–
Exceptional remuneration <sup>7</sup>	–	–	–	–
Directors' fees <sup>8</sup>	–	–	–	–
Benefits in kind <sup>9</sup>	39.00	39.00	20.73	20.73
<b>Total</b>	<b>899.00</b>	<b>869.00</b>	<b>820.73</b>	<b>820.73</b>

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 from 1 January to 31 December of the financial year concerned.

3. Remuneration components actually 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. More detailed information is provided in the rest of this section of this Registration Document.

5. More detailed information is provided in the rest of this section of this Registration Document.

6. There was no mechanism for allocating multi-year, variable remuneration to the Chairman and Chief Executive Officer in respect of the 2013 and 2014 financial years.

7. No exceptional remuneration was due in respect of the 2013 and 2014 financial years, nor was any paid during these financial years, to the Chairman and Chief Executive Officer.

8. More detailed information is provided in section 2.3.3, on page 65 of this Registration Document.

9. More detailed information is provided in the rest of this section of this Registration Document.

### Further information on the remuneration received by the Chairman and Chief Executive Officer

Details are provided in section 2.2.6, on page 62 of this Registration Document on the principles and rules drawn up by the Board of Directors to determine the remuneration and benefits of any kind received by the Chairman and Chief Executive Officer.

Jacques Pétry is not employed under a contract of employment by the Company or any of its subsidiaries.

#### 2014 financial year

In respect of the 2014 financial year, Jacques Pétry, in his capacity as Chairman and Chief Executive Officer, received gross annual fixed remuneration of €430,000, paid monthly over 12 months. This amount was set by the Board of Directors at its meeting of 4 March 2014. In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors increased the fixed component of Jacques Pétry's remuneration (which had remained unchanged since 2011) by 7.5% with effect from the 2014 financial year; the increase was based in particular on a positioning study carried out by an independent firm of consultants at the request of the Nomination and Remuneration Committee.

In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors also decided, at the same meeting, to adopt for the 2014 financial year the same principles for determining the variable component of Jacques Pétry's remuneration as those applied in respect of the 2012 and 2013 financial years:

- the maximum amount of the variable component of Jacques Pétry's remuneration was set at €430,000, i.e. 100% of the amount of the fixed component of his remuneration;
- receipt of the variable component of Jacques Pétry's remuneration and the calculation of its amount are dependent upon the achievement of quantitative objectives linked to the EBITDA, net income, Group share, and operating free cash flow budgeted for the financial year and of the qualitative objectives set for him by the Board of Directors at the beginning of the financial year.

At the same meeting, the Board of Directors also decided to retain the mechanism for calculating the variable component of Jacques Pétry's remuneration, as shown in the following table.

### Calculation of the relative portion of the amounts corresponding to the quantitative and qualitative indicators in the maximum possible variable component of the remuneration

	As % of maximum variable component	In euros
Proportion corresponding to the EBITDA indicator	22%	94,600
Proportion corresponding to the NIGS indicator <sup>1</sup>	22%	94,600
Proportion corresponding to the FCF indicator <sup>2</sup>	22%	94,600
<b>Proportion corresponding to quantitative indicators</b>	<b>66%</b>	<b>283,800</b>
<b>Proportion corresponding to qualitative indicators</b>	<b>34%</b>	<b>146,200</b>
<b>Total</b>	<b>100%</b>	<b>430,000</b>

1. Net income, Group share.

2. Free cash flow from operating activities.

## 2 • CORPORATE GOVERNANCE

### 2.3. Remuneration received by Corporate Officers

#### Minimum values applicable to each of the quantitative indicators

Minimum value for allocation of amount linked to EBITDA indicator	90% of budgeted EBITDA <sup>3</sup>
Minimum value for allocation of amount linked to NIGS indicator <sup>1</sup>	80% of budgeted NIGS <sup>3</sup>
Minimum value for allocation of amount linked to FCF indicator <sup>2</sup>	90% of budgeted FCF <sup>3</sup>

1. Net income, Group share.

2. Operating free cash flow.

3. If any one of these minimum values is not achieved, all the amounts to be allocated for each quantitative indicator are equal to €0.

#### Calculation of amounts to be allocated for each quantitative indicator on the basis of the performance (P) achieved, within the limit of the maximum possible variable component of the remuneration, where an under-performing indicator can be offset against an over-performing indicator

	Variable component €0 <sup>3</sup>	Variable component 85% of €94,600 <sup>3</sup>	Variable component 110% of €94,600 <sup>3</sup>
EBITDA indicator	C < 95% of budgeted EBITDA	C = 100% of budgeted EBITDA	C ≥ 110% of budgeted EBITDA
NIGS indicator <sup>1</sup>	C < 90% of budgeted NIGS	C = 100% of budgeted NIGS	C ≥ 110% of budgeted NIGS
FCF indicator <sup>2</sup>	C < 95% of budgeted FCF	C = 100% of budgeted FCF	C ≥ 110% of budgeted FCF

1. Net income, Group share.

2. Free cash flow from operating activities

3. Linear interpolation between these three points.

At its meeting on 3 March 2015, the Board of Directors, deciding on the basis of the recommendations of the Nomination and Remuneration Committee and the consolidated financial statements for the year ended 31 December 2014 approved by it, noted the achievement of each of the three quantitative objectives set for Jacques Pétry in respect of said financial year and accordingly allocated to him variable remuneration totalling €283,800 in accordance with said objectives.

#### Calculation of the amount to be allocated in respect of the qualitative indicators and total amount of the variable component

At its meeting on 3 March 2015, the Board of Directors, deciding on the basis of the recommendations of the Nomination and Remuneration Committee, conducted an assessment of Jacques Pétry's overall performance in view of the qualitative objectives set for him in respect of the 2014 financial year by the Board of Directors at its meeting of 4 March 2014. On the basis of its assessment of Jacques Pétry's overall performance, the Board of Directors noted that he achieved all of the qualitative objectives set for him for the 2014 financial year, and therefore allocated to him a gross variable remuneration totalling €146,200 in accordance with the said objectives.

Given the achievement of all the objectives, both quantitative and qualitative, set for Jacques Pétry in respect of the 2014 financial year, the total gross amount of the variable component of his remuneration for the said financial year, approved by the Board of Directors in accordance with the recommendations of the Nomination and Remuneration Committee totalled €430,000, i.e. 100% of the fixed component of his remuneration for said financial year.

#### Benefits in kind, welfare and pension benefits

Jacques Pétry's benefits in kind in respect of the 2014 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 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.

The increase in benefits in kind paid in respect of the 2014 financial year is due to the planned introduction, with effect from 1 January 2014, of a higher level of protection under the GSC insurance policy for company managers and executives, in view of the number of years for which Jacques Pétry has held office as Chairman and Chief Executive Officer.

In respect of the 2014 financial year, Jacques Pétry was, by assimilation, a member of the insurance welfare plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory collective supplementary pension plan, like all the Company's employees categorised as executive staff. At its meeting of 4 March 2014, the Board of Directors also noted that he is a member of the mandatory collective supplementary defined benefit pension plan open to all Company employees.

#### 2015 financial year

At its meeting on 3 March 2015, the Board of Directors, on the basis of the recommendations of the Nomination and Remuneration Committee, approved Jacques Pétry's remuneration package for the 2015 financial year.

In this regard, the Board of Directors:

- decided not to increase the fixed component of Jacques Pétry's remuneration, which remained at €430,000;
- decided to adopt the same principles for determining the variable component of Mr Pétry's remuneration as those applied in respect of the 2014 financial year:
  - the maximum amount of the variable component of Jacques Pétry's remuneration was maintained at €430,000, i.e. 100% of the amount of the fixed component of his remuneration;
  - receipt of the variable component of Jacques Pétry's remuneration and the calculation of its amount are dependent upon the achievement of quantitative objectives linked to the EBITDA, net income, Group share, and operating free cash flow budgeted for the financial year and of the qualitative objectives relating, in particular, to security, development and strategy definition and implementation, set by the Board of Directors at its meeting on 3 March 2015;
- decided to retain the mechanism for calculating the variable component of Jacques Pétry's remuneration, which will therefore be, for the 2015 financial year, identical to the mechanism for the 2014 financial year;
- decided, in respect of the 2015 financial year, to adopt the same principles for determining Jacques Pétry's benefits in kind as those applied in respect of the 2014 financial year;

## 2.3. Remuneration received by Corporate Officers

- decided, in respect of the 2015 financial year, to adopt the same principles as those applied in respect of the 2014 financial year with regard to Jacques Pétry's membership of the insurance welfare plan (covering healthcare costs, incapacity, disability and death) and the AGIRC-ARRCO mandatory

collective supplementary pension plan open to all Company employees categorised as executive staff, and his membership of the mandatory collective supplementary defined benefit pension plan open to all Company employees.

## 2.3.3. DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

	2014		2013	
	Amounts due <sup>2</sup>	Amounts paid <sup>3</sup>	Amounts due <sup>2</sup>	Amounts paid <sup>3</sup>
<i>€ thousands<sup>1</sup></i>				
Jean-Carlos Angulo <sup>4</sup>	24.40	13.48	13.48	–
Directors' fees	24.40	13.48	13.48	–
Other remuneration	–	–	–	–
Michel Bleitrach	53.45	50.00	50.00	50.00
Directors' fees	53.45	50.00	50.00	50.00
Other remuneration	–	–	–	–
Patrick de Giovanni	–	–	–	–
Directors' fees	–	–	–	–
Other remuneration	–	–	–	–
Financière Hélios	–	–	–	–
Directors' fees	–	–	–	–
Other remuneration	–	–	–	–
Myriam Maestroni	27.50	23.58	23.58	22.24
Directors' fees	27.50	23.58	23.58	22.24
Other remuneration	–	–	–	–
Michèle Remillieux <sup>5</sup>	27.50	13.48	13.48	–
Directors' fees	27.50	13.48	13.48	–
Other remuneration	–	–	–	–
Maurice Tchenio	–	–	–	–
Directors' fees	–	–	–	–
Other remuneration	–	–	–	–
Daniel Valot <sup>6</sup>	22.85	13.48	13.48	–
Directors' fees	22.85	13.48	13.48	–
Other remuneration	–	–	–	–
Xavier Lencou-Barème <sup>7</sup>	n/a	n/a	120.00	120.00
Directors' fees	n/a	n/a	–	–
Other remuneration <sup>8</sup>	n/a	n/a	120.00	120.00
Guy Rico <sup>9</sup>	n/a	9.50	9.50	24.22
Directors' fees	n/a	9.50	9.50	24.22
Other remuneration	n/a	–	–	–
Jean Stern <sup>10</sup>	n/a	9.50	9.50	24.22
Directors' fees	n/a	9.50	9.50	24.22
Other remuneration	n/a	–	–	–
<b>Sub-total directors' fees</b>	<b>155.70</b>	<b>133.03</b>	<b>133.03</b>	<b>120.68</b>
<b>Sub-total other remuneration</b>	<b>–</b>	<b>–</b>	<b>120.00</b>	<b>120.00</b>
<b>Total</b>	<b>155.70</b>	<b>133.03</b>	<b>253.03</b>	<b>240.68</b>

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 concerned. The directors' fees due in respect of a financial year are paid during the following financial year.

4. Jean-Carlos Angulo held office as a Director in 2013 only as from his appointment at the Ordinary and Extraordinary General Meeting of 30 May 2013.

5. Michèle Remillieux held office as a Director in 2013 only as from her appointment at the Ordinary and Extraordinary General Meeting of 30 May 2013.

6. Daniel Valot held office as a Director in 2013 only as from his appointment at the Ordinary and Extraordinary General Meeting of 30 May 2013.

7. Xavier Lencou-Barème carried out his duties as a Director in 2013 only until the expiry of his term of office at the close of the Ordinary and Extraordinary General Meeting of 30 May 2013.

8. Remuneration paid in respect of his duties as an employee to Xavier Lencou-Barème, the Company Secretary until 30 May 2013, then Adviser to the Chairman as from that date. As Xavier Lencou-Barème did not hold office as a Director during the 2014 financial year, no information is available concerning remuneration received for his salaried positions during that year.

9. Guy Rico carried out his duties as a Director in 2013 only until the expiry of his term of office at the close of the Ordinary and Extraordinary General Meeting of 30 May 2013.

10. Jean Stern carried out his duties as a Director in 2013 only until the expiry of his term of office at the close of the Ordinary and Extraordinary General Meeting of 30 May 2013.

## 2 • CORPORATE GOVERNANCE

### 2.3. Remuneration received by Corporate Officers

#### 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 27 May 2014 at €165,000 for the 2014 financial year and all subsequent years, compared to €150,000 for the 2013 financial year. The shareholders accordingly approved the proposal by the Board of Directors, decided at its meeting of 4 March 2014, to increase by 10% the total amount to be allocated between the Directors as directors' fees. For that purpose, the Board of Directors reviewed the conditions of remuneration of its independent Directors in light of the new recommendation contained in the AFEP-MEDEF Code that the variable component of directors' fees paid to directors should be greater than the fixed component of the fees, and of market practices.

At the same time, the Board of Directors amended as follows the procedures for apportioning this increased amount between its members as from the 2014 financial year:

- as was previously the case, only the independent Directors will 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 Chairman of the Commitments and Monitoring Committee and a member of the Audit, Accounts and Risks 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.

#### 2.3.4. OPTIONS TO SUBSCRIBE OR PURCHASE SHARES

The information that follows, together with the information in section 7.4.2, on page 208 *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.

##### 2.3.4.1. Further information on the share subscription and share purchase option plans for Corporate Officers

The table above shows only data relating to the stock option plans still in effect as at 31 December 2014, i.e. the plan set up as a result of the resolutions adopted at the General Meeting of 18 May 2010 (Board of Directors' meeting of 27 August 2010), under the terms of which a maximum of 200,000 subscription options can be allotted (each option entitles its holder to one share, so, if exercised, these options would represent 0.67% of the share capital at 31 December 2014).

As regards the stock option plans set up as a result of the resolutions adopted at the General Meeting of 18 December 2001 (Board of Directors' meetings of 2 September 2002 and 11 December 2003), all the options were exercised during the exercise period running from 11 December 2007 to 11 February 2010. As regards the stock option plan set up as a result of the resolutions adopted at the General Meeting of 27 May 2005 (Board of Directors' meeting of 13 December 2005), some of the options were exercised during the exercise period running from 13 December 2009 to 13 December 2012 and all of the unexercised options were cancelled on 13 December 2012.

Details of the characteristics of the stock option plan set up as a result of the resolutions adopted at the General Meeting of 18 May 2010 (Board of Directors' meeting of 27 August 2010) are provided in section 7.4.2.1, on page 209 of this Registration Document (further details are provided in section 2.3.4.4, on page 67 of this Registration Document).

##### 2.3.4.2. Options to subscribe or purchase shares allotted during the 2014 financial year to each Corporate Officer by the Company or by any Group company

Not applicable.

##### 2.3.4.3. Options to subscribe or purchase shares exercised during the 2014 financial year by each Corporate Officer

Not applicable.

## 2.3.4.4. History of options to subscribe or purchase shares allotted

As % of capital as  
at 31/12/2014

Date of General Meeting	18/05/2010	
Date of Board of Directors' meeting	27/08/2010	
<b>Total number of initial beneficiaries</b>	<b>82</b>	
<b>Total number of options awarded</b>	<b>190,000</b>	<b>0.64%</b>
<b>Total number of shares that may be subscribed</b>	<b>190,000</b>	<b>0.64%</b>
of which, by the top ten employees who are not Corporate Officers	68,000	0.23%
of which, by the Corporate Officers	33,500	0.11%
• Nordine Hachemi (Chairman & CEO until 21/10/2011)	30,000	0.10%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%
Option exercise start date	28/08/2014	
Expiry date	28/08/2017	
Subscription price (in euros) <sup>1</sup>	21.31	
Exercise procedures	See note 2	
<b>Number of shares subscribed as at 31/12/2014</b>	<b>–</b>	<b>–</b>
of which, by the top ten employees who are not Corporate Officers	–	–
of which, by the Corporate Officers	–	–
• Nordine Hachemi (Chairman & CEO until 21/10/2011)	–	–
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
<b>Total number of cancelled or lapsed stock options as at 31/12/2014</b>	<b>91,600</b>	<b>0.31%</b>
of which, for the top ten employees who are not Corporate Officers	33,000	0.11%
of which, for the Corporate Officers	30,000	0.10%
• Nordine Hachemi (Chairman & CEO until 21/10/2011) <sup>3</sup>	30,000	0.10%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
<b>Number of options to subscribe or purchase shares still to be exercised as at 31/12/2014</b>	<b>98,400</b>	<b>0.33%</b>
of which, for the top ten employees who are not Corporate Officers	35,000	0.12%
of which, for the Corporate Officers	3,500	0.01%
• Nordine Hachemi (Chairman & CEO until 21/10/2011)	–	–
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%

1. Arithmetic average of Albioma (Séchillienne-Sidec at the time) shares' closing prices during the 20 trading days preceding the allocation date.

2. The exercise of options by all beneficiaries is 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. When, at its meeting on 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.

## 2.3.5. BONUS SHARES

The information that follows, together with the information in section 7.4.3, on page 209 et seq. of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-197-4 of the Commercial Code.

## 2.3.5.1. Further information on the bonus share plan for Corporate Officers

The table below shows only data relating to the bonus share plans still in effect as at 31 December 2014 and open to Corporate Officers, i.e. relating:

- to the plan set up as a result of the resolutions adopted at the General Meeting of 14 March 2012 (Board of Directors' meetings of 26 July 2012,

28 November 2012, 17 January 2013, 18 March 2013, 26 July 2013, 24 September 2013 and 17 December 2013, and decisions taken on 13 January 2014 by the Chairman and Chief Executive Officer pursuant to a delegation of authority by the Board of Directors), under the terms of which a maximum of 810,000 shares can be allotted, i.e., 2.72% of the share capital at 31 December 2014;

- to the plan set up as a result of the resolutions adopted at the General Meeting of 27 May 2014 (Board of Directors' meetings of 27 May 2014), open to members of the Group's Executive Committee only (including the Chairman and Chief Executive Officer), for an initial total of 430,000 shares, i.e., 1.45% of the share capital at 31 December 2014, out of the 830,000 shares that can be allotted pursuant to the authorisation granted by the shareholders at the General Meeting, i.e., 2.79% of the share capital at 31 December 2014 <sup>1</sup>.

1. Further information concerning the bonus share plan set up on the same day for Group employees who are not members of the Executive Committee is provided in section 7.4.3.1. on page 212 of this Registration Document.

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### 2.3. Remuneration received by Corporate Officers

The bonus share plan set up as a result of the resolutions adopted at the Ordinary and Extraordinary General Meeting of 16 June 2009 (Board of Directors' meetings of 28 August 2009, 25 January 2010, 28 July 2010 and 21 October 2011) was, as at 31 December 2012, cancelled in full (145,136 bonus shares allotted to Nordine Hachemi were cancelled by the Board of Directors at its meeting of 21 October 2011 when he was removed from office due to strategic differences, 121,330 bonus shares allotted were cancelled as a result of the departure of 13 employees who had received their shares between the allotment date and 31 December 2012, and the 141,650 remaining bonus shares were expressly and irrevocably waived by the 37 employees to whom they had been allotted when they accepted the benefit of the bonus share plan set up as a result of the decision taken at the Ordinary and Extraordinary General Meeting of 14 March 2012).

The features of the bonus share plan set up as a result of the resolutions adopted at the General Meeting of 14 March 2012 are described in section 7.4.3.1, on page 210 of this Registration Document (details are also provided in section 2.3.5.4, on page 69 of this Registration Document). The following provisions apply in particular to the allotment made to the Chairman and Chief Executive Officer:

- the number of bonus shares that may be allotted to the Chairman and Chief Executive Officer is limited to 225,000, i.e. 27.78% of the total number of bonus shares that may be allotted;
- effective acquisition of the bonus shares allotted to the Chairman and Chief Executive Officer is not subject to the obligation to acquire a pre-determined number of the Company's shares in the market;

- the Chairman and Chief Executive Officer is required, in the event of the effective acquisition of bonus shares, to comply with an obligation to retain in registered form 25% of the number of shares effectively acquired until he stands down from office; this obligation is in addition to the general obligation, which relates to all effectively acquired shares, to retain said shares for a period of two years as from the effective acquisition date.

The features of the bonus share plan set up as a result of the resolutions adopted at the General Meeting of 27 May 2014 for members of the Executive Committee only are described in section 7.4.3.1, on page 211 of this Registration Document (further details are provided in section 2.3.5.4, on page 70 of this Registration Document). The following provisions apply in particular to the allotment made to the Chairman and Chief Executive Officer:

- the number of bonus shares that may be allotted to the Chairman and Chief Executive Officer is limited to 166,000, i.e. 20% of the total number of bonus shares that may be allotted;
- effective acquisition of the bonus shares allotted to the Chairman and Chief Executive Officer is not subject to the obligation to acquire a pre-determined number of the Company's shares in the market;
- the Chairman and Chief Executive Officer is required, in the event of the effective acquisition of bonus shares, to comply with an obligation to retain in registered form 25% of the number of shares effectively acquired until the expiry of his term of office; this obligation is in addition to the general obligation, which relates to all effectively acquired shares, to retain said shares for a period of two years as from the effective acquisition date.

#### 2.3.5.2. Bonus shares allotted during the 2014 financial year to each Corporate Officer

	Date of General Meeting	Date of Board of Directors' meeting	Number of shares awarded during financial year	Value of shares awarded during financial year (in € thousands) <sup>2</sup>	Date of effective acquisition	Availability date	Performance conditions
<b>JACQUES PÉTRY - CHAIRMAN &amp; CEO SINCE 21/10/2011</b>							
	27/05/2014 <sup>1</sup>	27/05/2014 <sup>1</sup>	160,000	900.80	See note 3	See note 4	See note 5
<b>Total</b>			<b>160,000</b>	<b>900.80</b>			

1. The allotment of these bonus shares was decided within the framework of a plan open to Group Executive Committee members only (including the Chairman and Chief Executive Officer) at the Board of Directors' meeting held on 27 May 2014 (430,000 shares).

2. Value, on their allotment date, of the shares allotted, as used in connection with the application of accounting standard IFRS 2.

3. See explanations given in section 2.3.5.4, on page 69 of this Registration Document.

4. See explanations given in section 2.3.5.4, on page 69 of this Registration Document.

5. See explanations given in section 2.3.5.4, on page 69 of this Registration Document.

#### 2.3.5.3. Bonus shares vesting during the 2014 financial year for each Corporate Officer

	Date of General Meeting	Date of Board of Directors' meeting	Number of shares that became available during the financial year	Acquisition conditions
<b>JACQUES PÉTRY - CHAIRMAN &amp; CEO SINCE 21/10/2011</b>				
	14/03/2012 <sup>1</sup>	26/07/2012 <sup>1</sup>	75,000	See note 2
<b>Total</b>			<b>75,000</b>	

1. The allotment of these bonus shares was decided within the framework of a plan open to all Group employees at the Board of Directors' meeting held on 26 July 2012.

2. The number of shares newly available in 2014 corresponds to the number of shares effectively acquired that were allotted in the first tranche of the plan, corresponding to one-third of the total number of shares allotted. The effective acquisition of the shares was possible due to the achievement of the performance condition applying to the first tranche, namely, the achievement, at any time during a six-month period starting on expiry of a two-year period starting on the allotment date, of a six-month moving average of the Albioma share closing price of €18.50 (details are provided in section 2.3.5.4 on page 69 of this Registration Document). The shares must be held as registered shares for two years (i.e., until 26 July 2016), and the Chairman and Chief Executive Officer is subject to an additional obligation that he keep in registered form 25% of the shares effectively acquired until he stands down from office.

## 2.3.5.4. History of bonus shares allotted

## Bonus share plan set up as a result of resolutions adopted at the General Meeting of 14 March 2012

As % of capital as  
at 31/12/2014

Date of General Meeting	14/03/2012	
Date of Board of Directors' meeting	From 26/07/2012 to 13/01/2014 <sup>1</sup>	
<b>Total number of initial beneficiaries</b>	<b>See note 2</b>	
<b>Aggregate number of bonus shares awarded<sup>3</sup></b>	<b>826,613</b>	<b>2.78%</b>
of which, to the top ten employees who are not Corporate Officers	220,000	0.74%
of which, to the Corporate Officers	240,000	0.81%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	225,000	0.76%
• Xavier Lencou-Barème (Director until 30/05/2013)	15,000	0.05%
Date of effective acquisition of shares <sup>4</sup>	See note 4	
Date of end of lock-in period <sup>5</sup>	See note 5	
<b>Number of shares effectively acquired as at 31/12/2014</b>	<b>198,302</b>	<b>0.67%</b>
of which, by the top ten employees who are not Corporate Officers	63,335	0.21%
of which, for the Corporate Officers	80,000	0.27%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	75,000	0.25%
• Xavier Lencou-Barème (Director until 30/05/2013)	5,000	0.02%
<b>Aggregate number of cancelled or lapsed shares as at 31/12/2014</b>	<b>45,265</b>	<b>0.15%</b>
of which, by the top ten employees who are not Corporate Officers	–	–
of which, for the Corporate Officers	–	–
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
<b>Number of shares remaining as at 31/12/2014<sup>6</sup></b>	<b>583,046</b>	<b>1.96%</b>
of which, by the top ten employees who are not Corporate Officers	156,665	0.53%
of which, for the Corporate Officers	160,000	0.54%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	150,000	0.50%
• Xavier Lencou-Barème (Director until 30/05/2013)	10,000	0.03%

1. The allotment of shares was decided as part of a plan open to all Group employees at meetings of the Board of Directors held on 26 July 2012 (616,400 shares), 28 November 2012 (1,000 shares), 17 January 2013 (4,500 shares), 18 March 2013 (3,500 shares), 30 May 2013 (2,000 shares), 23 July 2013 (12,500 shares), 24 September 2013 (54,500 shares) and 17 December 2013 (15,000 shares). Additional shares were allotted to the employees of the Group's operating companies (117,213 shares) by decision of the Chairman and Chief Executive Officer, acting pursuant to a delegation of authority by the Board of Directors, on 13 January 2014.

2. As shares were allotted in phases between 26 July 2012 and 13 January 2014, the number of initial beneficiaries is irrelevant. As at 31 December 2014, 229 Group employees and the Chairman and Chief Executive Officer had been allotted bonus shares (the aggregate number of beneficiaries between 26 July 2012 and 13 January 2014 does not take account of the subsequent departure of certain beneficiaries, as a result of which the Board of Directors recorded the cancellation of their rights to bonus shares and allotted the said shares to new beneficiaries).

3. The aggregate number of bonus shares allotted between 26 July 2012 and 13 January 2014 does not take account of the subsequent departure of certain beneficiaries, as a result of which the Board of Directors recorded the cancellation of their rights to bonus shares and allotted the said shares to new beneficiaries. Shares were allotted in three equal tranches. Different performance conditions must be met to trigger the effective acquisition of each tranche.

4. The effective acquisition of the shares allotted on 26 July 2012 is subject to the following performance conditions being met (see section 7.4.3.1, on page 210 of this Registration Document for details):

- achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the allotment date, of a six-month moving average of the Albioma share closing price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period;
- the completion, at any time during a period of two years and six months starting on the allotment date, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In such circumstances, the shares are acquired on the later of the following two dates: the date of the last settlement-delivery transaction in connection with the takeover and the expiry of a two-year period from the allotment date.

The effective acquisition of bonus shares allotted to the Chairman and Chief Executive Officer is not subject to an obligation to purchase a specific number of Company shares on the market.

Given the amendments made by the Board of Directors at its meeting on 17 December 2013 to the regulations governing the bonus share plan, which were accepted by each beneficiary concerned at the beginning of the 2014 financial year, effective acquisition of the shares allotted after 26 July 2012 is subject to the following performance conditions being met (further information is provided in section 7.4.3.1 on page 210 of this Registration Document):

- achievement, at any time during the period between 26 July 2014 and 26 January 2015, of a six-month moving average of the Albioma share closing price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the following two dates: the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period and the expiry of a two-year period from the allotment date;
- the completion, at any time during the period extending from the allotment date to 26 January 2015, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In such circumstances, the shares are acquired on the later of the following two dates: the date of the last settlement-delivery transaction in connection with the takeover and the expiry of a two-year period from the allotment date.

5. Two years from the date of the effective acquisition of the shares, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the shares effectively acquired until he stands down.

6. As at the date of filing of this Registration Document, the bonus shares allotted for the second and third tranches of the plan were cancelled on 27 January 2015 because the performance conditions governing effective acquisition of the said shares had not been satisfied by 26 January 2015. As at 31 December 2014, 66,596 shares remain under the first tranche of the plan only, i.e., 0.22% of the share capital.

## 2 • CORPORATE GOVERNANCE

### 2.3. Remuneration received by Corporate Officers

#### Bonus share plan set up as a result of resolutions adopted at the General Meeting of 27 May 2014 for members of the Executive Committee

		As % of capital as at 31/12/2014
Date of General Meeting	27/05/2014	
Date of Board of Directors' meeting	27/05/2014 <sup>1</sup>	
<b>Total number of initial beneficiaries</b>	<b>14</b>	
<b>Aggregate number of bonus shares awarded<sup>2</sup></b>	<b>430,000</b>	<b>1.45%</b>
of which, to the top ten employees who are not Corporate Officers	256,000	0.86%
of which, to the Corporate Officers	160,000	0.54%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	160,000	0.54%
Date of effective acquisition of shares	See note 3	
Date of end of lock-in period	See note 4	
<b>Number of shares effectively acquired at 31/12/2014</b>	<b>–</b>	<b>–</b>
of which, by the top ten employees who are not Corporate Officers	–	–
of which, for the Corporate Officers	–	–
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
<b>Aggregate number of cancelled or lapsed shares as at 31/12/2014</b>	<b>2,000</b>	<b>0.01%</b>
of which, by the top ten employees who are not Corporate Officers	–	–
of which, for the Corporate Officers	–	–
• Jacques Pétry (Chairman & CEO since 21/10/2011)	–	–
<b>Number of shares remaining as at 31/12/2014</b>	<b>428,000</b>	<b>1.44%</b>
of which, by the top ten employees who are not Corporate Officers	256,000	0.86%
of which, for the Corporate Officers	160,000	0.54%
• Jacques Pétry (Chairman & CEO since 21/10/2011)	160,000	0.54%

1. The allotment of shares was decided as part of a plan open to members of the Group Executive Committee only (including the Chairman and Chief Executive Officer) at the meeting of the Board of Directors held on 27 May 2014 (430,000 shares).

2. Shares were allotted in two tranches, corresponding to one third and two thirds of the total number of shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

3. The effective acquisition of the shares is subject to the following performance conditions being met (details are provided in section 7.4.3.1, on page 211 of this Registration Document):

- The shares allotted under the first tranche (one-third) will only be effectively acquired if there is a variation of at least 20% in the six-month moving average of the Albioma share closing price compared to the six-month average Albioma share closing price on 27 May 2014, as recorded at any time during the acquisition period defined in the plan's rules and by no later than 29 May 2017. Bonus shares allotted cannot be effectively acquired before expiry of a two-year period from the allotment date.

- The shares allotted under the second tranche (two thirds) will only be effectively acquired if there is a variation of more than 20% in the six-month moving average of the Albioma share closing price compared to the six-month average Albioma share closing price on 27 May 2014, as recorded at any time during the acquisition period defined in the plan's rules and by no later than 29 May 2017. If the aforementioned variation remains below 60% at all times until expiry of the acquisition period, the number of shares allotted under this tranche to be effectively acquired will 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 aforementioned variation corresponds to 60% or more at any time during the acquisition period, the shares allotted under that tranche will be effectively acquired in full on the date stipulated in the plan's rules. Bonus shares allotted cannot be effectively acquired before expiry of a two-year period from the allotment date.

- In the event of a takeover bid for all of the Company's capital and voting rights at any time during the acquisition period stipulated in the plan rules, the shares allotted under the first tranche will be effectively acquired if the final price per share offered in the takeover bid is at least 120% of the six-month average Albioma share closing price on 27 May 2014. The shares allotted under the second tranche will be effectively acquired if the final price per share offered in the takeover bid is at least 160% of this average. Bonus shares allotted cannot be effectively acquired before expiry of a two-year period from the allotment date.

The effective acquisition of bonus shares allotted to the Chairman and Chief Executive Officer is not subject to an obligation to purchase a specific number of Company shares on the market.

4. Two years from the date of the effective acquisition of the shares, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the shares effectively acquired until he stands down.

### 2.3.6. CONTRACTS OF EMPLOYMENT, SUPPLEMENTARY PENSION PLANS, COMPENSATION OR BENEFITS OWED OR LIKELY TO BE OWED DUE TO TERMINATION OR EXPIRY OF A POSITION/OFFICE, OR A CHANGE OF POSITION/OFFICE, AND COMPENSATION UNDER A NON-COMPETE CLAUSE

	Contract of employment		Supplementary retirement plan		Compensation or benefits owed or likely to be owed due to expiry, termination or a change of position/office		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>JACQUES PÉTRY - PRÉSIDENT-DIRECTEUR GÉNÉRAL</b>								
Chairman and Chief Executive Officer								
Start of term of office: 21/10/2011		✓		✓ <sup>2</sup>	✓ <sup>3</sup>			✓ <sup>4</sup>
Date of most recent renewal: 30/05/2013								
Expiry date: 2017 GM <sup>1</sup>								

1. 2017 GM: term of office will expire at the end of the General Meeting to be held in 2017 to approve the financial statements for the 2016 financial year.

2. Jacques Pétry does not have a specific supplementary pension plan that has the characteristics of commitments governed by Article L. 225-42-1, paragraph 6 of the French Commercial Code. Jacques Pétry is a member, by assimilation, of the AGIRC-ARRCO mandatory collective supplementary pension plan, to which all the Company's executive staff belong and, since the 2014 financial year, of the mandatory collective supplementary pension plan, to which all the Company's staff belong.

3. Jacques Pétry could, under certain circumstances if he is removed from office as Chairman and Chief Executive Officer or as Chief Executive Officer or if his appointment is not renewed, receive a severance payment the terms and conditions of which are detailed below.

4. Jacques Pétry would, in the event that he is removed from office as Chairman and Chief Executive Officer or as Chief Executive Officer or if his appointment is not renewed, be subject to a non-compete obligation, the terms and conditions of which are detailed below.

#### Further information on the severance payment likely to be paid to Jacques Pétry under certain circumstances if he is removed from office as Chief Executive Officer or as Chairman and Chief Executive Officer or if his appointment is not renewed and on the non-compete obligation to which he would be subject if he is removed from office as Chief Executive Officer or as Chairman and Chief Executive Officer or if his appointment is not renewed

In the event the Board of Directors decides to remove Jacques Pétry from office as Chief Executive Officer or as Chairman and Chief Executive Officer, or not to renew his appointment, he may be entitled to receive an all-inclusive severance payment, subject to certain performance conditions, unless he is removed for misconduct. He would also, in the event he is removed from office as Chief Executive Officer or as Chairman and Chief Executive Officer or his appointment is not renewed, be subject to a non-compete obligation.

Pursuant to a decision dated 21 October 2011, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, determined the amount and the conditions of payment of this severance payment, as well as the terms and conditions of the aforementioned non-compete compensation. They were expressly approved by the shareholders in the seventh resolution of the Ordinary and Extraordinary General Meeting of 31 May 2012, called to approve the special report of the Statutory Auditors. The extract of the minutes of the aforementioned Board of Directors' meeting was published as required by Articles L. 225-42-1 and R. 225-34-1 of the French Commercial Code.

On the renewal of Jacques Pétry's term of office as a Director pursuant to resolutions adopted by the General Meeting of 30 May 2013, and the resulting renewal of his term of office as Chairman of the Board of Directors and Chief Executive Officer pursuant to the decisions taken by the Board of Directors on the same day, the Board of Directors, at its meeting held at the close of the aforementioned General Meeting, decided, based on the recommendations of the Nomination and Remuneration Committee, to reiterate the authorisation of the terms and conditions of said severance payment and the aforementioned non-compete obligation. The extract of the minutes of the aforementioned Board of Directors' meeting was published as required by Articles L. 225-42-1 and R. 225-34-1 of the French Commercial Code.

In addition, at its meeting on 4 March 2014, the Board of Directors decided, based on the recommendations of the Nomination and Remuneration Committee, to amend the terms and conditions of the severance payment likely to be paid to Jacques Pétry to ensure that they comply with the provisions of the AFEP/-MEDEF Code, which recommends that the performance conditions on which such a payment would be based be assessed over at least two financial years.

At the General Meeting of 27 May 2014 the shareholders voted, on the basis of the Statutory Auditors' special report, in favour of the terms and conditions of said severance payment and the aforementioned non-compete obligation, given the Board of Directors' decision to reiterate the authorisation adopted at its meeting of 30 May 2013, and the aforementioned amendment decided at its meeting of 4 March 2014

The main terms and conditions of this severance payment and non-compete obligation are as set out below.

#### Maximum amount of severance payment

The maximum gross amount of the all-inclusive severance payment would be the total of the fixed remuneration, net of employer's social security contributions and GSC insurance premiums, received by Jacques Pétry over the six months prior to termination of his corporate office, plus the variable remuneration, net of employer's social security contributions and GSC insurance premiums, received (or owing) for the six months prior to termination of the corporate office.

#### Performance conditions

In accordance with Article L. 225-42-1 of the French Commercial Code, Jacques Pétry will only be entitled to receive the all-inclusive severance payment mentioned above if the amounts owed to him in connection with the variable component of his remuneration in respect of the two financial years preceding his removal from office as Chief Executive Officer or as Chairman and Chief Executive Officer or the non-renewal of his appointment 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.

## 2 • CORPORATE GOVERNANCE

### 2.3. Remuneration received by Corporate Officers

#### Exception: departure for misconduct

Jacques Pétry will not be owed any all-inclusive severance payment in the event he is removed from office as Chief Executive Officer or Chairman and Chief Executive Officer, or his appointment is not renewed, as a result of:

- 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*), including in particular the intentional or repeated breach of limitations placed on his statutory powers or by resolutions adopted by the shareholders at General Meetings, or any action constituting a criminal offence perpetrated personally by Jacques Pétry when a Group company is the victim or this could harm the Group's reputation;
- Jacques Pétry's failure to comply with any exclusivity and/or non-compete obligations incumbent upon him in connection with his corporate office.

#### Non-compete obligation

##### In the event severance pay is owed

In the event all-inclusive severance pay is owed under the aforementioned terms and conditions following Jacques Pétry's removal from office as Chief Executive Officer or Chairman and Chief Executive Officer or the non-renewal of his appointment, he would be bound by a non-compete obligation towards the Company in accordance with the terms and conditions set out below:

##### Term

The non-compete obligation would be valid for 12 months as from Jacques Pétry's effective departure date.

##### Jacques Pétry's obligations

Under the terms of the non-compete obligation, Jacques Pétry would undertake, during the applicable period, not to do the following:

- work, in any form whatsoever (contract of employment, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (main business activities in terms of turnover) compete with the business activities of the Albioma Group, as at the effective date of departure;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the capital and voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Albioma Group, as at the effective date of departure;
- incite any customer, supplier or partner of the Company or the companies controlled directly or indirectly by the Company, within the meaning of Article L. 233-3 of the French Commercial Code, to break off or curtail its business relationship with the Albioma Group, or incite any prospective customer not to enter into a business relationship with the Albioma Group;
- hire any officer, senior manager or employee of the Company or any of the companies controlled directly or indirectly by the Company, within the meaning of Article L. 233-3 of the French Commercial Code, or incite any such officer, senior manager or employee to terminate his/her contract of employment or leave the Albioma Group.

##### Geographic area

The aforementioned non-compete obligations shall apply to all areas in which the Albioma Group operates, as these may change between the date hereof and the effective date of Jacques Pétry's departure.

##### Amount of financial compensation

Payment of the all-inclusive severance pay, the amount of which is stated above, will be made in lieu of any financial compensation for Jacques Pétry's non-compete obligation.

##### In the event severance pay is not owed

In the event severance pay is not owed following Jacques Pétry's departure as Chief Executive Officer or as Chairman and Chief Executive Officer (following his resignation, removal from office, non-renewal of his appointment or otherwise), Jacques Pétry would be bound towards the Company under a non-compete agreement, in accordance with the terms and conditions defined below.

##### Term

The non-compete obligation would be valid for 12 months as from Jacques Pétry's effective departure date.

##### Jacques Pétry's obligations

The same as those that would apply in the event the all-inclusive severance pay is owed.

##### Geographic area

The same as that over which the non-compete obligation would apply in the event the all-inclusive severance pay is owed.

##### Amount of financial compensation

In the event severance pay is not owed, Jacques Pétry must receive gross compensation equal to the fixed remuneration, net of employer's social security contributions and GSC insurance premiums, received by Jacques Pétry over the six months prior to termination of his corporate office.

##### Right to waive the benefit of the non-compete obligation

The Company has the right, within a period of one month as from its decision to remove Jacques Pétry from office as Chief Executive Officer or Chairman and Chief Executive Officer, or not to renew his appointment, to waive the benefit of the aforementioned non-compete obligation.

### 2.3.7. SERVICE AGREEMENTS ENTERED INTO WITH THE CORPORATE OFFICERS

Not applicable.

## 2.4. Summary of transactions carried out in 2014 in the Company's shares by the Corporate Officers, their family and friends

### 2.3.8. SHAREHOLDERS' ADVISORY VOTE ON THE INDIVIDUAL REMUNERATION OF THE EXECUTIVE CORPORATE OFFICERS

In accordance with the recommendation of paragraph 24.3 of the AFEP/MEDEF Code most recently amended in June 2013, at the General Meeting of 27 May 2014 the shareholders were asked to give, in the form of an advisory vote, a favourable opinion on the components of the remuneration owing or awarded to the Chairman and Chief Executive Officer in respect of the 2013 financial year, as presented at the meeting. The shareholders voted in favour of the proposal by a very large majority (98.84% for).

The shareholders will once again be asked, at the General Meeting of 28 May 2015, to give, in the form of an advisory vote, a favourable opinion on the components of the remuneration owing or awarded to the Chairman and Chief Executive Officer in respect of the 2014 financial year, as presented at the meeting.

Summary information on the remuneration components to be voted on is provided in the report by the Board of Directors to the General Meeting in section 8.2, on page 220 et seq. of this Registration Document.

If the General Meeting votes against the resolution submitted to it, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, will discuss and vote on this matter at one of its next meetings and the Company will immediately announce the action the Board of Directors intends to take following the vote against the resolution in a press release to be published on the Company's website.

## 2.4. Summary of transactions carried out in 2014 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 summarises the transactions reported during the 2014 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
Patrick de Giovanni	Shares	Subscription <sup>1</sup>	02/07/2014	Euronext Paris	17.44	69.76	4	2014DD316462
Edgard Misrahi	Shares	Subscription <sup>1</sup>	02/07/2014	Euronext Paris	17.44	69.76	4	2014DD316465
Financière Hélios SAS	Shares	Subscription <sup>1</sup>	02/07/2014	Euronext Paris	17.44	3,251,095.04	186,416	2014DD316468
Michel Bleitrach	Shares	Subscription <sup>1</sup>	02/07/2014	Euronext Paris	17.44	69.76	4	2014DD319210
Jacques Pétry	Shares	Effective acquisition of bonus shares awarded <sup>2</sup>	26/07/2014	n/a	19.10	1,432,500.00	75,000	2014DD324266

1. Payment of dividend for 2013 financial year in the form of shares.

2. See explanations given in section 2.3.5.3, on page 68 of this Registration Document.

## 2 • CORPORATE GOVERNANCE

### 2.5. AFEP/MEDEF Code recommendations not applied by the Company as at 31 December 2014

#### 2.5. AFEP/MEDEF Code recommendations not applied by the Company as at 31 December 2014

##### AFEP/MEDEF Code recommendations

##### **FIXED PART OF EXECUTIVE CORPORATE OFFICERS' REMUNERATION**

§ 23.2.2. of the AFEP-MEDEF Code: "[...] In principle, such fixed compensation may only be reviewed at relatively long intervals, e.g. every three years."

##### Company's explanations

The fixed component, like the variable component of the Chairman and Chief Executive Officer's remuneration, is reviewed annually, which may result in a change to the fixed component of the remuneration. This annual review is, however, largely linked to the review of the Chairman and Chief Executive Officer's performance during the last financial year, which enables the Board of Directors to determine the amount of the variable component of his remuneration with regard to the objectives set for the Chairman and Chief Executive Officer at the start of the last financial year, and to the setting of objectives on which will be based the variable component of his remuneration for the current financial year. In practice, the annual review of the Chairman and Chief Executive's remuneration has resulted in the Board of Directors maintaining the fixed component of the Chairman and Chief Executive's remuneration and the maximum possible variable component of his remuneration at the same level for the 2011, 2012 and 2013 financial years, i.e. for a three-year period. The fixed component of the remuneration paid to the Chairman and Chief Executive Officer was increased by 7.5% for the 2014 financial year by the Board of Directors at its meeting of 4 March 2014.

See explanations given in section 2.3.2, on page 63 of this Registration Document.

##### **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 allotment, the performance shares allotted to executive Corporate Officers are conditional upon the acquisition of a defined quantity of shares once the allotted shares are available."

The allotment of bonus performance shares to the Chairman and Chief Executive Officer resulting from the decisions made by the Board of Directors at its meeting on 26 July 2012 is not conditional upon the acquisition of a defined quantity of shares when the bonus shares are effectively acquired. This is also true for the allotment of bonus performance shares decided by the Board of Directors on 27 May 2014. The Company considers that the commitment given by the Chairman and Chief Executive Officer to retain in registered form, until the expiry of his term of office, 25% of the shares effectively acquired in connection with this allotment constitutes a mechanism whose effect is equivalent to the AFEP/MEDEF Code's recommendation, and which will act as an incentive for the Chairman and Chief Executive Officer to take a long-term approach.

See explanations given in section 2.3.5.4, on page 69 of this Registration Document.

In addition, in 2011 and 2012 the Chairman and Chief Executive Officer, on his own initiative, acquired a significant number of the Company's shares, which he still retains. The number of shares held by the Chairman and Chief Executive Officer as at 31 December 2014 is disclosed in section 2.2.3, on page 39 of this Registration Document.

##### **STOCK OPTIONS AND PERFORMANCE SHARES**

§ 23.2.4. of the AFEP-MEDEF Code: "[...] The exercise by executive Corporate Officers of all of the options and the acquisition of the shares must be related to serious and demanding performance conditions that are to be met over a period of several consecutive years. These conditions may be internal and/or external performance requirements, i.e. related to the performance of other companies, a benchmark sector, etc. Where it is possible and relevant, these internal and external performance requirements are combined."

With regard to the bonus share plan set up as a result of the resolutions adopted at the General Meeting of 14 March 2012, the achievement of thresholds based on the six-month moving average closing share price over a defined period and the completion of a takeover involving the acquisition of all the Company's share capital and voting rights are the only criteria governing the effective acquisition of the bonus shares allotted to the Chairman and Chief Executive Officer by the Board of Directors at its meeting on 26 July 2012. The bonus share plan open to members of the Executive Committee set up as a result of the resolutions adopted at the General Meeting of 27 May 2014 applies similar performance conditions governing the effective acquisition of the bonus shares allotted to the Chairman and Chief Executive Officer by the Board of Directors at its meeting on 27 May 2014. These performance conditions, although serious and demanding and to be met over a period of several consecutive years, are not supplemented by internal performance conditions specific to the Company or by external performance conditions related to the performance of other companies or a benchmark sector. The Company considers, however, that given the Group's activity and its positioning, the meeting of performance conditions thus defined, relating exclusively to the market, fully reflects the market's objective assessment of the Group's economic and financial position and its outlook.

See explanations given in section 2.3.5.4, on page 69 of this Registration Document.

## 2.6. Internal control and risk management procedures implemented by the Company

## 2.6. Internal control and risk management procedures implemented by the Company

The following overview forms an integral part of the Board of Directors' report prepared pursuant to Article L. 225-37 of the French Commercial Code (further information is provided in section 2.1.2, on page 34 of this Registration Document).

In drafting the Chairman's report, the Company relied on the guide for small and mid-caps on the implementation of the AMF's internal control and risk management reference framework, last updated on 22 July 2010.

### 2.6.1. 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 day-to-day 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 day-to-day 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 judgment 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.

### 2.6.2. GROUP STRUCTURE

In 2014 the Group made changes to its organisation to maintain its effectiveness given changes to its project portfolio and the need for decentralised management of its production sites, entailing specific constraints due to distance. More specifically, the Group's organisation needed to be modified with a view to the launch of its first plant in Brazil. The importance of this geographic sector led the Group to reorganise its operational sectors over the past year, placing a greater focus on its main geographic sectors.

In 2014, the Group was structured around operating divisions, created by combining its three businesses (Thermal Biomass, Solar Energy and Anaerobic Digestion) and the areas in which it operates:

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

At head office, the central departments form a separate operating division, which offers central support services. They are organised as follows:

- Purchasing and Maintenance Department
- Technical and Construction Department
- Industry and Innovation Department
- Administrative and Financial Department, including the Contracts and Legal Affairs Department, the Accounting Department, the Management Control Department and the Information Systems Department
- Corporate Social Responsibility Department (formerly the Environmental and Social Responsibility Department)
- Human Resources Department
- Company Secretariat

The Chairman and Chief Executive Officer, the two Chief Operating Officers and the Chief Financial Officer form the General Management Committee. A larger body – the Executive Committee – comprises, in addition to the members of the General Management Committee, the main heads of corporate development and heads of centralised support services.

### 2.6.3. 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: seminars (e.g. seminars for Executive Committee members, for senior management and for operational staff) and the regular circulation of an internal newsletter to all employees, providing them with important information on the latest developments within the Group and allowing them to monitor 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.

## 2 • CORPORATE GOVERNANCE

### 2.6. Internal control and risk management procedures implemented by the Company

The following bodies responsible for internal control procedures are:

- the Board of Directors and its specialised Committees, whose operating methods and main tasks are described in section 2.2.4, on page 48 et seq. of this Registration Document;
- General Management, the General Management Committee and the Executive Committee;
- the Administrative and Financial Department and the other functional departments;
- the internal audit function.

The Group is committed to a continuous improvement initiative involving the strengthening of its current system for delegating powers, which enables the duties and responsibilities of all the relevant parties to be defined clearly and precisely.

#### 2.6.3.1. 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 corporate social responsibility indicators, based on the work of the Commitments and Monitoring Committee, which reviews the monthly reporting packages drawn up by the Administrative and Financial Department.

In collaboration with the Audit, Accounts and Risks Committee and the Corporate Social Responsibility Committee (formerly the Environmental and 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, in collaboration with the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) in the case of environmental and social risks.

Lastly, the Audit, Accounts and Risks Committee has a key role to play in the internal audit function (see details provided in section 2.6.3.6, on page 77 of this Registration Document).

#### 2.6.3.2. 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.

#### 2.6.3.3. The General Management Committee

The General Management Committee meets on a weekly basis, 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-functional matters with a view to formulating action plans to be implemented by the operational departments and the centralised support services departments.

#### 2.6.3.4. The Executive Committee

The Executive 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 Department, of progress on projects, operational performance of the Group's activities, its financial position and the main corporate social responsibility indicators.

Executive Committee meetings provide an opportunity to share the action plans drawn up by General Management and the General Management Committee 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 Executive Committee seminar, during which key strategic options are discussed.

#### 2.6.3.5. The Administrative and Financial Department and the other functional departments

The Administrative and Financial Department, which oversees the Contracts and 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 Executive Committee, the Commitments and Monitoring 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 Department also encompasses the internal audit function, which was given a formal structure over the 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 Contracts and Legal Affairs Department, by ensuring, in particular, the legal security of operations;
- the Human Resources Department, by ensuring that the Group's operations are carried out in accordance with the legislative and regulatory provisions applicable to the Group and those of 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 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 Technical and Construction Department, the Industry and Innovation Department and the Purchasing and Maintenance Department, whose actions are vital for preserving the value of the Group's assets;

## 2.6. Internal control and risk management procedures implemented by the Company

- the Corporate Social Responsibility Department (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 Company Secretariat, which, in addition to the Secretariat of the Board of Directors and the specialised Committees, is responsible for monitoring matters associated with company law, stock market laws, compliance and ethics, assists the Administrative and Financial Department in the financial communication control process and oversees internal, institutional and regulatory communication.

### 2.6.3.6. The internal audit function

The creation of a formal internal audit function in 2014 was a high point in the ongoing process of improving internal auditing within the Group. Functionally, the internal audit function forms part of the Administrative and Financial Department, and reports to General Management and the Audit, Accounts and Risks Committee.

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.

In 2014, the internal audit function carried out two audits, focusing on key operational processes within the Group's four main production units, in Guadeloupe and Reunion Island.

### 2.6.4. THE RISK MANAGEMENT PROCESS

In the performance of its day-to-day activities, the Group is exposed to a variety of risks. The main risk factors the Group faces and the main measures for controlling these risks are described in section 1.8, on page 22 *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.

In 2009, the Group initiated the introduction of 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 (formerly the Environmental and Social Responsibility Committee), the Board of Directors regularly reviews this risk mapping to ensure that it is comprehensive and that the action plans implemented by General Management are effective as a result.

The Group is committed to continuously improving the completeness and effectiveness of this risk mapping. In conjunction with the work carried out by the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee), the Group has introduced unified mapping incorporating employment, environmental and social risks. The Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) is now involved, together with the Audit, Accounts and Risks Committee, in reviewing this unified risk mapping. 2014 was marked by the increased involvement of the Audit, Accounts and Risks Committee and the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) in the risk mapping review, which allowed the Group to make further improvements to the level of detail of the analysis (modulation of standard risks according to geographic areas as well as probability of occurrence and impact) and to the comprehensiveness of risks (integration of new risks associated with the Group's facilities in Brazil, possible integration of risks associated with the Group's relations with its stakeholders, etc.). The process for identifying risks and defining preventative or corrective actions requires more significant involvement on the part 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.

### 2.6.5. CONTROL ACTIVITIES AND PROCEDURES

#### 2.6.5.1. 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 Department 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 from 2013, financial debt is monitored using a dedicated IT platform enabling the Group's debt to be monitored on a global and long-term basis;
- as regards non-financial information, in line with the procedures for producing non-financial information, verified by an independent third-party body (see information on corporate social responsibility measures in section 6 on page [•] of this Registration Document), which is now obtained using an integrated data compilation and analysis tool for non-financial information, which was put in place in 2014 and will be gradually adapted to be used by the Management Control Department to compile and analyse production data.

## 2 • CORPORATE GOVERNANCE

### 2.6. Internal control and risk management procedures implemented by the Company

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 Department on the basis of the strategic orientations proposed by General Management are presented to the Executive Committee and approved by the Board of Directors, after examination by the Commitments and Monitoring Committee. The budget is adjusted when the half-yearly financial statements are prepared, and the Commitments and Monitoring Committee and the Board of Directors are informed thereof.

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.

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

Since 2009, the Company has been 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 and Monitoring 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 enables decisions to be made about critical resources (financial and human), thereby securing completion of the projects concerned.

#### 2.6.5.3 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 in 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 (CMM), 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.

More generally, General Management decided in 2014 to roll out a programme to improve maintenance and related functions, with the assistance of an independent firm of consultants, beginning in Reunion Island. This key initiative 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. It also enabled the Group to improve stock management, with the first reviews of minimum stock levels and automatic restocking.

#### 2.6.5.4. 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. This process is part of an overall approach that seeks to adopt and maintain policies for all of the Group's activities that promote sustainable development, limit negative environmental impacts and preserve biodiversity. The Group intends to extend it in the short term to the Albioma Le Moule and Albioma Caraïbes facilities, then to all its activities, regardless of their location. Work is already underway with regard to the Solar business in the Indian Ocean zone, with the aim of obtaining triple certification by the end of 2015.

In addition to these certifications, the Group continued to make progress in 2014 in the implementation of its employee safety management process, despite a greater number of accidents in the work place over the year, which caused the Group to carry out a general audit of its employee safety procedures, assisted by an independent firm of consultants. The audit was completed by the end of 2014 and the findings will be available in 2015. Safety Committees, which have responsibility for monitoring the key indicators, conducting in-depth analysis of the causes of any accidents and drawing up and monitoring implementation of action plans, were set up throughout the Group over the year. The results of their work are presented to the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee) on a regular basis.

## 2.6. Internal control and risk management procedures implemented by the Company

## 2.6.5.5. Procedures applicable to the production of the accounting and financial information

**Organisation of the Administrative and Financial Department**

The Administrative and Financial Department, 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 processes 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, 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 Department 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 Department, 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 Department to all parties involved.

**Audit, Accounts and Risks Committee**

The role of the Audit, Accounts and Risks Committee is described in detail in section 2.2.4.1, on page 52 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.

## 2 • CORPORATE GOVERNANCE

2.7. Report by the Statutory Auditors prepared in accordance with article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors

### 2.7. Report by the Statutory Auditors prepared in accordance with article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors

*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 auditing standards applicable in France.*

#### **PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

#### **Mazars**

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

#### FINANCIAL YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In our capacity as Statutory Auditors of Albioma, and in accordance with article L. 225 235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

#### **Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information**

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L. 225-37 of the French Commercial Code.

#### **Other information**

We attest that the Chairman's report sets out the other information required by article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, on 28 April 2015

The Statutory Auditors

#### **PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

#### **Mazars**

Manuela Baudoin-Revert  
Partner

## 2.8. Regulated agreements and commitments, and transactions with related parties

### 2.8.1. SPECIAL REPORT BY THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

#### PricewaterhouseCoopers Audit

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

#### Mazars

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

#### FINANCIAL YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

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 we have been informed of or that we have identified in the course of our audit work. 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 which 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 for approval by the shareholders

Note that 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 shareholders

Pursuant to Article R. 225-30 of the Commercial Code, we have been advised of the continued performance in the last financial year of the following agreements and commitments, which have already been approved by the shareholders in previous financial years.

#### Severance pay and the non-compete agreement of Jacques Pétry

##### Director concerned

Mr Jacques Pétry, Chairman and Chief Executive Officer of the Company

##### Date of authorisation by the Board of Directors

21 October 2011, 30 May 2013 (reiteration of the authorisation under the same conditions), 4 March 2014 (modification of the terms and conditions of the above-mentioned severance pay and non-compete agreement)

##### Date of approval by the shareholders

31 May 2012, 30 May 2013 (approval of reiteration of the above-mentioned authorisation concerning severance pay and the non-compete agreement by the Board of Directors at its meeting of 30 May 2013), 27 May 2014 (approval of the modification of the terms and conditions of the above-mentioned severance pay and non-compete agreement by the Board of Directors at its meeting of 4 March 2014)

#### Description of the terms and conditions of the severance pay and the non-compete agreement as resulting from the decisions of the Board of Directors meeting of 4 March 2014

##### Maximum amount of the severance payment

The maximum gross amount of the all-inclusive severance payment will be the fixed remuneration, net of employer's social security contributions and GSC (*Garantie des Chefs et Dirigeants d'Entreprise*) unemployment insurance cover for company managers and executives, received by Jacques Pétry over the six months prior to termination of his corporate office, plus the variable remuneration, net of employer's social security contributions and GSC unemployment insurance cover, received (or owing) for the six months prior to termination of the corporate office.

##### Performance conditions

In accordance with Article L. 225-42-1 of the Commercial Code, Jacques Pétry will only be entitled to receive the all-inclusive severance payment mentioned above if the sums due to Jacques Pétry as the variable component of his remuneration for the two full financial years preceding the date of his removal from office or non-renewal of his appointment as Chief Executive Officer or Chairman and Chief Executive Officer represent, on average, a percentage that is equal to or greater than 50% of the maximum amount of variable remuneration that he could receive for the said financial years.

## 2 • CORPORATE GOVERNANCE

### 2.8. Regulated agreements and commitments, and transactions with related parties

#### **Exception: departure for misconduct**

Jacques Pétry will not be owed any all-inclusive severance payment in the event he is removed from office as Chief Executive Officer or Chairman and Chief Executive Officer, or his appointment is not renewed, as a result of:

- 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
  - any wrongdoing or misconduct characterised under employment law as “gross misconduct” (*faute lourde*), including in particular the intentional or repeated breach of limitations placed on his powers in the Articles of Association or by resolutions adopted by the shareholders at General Meetings, or any action constituting a criminal offence perpetrated personally by Jacques Pétry, when a Group company is the victim, or this could harm the Group's reputation;
- Jacques Pétry's failure to comply with any exclusivity and/or non-compete obligations incumbent upon him in connection with his corporate office.

#### **Non-compete obligation**

*In the event all-inclusive severance pay is owed*

In the event all-inclusive severance pay is owed under the aforementioned terms and conditions following the termination or non-renewal of the appointment of Jacques Pétry as Chief Executive Officer or Chairman and Chief Executive Officer, he will be bound by a non-compete obligation towards the Company in accordance with the terms and conditions set out below:

#### **Term**

The non-compete obligation will have a term of 12 months from the effective date of departure of Jacques Pétry.

#### **Jacques Pétry's obligations:**

It is agreed that under the non-compete obligation Jacques Pétry will not do the following, during the applicable period:

- work, in any form whatsoever (contract of employment, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (main business activities in terms of turnover) compete with the business activities of the Albioma Group, as at the effective date of departure;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent (5 %) of the capital and voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Albioma Group, as at the effective date of departure;
- incite any customer, supplier or partner of the Company or the companies controlled directly or indirectly by the Company, within the meaning of Article L. 233-3 of the Commercial Code, to break off or curtail its business relationship with the Albioma Group, or incite any prospective customer not to enter into a business relationship with the Albioma Group;
- hire any officer, director or employee of the Company or any of the companies in the Albioma group or any of the companies controlled directly or indirectly by the Company, within the meaning of Article L. 233-3 of the Commercial Code, or incite any such officer, director or employee to terminate his/her contract of employment or leave the Albioma Group.

#### **Geographic area**

The non-compete obligations mentioned above shall apply to all areas in which the Albioma Group operates, as this may change between the date hereof and the effective date of Jacques Pétry's departure.

#### **Financial compensation**

Payment of the all-inclusive severance pay, the amount of which is stated above, will be made in lieu of any financial compensation for Jacques Pétry's non-compete obligation.

*In the event all-inclusive severance pay is not owed*

In the event all-inclusive severance pay is not owed following Jacques Pétry's departure as Chief Executive Officer or as Chairman and Chief Executive Officer of the Company (following his resignation, removal from office, non-renewal of his appointment or otherwise), Jacques Pétry will be bound towards the Company under a non-compete agreement, in accordance with the terms and conditions defined below:

#### **Term**

The non-compete obligation will have a term of 12 months from the effective date of departure of Jacques Pétry.

#### **Jacques Pétry's obligations**

Identical to those he would be bound by in the event all-inclusive severance pay is owed.

#### **Geographic area**

Identical to that in which the non-compete obligations are applicable in the event all-inclusive severance pay is owed.

## 2.8. Regulated agreements and commitments, and transactions with related parties

**Financial compensation**

In the event all-inclusive severance pay is not owed, Jacques Pétry will receive gross compensation corresponding to the fixed remuneration, net of employer's social security contributions and GSC unemployment insurance cover, received by Jacques Pétry over the six months prior to termination of his corporate office.

**Possibility to waive the benefit of the non-compete agreement**

Note that the Company will be entitled, within one month of its decision to remove Jacques Pétry from his office of Chief Executive Officer or Chairman and Chief Executive Officer or not to renew his appointment, to waive the benefit of Jacques Pétry's non-compete agreement described above.

**Grant to Methaneo of shareholder current-account advances Director concerned****Director concerned**

Jacques Pétry, Chairman and Chief Executive Officer of the Company and representative of Albioma as a member of Methaneo's Supervisory Board

**Date of authorisation by the Board of Directors**

27 April 2012

**Date of approval by the General Meeting**

30 May 2013

**Description**

Pursuant to undertakings entered into in a shareholders' agreement, amended on 27 October 2014, signed by the Company and the founding shareholders of Methaneo on 19 May 2012, your Board of Directors authorized the Company, which holds 60% of the capital of Methaneo, to grant to Methaneo shareholder current-account advances in a total amount of €7 million over the 2012-2016 period, with a 9% annual interest rate.

**Performed during the last financial year**

Current account advance of €2,882,000, bringing the Company's total shareholder current account advances to €6,182,000 as at 31 December 2014.

Neuilly-sur-Seine and Courbevoie, on 28 April 2015

The Statutory Auditors,

**PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

**Mazars**

Manuela Baudoin-Revert  
Partner

## 2.8.2. AGREEMENTS GOVERNED BY ARTICLE L. 225-102-1 PARAGRAPH 13 OF THE FRENCH COMMERCIAL CODE

Not applicable.

## 2.8.3. RELATED PARTY TRANSACTIONS

Detailed information about related parties is disclosed in note 34 to the consolidated financial statements for the 2014 financial year, in section 4, on page 137 of this Registration Document.



# ACTIVITES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

# 3



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## 3 • ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3.1. Key figures

### 3.1. Key figures

#### 3.1.1. FINANCIAL DATA

<i>In millions of euros</i>	2014	2013 restated <sup>1</sup>
Revenue	354.0	363.3
EBITDA <sup>2</sup>	129.0	135.8
Net income from continuing operations, Group share <sup>2</sup>	38.0	37.0

1. The income statement for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

2. The 2013 results incorporated retroactive items in respect of 2010, 2011 and 2012 obtained in connection with the signing of new amendments to EDF contracts, as well as non-recurring items totalling €13.1 million in terms of EBITDA and €4.7 million in terms of net income from continuing operations, Group share. The 2014 results incorporate non-recurring items totalling €3.4 million in terms of EBITDA.

#### 3.1.2. MW IN OPERATION AND PRODUCTION IN GWH

	Gross MW in operation			Production (GWh)		
	2014	2013	Change	2014	2013	Change
Albioma Bois-Rouge	108	108	-	667.9	727.7	-59.8
Albioma Le Gol	122	122	-	793.8	791.4	2.4
Albioma Le Moule	64	64	-	334.2	376.9	-42.8
Albioma Caraïbes	38	38	-	215.1	208.9	6.2
Albioma Galion	40	40	-	82.4	112.6	-30.1
<b>Thermal Biomass - France</b>	<b>372</b>	<b>372</b>	<b>-</b>	<b>2,093.4</b>	<b>2,217.5</b>	<b>-124.0</b>
OTEO La Baraque (formerly Compagnie Thermique de Savannah)	90	90	-	493.4	493.8	-0.4
Terragen (formerly Compagnie Thermique de Bellevue)	70	70	-	400.8	393.7	7.0
OTEO Saint-Aubin (formerly Compagnie Thermique du Sud)	35	35	-	230.5	229.7	0.9
<b>Mauritius</b>	<b>195</b>	<b>195</b>	<b>-</b>	<b>1,124.7</b>	<b>1,117.2</b>	<b>7.5</b>
<b>Brazil</b>	<b>60<sup>1</sup></b>		<b>60</b>	<b>104.6</b>		<b>104.6</b>
<b>Thermal Biomass</b>	<b>627</b>	<b>567</b>	<b>60</b>	<b>3,322.8</b>	<b>3,334.7</b>	<b>-11.9</b>
French overseas departments	59	56	2	80.2	79.7	0.5
Outside France	4	4	-	6.4	6.6	-0.1
Metropolitan France	8	8	-	9.9	10.3	-0.4
<b>Solar Power</b>	<b>71</b>	<b>69</b>	<b>2</b>	<b>96.5</b>	<b>96.5</b>	<b>0.0</b>
<b>Anaerobic Digestion</b>	<b>3</b>		<b>3</b>	<b>13.4</b>		<b>13.4</b>
<b>Group Total</b>	<b>701</b>	<b>636</b>	<b>65</b>	<b>3,432.7</b>	<b>3,431.2</b>	<b>1.5</b>

1. Physical guarantee of about 20 MW.

## 3.1.3. AVAILABILITY RATE

	2014	2013
Albioma Bois-Rouge	85.3%	91.1%
Albioma Le Gol	92.6%	92.1%
Albioma Le Moule	83.7%	91.8%
Albioma Caraïbes	99.5%	93.5%
Albioma Gallon	96.0%	95.7%
<b>French Overseas Departments Total</b>	<b>90.1%</b>	<b>92.3%</b>
Terragen (formerly Compagnie Thermique de Bellevue)	93.8%	91.3%
OTEO Saint-Aubin (formerly Compagnie Thermique du Sud)	91.0%	91.6%
OTEO La Baraque (formerly Compagnie Thermique de Savannah)	93.6%	93.7%
<b>Mauritius Total</b>	<b>93.2%</b>	<b>92.4%</b>
<b>Group Total</b>	<b>91.1%</b>	<b>92.3%</b>

## 3.2. Highlights of the year

## 3.2.1. FRANCE - THERMAL BIOMASS BUSINESS

## 3.2.1.1. Activity levels hold up well

At 31 December 2014, total installed thermal capacity in Overseas France was 372 MW, unchanged from 2013.

The availability rate was in line with the Group's target range of 90%-92%, albeit slightly lower than in 2013 (90.1%, compared with 92.3% in 2013) as a result of technical incidents impacting the plants in Bois-Rouge on Reunion Island (turbogenerator malfunction and boiler grate replacement) and Le Moule in Guadeloupe (generator stator short-circuit), essentially during the first half of the year. Due to unavailability of the Le Moule plant, the maintenance outage at Albioma Caraïbes originally scheduled for April 2014 was postponed until February 2015.

In Martinique, the duty rate at the Gallon peaking power plant was lower than in 2013 (24.5%, compared with 33.6% in 2013) but still high, due to maintenance outages at EDF plants.

Power generation totalled 2,093 GWh, a decrease of 6% compared with 2013.

## 3.2.1.2. Changes in the economic and regulatory context

Coal prices continued to slide from their 2013 levels. The average price for the Group dropped from €85 per tonne in 2013 to €79 per tonne in 2014, a 7% decrease. This trend had a negative impact (-€5 million) on the Group's revenues but did not directly affect profit margins, as electricity sale prices are contractually indexed to fuel costs. Coal prices stabilised to some extent over the final months of the year.

Concerning carbon emissions, under the terms of an agreement reached with EDF during the first half of 2014, the excess charge previously borne by Albioma Caraïbes was removed. The contracts between all of the Group's thermal power plants in French overseas departments and EDF now 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. A ministerial order issued on 24 January 2014 designated the Bois-Rouge, Le Gol and Le Moule plants as beneficiaries of free carbon quotas for the 2013-2020 period, in recognition of their cogeneration activity (including 290,000 tonnes for 2013 and 2014).

In accordance with new regulatory provisions that came into effect on 1 July 2012, relating to facilities classified for the protection of the environment (*Installations Classées pour la Protection de l'Environnement - ICPE*), the Group has deposited funds with the Caisse des Dépôts et Consignations to serve as financial guarantees ensuring the safety of its five existing thermal power plants, and the removal and processing of hazardous products and waste. These funds total €0.2 million (representing 20% of the cost, with the remainder to be lodged at a rate of 20% per year during the following four years). These financial guarantees are recorded as off-balance sheet commitments.

In the context of the works initiated over the past two years, an agreement was entered into with DREAL, the French regional environment, planning and housing authority, to classify combustion by-products from power plants as inert waste and to establish approved disposal activities. A request for compensatory pricing was submitted to EDF, to offset the significant additional cost of processing, transporting and disposing of such products.

Newly-introduced regulations on special processing for process water and runoff water prompted the Bois-Rouge and Le Gol power plants on Reunion Island to undertake major works on their industrial water treatment and monitoring systems. A request for an economic rebalancing of the relevant electricity sales contracts will also be submitted with respect to all of the necessary capital investments and additional costs.

## 3.2.1.3. Project development

The Group is continuing to expand in Overseas France, through three innovative projects: Gallon 2 in Martinique (base-load power plant), a combustion turbine on Reunion Island (peaking plant) and Marie-Galante in Guadeloupe (base-load plant).

The Gallon 2 project in Martinique received the green light from the energy regulation commission (CRE) in 2014. A bagasse/biomass pricing amendment to the existing electricity supply contract with EDF was agreed on 5 December 2014. This 40 MW facility will operate using bagasse produced by the neighbouring Le Gallon sugar refinery, to which it will supply steam. Albioma will develop new supply chains enabling the use of other forms of locally-sourced biomass: sugar cane chaff, the hitherto unrecovered fraction of distillery bagasse, coppice wood, the non-fermentable green waste and energy crops grown without conflicts of use. Ultimately, nearly 40% of the plant's procurement needs should be fulfilled by locally sourced biomass. The remaining biomass will be imported as wood pellets from North America and Brazil. The facility is scheduled to begin operating in the first half of 2017. The power purchase agreement will run for 30 years from the date of industrial commissioning. This all-biomass power plant will efficiently recover local biomass resources, and will create significant numbers of jobs in the future supply

## 3 • ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3.2. Highlights of the year

chains. It will help to reduce Martinique's dependence on imported fossil energy: the plant will cover 15% of the island's electricity needs as base-load renewable energy. The necessary capital investment of around €170 million will be made by Albioma Galion, a joint subsidiary of Albioma (80%) and COFEPP (20%), the Group's longstanding partner in the West Indies. The plant will be funded via long-term project debt of approximately €120 million.

In January 2015, the Group and EDF concluded a 25-year power purchase agreement for the combustion turbine project in Saint-Pierre on Reunion Island. This innovative 40 MW facility will be the first French peaking power plant to operate essentially with bioethanol obtained by distilling sugar cane molasses, which will be produced by the COFEPP group's Rivière du Mât distillery on Reunion Island and by Omnicane on Mauritius. 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. Based on the duty rate assumptions adopted by the energy regulation commission (CRE), 80% of the plant's fuel requirements are expected to be covered by bioethanol. The plant is scheduled to be commissioned during the second half of 2016. The corresponding investment of approximately €50 million will be made by Albioma Saint-Pierre, a joint subsidiary of Albioma (51%) and the Group's longstanding sugar refining partners, COFEPP and Tereos (49%).

Albioma has applied for the necessary permits and authorisations for the Marie-Galante project in Guadeloupe, representing an investment of €80 million for an installed capacity of 13 MW.

In addition, in accordance with new European gaseous emissions standards applicable to all electricity producers, Albioma will invest around €200 million in its thermal power plants in Overseas France by 2020. Negotiations have been initiated with EDF to amend power purchase agreements in line with the regulatory requirements for remuneration of capital employed. A five-year capital investment programme for the nine generating units located in Overseas France has been set up to adapt and/or install fume treatment systems compliant with the latest standards. The first such equipment is scheduled to have been installed and commissioned, at a cost of €26 million, by the second half of 2016 at the Le Gol plant on Reunion Island.

#### 3.2.1.4. Labour relations

Business was conducted in a climate of good labour relations in 2014.

### 3.2.2. FRANCE AND SOUTHERN EUROPE – SOLAR POWER

#### 3.2.2.1. Very strong performance by the Solar Power business

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.

Photovoltaic power generation remained stable at 96.5 GWh in 2014. The Group's plants in the Indian Ocean, French Guiana and Spain benefited from excellent sunshine and operating conditions.

Construction work was completed at the Group's first photovoltaic plant featuring integrated power storage facilities. This 1 MWp facility installed on the roof of a hypermarket in Saint-Pierre de La Réunion began operating on 30 October 2014. In Mayotte, a small 0.1 MWp plant was commissioned in June 2014 (Hyper Discount 2).

Following the signing of a settlement agreement, the dispute with a supplier concerning the supply of solar panels to Albioma Group companies for projects dating back to 2007 has now been resolved. Under the terms of this agreement, compensation of €5 million was paid to Albioma and its subsidiaries Orgiva, Albioma Solaire Réunion and Plexus Sol. This payment was booked under "Other operating income".

Lastly, following the acquisition, on 16 April 2014, of the outstanding 50% of equity in Albioma Power Alliance (formerly Power Alliance SCE), previously held by non-Group shareholders, this company is now wholly owned by Albioma and has been fully consolidated accordingly.

#### 3.2.2.2. Changes in the economic and regulatory context

There were no significant changes in France in 2014.

In Spain, the royal decree setting photovoltaic electricity tariffs was amended on 10 June 2014. The new law determines an income level for each facility, in order to deliver "reasonable" profitability based on the facility's overall size, commissioning date and geographic location. Furthermore, a coefficient has been introduced with the aim of staggering the power generation deficit on the Spanish market and enabling the Spanish State to pay for only part of injected production, with the remainder being paid for within between six months and two years. The new decree is likely to have a marginal impact on the profitability of the Group's Spanish facilities.

#### 3.2.2.3. Project development

Administrative formalities relating to the construction of a new 2 MWp photovoltaic plant with storage capabilities in French Guiana have been initiated. This facility is scheduled to begin operating in 2016.

### 3.2.3. FRANCE - ANAEROBIC DIGESTION BUSINESS

In France, addressing the sizeable potential market for anaerobic digestion of livestock rearing and agribusiness waste is a priority of the draft legislation on the energy transition. However, many anaerobic digestion stakeholders, including Albioma, are currently faced with operational and economic challenges.

The Tiper Méthanisation (2 MW) and Cap'ter Méthanisation (0.5 MW) facilities, respectively located in Thouars and Saint-Varent in the Deux-Sèvres department are now operating. Industrial difficulties were encountered while ramping up production at these pioneering plants. The agreed power purchase prices are too low in view of the high operating costs.

Construction work for the Sain'ter Méthanisation (0.5 MW) plant in Saint-Hermine in Vendée is now complete, and ramp-up is underway, with the aim of reaching full power in 2015, informed by experience feedback from the earlier projects.

The units already in operation are not profitable under current pricing terms and conditions. As a result, asset write-downs were recorded in 2014, resulting in a negative impact of €4.6 million on net income, Group share.

Development of new projects has been suspended pending the successful resolution of the operational challenges and the adoption of a more favourable pricing structure.

A new management team has been put in place to support this phase of optimisation of the anaerobic digestion business's industrial processes.

### 3.2.4. MAURITIUS

The Group's plants in Mauritius had a combined thermal capacity of 195 MW at 31 December 2014, unchanged from 2013. The Mauritian plants are booked using the equity method.

The availability rate increased to 93.2% from 92.4% in 2013, reflecting the strong performance of the facilities operated by Albioma. Production also increased, by 1%.

## 3.3. Comments on the consolidated financial statements

In accordance with guideline no. 2011-16 issued by the French financial regulator (*Autorité des Marchés Financiers – AMF*), the Group has decided to include in its net operating income (EBITDA and EBIT) the fraction of net income of companies consolidated using the equity method (Albioma has a 25% interest in the Mauritian entities). To facilitate comparison between periods, the income statement for 2013 has been restated to reflect this new presentation.

## 3.2.5. BRAZIL

## 3.2.5.1. Acquisition of Rio Pardo Termoelétrica

Following the opening of a Brazilian office in July 2013, in March 2014 Albioma acquired Rio Pardo Termoelétrica, a company operating a cogeneration plant in the State of São Paulo. The plant, located in an area that is very conducive to the cultivation of sugarcane, operates all year round using the bagasse harvested over nine months. This plant, commissioned in 2009, is fitted with high-quality equipment and has an installed capacity of 60MW, similar to that of the Group's other plants. It is adjacent to a sugar refinery designed to process 2.1 million tonnes of sugarcane per annum, supplying the plant with bagasse throughout the year. Albioma's unique expertise will significantly enhance the energy efficiency of the existing facilities, which will ultimately inject 160GWh of electricity to the grid annually.

The acquisition of 100% of the shares in the cogeneration plant was finalised on 31 March 2014. This operation, financed by a combination of locally-raised debt (50%) and equity (50%), is expected to make a positive contribution to EBITDA and net income, Group share, as from the 2014 financial year.

## 3.2.5.2. Excellent restart

Upon assuming control of the cogeneration plant on 31 March 2014, Albioma's personnel started the facility without delay, in order to be operational by the start of the sugar harvest (22 April 2014) enabling the plant to support the sugar refinery's production ramp-up. The sugar harvest began in excellent conditions, with the sugar refinery quickly achieving an output of 12,000 tonnes of sugar cane processed daily. Reflecting the excellent team spirit among personnel at the cogeneration plant, significant progress was achieved.

Despite the volume of sugar cane ground being lower than forecast, the operator's technical expertise enabled 105 GWh of electricity to be generated in 2014 (compared with 80 GWh in 2013). The Group sold its electricity at an excellent price (541 reals per MWh, on average).

Capitalising on high prices due to drought and low hydroelectric dam levels, Albioma agreed fixed-price contracts with manufacturers covering the second half of 2014 as well as 2015 and 2016. Approximately 60% of planned power output has been sold at fixed rates, providing lenders with the desired level of assurance regarding finance for the acquisition, and limiting exposure to supply shortage risks, while also offering scope to take advantage of the prices available on the spot market (for the non-contracted share of production).

Rio Pardo Termoelétrica will take part in the forthcoming call for tenders (for existing generating capacity) with the aim of partially securing its sales on the regulated market over a 20-year term.

The success of this initial outsourcing solution in which the Group takes over the operation of cogeneration plants from sugar refinery partners has vindicated Albioma's strategic positioning in Brazil.

## 3.2.5.3. Project development

Buoyed by its first acquisition, the Group has confirmed the numerous opportunities for the acquisition and construction of cogeneration plants in partnership with Brazil's sugar manufacturers, and plans to complete a new project every 12 to 18 months.

## 3.2.6. HOLDING COMPANY

On 10 March 2014, the Group's head office was transferred from Immeuble Le Monge to Tour Opus12, located in the main square of Paris La Défense.

Albioma carried out a private "Euro PP" bond issue of a total of €80 million, to mature in December 2020, with an annual coupon of 3.85%. Through this operation, the Group's existing corporate debt – due to mature in February 2015 – was refinanced on very favourable terms, significantly extending its maturity and diversifying the Group's funding sources in support of the ambitious growth strategy for the coming years. The bonds were issued to European institutional investors. At the same time, Albioma renewed its short-term banking credit lines in the form of a confirmed €40 million revolving credit facility.

A resolution to introduce a new bonus share plan for managers and employees throughout the Group was approved at the Shareholders' Meeting held on 27 May 2014.

## 3.3. Comments on the consolidated financial statements

## 3.3.1. INCOME STATEMENT

## 3.3.1.1. Revenue

<i>In millions of euros</i>	2014	2013 restated <sup>1</sup>	Change
France – Thermal Biomass	290.7	321.0	-9%
France and Southern Europe – Solar Power	41.6	40.1	+4%
Brazil	18.2	n/a	n/a
Holding company, Anaerobic Digestion and other	3.6	2.2	n/a
<b>Revenue</b>	<b>354.0</b>	<b>363.3</b>	<b>-3%</b>

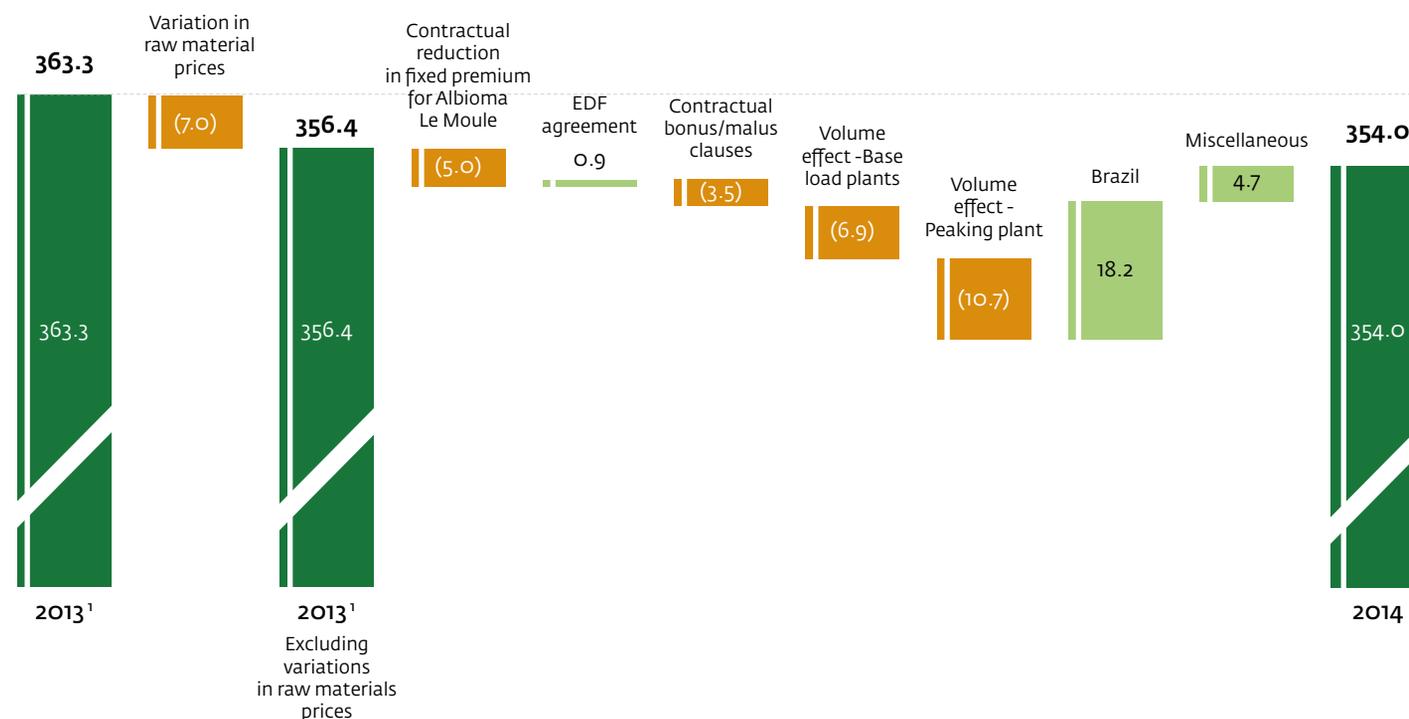
1. The income statement for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

## 3 • ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3.3. Comments on the consolidated financial statements

Revenue was down 3% compared with 2013. The change can be analysed as follows:

In millions of euros



1. The income statement for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

Stripping out the negative impact of changes in raw materials prices of €7 million linked to the decline in the average price of coal and fuel oil between 2014 and 2013, but with no direct effect on the margin due to electricity sales prices being contractually indexed to fuel costs, revenue is in line with that of 2013. This stability was due to the combined effects of:

- the contractual reduction in the fixed premium for the Le Moule power plant,
  - the €3.5 million increase in penalties and a negative thermal volume effect for the base-load power plants of €6.9 million resulting from technical incidents that occurred at the Bois-Rouge and Le Moule plants leading to unscheduled shutdowns,
  - a negative effect of €10.7 million due to the decrease in the duty rate at the Galion peaking power plant as compared with 2013, which was an exceptional year,
- almost fully offset by:
- the consolidation of the Brazil revenue, boosted by excellent operational performance and high selling prices, and
  - a high level of photovoltaic production due to the particularly favourable sunshine conditions and the good level of availability of its facilities.

#### 3.3.1.2. EBITDA

In millions of euros

	2014	2013 restated <sup>1</sup>	Change
France – Thermal Biomass	84.3	108.8	-23%
France and Southern Europe – Solar Power	36.6	31.0	+18%
Mauritius	2.8	2.7	+2%
Brazil	12.0	(1.3)	n/a
Holding company, Anaerobic Digestion and other	(6.7)	(5.4)	n/a
<b>EBITDA</b>	<b>129.0</b>	<b>135.8</b>	<b>-5%</b>

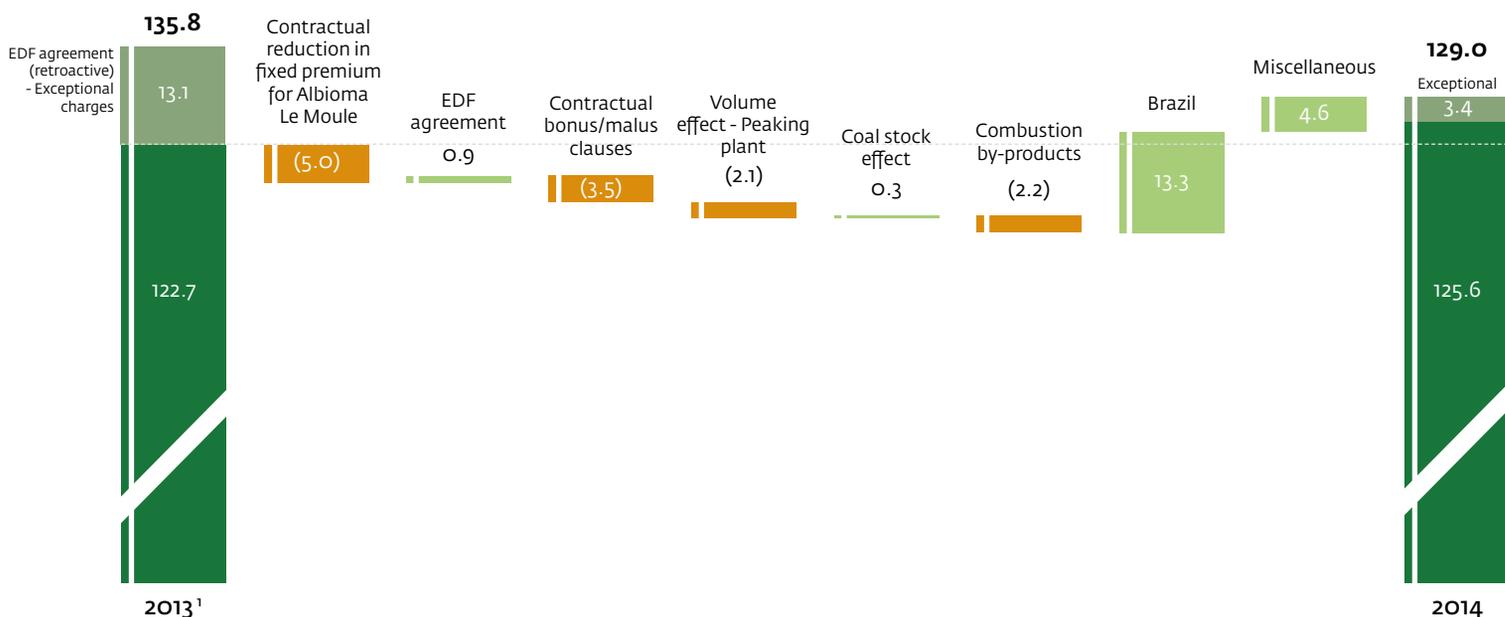
1. The income statement for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

## 3 • ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3.3. Comments on the consolidated financial statements

In 2013, EBITDA included retroactive items and non-recurring charges totalling €13.1 million. In 2014, EBITDA included non-recurring items totalling €3.4 million. Stripping out the retroactive items and non-recurring charges, EBITDA came to €125.6 million, an increase of 2% compared with 2013.

In millions of euros



<sup>1</sup> The income statement for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

At constant scope (stripping out retroactive and non-recurring items), EBITDA for the Thermal Biomass France business was down by €8.9 million compared with 2013. This decrease was due in particular to the €5 million contractual reduction in the fixed premium for the Le Moule power plant, the impact of technical incidents on the bonus level and the decrease in the duty rate at the Gallion peaking power plant. In addition, in accordance with the regulations relating to combustion by-products and as a result of the work carried out during the last two years enabling products to be categorised as inert waste, plants may now bury combustion ash in authorised storage facilities. In 2013, a provision was recognised in respect of the removal and processing of combustion by-products at the Le Gol plant since Reunion Island does not have sufficient authorised storage capacity.

Thanks to the highly-successful commissioning of the Rio Pardo Termoeléctrica plant, activity in Brazil increased EBITDA by €13.3 million.

EBITDA for the Solar Power business also increased significantly due to the excellent sunshine conditions, particularly in the Indian Ocean, French Guiana and Spain. EBITDA for the Solar Power business also included the income associated with the compensation received by the Group's subsidiaries under the terms of the settlement agreement relating to the supply of solar panels.

#### 3.3.1.3. Charges for depreciation, amortisation and provisions, and financial result

The 14% increase in charges for depreciation, amortisation and provisions to €54.1 million was due mainly to provisions for asset impairment recognised in 2014 in respect of the Anaerobic Digestion business following the commissioning of the first plants.

Net financial income remained stable: the decline in financial charges linked to the favourable movements in interest rates has offset the increase in outstanding debt resulting from the acquisition of the Rio Pardo Termoeléctrica plant in Brazil and the refinancing of the corporate debt. Repayment of the Brazilian debt took effect only from 23 May 2014.

#### 3.3.1.4. Tax charge

The tax charge came to €19.4 million compared with a charge of €23.1 million for the year ended 31 December 2013. As a result of the charges to provisions for asset impairment recognised in respect of the Anaerobic Digestion business, no deferred tax assets can be recognised. Stripping out the non-recurring effect of the impairment provisions, the average tax rate came to 26.2%, notably due to the rate applicable in Brazil being lower than the common law tax rate in France of 33 <sup>1</sup>/<sub>3</sub>%.

The non-restated effective tax rate came to 40.1%.

Le taux effectif d'impôt non-retraité ressort à 40.1%.

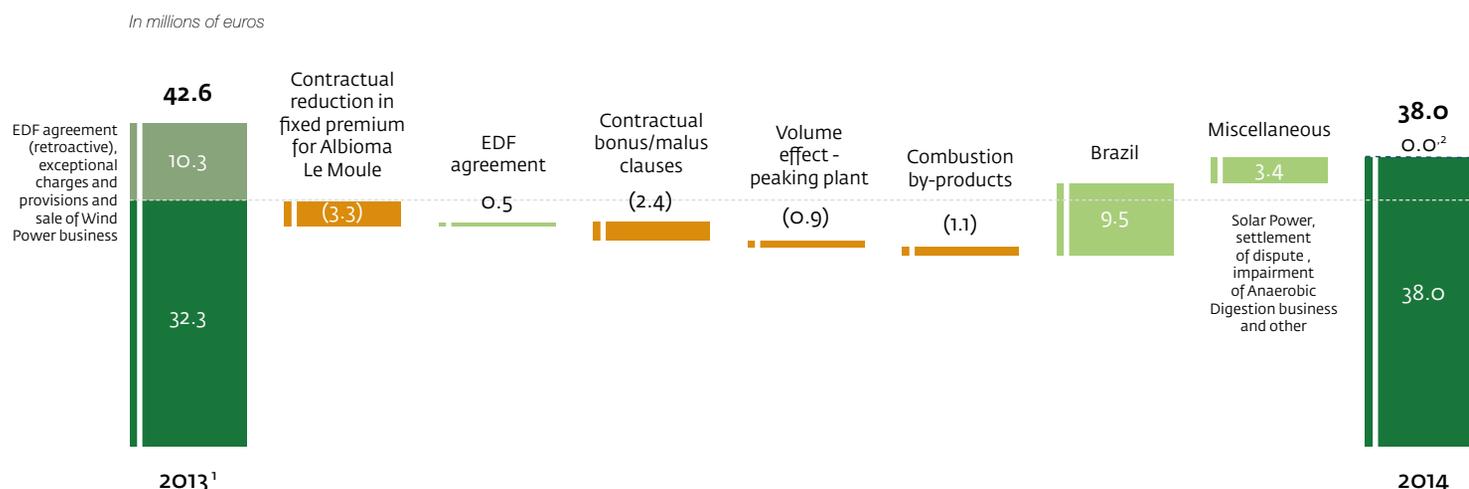
## 3 • ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3.3. Comments on the consolidated financial statements

#### 3.3.1.5. Net income, Group share

In 2013, net income, Group share, came to €42.6 million, which included the €5.6 million capital gain on the sale of the Wind Power business in February 2013 as well as retroactive items received in connection with the signing of new amendments to EDF contracts and non-recurring charges and provisions totalling €4.7 million. Stripping out the capital gain and retroactive and non-recurring items, net income, Group share came to €32.3 million.

In 2014, net income, Group share, came to €38 million.



1. The income statement for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

2. Non-recurring charges (including Anaerobic Digestion asset writedowns) were offset by non-recurring income (including a settlement relating to the Solar Power dispute).

#### 3.3.2. STATEMENT OF CASH FLOWS

In millions of euros

	2014	2013 restated <sup>1</sup>
Cash flow	132.0	134.9
Change in the working capital requirement	(3.4)	17.1
Tax paid	(25.5)	(22.4)
<b>Cash flow from operating activities</b>	<b>103.1</b>	<b>129.6</b>
<b>Operating capex</b>	<b>(20.9)</b>	<b>(13.3)</b>
<b>Free cash flow from operating activities</b>	<b>82.2</b>	<b>116.3</b>
Development capex	(13.0)	(20.7)
Other/acquisitions/disposals	(37.3)	23.9
<b>Net cash flow from investing activities</b>	<b>(50.3)</b>	<b>3.2</b>
Dividends paid to Albioma shareholders	(11.1)	(10.3)
Borrowings (increases)	99.0	53.4
Borrowings (repayments)	(90.4)	(113.8)
Cost of financial debt	(24.8)	(23.5)
Other	(4.3)	0.3
<b>Net cash flow from financing activities</b>	<b>(31.7)</b>	<b>(93.9)</b>
Currency effect on cash and cash equivalents and other changes	(1.4)	(0.0)
<b>Net change in cash and cash equivalents</b>	<b>(1.2)</b>	<b>25.6</b>
Opening net cash and cash equivalents	104.3	78.7
<b>Closing net cash and cash equivalents</b>	<b>103.1</b>	<b>104.3</b>

1. The statement of cash flows for the year ended 31 December 2013 was restated to incorporate the effect of the application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". See further information in Note 2.2 to the consolidated financial statements for the year ended 31 December 2014 in chapter 4, on page 106 of this Registration Document.

## 3.4. Significant changes in the financial or commercial position

## 3.3.2.1. Cash flow from operating activities

This item amounted to €103.1 million in 2014 compared with €129.6 million in 2013. This decrease mainly reflects:

- the negative change in the working capital requirement resulting from the decline in trade payables, the slight increase in inventories and the increase in trade receivables, due in particular to the consolidation of the Brazil business; in 2013, the sharp decrease in trade receivables combined with an increase in tax liabilities resulted in a significant positive change in the working capital requirement;
- the increase in tax paid relating to the 2013 results and, in particular, the non-recurring retroactive items (€13.1 million) received by the Group's plants.

## 3.3.2.2. Cash flow from investing activities

This item comprises:

- operating investment expenses: these are investment expenses for power plants in operation, essentially thermal biomass plants, in connection with the servicing, maintenance, repair, optimisation and modernisation work and investment programme initiated in 2009. These totalled €20.9 million compared with €13.3 million in 2013. This increase was due to the deferral to 2014 of part of the maintenance investment programme scheduled for 2013 and work to bring the Group's installations into compliance with the applicable regulations;
- development investment expenses: these totalled €13 million compared with €20.7 million in 2013. They mainly consist of investments in Anaerobic Digestion power plants and the costs incurred in connection with the development of the photovoltaic power plant with storage installed on Reunion Island;
- expenses relating to the acquisition of the Rio Pardo Termoeléctrica plant in Brazil.

## 3.3.2.3. Cash flow from financing activities

Financing activities generated negative cash flow of €31.7 million compared with negative cash flow of €93.9 million in 2013.

€99 million of new borrowings were issued in 2014, notably in connection with the refinancing of the holding company via a €80 million bond issue and the acquisition of the Rio Pardo Termoeléctrica plant, partly funded via the issue of a new borrowing from local banks.

At the same time, repayments of borrowings amounted to €90.4 million.

## 3.3.3. FINANCIAL STRUCTURE

At 31 December 2014, total equity stood at €395.5 million compared with €393.6 million at 31 December 2013.

Gross borrowings stood at €539 million, up slightly compared with €520 million at 31 December 2013. They consisted of project debt of €459 million and corporate debt of €80 million. With the exception of the Brazilian debt (limited recourse to shareholders), project debt is without recourse to shareholders.

Consolidated net borrowings came to €431 million after taking into account net cash and cash equivalents of €103 million and security deposits (€6 million of deposits at 31 December 2014). They increased from €410 million at 31 December 2013.

With consolidated cash and cash equivalents of €109 million (including €6 million of security deposits), following its first acquisition in Brazil, Albioma still has substantial means to pursue its development.

## 3.4. Significant changes in the financial or commercial position

None.

## 3.5. Key events since 1 January 2015 and outlook

## 3.5.1. EVENTS AFTER THE REPORTING PERIOD WITH NO DIRECT LINK OR DOMINANT INFLUENCE ON THE YEAR JUST ENDED

**Strike action by some of the workforce at the Thermal Biomass power generation site of Le Moule in Guadeloupe**

On 21 January 2015, some of the workforce at the Thermal Biomass power generation site of Le Moule in Guadeloupe went on strike. The strike was called by the energy branch of the Guadeloupe Trade Union Confederation (*Fédération de l'Énergie de la Confédération Générale du Travail de la Guadeloupe*, FE-CGTG).

Informed negotiations, overseen by the Guadeloupe Directorate for Enterprise, Competition, Consumption, Labour and Employment (*Direction des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi*, DIECCTE), enabled both sides to reach converging positions, resulting in jointly-signed statements and agreements. These were confirmed by the signing, with the FE-CGTG, of a memorandum of understanding to end the conflict. The return to work became effective on 5 March 2015. Non-striking employees had enabled power generation at the two plants to continue since 14 February 2015.

## 3.5.2. LONG-TERM OUTLOOK AND 2015 TARGETS

## 3.5.2.1. Long-term outlook

The Group confirms its objective of sustained expansion. Over the 2013-2023 decade, its investment programme, the budget for which totals around €1 billion, will focus mainly on new renewable energy production projects, requiring the doubling of the capital invested, which is expected to result in the doubling of the net income, Group share.

## 3.5.2.2. 2015 targets

<i>In millions of euros</i>	2014 recurring	2015
EBITDA	125.6	126-130
Net income, Group share	38.0	34-37

## 3 • ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3.6. Comments on the Company financial statements

#### 3.6. Comments on the Company financial statements

The Company reported net income of €12.5 million, 30% lower than in 2013, due mainly to the provisions for asset impairment recognised in respect of the Anaerobic Digestion business

##### 3.6.1. INCOME STATEMENT

The Company's income statement for the year ended 31 December 2014, compared with that for the previous year, can be analysed as follows.

- The operating loss increased from €3.8 million to €7.3 million in 2014, due mainly to the increase in operating charges and, in particular, social security charges (payment of the corporate social contribution (*forfait social*) relating to the bonus share plans set up following the decision taken at the General Meeting of 27 May 2014) and exploration costs.
- Net financial income declined from €20.5 million in 2013 to €17.9 million in 2014, mainly due to higher financial charges for provisions due to the impairment provisions recognised in respect of the Anaerobic Digestion business. Financial expenses also rose following the increase in the outstanding debt in connection with the refinancing of the existing corporate debt, which matured in February 2015. Income from participating interests rose by 20% due to the good results reported by the thermal subsidiaries in 2013, which incorporated retroactive items in respect of 2010, 2011 and 2012 obtained in connection with the signing of new amendments to EDF contracts.

- The tax consolidation scope was amended in 2014. It now 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. In 2014, Albioma Solaire Pierrelatte was removed from the tax consolidation group.

##### 3.6.2. STATEMENT OF FINANCIAL POSITION

###### 3.6.2.1. Main items

The main items in the statement of financial position were as follows:

- Equity investments represented €226.2 million. This amount was higher than at 31 December 2013 due to the capital increase carried out by Albioma Participações do Brasil in connection with its acquisition of the Rio Pardo Termoelétrica cogeneration plant in Brazil.
- Equity totalled €148.2 million.
- Borrowings from financial institutions increased, from €53.3 million at 31 December 2013 to €82.1 million at 31 December 2014, due to the refinancing of the holding company via the private placement of an €80 million bond issue.

###### 3.6.2.2. Supplier settlement times

The tables below show the positions concerning trade payables at 31 December 2014 and 31 December 2013:

###### At 31 December 2014

<i>In thousands of euros</i>	Total Trade payables	Payables due	Payables due in 0 to 60 days	Payables due in 31 to 60 days	Payables due in 61 days and more
<b>Trade payables</b>	<b>1,093</b>	<b>696</b>	<b>2</b>	<b>395</b>	<b>–</b>
Non-Group	887	490	2	395	–
Group	206	206	–	–	–
<b>Payables due to non-current asset suppliers</b>	<b>136</b>	<b>108</b>	<b>–</b>	<b>28</b>	<b>–</b>
Non-Group	136	108	–	28	–
Group	–	–	–	–	–

###### At 31 December 2013

<i>In thousands of euros</i>	Total Trade payables	Payables due	Payables due in 0 to 60 days	Payables due in 31 to 60 days	Payables due in 61 days and more
<b>Trade payables</b>	<b>585</b>	<b>246</b>	<b>15</b>	<b>324</b>	<b>–</b>
Non-Group	520	181	15	324	–
Group	65	65	–	–	–
<b>Payables due to non-current asset suppliers</b>	<b>3,600</b>	<b>3,292</b>	<b>–</b>	<b>308</b>	<b>–</b>
Non-Group	3,600	3,292	–	308	–
Group	–	–	–	–	–

1. Including €3,279,000 of old payables subject to supplier disputes.

## 3.6.3. DIVIDENDS

Given the good 2014 results and growth prospects, the Board of Directors will ask the General Meeting of shareholders to approve the payment of a dividend of €0.64 per share, up by 7%, with an option for 50% of this dividend to be paid in new shares.

## Proposed appropriation of 2014 net income

<b>Sources of amounts to be appropriated (in euros)</b>	
Net income for the year	12,488,262.26
Retained earnings brought forward	87,858,491.94
<b>Total</b>	<b>100,346,754.20</b>
<b>Appropriation (in euros)</b>	
To the legal reserve	2,183.08
To the payment of a dividend of €0.64 per share	18,955,797.12
To retained earnings	81,388,774.00
<b>Total</b>	<b>100,346,754.20</b>

## 3.6.4. FIVE YEAR FINANCIAL SUMMARY FOR THE COMPANY

<i>In millions of euros</i>	2014	2013	2012	2011	2010
<b>CLOSING SHARE CAPITAL</b>					
Share Capital	1,145	1,123	1,102	1,095	1,095 <sup>1</sup>
Number of shares in issue	29,734,932	29,167,899	28,632,445	28,446,645	28,446,645 <sup>1</sup>
<b>OPÉRATIONS AND RESULTS FOR THE YEAR</b>					
Revenue excluding taxes	21,781	19,432	14,600	93,456	70,931
Income before tax, amortisation and provisions	23,033	21,474	16,554	43,683	30,190
Tax charge (Income)	(1,539)	(1,643)	(1,803)	(2,233)	2,572
Income after tax, amortisation and provisions	12,488	17,914	18,110	43,291	26,539
Distributions	18,956 <sup>2,3</sup>	17,466 <sup>2</sup>	16,861 <sup>2</sup>	16,153 <sup>2</sup>	19,913
<b>EARNING PER SHARE</b>					
Income after tax but before depreciation, amortisation and provisions	0.83	0.79	0.64	1.61	0.97
Income after tax, depreciation, amortisation and provisions	0.42	0.61	0.63	1.52	0.93
Dividend paid	0.64 <sup>3</sup>	0.60	0.59	0.57	0.70
Headcount	80 <sup>4</sup>	75 <sup>4</sup>	61 <sup>4</sup>	56 <sup>4</sup>	64 <sup>4</sup>

1. After exercise of 5,000 share subscription options (13 December 2005 plan).

2. With option for 50% of the dividend to be paid in new shares.

3. Proposed to the General Meeting of 28 May 2015.

4. Including one corporate officer.



# CONSOLIDATED FINANCIAL STATEMENTS

# 4



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## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.1. Consolidated income statement

#### 4.1. Consolidated income statement

<i>€ thousands</i>	<b>Note</b>	<b>2014</b>	<b>2013 restated<sup>1</sup></b>
<b>Revenue</b>	<b>6</b>	<b>354,049</b>	<b>363,339</b>
Purchases (including change in stocks)		(111,020)	(130,878)
Logistics costs		(9,423)	(8,093)
Staff costs	8	(39,260)	(34,885)
Other operating expenses	7	(76,781)	(72,381)
Other operating income	7	5,018	2,260
Amortisation of electricity and steam supply agreements	14	(4,538)	(4,545)
Depreciation and amortisation of other fixed assets	14/15	(35,796)	(33,614)
Net charges to provisions		(2,303)	(5,164)
Share of net income of equity-accounted companies	16	2,805	3,020
<b>Current operating income</b>		<b>82,751</b>	<b>79,059</b>
Other operating expenses	9	(15,285)	(9,881)
Other operating income	9	7,446	19,708
<b>Operating income</b>		<b>74,912</b>	<b>88,886</b>
Cost of financial debt	10	(24,846)	(23,434)
Other financial income	11	1,733	607
Other financial expenses	11	(688)	(661)
<b>Profit before tax</b>		<b>51,111</b>	<b>65,398</b>
Tax charge	12	(19,379)	(23,128)
<b>Net income for the year from continuing operations</b>		<b>31,732</b>	<b>42,270</b>
<b>Net income from discontinued operations</b>	<b>2.22</b>	<b>-</b>	<b>5,623</b>
<b>Net income</b>		<b>31,732</b>	<b>47,893</b>
Income from continuing operations attributable to:			
shareholders of Albioma		38,048	36,973
non-controlling interests		(6,316)	5,297
Net income attributable to:			
shareholders of Albioma		38,048	42,596
non-controlling interests		(6,316)	5,297
Basic and diluted earnings per share from continuing operations	22	1.283	1.254
Basic and diluted earnings per share from continuing operations and activities held for sale	22	1.283	1.445

1. The 2013 income statement was restated to include the effect of applying IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements", as described in note 2.2 "Accounting policies".

## 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>€ thousands</i>	Note	2014	2013
<b>Net income</b>		<b>31,732</b>	<b>47,893</b>
Actuarial gains and losses on employee benefits	25	(3,097)	1,031
Deferred tax on actuarial gains and losses	27	1,034	(344)
<b>Items available for recycling through profit or loss</b>		<b>(2,063)</b>	<b>687</b>
Translation adjustments <sup>1</sup>		(292)	(614)
Cash flow hedges (interest rate swaps)	24	(18,087)	11,625
Deferred tax relating to cash flow hedges	27	6,093	(3,976)
<b>Items available for recycling through profit or loss</b>		<b>(12,286)</b>	<b>7,035</b>
<b>Comprehensive income</b>		<b>17,383</b>	<b>55,616</b>
Attributable to:			
Shareholders of Albioma		24,568	49,881
Non-controlling interests		(7,185)	5,734

1. Translation adjustments are presented after taking account of hedges of a net investment in a foreign operation.

The notes form an integral part of the consolidated financial statements.

The change in comprehensive income mainly reflects the impact of lower interest rates on the measurement at fair value of cash flow hedges (interest rate swaps), and the effect of a lower discounting rate for employee benefits (2.2% in 2014 compared with 3.5% in 2013).

Actuarial gains and losses on employee benefits include those of companies consolidated at equity (€0.1 million).

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.3. Consolidated statement of financial position

### 4.3. Consolidated statement of financial position

#### ASSETS

€ thousands	Notes	31/12/2014	31/12/2013 restated <sup>1</sup>
<b>NON-CURRENT ASSETS</b>			
Goodwill	13	10,594	11,300
Intangible assets	14	88,789	92,916
Property, plant and equipment	15	792,015	755,925
Non-current financial assets	17	5,966	6,210
Participating interests in equity-accounted companies	16	25,900	27,045
Deferred tax assets	27	11,077	14,681
<b>Total non-current assets</b>		<b>934,341</b>	<b>908,077</b>
<b>CURRENT ASSETS</b>			
Stocks and assets in progress	20	47,318	46,469
Trade receivables	19	41,579	37,057
Other current operating assets	21	24,436	26,500
Cash and cash equivalents	18	103,137	104,496
<b>Total current assets</b>		<b>216,470</b>	<b>214,522</b>
<b>Total assets</b>		<b>1,150,811</b>	<b>1,122,599</b>

1. The 2013 statement of financial position was restated to include the effect of applying IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements", as described in note 2.2 "Accounting policies".

The notes form an integral part of the consolidated financial statements.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.3. Consolidated statement of financial position

#### EQUITY AND LIABILITIES

€ thousands	Notes	31/12/2014	31/12/2013 restated <sup>1</sup>
<b>SHAREHOLDERS' EQUITY, GROUP SHARE</b>			
Share capital	22	1,145	1,123
Additional paid-in capital		29,607	23,191
Reserves		282,412	270,131
Translation reserves		(8,306)	(8,013)
Profit for the year attributable to shareholders of Albioma		38,048	42,596
<b>Total shareholders' equity, Group share</b>		<b>342,906</b>	<b>329,028</b>
Non-controlling interests		52,585	64,611
<b>Total equity</b>		<b>395,491</b>	<b>393,639</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	25	19,952	14,425
Provisions for liabilities	26	5,773	7,205
Deferred tax liabilities	27	57,006	66,729
Non-current financial debt	23	485,469	471,544
Non-current derivatives	24	46,410	28,375
<b>Total current liabilities</b>		<b>614,610</b>	<b>588,278</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	28	43,825	43,765
Tax and social security liabilities	29	23,975	28,355
Current financial debt	23	54,010	48,452
Other current operating liabilities	30	18,900	20,111
<b>Total current liabilities</b>		<b>140,710</b>	<b>140,682</b>
<b>Total liabilities</b>		<b>1,150,811</b>	<b>1,122,599</b>

1. The 2013 statement of financial position was restated to include the effect of applying IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements", as described in note 2.2 "Accounting policies".

The notes form an integral part of the consolidated financial statements.

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### 4.4. Statement of changes in shareholders' equity

#### 4.4. Statement of changes in shareholders' equity

<i>€ thousands</i>	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total shareholders' equity
<b>Shareholders' equity at 31 December 2012</b>	1,102	16,657	302,906	(24,053)	(7,415)	289,197	63,654	352,850
Dividend payments	21	6,534	(16,861)	–	–	(10,306)	(4,962)	(15,268)
Stock options/performance shares	–	–	273	–	–	273	–	273
Treasury shares	–	–	7	–	–	7	–	7
Other changes	–	–	(24)	–	–	(24)	185	161
<b>Total transactions with shareholders</b>	<b>21</b>	<b>6,534</b>	<b>(16,605)</b>	<b>–</b>	<b>–</b>	<b>(10,050)</b>	<b>(4,777)</b>	<b>(14,827)</b>
Change in translation adjustment	–	–	–	–	(598)	(598)	(16)	(614)
Change in actuarial gains and losses	–	–	641	–	–	641	46	687
Change in fair value of hedging derivatives	–	–	–	7,242	–	7,242	407	7,649
<i>Sub-total of items recognised in equity</i>	–	–	641	7,242	(598)	7,285	437	7,722
Change in the period	–	–	42,596	–	–	42,596	5,297	47,893
<b>Total comprehensive income in the period</b>	<b>–</b>	<b>–</b>	<b>43,237</b>	<b>7,242</b>	<b>(598)</b>	<b>49,881</b>	<b>5,734</b>	<b>55,615</b>
<b>Shareholders' equity at 31 December 2013</b>	<b>1,123</b>	<b>23,191</b>	<b>329,538</b>	<b>(16,811)</b>	<b>(8,013)</b>	<b>329,028</b>	<b>64,611</b>	<b>393,639</b>
Dividend payments	22	6,416	(17,534)	–	–	(11,096)	(4,898)	(15,994)
Stock options/performance shares	–	–	840	–	–	840	–	840
Treasury shares	–	–	(938)	–	–	(938)	–	(938)
Transactions between shareholders	–	–	508	–	–	508	(294)	214
Other changes	–	–	(4)	–	–	(4)	351	347
<b>Total transactions with shareholders</b>	<b>22</b>	<b>6,416</b>	<b>(17,128)</b>	<b>–</b>	<b>–</b>	<b>(10,690)</b>	<b>(4,841)</b>	<b>(15,531)</b>
Change in translation adjustment	–	–	–	–	(293)	(293)	1	(292)
Change in actuarial gains and losses	–	–	(1,844)	–	–	(1,844)	(219)	(2,063)
Change in fair value of hedging derivatives	–	–	–	(11,343)	–	(11,343)	(651)	(11,994)
<i>Sub-total of items recognised in equity</i>	–	–	(1,844)	(11,343)	(293)	(13,480)	(869)	(14,349)
Change in the period	–	–	38,048	–	–	38,048	(6,316)	31,732
<b>Total comprehensive income in the period</b>	<b>–</b>	<b>–</b>	<b>38,048</b>	<b>(11,343)</b>	<b>(293)</b>	<b>24,568</b>	<b>(7,185)</b>	<b>17,383</b>
<b>Shareholders' equity at 31 December 2014</b>	<b>1,145</b>	<b>29,607</b>	<b>348,614</b>	<b>(28,154)</b>	<b>(8,306)</b>	<b>342,906</b>	<b>52,585</b>	<b>395,491</b>

## 4.5. Statement of consolidated cash flows

<i>€ thousands</i>	<b>2014</b>	<b>2013 restated<sup>1</sup></b>
<b>OPERATING ACTIVITIES</b>		
Net income from continuing operations, Group share	38,048	36,973
Net income from continuing operations, non-controlling interests	(6,316)	5,297
Adjustments		
Charges to depreciation, amortisation and provisions	55,676	46,687
Change in deferred tax	(153)	(926)
Share of net income of equity-accounted companies net of dividends received	(176)	(1,008)
Gains and losses on disposals	(39)	–
Other non-cash items	561	273
Cost of financial debt	24,846	23,477
Current tax charge for the year	19,531	24,129
<b>Cash flow</b>	<b>131,978</b>	<b>134,902</b>
Impact of the change in the working capital requirement	(3,358)	17,133
Tax paid	(25,524)	(22,413)
<b>Net cash from operating activities</b>	<b>103,096</b>	<b>129,622</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of non-current assets	(33,893)	(33,980)
Increase in long-term investments	37	(1,252)
Sales proceeds from and reductions in financial assets	452	7,046
Acquisitions of subsidiaries less any cash acquired	(37,805)	(124)
Investing cash flow on activities held for sale	–	18,188
<b>Net cash from/(used by) investing activities</b>	<b>(71,209)</b>	<b>(10,122)</b>
<b>FINANCING ACTIVITIES</b>		
Capital increases subscribed by non-Group shareholders	261	183
Change in treasury shares	(938)	(360)
Dividends paid to shareholders of Albioma	(11,097)	(10,306)
Dividends paid to non-controlling interests	(4,894)	(4,962)
Borrowings and financial debt issued or subscribed	98,970	53,372
Cost of financial debt	(24,846)	(23,477)
Borrowings and financial debt repaid	(90,389)	(113,799)
Other	1,282	5,485
<b>Net cash from/(used by) financing activities</b>	<b>(31,651)</b>	<b>(93,864)</b>
Impact of currency movements on cash and other changes	(1,448)	(1)
<b>Net change in cash and cash equivalents</b>	<b>(1,212)</b>	<b>25,635</b>
Net change in cash and cash equivalents as shown in the statement of financial position	(1,212)	25,635
Opening cash and cash equivalents	104,349	78,714
Closing cash and cash equivalents	103,137	104,349
<b>Change in cash and cash equivalents</b>	<b>(1,212)</b>	<b>25,635</b>
Cash	27,268	38,129
Cash equivalents	75,869	66,367
<i>Total cash and cash equivalents</i>	<i>103,137</i>	<i>104,496</i>
Bank overdrafts	–	(147)
<b>Net cash and cash equivalents</b>	<b>103,137</b>	<b>104,349</b>

1. The 2013 statement of cash flows was restated to include the effect of applying IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements", as described in note 2.2 "Accounting policies".

The notes form an integral part of the consolidated financial statements.

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### 4.6. Notes to the consolidated financial statements

#### 4.6. Notes to the consolidated financial statements

Thanks to its unique expertise developed in the area of bagasse (a by-product of sugarcane), Albioma produces electricity by recovering all forms of biomass, through cogeneration.

In addition, Albioma develops and operates solar power and anaerobic digestion projects.

Albioma is registered in the Nanterre Trade and Company Register under number 775 667 538. The registered office is located at Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense, France.

#### NOTE 1 - HIGHLIGHTS OF THE YEAR

##### 1.1. France – Thermal Biomass business

###### 1.1.1. Activity levels hold up well

At 31 December 2014, total installed thermal capacity in Overseas France was 372 MW, unchanged from 2013.

The availability rate was in line with the Group's target range of 90%-92% albeit slightly lower than in 2013 (90.1%, compared with 92.3% in 2013) as a result of technical incidents impacting the plants in Bois-Rouge on Reunion Island (turbogenerator malfunction and boiler grate replacement) and Le Moule in Guadeloupe (generator stator short-circuit), essentially during the first half of the year. Due to unavailability of the Le Moule plant, the maintenance outage at Albioma Caraïbes originally scheduled for April 2014 was postponed until February 2015.

In Martinique, the duty rate at the Galion peaking power plant was lower than in 2013 (24.5%, compared with 33.6% in 2013) but still high, due to maintenance outages at EDF plants.

Power generation totalled 2,093 GWh, a decrease of 6% compared with 2013.

###### 1.1.2. Changes in the economic and regulatory context

Coal prices continued to slide from their 2013 levels. The average price for the Group dropped from €85 per tonne in 2013 to €79 per tonne in 2014, a 7% decrease. This trend had a negative impact (-€5 million) on the Group's revenues but did not directly affect profit margins, as electricity sale prices are contractually indexed to fuel costs. Coal prices stabilised to some extent over the final months of the year.

Concerning carbon emissions, under the terms of an agreement reached with EDF during the first half of 2014, the excess charge previously borne by Albioma Caraïbes was removed. The contracts between all of the Group's thermal power plants in French overseas departments and EDF now 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. A ministerial order issued on 24 January 2014 designated the Bois-Rouge, Le Gol and Le Moule plants as beneficiaries of free carbon quotas for the 2013-2020 period, in recognition of their cogeneration activity (including 290,000 tonnes for 2013 and 2014).

In the context of the works initiated over the past two years, an agreement was entered into with DREAL, the French regional environment, planning and housing authority, to classify combustion by-products from power plants as inert waste and to establish approved disposal activities. A request for compensatory pricing was submitted to EDF, to offset the significant additional cost of processing, transporting and disposing of such products.

Newly-introduced regulations on special processing for process water and runoff water prompted the Bois-Rouge and Le Gol power plants on Reunion Island to undertake major works on their industrial water treatment and monitoring systems. A request for an economic rebalancing of the relevant electricity sales contracts will also be submitted with respect to all of the necessary capital investments and additional costs.

##### 1.1.3. Labour relations

Business was conducted in a climate of good labour relations in 2014.

##### 1.2. France and Southern Europe – Solar Power

###### 1.2.1. Very strong performance by the Solar Power business

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.

Photovoltaic power generation remained stable at 96.5 GWh in 2014. The Group's plants in the Indian Ocean, French Guiana and Spain benefited from excellent sunshine and operating conditions.

Construction work was completed at the Group's first photovoltaic plant featuring integrated power storage facilities. This facility, which has a rated capacity of 1 MWp, installed on the roof of a hypermarket in Saint-Pierre on Reunion Island began operating on 30 October 2014. In Mayotte, a small 0.1 MWp plant was commissioned in June 2014 (Hyper Discount 2).

Following the signing of a settlement agreement, the dispute with a supplier concerning the supply of solar panels to Albioma Group companies for projects dating back to 2007 has now been resolved. Under the terms of this agreement, compensation of €5 million was paid to Albioma and its subsidiaries Orgiva, Albioma Solaire Réunion and Plexus Sol. This payment was booked under "Other operating income".

###### 1.2.2. Changes in the economic and regulatory context

There were no significant changes in France in 2014.

In Spain, the royal decree setting photovoltaic electricity tariffs was amended on 10 June 2014. The new law determines an income level for each facility, in order to deliver "reasonable" profitability based on the facility's overall size, commissioning date and geographic location. Furthermore, a coefficient has been introduced with the aim of staggering the power generation deficit on the Spanish market and enabling the Spanish State to pay for only part of injected production, with the remainder being paid for within between six months and two years. The new decree is likely to have a marginal impact on the profitability of the Group's Spanish facilities.

##### 1.3. France – Anaerobic digestion business

In France, addressing the sizeable potential market for anaerobic digestion of livestock rearing and agribusiness waste is a priority of the draft legislation on the energy transition. However, many anaerobic digestion stakeholders, including Albioma, are currently faced with operational and economic challenges.

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### 4.6. Notes to the consolidated financial statements

The Tiper Méthanisation (2 MW) and Cap'ter Méthanisation (0.5 MW) facilities, respectively located in Thouars and Saint-Varent in the Deux-Sèvres department are now operating. Industrial difficulties were encountered while ramping up production at these pioneering plants. The agreed power purchase prices are too low in view of the high operating costs.

Construction work for the Sain'ter Méthanisation (0.5 MW) plant in Saint-Hermine in Vendée is now complete, and ramp-up is underway, with the aim of reaching full power in 2015, informed by experience feedback from the earlier projects.

The units already in operation are not profitable under current pricing terms and conditions. As a result, asset write-downs were recorded in 2014, resulting in a negative impact of €4.6 million on net income, Group share.

#### 1.4. Mauritius

The Group's plants in Mauritius had a combined thermal capacity of 195 MW at 31 December 2014, unchanged from 2013. The Mauritian plants are booked using the equity method.

The availability rate increased to 93.2% from 92.4% in 2013, reflecting the strong performance of the facilities operated by Albioma. Production also increased, by 1%.

In accordance with guideline no. 2011-16 issued by the French financial markets authority (*Autorité des Marchés Financiers – AMF*), the Group has decided to include in its net operating income (EBITDA and EBIT) the fraction of net income of companies consolidated using the equity method (Albioma has a 25% interest in the Mauritian entities). To facilitate comparison between periods, the income statement for 2013 has been restated to reflect this new presentation.

#### 1.5. Brazil

##### 1.5.1. Acquisition of Rio Pardo Termoelétrica

Following the opening of a Brazilian office in July 2013, in March 2014 Albioma acquired Rio Pardo Termoelétrica, a company operating a cogeneration plant in the State of São Paulo. The plant, located in an area that is very conducive to the cultivation of sugarcane, operates all year round using the bagasse harvested over nine months. This plant, commissioned in 2009, is fitted with high-quality equipment and has an installed capacity of 60 MW, similar to that of the Group's other plants. It is adjacent to a sugar refinery designed to process 2.1 million tonnes of sugarcane per annum, supplying the plant with bagasse throughout the year. Albioma's unique expertise will significantly enhance the energy efficiency of the existing facilities, which will ultimately transfer 160 GWh of electricity to the grid per annum.

The acquisition of 100% of the shares in the cogeneration plant was finalised on 31 March 2014. This operation, financed by a combination of locally-raised debt (50%) and equity (50%), is expected to make a positive contribution to EBITDA and net income, Group share, as from the 2014 financial year.

##### 1.5.2. Excellent restart

Upon assuming control of the cogeneration plant on 31 March 2014, Albioma's personnel started the facility without delay, in order to be operational by the start of the sugar harvest (22 April 2014) enabling the plant to support the sugar refinery's production ramp-up. The sugar harvest began in excellent conditions, with the sugar refinery quickly achieving an output of 12,000 tonnes of sugar cane processed daily. Reflecting the excellent team spirit among personnel at the cogeneration plant, significant progress was achieved.

Despite the volume of sugar cane ground being lower than forecast, the operator's technical expertise enabled 105 GWh of electricity to be generated in 2014 (compared with 80 GWh in 2013). The Group sold its electricity at an excellent price (541 reals per MWh, on average).

Capitalising on high prices due to drought and low hydroelectric dam levels, Albioma agreed fixed-price contracts with manufacturers covering the second half of 2014 as well as 2015 and 2016. Approximately 60% of planned power output has been sold at fixed rates, providing lenders with the desired level of assurance regarding finance for the acquisition and limiting exposure to supply shortage risks, while also offering scope to take advantage of the prices available on the spot market (for the non-contracted share of production).

Rio Pardo Termoelétrica will take part in the forthcoming call for tenders (for existing generating capacity) with the aim of partially securing its sales on the regulated market over a 20-year term.

The success of this initial outsourcing solution in which the Group takes over the operation of cogeneration plants from sugar refinery partners has vindicated Albioma's strategic positioning in Brazil.

#### 1.6. Holding company

On 10 March 2014, the Group's head office was transferred from Immeuble Le Monge to Tour Opus, located in the main square of Paris La Défense.

Albioma carried out a private "Euro PP" bond issue for a total of €80 million, to mature in December 2020, with an annual coupon of 3.85%. Through this operation, the Group's existing corporate debt – due to mature in February 2015 – was refinanced on very favourable terms, significantly extending its maturity and diversifying the Group's funding sources in support of the ambitious growth strategy for the coming years. The bonds were issued to European institutional investors. At the same time, Albioma renewed its short-term banking credit lines in the form of a confirmed €40 million revolving credit facility.

## NOTE 2 - ACCOUNTING POLICIES

### 2.1. Changes to the accounting framework in 2014

The Group's consolidated financial statements for the year ended 31 December 2014 have been prepared in accordance with the framework of International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2014, available on the following website:

[http://ec.europa.eu/internal\\_market/accounting/ias/standards\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/standards_fr.htm)

The financial statements are presented in thousands of euros and were approved by the Board of Directors at its meeting of 3 March 2015.

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### 4.6. Notes to the consolidated financial statements

#### **Standards, interpretations and amendments to standards subject to mandatory application with effect from 1 January 2014**

The accounting principles used for the preparation of the consolidated financial statements for the year ended 31 December 2014 are identical to those used for the preparation of the consolidated financial statements for the year ended 31 December 2013 and set out in the consolidated financial statements published for this latter period, with the exception of the following amendments that are subject to mandatory application with effect from 1 January 2014:

- IFRS 10 “Consolidated Financial Statements”;
- IFRS 11 “Joint arrangements”;
- IFRS 12 “Disclosure of Interests in Other Entities”;
- Amendments to IAS 28 revised “Investments in Associates and Joint Ventures”;
- Amendments to IFRS 10, IFRS 11 and IFRS 12 relating to transition procedures;
- Amendments to IAS 36 “Impairment of Assets” relating to information to be provided on the recoverable value of non-financial assets;
- Amendments to IAS 39 “Financial Instruments” relating to the novation of derivatives and maintaining hedge accounting and IAS 32 “Financial Instruments” relating to the offsetting of financial assets and liabilities.

The implementation of IFRS 10 “Consolidated Financial Statements” and IFRS 11 “Joint Arrangements” resulted in a change in the consolidation method for Albioma Power Alliance and Quantum Caraïbes. These entities, which were previously proportionally consolidated, are now defined as joint ventures under IFRS 11 and must therefore be consolidated at equity pursuant to IAS 28R. According to IFRS 11, a joint venture is an entity over which the co-entrepreneurs exercise joint control and of which they have rights to a share of the net assets.

Pursuant to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” the comparative financial statements have been restated. Reconciliation statements for the published and restated financial statements are provided in note 39 herein.

Furthermore, pursuant to IFRS 12 “Disclosure of Interests in Other Entities”, additional information has been provided for entities in which the Group is not the sole shareholder. This information is provided in notes 16 and 38.

#### **Standards, interpretations and amendments to standards already published by the International Accounting Standards Board (IASB) and adopted by the European Union, but whose application was not yet mandatory at 31 December 2014**

- Amendment to IAS 16 and IAS 38 “Clarification of acceptable methods of depreciation and amortisation”;
- Amendment to IFRS 11.

The Group is currently carrying out an analysis to identify the expected effects of first-time application of these new standards, amendments and interpretations.

The effect of applying these amendments to the consolidated financial statements is not expected to be material.

#### **Standards, interpretations and amendments to standards already published by the International Accounting Standards Board (IASB) and not yet adopted by the European Union**

- IFRS 9 “Financial Instruments”;
- IFRS 14 “Regulatory Deferral Accounts”;
- IFRS 15 “Revenue from Contracts with Customers”.

The impact of these texts on the financial statements is currently being analysed. The Group does not expect them to have a material impact on its financial statements.

### 2.2. Comparability of financial years

#### **Change in the presentation of the net income of companies consolidated at equity**

As well as implementing IFRS 10 and IFRS 11 as shown above and in compliance with the French Financial Market Authority (AMF) recommendation, the Group decided to present the net income of companies consolidated at equity under operating income. These entities conduct their business by operating thermal power plants in Mauritius and in the area of solar power, i.e. by extending the Group’s activities.

To ensure that the periods presented are comparable, the 2013 income statement has been restated to bring it into line with this new presentation. Reconciliation statements for the published and restated financial statements are provided in note 39.

### 2.3. 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.

### 2.4. 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 Rio Pardo Termoeletrica in Brazil;
- services provided by the parent company to companies not under its control.

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 sugarcane growers indirectly contributing to the production of electricity from bagasse. Under this mechanism, the premium

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

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 sugarcane. 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.

#### 2.5. Operating segments

Segment information is presented based on the internal organisation and reporting structures used by Group management.

The Albioma 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 *départements*;
- 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, mainly the thermal power plants producing energy;
- Mauritius: this segment comprises the thermal power plants that produce electricity on Mauritius;
- Holding Company, Anaerobic Digestion and other: this segment comprises the activities of Methaneo and the operating activities of Albioma.

#### 2.6. 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 3 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 consolidated statement of cash flows corresponds to cash and cash equivalents net of bank overdrafts. Short-term loans are included in the change in debt.

#### 2.7. 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, where applicable, 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.

#### 2.8. 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.

#### 2.9. 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.

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### 4.6. Notes to the consolidated financial statements

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.

#### 2.10. 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.

#### 2.11. 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 value, defined as the higher of the fair value less disposal costs and the value in use.

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.

#### 2.12. 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.

#### 2.13. 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 2.15.

#### 2.14. 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 2.15 below.

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 closing date.

#### 2.15. Derivatives

The purpose of the derivatives used by the Group is to hedge interest rate risks on the borrowings and leases entered into at 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.

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### 4.6. Notes to the consolidated financial statements

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.

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.

#### 2.16. 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 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.

In the Albioma Group, defined benefit plans cover post-employment benefits and other long-term benefits.

##### 2.16.1. Post-employment benefits

Post-employment benefits comprise:

- lump-sum retirement payments;
- 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 plan 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 closing date is established based on the yields at the closing 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 under “Other financial expenses”.

##### 2.16.2. 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.

#### 2.17. 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 2014, 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.

#### 2.18. CO<sub>2</sub> allowances

The Group’s thermal power plants located in the overseas départements are included in operations subject to regulations regarding carbon dioxide (CO<sub>2</sub>) emission allowances. The following thermal power plants are concerned: Albioma Bois-Rouge, Albioma Le Gol, 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. The amounts billed to EDF pursuant to the riders are recognised in other operating income.

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 closing date. These provisions appear under other current liabilities. No such provisions existed at the end of either 2014 or 2013.

Allowances acquired during the financial year and unused are recognised in stocks. At 31 December 2014, they were valued at €0.1 million, the same as at 31 December 2013.

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### 4.6. Notes to the consolidated financial statements

#### 2.19. 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 relating to the following:

- 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 and the effect of neutralising internal margins relating to installation development.

Deferred taxes are measured at the tax rate enacted or almost enacted by the relevant body at the closing 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)”.

#### 2.20. Share-based payments

##### Allotments of stock subscription options and bonus shares subject to performance conditions

In accordance with IFRS 2, the fair value of options and bonus share allotments is determined based on methods suited to their characteristics:

- subscription options, not subject to any share price performance conditions, are measured using the Black and Sholes 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, 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 Sholes 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 timeframe for fulfilment of the performance conditions. The parameters used in this model are described in note 22.1.

At each closing date, the Group assesses the probability of loss of rights to the 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).

#### 2.21. 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.

#### 2.22. Activities held for sale

In 2013, the Group announced the sale of its wind energy business to EDF Energies Nouvelles for €59 million plus an earn-out for projects under development.

Following this sale, the assets and liabilities of activities held for sale were removed from the statement of financial position and the net income from the sale was recorded in the line “Net income from activities held for sale” (€5.6 million net of transfer fees and taxes).

The Group also benefits from earn-outs on a portfolio of projects which have been sold. These earn-outs relate to projects under development that are identified in the sale agreement. They are conditional on the projects concerned being brought into service and expire at the end of the fifth year following the transaction closing date.

The formula used to determine the earn-out is established according to the value of a reference project and the differential between the installation’s actual production and the theoretical production determined using the P50 EFLH probability table. If the real wind conditions are more favourable than the reference wind conditions, an earn-out is due.

For the years ended 31 December 2013 and 31 December 2014, the Group did not recognise any income under this earn-out, as the conditions had not been fulfilled at the close of the financial year.

### 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.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

The main items in the financial statements for which the Group uses material estimates are as follows:

#### **IAS 17: “Leases” and IFRIC 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. The IFRIC 4 interpretation 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 (lease accounting). 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.

#### **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.

#### **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.

#### **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 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.

#### **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: (i) fair value less costs to sell; and (ii) 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, discount rates, etc.

The impairment tests are performed on the basis of business plans approved by the Board of Directors.

#### **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 départements. 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.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

#### 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).

#### 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.

### NOTE 4 - CHANGES IN THE CONSOLIDATION SCOPE

Material changes in the consolidation scope are shown below.

#### 4.1. Acquisition of Rio Pardo Termoelétrica

As mentioned in the highlights for the period, in March 2014, Albioma acquired all the share capital of Brazilian company Rio Pardo Termoelétrica, a cogeneration plant located in the State of São Paulo. The plant, located in an area that is very conducive to the cultivation of sugarcane, operates all year round using bagasse harvested over nine months.

The transaction, 50% of which was financed through local debt and 50% through equity, had a positive effect on Albioma's profits from 2014.

The sugar refinery may eventually increase its crushing processing capacity to three million tonnes of sugarcane per annum. The refinery has an extension option that can be exercised under certain conditions, mainly profit performance. Albioma will thus have the opportunity to build a 15MW extension to the cogeneration plant, enabling it to recover energy from the additional quantity of bagasse. Albioma would have to invest an additional amount of around BRL95 million to carry this out.

This business combination has been accounted for on a provisional basis, as the amounts allocated to the identifiable assets and liabilities acquired and to goodwill are liable to change within the year following the acquisition date. The impact on the consolidated financial statements of this transaction as at the date of entry into the consolidation scope is as follows:

	In BRL thousands	In € thousands
Technical installations	138,029	44,669
Stocks and assets in progress	138	45
Other operating assets	1	–
Operating payables	(946)	(306)
<b>Fair value of net asset acquired</b>	<b>137,222</b>	<b>44,408</b>
Fair value of consideration paid	140,284	45,399
<b>Goodwill</b>	<b>3,062</b>	<b>991</b>

At 31 December 2014, €38 million of the acquisition price was disbursed; the remainder should be settled through the transfer of a BNDES (Banco Nacional de Desenvolvimento Econômico e Social) debt in the amount of €7 million for which the vendor is currently liable.

Acquisition costs of €0.6 million were recognised for the period under “Other operating expenses”.

As part of this transaction, Albioma agreed call options for the sugar refinery relating to 40% of the share capital of Rio Pardo Termoelétrica 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 Rio Pardo Termoelétrica, inflation 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.

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. At 31 December 2014, 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.

The sugar refinery will also have stock options if the cogeneration plant is extended by 15MW, carried by a specially created entity.

A consortium has been created comprising the sugar refinery and Rio Pardo Termoelétrica, to oversee operations and manage flows between these two entities. The consortium is under the Group's control.

#### 4.2. Acquisition of shares of Albioma Power Alliance

On 16 April 2014, Albioma acquired 50% of the shares of Albioma Power Alliance. Albioma thus took exclusive control of this company, which was previously under joint control with the Group holding 50%.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

The operation represents a business combination achieved in stages pursuant to IFRS 3R "Business Combinations", as it results in the acquisition of control of a previously held participating interest.

In this case, the standard stipulates treatment in two steps:

- remeasurement of fair value by net income of the share of interests previously held (i.e. as if this share had previously been sold); and

- acquisition of 100% of the shares with allocation of the acquisition price at the fair value of the target's assets and liabilities.

This treatment gave rise to €0.2 million in net income for the period and goodwill of €0.5 million, divided between the company's electricity sales contracts for €0.8 million and associated deferred tax for negative €0.3 million.

## NOTE 5 - OPERATING SEGMENTS

### 5.1. Information by operating segment and region

Year ended 31 December 2014

€ thousands	France - Thermal Biomass	France - Solar Power <sup>1</sup>	Brazil	Mauritius	Holding Company, Anaerobic Digestion and other	Eliminations	Total
<b>INCOME STATEMENT</b>							
Income from ordinary activities	290,665	41,607	18,219	–	3,558	–	354,049
Inter-sector	–	–	–	–	19,132	(19,132)	–
<b>Income from ordinary activities</b>	<b>290,665</b>	<b>41,607</b>	<b>18,219</b>	<b>–</b>	<b>22,690</b>	<b>(19,132)</b>	<b>354,049</b>
<b>EBITDA<sup>2</sup></b>	<b>84,328</b>	<b>36,601</b>	<b>11,968</b>	<b>2,786</b>	<b>(6,673)</b>	<b>–</b>	<b>129,010</b>
<b>Operating income</b>	<b>59,364</b>	<b>22,868</b>	<b>10,210</b>	<b>2,786</b>	<b>(20,316)</b>	<b>–</b>	<b>74,912</b>
Financial expenses and income	–	–	–	–	–	–	(23,801)
Tax charge	–	–	–	–	–	–	(19,379)
<b>Net income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>31,732</b>

### STATEMENT OF FINANCIAL POSITION

Goodwill	7,313	950	994	–	1,337	–	10,594
Intangible assets	85,103	3,316	41	–	329	–	88,789
Property, plant and equipment	521,547	212,086	42,420	–	15,962	–	792,015
Participating interests in equity-accounted companies	337	1,096	–	24,467	–	–	25,900
Current assets	91,186	30,480	14,264	–	80,540	–	216,470
Other non-current assets (including deferred tax)	13,552	3,185	35	–	271	–	17,043
<b>Total assets</b>	<b>719,038</b>	<b>251,113</b>	<b>57,754</b>	<b>24,467</b>	<b>98,439</b>	<b>–</b>	<b>1,150,811</b>
Shareholders' equity	197,382	57,317	8,425	24,467	107,901	–	395,491
Non-current financial debt	225,939	157,519	17,743	–	84,268	–	485,469
Other non-current liabilities (including deferred tax)	100,278	27,426	112	–	1,325	–	129,141
Current liabilities	78,798	(8,674)	5,378	–	65,208	–	140,710
Inter-sector eliminations <sup>3</sup>	116,641	17,526	26,096	–	(160,263)	–	–
<b>Total liabilities</b>	<b>719,038</b>	<b>251,114</b>	<b>57,754</b>	<b>24,467</b>	<b>98,439</b>	<b>–</b>	<b>1,150,811</b>

### OTHER INFORMATION

Tangible and intangible investments	26,170	4,566	872	–	1,707	–	33,315
Depreciation and amortisation	(24,318)	(13,937)	(1,758)	–	(13,253)	–	(53,266)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals.

3. Inter-sector eliminations include intra-group payables and receivables, as well as the elimination of consolidated equity investments.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

Year ended 31 December 2013

€ thousands	France - Thermal Biomass	France - Solar Power <sup>1</sup>	Mauritius	Holding Company, Anaerobic Digestion and other	Eliminations	Total restated
<b>INCOME STATEMENT</b>						
Income from ordinary activities	321,048	40,079	–	2,212	–	363,339
Inter-sector	–	–	–	11,014	(11,014)	–
<b>Income from ordinary activities</b>	<b>321,048</b>	<b>40,079</b>	<b>–</b>	<b>13,226</b>	<b>(11,014)</b>	<b>363,339</b>
<b>EBITDA<sup>2</sup></b>	<b>108,769</b>	<b>30,988</b>	<b>2,723</b>	<b>(6,648)</b>	<b>–</b>	<b>135,832</b>
<b>Operating income</b>	<b>79,850</b>	<b>14,600</b>	<b>2,723</b>	<b>(8,287)</b>	<b>–</b>	<b>88,886</b>
Financial expenses and income	–	–	–	–	–	(23,488)
Tax charge	–	–	–	–	–	(23,128)
Net income for the year from continuing operations	–	–	–	–	–	42,270
Net income from activities held for sale	–	–	–	–	–	5,623
<b>Net income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>47,893</b>
<b>STATEMENT OF FINANCIAL POSITION</b>						
Goodwill	7,313	950	–	3,037	–	11,300
Intangible assets	89,817	2,696	–	403	–	92,916
Property, plant and equipment	515,066	213,902	–	26,957	–	755,925
Participating interests in equity-accounted companies	424	2,907	23,714	–	–	27,045
Current assets	90,106	27,739	–	96,677	–	214,522
Other non-current assets (including deferred tax)	14,028	2,984	–	3,879	–	20,891
<b>Total assets</b>	<b>716,754</b>	<b>251,178</b>	<b>23,714</b>	<b>130,954</b>	<b>–</b>	<b>1,122,599</b>
Equity	202,426	54,438	23,714	113,061	–	393,639
Non-current financial debt	249,218	162,318	–	60,008	–	471,544
Other non-current liabilities (including deferred tax)	92,334	21,068	–	3,332	–	116,734
Current liabilities	76,054	(9,173)	–	73,672	–	140,553
Inter-sector eliminations <sup>3</sup>	96,722	22,527	–	(119,120)	–	129
<b>Total liabilities</b>	<b>716,754</b>	<b>251,178</b>	<b>23,714</b>	<b>130,953</b>	<b>–</b>	<b>1,122,599</b>
<b>OTHER INFORMATION</b>						
Tangible and intangible investments	18,968	1,752	–	9,502	–	30,222
Depreciation and amortisation	(24,497)	(16,180)	–	(383)	–	(41,060)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals.

3. Inter-sector eliminations include intra-group payables and receivables, as well as the elimination of consolidated equity investments.

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### 4.6. Notes to the consolidated financial statements

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>€ thousands</i>	2014	2013 restated
<b>Operating income</b>	<b>74,912</b>	<b>88,886</b>
Amortisation of contracts	4,538	4,545
Depreciation of non-current assets	35,796	33,614
Net charges to provisions (including employee benefits)	2,442	5,164
Net charges to provisions recognised in other operating income and expenses	12,878	3,622
Other non-monetary items	(1,555)	–
<b>EBITDA from continuing operations</b>	<b>129,010</b>	<b>135,832</b>

### 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 Rio Pardo Termoelétrica plant in Brazil and, for the companies consolidated at equity, the Central Electricity Board (CEB) in Mauritius.

### NOTE 6 - INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities can be broken down as follows:

<i>€ thousands</i>	2014	2013 restated
Sales of electricity and steam	351,620	361,127
Services	2,429	2,212
<b>Income from ordinary activities</b>	<b>354,049</b>	<b>363,339</b>

### NOTE 7 - OTHER OPERATING INCOME AND EXPENSES

#### Other operating expenses

Other operating expenses comprise all expenses other than purchases, logistics costs and staff costs. They include notably the cost of CO<sub>2</sub> allowances acquired and used during the year.

#### Other operating income

Other operating income includes the amount of CO<sub>2</sub> allowances billed to EDF and insurance indemnities received following claims.

### NOTE 8 - STAFF COSTS

Staff costs break down as follows:

<i>€ thousands</i>	2014	2013 restated
Wages and salaries	(23,033)	(22,137)
Social security charges	(11,926)	(10,272)
Profit-sharing and incentive schemes	(3,462)	(2,203)
Share-based payments	(839)	(273)
<b>Total staff costs</b>	<b>(39,260)</b>	<b>(34,885)</b>
Net charges to provisions related to employee benefits	(2,535)	(1,631)
<b>Total staff costs including employee benefits</b>	<b>(41,795)</b>	<b>(36,516)</b>

The increase in staff costs reflects:

- entry of Rio Pardo Termoelétrica into the consolidation scope;
- a reduced activation cost of Anaerobic Digestion business development projects;
- the cost relating to the 2014 bonus share plans, accounted for pursuant to IFRS 2 "Share-based Payments";
- increased provisions related to employee benefits.

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### 4.6. Notes to the consolidated financial statements

#### NOTE 9 - OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses can be broken down as follows:

<i>€ thousands</i>	2014	2013 restated
Reversals of impairment of projects and assets	492	–
Reversals of provisions	415	–
Other income	6,539	19,708
<b>Other operating income</b>	<b>7,446</b>	<b>19,708</b>
Impairment of projects and assets	(13,785)	(2,900)
Litigation provision	–	(780)
Other expenses	(1,500)	(6,201)
<b>Other operating expenses</b>	<b>(15,285)</b>	<b>(9,881)</b>

For the year ended 31 December 2014, other income includes the effect of the change in the fair value of put options on non-controlling interests as well as compensation received by a supplier to settle a dispute.

Other operating expenses include:

- impairment losses recognised for the Anaerobic Digestion business relating to operating installations, some projects in development and the goodwill registered for Methaneo following impairment testing,
- acquisition costs for Rio Pardo Termoeléctrica, and a charge relating to bonus share allocations.

For the year ended 31 December 2013, other income mainly includes the retroactive compensation over a three-year period, provided for in the agreements entered into with EDF, to take into account the new circumstances which affected the economic equilibrium of the contracts. Other expenses include, in particular, the effects associated with these adjustments as well as retroactive payment of compensation relating to disputes or legal action. This line also includes the costs related to the change in the Group's name.

#### NOTE 10 - COST OF FINANCIAL DEBT

Cost of financial debt comprises the following items:

<i>€ thousands</i>	2014	2013 restated
Financial expenses on financial debt	(16,596)	(11,936)
Financial expenses on leases	(8,250)	(11,498)
<b>Cost of financial debt</b>	<b>(24,846)</b>	<b>(23,434)</b>

For the year ended 31 December 2014, the amount recognised in financial expenses in respect of hedging instruments amounted to €4.7 million, compared with €4.5 million in 2013. 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 €3.3 million in 2014 compared with €3.7 million in 2013.

#### NOTE 11 - OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses comprise the following items:

<i>€ thousands</i>	2014	2013 restated
Currency gains	52	2
Income from marketable securities disposal	693	106
Other financial income and reversals of provisions	988	499
<b>Financial income</b>	<b>1,733</b>	<b>607</b>
Impact of unwinding the discount on the provision for employee benefits	(505)	(484)
Change in the fair value of financial instruments - ineffective portion	(137)	(150)
Other financial expenses	(46)	(27)
<b>Other financial expenses</b>	<b>(688)</b>	<b>(661)</b>

## NOTE 12 - TAX

The corporation tax charge breaks down as follows:

<i>€ thousands</i>		2014	2013 restated
Operating income		74,912	88,886
Share of net income of equity-accounted companies		(2,805)	(3,020)
Cost of financial debt		(24,846)	(23,434)
Other financial income and expenses		1,045	(54)
<b>Income before tax and share in equity-accounted companies</b>	<b>(A)</b>	<b>48,306</b>	<b>62,378</b>
<b>Tax charge</b>	<b>(B)</b>	<b>(19,379)</b>	<b>(23,128)</b>
<b>Effective tax rate (B)/(A)</b>		<b>40.12%</b>	<b>37.08%</b>

The tax charge for the period comprises the following:

<i>€ thousands</i>		2014	2013 restated
Current tax charge		(18,786)	(23,029)
Tax on dividend payments		(746)	(1,025)
Deferred tax		153	926
<b>Total corporation tax</b>		<b>(19,379)</b>	<b>(23,128)</b>

A reconciliation between the actual tax charge and the theoretical tax charge is shown below:

	2014			2013		
	Base (€ thousands)	Rate	Tax (€ thousands)	Base (€ thousands)	Rate	Tax (€ thousands)
Theoretical tax charge	48,306	33.33%	(16,100)	62,378	33.33%	(20,791)
Difference between local tax rate and common law rate	–	(9.5)%	4,610	–	–	–
Tax on dividend payments	–	1.5%	(746)	–	1.6%	(1,025)
Non-deductible interest	–	1.7%	(821)	–	0.8%	(473)
Unrecognised deferred tax assets	–	12.76%	(6,164)	–	0.5%	(285)
Other	–	0.32%	(158)	–	0.9%	(554)
<b>Tax charge recognised</b>	<b>48,306</b>	<b>40.11%</b>	<b>(19,379)</b>	<b>62,378</b>	<b>37.1%</b>	<b>(23,128)</b>

Differences between local tax rates and common law rates mainly derive from Brazil. This line also includes additional contributions that some Group entities have to make.

Excluding the effect of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term and excluding Brazil, the effective tax rate for the year ended 31 December 2014 was 35.7%.

## NOTE 13 - GOODWILL

<i>€ thousands</i>	Net amount
<b>Year ended 31 December 2012</b>	<b>11,300</b>
Other	–
<b>Year ended 31 December 2013</b>	<b>11,300</b>
Acquisition	991
Amortisation	(1,700)
Translation differences	3
<b>Year ended 31 December 2014</b>	<b>10,594</b>

The increase in goodwill reflects the entry of Rio Pardo Termoelétrica into the consolidation scope, as described in section 3.1 "Changes in the consolidation scope" herein.

The amortisation recorded for the period relates to the Anaerobic Digestion business. The goodwill recorded for the Methaneo acquisition related to a portfolio of projects that do not meet the definition of an identifiable asset under IFRS. At 31 December 2014, the value of this goodwill was tested based on the portfolio of projects as it existed at this date. The test resulted in the recognition of goodwill impairment amounting to €1.7 million.

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### 4.6. Notes to the consolidated financial statements

The breakdown of goodwill by activity is as follows:

- Thermal Biomass France:
  - Albioma Bois-Rouge: €3.3 million,
  - Albioma Le Gol: €1.7 million,
  - Albioma Le Moule: €2.3 million.
- Thermal Biomass Brazil: €1 million.
- Anaerobic Digestion: €1.3 million.
- Solar Power: €1 million.

This goodwill is subject to an impairment test based on the assumptions presented in note 2.11 “Impairment of assets” and note 15 “Property, plant and equipment”.

#### NOTE 14 - INTANGIBLE ASSETS

<i>€ thousands</i>	Electricity and steam supply agreements	Other intangible assets	Total intangible assets
<b>GROSS AMOUNTS</b>			
<b>Year ended 31 December 2012</b>	<b>135,032</b>	<b>5,135</b>	<b>140,167</b>
Acquisitions	–	616	616
Disposals	–	(1,562)	(1,562)
Reclassifications	–	(2,747)	(2,747)
<b>Year ended 31 December 2013</b>	<b>135,032</b>	<b>1,442</b>	<b>136,474</b>
Acquisitions	–	506	506
Changes in the consolidation scope	833	–	833
Translation differences	–	(2)	(2)
Reclassifications	–	(469)	(469)
<b>Year ended 31 December 2014</b>	<b>135,865</b>	<b>1,477</b>	<b>137,342</b>
<b>AMORTISATION AND IMPAIRMENT</b>			
<b>Year ended 31 December 2012</b>	<b>(38,872)</b>	<b>(882)</b>	<b>(39,754)</b>
Amortisation charge for the period	(4,545)	(144)	(4,689)
Reversals of impairment	–	309	309
Disposals	–	81	81
Reclassifications	–	495	495
<b>Year ended 31 December 2013</b>	<b>(43,417)</b>	<b>(141)</b>	<b>(43,558)</b>
Amortisation charge for the period	(4,538)	(457)	(4,995)
<b>Year ended 31 December 2014</b>	<b>(47,955)</b>	<b>(498)</b>	<b>(48,553)</b>
<b>NET AMOUNTS</b>			
at 31 December 2012	96,160	4,253	100,413
at 31 December 2013	91,615	1,301	92,916
at 31 December 2014	87,910	879	88,789

The gross amount of intangible assets comprises:

- the fair value of agreements for the delivery of energy entered into by the thermal power plants (Albioma Bois-Rouge, Albioma Le Moule et Albioma Le Gol) with the EDF group 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 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.

Impairment of other intangible assets is presented in the line “Charges to provisions” in the income statement. Reversals of impairment losses are presented in the line “Reversals of provisions” in the income statement.

## NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

<i>€ thousands</i>	Installations in service	Non-current assets in progress	Total
<b>GROSS AMOUNTS</b>			
<b>31 December 2012 (restated)</b>	<b>962,804</b>	<b>24,702</b>	<b>987,506</b>
Acquisitions	9,651	20,592	30,243
Disposals	(71)	(90)	(161)
Reclassifications	7,413	(4,844)	2,569
<b>31 December 2013 (restated)</b>	<b>979,797</b>	<b>40,360</b>	<b>1,020,157</b>
Acquisitions	5,834	26,943	32,777
Disposals	(22)	–	(22)
Changes in the consolidation scope	55,412	(603)	54,809
Translation differences	(2,020)	(6)	(2,026)
Reclassifications	32,302	(32,077)	225
<b>31 December 2014</b>	<b>1,071,303</b>	<b>34,617</b>	<b>1,105,920</b>
<b>DEPRECIATION AND IMPAIRMENT</b>			
<b>31 December 2012 (restated)</b>	<b>(226,587)</b>	<b>(2,376)</b>	<b>(228,963)</b>
Depreciation charge for the period	(33,340)	–	(33,340)
Impairment of assets and projects	(2,900)	(131)	(3,031)
Disposals	50	90	140
Reclassifications	1,299	(337)	962
<b>31 December 2013 (restated)</b>	<b>(261,478)</b>	<b>(2,754)</b>	<b>(264,232)</b>
Depreciation charge for the period	(36,186)	–	(36,186)
Impairment of assets and projects	(11,060)	(1,025)	(12,085)
Reversals of impairment	–	452	452
Disposals	22	2	24
Changes in the consolidation scope	(2,546)	(624)	(3,170)
Translation differences	99	–	99
Reclassifications	660	533	1,193
<b>31 December 2014</b>	<b>(310,489)</b>	<b>(3,416)</b>	<b>(313,905)</b>
<b>NET AMOUNTS</b>			
31 December 2012 (restated)	736,217	22,326	758,543
31 December 2013 (restated)	718,319	37,606	755,925
31 December 2014	760,814	31,201	792,015

On 28 June 2013, Albioma Le Gol exercised the purchase option on the finance lease for power plant tranche 3 equipment for the sum of €59 million. On 27 December 2013, Albioma Le Moule exercised the purchase option on the finance lease for its power plant for the sum of €33 million.

Interest capitalised pursuant to IAS 23 in respect of 2014 amounts to €0.9 million, predominantly for the anaerobic digestion installations under development. This amount was €0.3 million in 2013.

#### Impairment testing

The Group carried out an impairment test on the Anaerobic Digestion business at 31 December 2014.

The test was carried out using the discounted cash flow method and based on business plans established by the new management. These incorporate feedback from the first months of operation.

The cash flows thus calculated were discounted at a rate of 8%. The test resulted in the recognition of impairment amounting to €12.3 million.

With regard to the sensitivity of these assets to the discount rate, it should be noted that an increase of 100 basis points would decrease the value of the assets tested by €0.5 million and that a decrease of 100 basis points would increase the value of the assets tested by €0.5 million.

With regard to the sensitivity of these assets to the rate of availability of the site in the operational phase, it should be noted that an increase of 100 basis points would increase the value of the assets tested by €0.3 million and that a decrease of 100 basis points would decrease their value by €0.3 million.

#### 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 net amount of depreciation of assets under finance leases was €257.6 million at 31 December 2014, compared with €276.4 million at 31 December 2013.

Financial debt in respect of finance leases is presented in note 23.

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### 4.6. Notes to the consolidated financial statements

#### NOTE 16 - 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. The financial information for our main equity-accounted companies is as follows:

<i>€ thousands</i>	<b>31/12/2014</b>	<b>31/12/2013 restated</b>
<b>Amount at the start of the period (restated)</b>	<b>27,045</b>	<b>26,661</b>
Dividends paid	(2,629)	(2,011)
Share of net income of associates	2,805	3,020
Changes in the consolidation scope	(1,662)	
Translation differences on the Mauritian interests	341	(625)
<b>Amount at the end of the period</b>	<b>25,900</b>	<b>27,045</b>

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.

Pursuant to IAS 39 "Financial instruments" and IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", these derivatives are classified as a hedge 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 the period ended 31 December 2014, the net tax effect of the restatement of embedded derivatives in sale contracts on the value of investments in associates and recognised in translation reserves is €1.9 million, compared with €2.8 million at 31 December 2013. The change in fair value for 2014 was €(1.1) million net of tax on the Group share compared with €(0.6) million in 2013.

<i>€ thousands</i>	<b>31/12/2014</b>				<b>Total</b>
	<b>Terragen</b>	<b>OSEO Saint-Aubin</b>	<b>OSEO La Baraque</b>	<b>Other entities</b>	
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal	Thermal	Thermal		
Percentage interest	27%	25%	25%		
<b>STATEMENT OF FINANCIAL POSITION</b>					
Cash and cash equivalents	845	2,124	8,509		
Other current assets	16,145	13,202	23,383		
Non-current assets	40,620	20,898	72,180		
Current liabilities	3,722	3,335	10,878		
Non-current liabilities	5,756	17,521	62,718		
<b>Net assets</b>	<b>48,133</b>	<b>15,368</b>	<b>30,476</b>		
<b>Contribution to the Group's investments in equity-accounted companies</b>	<b>12,996</b>	<b>3,842</b>	<b>7,619</b>	<b>1,443</b>	<b>25,900</b>
<b>Dividends paid to the Group</b>	<b>1,167</b>	<b>396</b>	<b>811</b>		
<b>INCOME STATEMENT</b>					
Revenue	28,099	18,745	42,438		
<b>Net income from ordinary operations</b>	<b>4,009</b>	<b>2,032</b>	<b>4,782</b>		
Net income after tax from discontinued operations	-	-	-		
<b>Net income for the year</b>	<b>4,009</b>	<b>2,032</b>	<b>4,782</b>		
<b>Group share of net income</b>	<b>1,082</b>	<b>508</b>	<b>1,196</b>	<b>19</b>	<b>2,805</b>
Net income for the year	4,009	2,032	4,782		
Other comprehensive income (net of tax)	(392)	-	-		
<b>Total comprehensive income</b>	<b>3,617</b>	<b>2,032</b>	<b>4,782</b>		

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### 4.6. Notes to the consolidated financial statements

31/12/2013					
<i>€ thousands</i>	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal	Thermal	Thermal		
Percentage interest	27%	25%	25%		
<b>STATEMENT OF FINANCIAL POSITION</b>					
Cash and cash equivalents	1,644	1,727	3,819		
Other current assets	14,569	13,830	22,165		
Non-current assets	41,370	20,982	71,507		
Current liabilities	3,765	3,294	7,062		
Non-current liabilities	5,811	18,192	62,701		
<b>Net assets</b>	<b>48,007</b>	<b>15,053</b>	<b>27,728</b>		
Contribution to the Group's investments in equity-accounted companies	12,962	3,763	6,932	3,388	27,045
Dividends paid to the Group	597	458	858		
<b>INCOME STATEMENT</b>					
Revenue	27,472	19,367	40,955		
<b>Net income from ordinary operations</b>	<b>4,207</b>	<b>2,081</b>	<b>4,176</b>		
Net income after tax from discontinued operations	–	–	–		
<b>Net income for the year</b>	<b>4,207</b>	<b>2,081</b>	<b>4,176</b>		
<b>Group share of net income</b>	<b>1,136</b>	<b>520</b>	<b>1,044</b>	<b>320</b>	<b>3,020</b>
Net income for the year	4,207	2,081	4,176		
Other comprehensive income (net of tax)	–	–	–		
<b>Total comprehensive income</b>	<b>4,207</b>	<b>2,081</b>	<b>4,176</b>		

#### NOTE 17 - NON-CURRENT FINANCIAL ASSETS

<i>€ thousands</i>	Note	31/12/2014	31/12/2013 restated
Security deposits		5,598	5,243
Non-consolidated investments		248	258
Loans due in more than one year		32	432
<b>Financial instruments</b>	<b>24</b>	<b>88</b>	<b>277</b>
<b>Total</b>		<b>5,966</b>	<b>6,210</b>

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 five years.

#### NOTE 18 - CASH AND CASH EQUIVALENTS

<i>€ thousands</i>	31/12/2014	31/12/2013 restated
Cash equivalents	75,869	66,367
Cash	27,268	38,129
<b>Total</b>	<b>103,137</b>	<b>104,496</b>

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.

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#### NOTE 19 - TRADE RECEIVABLES

At 31 December 2014, trade receivables stood at €41.6 million compared with €37.1 million at 31 December 2013.

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 Rio Pardo Termoelétrica plant 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 2014 or 31 December 2013.

#### NOTE 20 - STOCKS

Stocks break down as follows:

<i>€ thousands</i>	31/12/2014	31/12/2013 restated
<b>STOCKS – GROSS AMOUNT</b>		
Raw materials and fuels	14,576	15,363
Non-strategic spare parts	34,109	31,908
Other stocks in progress	225	785
<b>Total stocks – gross amount</b>	<b>48,910</b>	<b>48,056</b>
<b>IMPAIRMENT OF STOCKS</b>		
Non-strategic spare parts	(1,592)	(1,587)
<b>Total impairment of stocks</b>	<b>(1,592)</b>	<b>(1,587)</b>
<b>STOCKS – NET AMOUNT</b>		
Raw materials and fuels	14,576	15,363
Non-strategic spare parts	32,517	30,321
Other stocks in progress	225	785
<b>Total stocks – net amount</b>	<b>47,318</b>	<b>46,469</b>

#### NOTE 21 - OTHER CURRENT ASSETS

Other current operating assets break down as follows:

<i>€ thousands</i>	31/12/2014	31/12/2013 restated
Tax and social security receivables	13,776	16,082
Current tax receivables	3,522	2,210
Prepayments	1,859	469
Other debtors	5,279	7,739
<b>Total</b>	<b>24,436</b>	<b>26,500</b>

#### NOTE 22 - SHARE CAPITAL AND POTENTIAL SHARES

##### 22.1. Share capital, stock options and performance shares

At 31 December 2014, the share capital comprised 29,734,932 shares with a nominal value of €0.0385, fully paid up, including 78,075 treasury shares held under a liquidity contract and 38,424 shares held following the implementation of a share buyback programme, to be used for the 2012 bonus share allotment plan.

At 31 December 2013, the share capital comprised 29,167,899 shares with a nominal value of €0.0385, fully paid up, including 58,193 treasury shares held under a liquidity contract.

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### 4.6. Notes to the consolidated financial statements

#### 22.2. Stock option plans and bonus share plans

	2014 bonus share plan in favour of Group employees who are not members of the Executive Committee	2014 bonus share plan in favour of Executive Committee members	2012 bonus share plan	2010 stock option plan
Date of the Board of Directors' meeting (allotment)	27/05/2014	27/05/2014	8 Board meetings from 26/07/2012 to 17/12/2013	27/08/2010
Exercise period				from 28/08/2014 to 28/08/2017 subject to conditions
End of acquisition period	See details in notes 22.2.1, 22.2.2 et 22.2.3	See details in notes 22.2.1, 22.2.2 et 22.2.3	See details in notes 22.2.1, 22.2.2 et 22.2.3	
Total number of options and shares originally authorised	400,000	430,000	810,000	190,000
Original exercise price	–	–	–	21
Total number of options after adjustment	–	–	–	n/a
<b>Number of instruments in issue at 31 December 2010</b>	–	–	–	<b>189,500</b>
Options and bonus shares lapsed	–	–	–	(66,900)
<b>Number of instruments in issue at 31 December 2011</b>	–	–	–	<b>122,600</b>
Options and bonus shares allotted	–	–	617,400	–
Options and bonus shares lapsed	–	–	–	(18,000)
<b>Number of instruments in issue at 31 December 2012</b>	–	–	<b>617,400</b>	<b>104,600</b>
Options and bonus shares allotted	–	–	92,000	–
Options and bonus shares lapsed	–	–	(19,000)	(5,200)
<b>Number of instruments in issue at 31 December 2013</b>	–	–	<b>690,400</b>	<b>99,400</b>
Options and bonus shares allotted	259,000	430,000	117,213	–
Other changes	–	–	–	–
Rights cancelled in the period	(7,000)	(2,000)	(26,265)	(1,000)
Effective acquisition in the period	–	–	(198,302)	–
<b>Number of instruments in issue at 31 December 2014</b>	<b>252,000</b>	<b>428,000</b>	<b>583,046</b>	<b>98,400</b>
Number of options exercisable at year-end				–
<b>Average initial unit fair value of options in issue (in euros)</b>	<b>2.91</b>	<b>5.63</b>	<b>0.33</b>	<b>5.0</b>
Life of the conditional allotment (in years)	2.8 ans	3 ans	2.25 ans	4 ans
Fair value of the conditional allotment (in € thousands)	744	2,419	226	939
Amount recognised in expenses				
<b>2014</b>	<b>148</b>	<b>481</b>	<b>109</b>	<b>101</b>
2013	–	–	120	153
2012	–	–	39	153
2011	–	–	19	122
2010	–	–	–	88
<b>ASSUMPTIONS USED FOR EVALUATION</b>				
Volatility	26%	26%	29%	29%
Stock lending/borrowing rate	7.5%	7.5%	7.5%	7.5%

##### 22.2.1. 2010 STOCK OPTION PLANS

On 27 August 2010, using the authorisation granted to it by the Combined Ordinary and Extraordinary General Meeting of shareholders of 18 May 2010, Albioma's Board of Directors allotted 190,900 stock subscription options to employees and Corporate Officers of the Company and its subsidiaries present on 15 August 2010.

Effective acquisition of options for all beneficiaries is subject to a performance condition relating to increases in the installed power of the Group's photovoltaic fleet. The installed power of the photovoltaic fleet of the Company and its

subsidiaries at 31 December 2011 must show an increase of at least 30% a year compared with the installed power of the fleet at 31 December 2009. This condition was met as at 31 December 2011.

In accordance with IFRS 2, the presence conditions and other performance conditions that are unrelated to the market have no impact on the measurement of the fair value of goods and services received but they do adjust the number of equity instruments actually allotted and therefore the final cost recognised.

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### 4.6. Notes to the consolidated financial statements

#### 22.2.2. 2012 BONUS SHARE PLAN

The share allotments were approved as part of a single plan at meetings of the Board of Directors held on 26 July 2012 (616,400 shares), 28 November 2012 (1,000 shares), 17 January 2013 (4,500 shares), 18 March 2013 (3,500 shares), 30 May 2013 (2,000 shares), 23 July 2013 (12,500 shares), 24 September 2013 (54,500 shares) and 17 December 2013 (15,000 shares).

The share allotments were divided into three equal tranches. Different performance conditions must be met to trigger the effective acquisition of each tranche.

At its meeting on 26 July 2012, the Board of Directors also decided, on the recommendation of the Nomination and Remuneration Committee, to allot bonus shares at the beginning of 2014 to all employees of the operating companies if the average availability of the facilities during 2012 and 2013 was greater than 91.5%. A reserve of 120,000 shares was accordingly set aside for the purpose of these allotments. The Chairman and Chief Executive Officer, acting pursuant to the delegation granted to him by the Board of Directors, confirmed that this condition had been met and, on 13 January 2014, approved the allotment of 117,213 bonus shares to all the employees of the Group's operating companies, confirming the Group's desire to involve all its personnel in long-term value creation.

The effective acquisition of the shares allotted on 26 July 2012 is subject to the following performance conditions:

- achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the allotment date, of a six-month moving average of the Albioma share closing price of €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period;
- the completion, at any time during a period of two years and six months starting on the allotment date, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the following two dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the allotment date.

The effective acquisition of bonus shares allotted to the Chairman and Chief Executive Officer is not subject to the obligation to acquire a defined number of Company shares on the market.

Given the changes made to the rules of the bonus share plan by the Board of Directors during its meeting of 17 December 2013, accepted by each beneficiary concerned at the beginning of 2014, the effective acquisition of shares allotted after 26 July 2012 is subject to the following performance conditions:

- achievement, at any time during the period from 26 July 2014 to 26 January 2015, of a six-month moving average of the Albioma share closing price of €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the following two dates: either the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period, or the expiry of a period of two years from the allotment date.
- the completion, at any time during the period between the allotment date and 26 January 2015, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche.

In this event, the shares are acquired on the later of the two following dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the allotment date.

The retention period is set at two years from the effective acquisition date of the shares; however, the Chairman and Chief Executive Officer is required to retain in registered form 25% of the shares effectively acquired until he stands down from office.

#### 22.2.3. 2014 Bonus share allotment plans

On 27 May 2014, the Board of Directors put in place the following bonus share allotment plans:

##### Bonus share allotment plan in favour of the Executive Committee members

The allotments were approved as part of a plan open to the Group's Executive Committee members only (including the Chairman and Chief Executive Officer) at the Board of Directors' meeting of 27 May 2014 (430,000 shares).

The allotments are 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 must be met to trigger the effective acquisition of each tranche.

- Shares of the first one-third tranche will not be effectively acquired unless there is a variation of at least 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.
- Shares of the second two-third tranche will not be effectively acquired unless there is a variation of more than 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. If the above-mentioned variation remains below 60% until the end of the said acquisition period, on a strict basis, the number of shares of the relevant tranche that will be effectively acquired will be calculated at the end of the acquisition period by linear interpolation based on the highest value of the variation of the six-month moving average reached over the acquisition period within a 20% to 60% range. If the above-mentioned variation reaches or exceeds 60% at any given time during the acquisition period, all of the shares of the relevant tranche will be effectively acquired on the date set in the plan's rules. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.
- If a takeover bid is 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 shares of the first tranche will be effectively acquired if the final price per share of the takeover is 120% or more of the six-month average closing price of the Albioma share on 27 May 2014. Shares of the second tranche will be effectively acquired if the final price per share of the takeover is 160% or more of the said average. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.

Shares that have been effectively acquired are subject to a two-year lock-in commitment, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the shares effectively acquired until he stands down from office.

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#### Bonus share plan in favour of Group employees who are not members of the Executive Committee

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) and 28 October 2014 (1,000 shares). Additional shares were allotted at the beginning of the 2015 financial year at the Board of Directors' meeting of 3 March 2015 (19,300 shares).

The allotments are divided up into two tranches, and each tranche covers one half of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

- Shares of the first tranche will not be effectively acquired unless an average availability rate of more than 91.5% is recorded for the facilities for 2014-

2016. If this performance condition is satisfied, the shares of the first tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

- Shares of the second tranche will not be effectively acquired unless the Group's 2016 consolidated EBITDA exceeds €153.5 million for the 2016 financial year, on a strict basis, and the number of shares effectively acquired under this second tranche will be 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 is satisfied, all or part of the shares of the second tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

Shares that have been effectively acquired are subject to a two-year lock-in commitment.

Pursuant to IFRS 2 "Share-based Payments", the fair value of this plan was estimated at €3.2 million based on the following assumptions:

Life of the conditional allotment	2.8 to 3 years
Volatility	26%
Stock lending/borrowing rate	7.5%
Dividends	The expected dividend yield was estimated using a forward-looking approach, based on the distribution policy announced by the Group.

The IFRS charge booked for 2014 in respect of this plan was €629 thousand. Contributions due at the initial allotment date were registered as staff costs for the period in the amount of €0.9 million.

#### 22.2.4. Methaneo bonus share allotment plan and founders' share warrants

There were no Methaneo bonus shares and Methaneo founders' shares allotted at 31 December 2013 and 2014. The authorisations granted to the Board of Directors to establish these plans have expired.

#### 22.3. Number of shares

Movements in the number of shares making up the share capital are shown below:

<b>31 December 2012</b>	<b>28,577,445</b>
Shares issued due to the payment of dividends in shares	535,454
Treasury shares	(3,193)
<b>31 December 2013</b>	<b>29,109,706</b>
Shares issued due to the payment of dividends in shares	368,731
Effective acquisition of shares under 2012 share plan	198,302
Treasury shares	(58,306)
<b>31 December 2014</b>	<b>29,618,433</b>

The Group held 116,499 treasury shares at 31 December 2014.

#### 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 performance shares.

On 4 December 2014, Albioma issued 333 shares and admitted them for trading on Euronext Paris, as part of a bonus share plan approved by the Combined Ordinary and Extraordinary General Meeting of shareholders of 14 March 2012.

This issue brings the number of shares now created under the share price performance conditions set for the first third of the plan (six-month moving average of €18.50 at 26 July 2014) to 198,302. The effective acquisition of the 66,930 shares still to be created as part of this first tranche of the plan will take place by 13 January 2016. The earnings per share figure for 2013 was restated to take account of this issue as if it had taken place at 1 January 2013.

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### 4.6. Notes to the consolidated financial statements

	31/12/2014	31/12/2013 restated
Weighted average number of shares	29,647,586	29,478,437
<b>Dilution</b>	–	–
<b>Diluted weighted average number of shares</b>	<b>29,647,586</b>	<b>29,478,437</b>
<b>GROUP TOTAL</b>		
Net income, Group share:	38,048	42,596
<b>Net income/weighted average number of shares (in euros)</b>	<b>1.283</b>	<b>1.445</b>
<b>Net income/diluted weighted average number of shares</b>	<b>1.283</b>	<b>1.445</b>
<b>CONTINUING OPERATIONS</b>		
Net income, Group share	38,048	36,973
<b>Net income/weighted average number of shares (in euros)</b>	<b>1.283</b>	<b>1.254</b>
<b>Net income/diluted weighted average number of shares (in euros)</b>	<b>1.283</b>	<b>1.254</b>
<b>DISCONTINUED OPERATIONS</b>		
Net income, Group share	–	5,623
<b>Net income/weighted average number of shares (in euros)</b>	<b>–</b>	<b>0.191</b>
<b>Net income/diluted weighted average number of shares (in euros)</b>	<b>–</b>	<b>0.191</b>

Taking account as of 1 January 2013 of shares issued in 2014 for payment of the dividend in shares, earnings per share for 2013 would have been €1.445.

#### 22.4. Dividends

On 27 May 2014, Albioma's Combined General Meeting resolved to allow each shareholder the option of payment of half of the dividend distributed, the total amount of which was set at €0.60 per share, either in cash or in new shares under the conditions described below.

Each shareholder had the option of:

- either payment of 50% of the dividend (€0.30 per share) in new shares, with the remaining 50% (€0.30 per share) being paid in cash; or
- full payment of the dividend in cash (€0.60 per share).

The issue price of the new shares provided as payment in this respect was set at €17.44. The subscription period closed on 20 June 2014.

At the end of this exercise period, 74% of the rights had been exercised in favour of payment in shares.

The option for payment of the dividend in shares therefore resulted in the creation of 368,731 new shares representing 1.2% of Albioma's share capital and voting rights based on the number of shares in issue at 30 June 2014 plus the number of new shares thus created.

The new shares were delivered and admitted for trading on Euronext Paris on 2 July 2013. The dividend payment in cash took place on the same date.

## NOTE 23 - FINANCIAL LIABILITIES

## 23.1. Analysis by type (current and non-current)

The Group's financial debt can be broken down as follows:

€ thousands	31/12/2014					31/12/2013 restated				
	Project debt	Payables relating to call options on non-Group interests	Corporate debt	Bank loans, accrued interest and debt issuance costs	Total	Project debt	Payables relating to call options on non-Group interests	Corporate debt	Bank loans, accrued interest and bond issue costs	Total
Debts with financial institutions	307,287	1,500	80,000	(3,009)	385,778	288,352	3,055	52,918	177	344,502
Lease liabilities	153,701	–	–	–	153,701	175,494	–	–	–	175,494
<b>Total</b>	<b>460,988</b>	<b>1,500</b>	<b>80,000</b>	<b>(3,009)</b>	<b>539,479</b>	<b>463,846</b>	<b>3,055</b>	<b>52,918</b>	<b>177</b>	<b>519,996</b>
Non-current financial debt	–	–	–	–	485,469	–	–	–	–	471,544
Current financial debt	–	–	–	–	54,010	–	–	–	–	48,452

At 31 December 2014, the Group's average interest rate outside Brazil was 4.4% compared with 4.2% in 2013. The average interest rate in Brazil was 12.4%.

Financial debt included variable-rate debt of €360.5 million in 2014, compared with €422.3 million in 2013. Fixed-rate debt (after hedging is taken into account) represents 87% of total financial debt (see details in note 24).

Project debt is non-recourse debt in respect of Albioma, except in the case of Brazil, where Albioma has granted a parent company guarantee. It is borne by dedicated project entities.

The change in financial debt during the period is broken down below:

	Lease liabilities	Bank and other borrowings	Total
<b>31 December 2012 (restated)</b>	<b>276,073</b>	<b>302,783</b>	<b>578,856</b>
Bond issues	–	53,372	53,372
Repayments	(48,095)	(65,706)	(113,801)
Exercise of finance lease options	(53,962)	53,962	–
Net change	–	91	91
Restatements	1,478	–	1,478
<b>31 December 2013 (restated)</b>	<b>175,494</b>	<b>344,502</b>	<b>519,996</b>
Bond issues	–	98,970	98,970
Acquisition debt (BNDES)	–	7,470	7,470
Repayments	(10,993)	(73,459)	(84,452)
Exercise of finance lease options	(10,800)	10,800	–
Changes in the consolidation scope	–	178	178
Net change	–	(148)	(148)
Translation differences	–	(980)	(980)
Other movements	–	(1,555)	(1,555)
<b>31 December 2014</b>	<b>153,701</b>	<b>385,778</b>	<b>539,479</b>

In 2014, issues mainly related to:

- refinancing Albioma's corporate debt in the amount of €80 million, by issuing a "Euro PP" bond loan maturing in December 2020 with an annual coupon of 3.85%;
- the financing of the acquisition of shares of Rio Pardo Termoelétrica for €24 million and the financing of anaerobic digestion projects.

The ITAU loan was issued to acquire shares of Rio Pardo Termoelétrica. It 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.

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Furthermore, finance leases entered into by Group companies may make provision for the usual financial commitments pertaining to such operations. Debt relating to call options on non-Group interests corresponds to the options granted by Albioma to the founding shareholders of Methaneo.

#### 23.2. 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:

<i>€ thousands</i>	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total financial debt
Financial debt	61,093	188,437	237,621	487,151
Lease liabilities	19,038	79,054	114,917	213,009
<b>Total at 31 December 2014</b>	<b>80,131</b>	<b>267,491</b>	<b>352,538</b>	<b>700,160</b>

<i>€ thousands</i>	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total financial debt
Financial debt	50,071	212,610	163,660	426,341
Lease liabilities	20,151	91,867	135,714	247,732
<b>Total at 31 December 2013 (restated)</b>	<b>70,222</b>	<b>304,477</b>	<b>299,374</b>	<b>674,073</b>

For debt at variable interest rates, total repayments have been determined based on interest rates at 31 December 2014.

The amount of minimum payments in respect of finance leases corresponds to the total repayments of lease liabilities indicated above.

#### 23.3. Net borrowings

<i>€ thousands</i>	31/12/2014	31/12/2013 restated
<b>BORROWINGS AND FINANCIAL DEBT</b>		
Finance leases	153,701	175,494
Bank loans	387,287	341,270
Other liabilities	(1,509)	3,232
<b>Total</b>	<b>539,479</b>	<b>519,996</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	(27,268)	(38,129)
Cash equivalents	(75,869)	(66,367)
<b>Total</b>	<b>(103,137)</b>	<b>(104,496)</b>
Finance lease deposits	(5,598)	(5,243)
<b>Net financial debt after deducting deposits paid</b>	<b>430,744</b>	<b>410,257</b>

The project companies of the anaerobic digestion business also benefit from shareholder advances recognised in "Other current liabilities" in the amount of €3.4 million at 31 December 2014, compared with 2.7 million at 31 December 2013.

## NOTE 24 - FINANCIAL DERIVATIVES

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 subsidiaries Albioma Caraïbes and Albioma Bois Rouge 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 et Terragen, indicated the presence of embedded currency derivatives that have been recognised at fair value in the financial statements of these equity-accounted subsidiaries. They have been classified as hedges of a net investment. The amounts recognised in respect of these derivatives are presented in note 16.

The amount recognised in profit or loss in respect of the ineffective portion of hedging instruments is immaterial.

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	Maturity	Notional amount in millions of euros	Fair values in the statement of financial position				Recognition of changes in 2014	
			31/12/2013		31/12/2014		Profit or loss	Transitory account in shareholders' equity
			Assets	Liabilities	Assets	Liabilities		
<i>€ thousands</i>								
Hedging of variable-rate loans through interest-rate swaps	2016 to 2029	290	277	(28,375)	88	(46,410)	(137)	(18,087)
<b>Total cash flow hedge derivatives</b>		<b>274</b>	<b>277</b>	<b>(28,375)</b>	<b>88</b>	<b>(46,410)</b>	<b>(137)</b>	<b>(18,087)</b>

A 100bp decline in interest rates would increase the amount of financial liabilities relating to hedging instruments by €11.5 million. A 100bp increase in interest rates would decrease the amount of financial liabilities relating to hedging instruments by €17.0 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 2014, this valuation is immaterial (around €0.4 thousand).

#### NOTE 25 - EMPLOYEE BENEFITS

The amount of contributions paid in respect of defined contribution retirement plans amounted to €4,511 thousand for the year ended 31 December 2014 compared with 4,287 thousand for 2013.

Employee benefits break down as follows:

<i>€ thousands</i>	31/12/2014	31/12/2013
Post-employment benefits	17,940	12,771
Other long-term benefits	2,012	1,654
<b>Total</b>	<b>19,952</b>	<b>14,425</b>

#### 25.1. 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, and the Electricity and Gas Industry (IEG) plan 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>€ thousands</i>	2014	2013
Cost of services rendered during the year	2,501	1,636
Financial cost	448	432
<b>Net expense for the year</b>	<b>2,949</b>	<b>2,068</b>

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>€ thousands</i>	31/12/2014	31/12/2013
<b>Opening obligation</b>	<b>12,771</b>	<b>12,446</b>
Net expense for the year	2,949	2,068
Contributions paid	(736)	(539)
Actuarial gains and losses recognised in reserves	2,991	(1,031)
Other changes	(35)	(173)
<b>Closing obligation</b>	<b>17,940</b>	<b>12,771</b>

The amount of plan assets is immaterial.

For the year ended 31 December 2014, 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 €2.7 million, due to lower interest rates, as the discount rate decreased from 3.5% in 2013 to 2.2% in 2014.

For the year ended 31 December 2013, actuarial gains and losses stem from experience effects for an amount of €0.2 million and the impact of changes in actuarial assumptions for a negative amount of €1.2 million.

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### 4.6. Notes to the consolidated financial statements

#### 25.2. Other long-term benefits

The amounts recognised in liabilities in respect of the retirement payment plan (régime d'indemnités de départ en retraite – IDR) and the Electricity and Gas Industry (IEG) plan break down as follows:

€ thousands	31/12/2014	31/12/2013
Present value of the liability	2,012	1,654
<b>Net amount recognised in the statement of financial position</b>	<b>2,012</b>	<b>1,654</b>

The net expense recognised in the income statement in respect of other long-term benefits breaks down as follows:

€ thousands	2014	2013
Cost of services rendered during the year	417	164
Financial cost	57	52
<b>Net expense for the year</b>	<b>474</b>	<b>216</b>

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:

€ thousands	31/12/2014	31/12/2013
Net amount recognised in the opening statement of financial position	1,654	1,575
Net expense for the year	474	216
Contributions paid	(151)	(114)
Other changes	35	(23)
<b>Net amount recognised in the closing statement of financial position</b>	<b>2,012</b>	<b>1,654</b>

#### 25.3. Actuarial assumptions

The main actuarial assumptions used to calculate IDR and IEG obligations are as follows:

	31/12/2014	31/12/2013
Discount rate	2.2%	3.5%
Inflation rate	2.0%	2.0%
Life expectancy table	INSEE generational	INSEE generational

A 50bp increase in the discount rate would decrease the amount of employee benefit obligations by around €1.2 million, while long-term benefit obligations would fall by around €0.4 million.

## NOTE 26 - PROVISIONS FOR LIABILITIES

The change in provisions for liabilities and charges during the year comprises the following items:

€ thousands	Provisions to hedge industrial and other risks	Other provisions	Total non-current provisions
<b>Provision at 31 December 2012</b>	<b>2,117</b>	<b>1,036</b>	<b>3,153</b>
Charges	1,008	3,552	4,560
Reversals - utilised	–	(150)	(150)
Reclassifications	–	(358)	(358)
<b>Provision at 31 December 2013</b>	<b>3,125</b>	<b>4,080</b>	<b>7,205</b>
Charges	–	198	198
Reversals - not utilised	(415)	–	(415)
Reversals - utilised	(789)	(426)	(1,215)
<b>Provision at 31 December 2014</b>	<b>1,921</b>	<b>3,852</b>	<b>5,773</b>

In connection with the obligation for the thermal power plants to bury by-products from coal combustion, a provision had to be raised at 31 December 2013 in respect of the removal and processing of ash from the Le Gol power plant. Reunion Island does not currently have sufficient authorised storage capacity.

Other provisions essentially cover the risks of payment of compensation relating to disputes or legal action.

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### 4.6. Notes to the consolidated financial statements

#### NOTE 27 - DEFERRED TAX

Deferred tax assets and liabilities recognised in the statement of financial position break down as follows:

€ thousands	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
<b>DIFFERENCE BETWEEN AMOUNTS FOR ACCOUNTING AND TAX PURPOSES</b>						
Non-current assets	10,868	11,278	(35,872)	(37,164)	(25,004)	(25,886)
Provisions	4,902	4,625	–	–	4,902	4,625
Other items	4,962	3,224	(883)	(277)	4,079	2,947
Finance leases	182	49	(49,412)	(49,089)	(49,230)	(49,040)
Derivatives	15,378	9,490	(57)	–	15,321	9,490
Tax losses	4,003	5,816	–	–	4,003	5,816
<b>Total</b>	<b>40,295</b>	<b>34,482</b>	<b>(86,224)</b>	<b>(86,530)</b>	<b>(45,929)</b>	<b>(52,048)</b>
<b>Impact of offsetting</b>	<b>(29,218)</b>	<b>(19,801)</b>	<b>29,218</b>	<b>19,801</b>	<b>–</b>	<b>–</b>
<b>Net deferred tax</b>	<b>11,077</b>	<b>14,681</b>	<b>(57,006)</b>	<b>(66,729)</b>	<b>(45,929)</b>	<b>(52,048)</b>

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.

For the anaerobic digestion business, deferred tax assets on losses relating to operating losses and non-recurring impairment losses have not been recognised.

Deferred tax assets on unrecognised losses amounted to €2.4 million at the end of 2014. They are deferred for an indefinite period.

The change in deferred tax is broken down below:

€ thousands	Total
<b>Net deferred tax at 31/12/2012 (restated)</b>	<b>(49,026)</b>
Profit or loss	926
Other movements	372
Equity	(4,320)
<b>Net deferred tax at 31/12/2013 (restated)</b>	<b>(52,048)</b>
Profit or loss	153
Other movements	(1,055)
Equity	7,021
<b>Net deferred tax at 31/12/2014</b>	<b>(45,929)</b>

#### NOTE 28 - TRADE PAYABLES

These liabilities break down as follows:

€ thousands	31/12/2014	31/12/2013 restated
Trade payables	40,387	35,393
Suppliers of non-current assets	3,438	8,372
<b>Total</b>	<b>43,825</b>	<b>43,765</b>

#### NOTE 29 - CORPORATION TAX, DUTIES, AND TAX AND SOCIAL SECURITY LIABILITIES

These liabilities break down as follows:

€ thousands	31/12/2014	31/12/2013 restated
Current tax liabilities	920	5,572
Other tax and social security liabilities	23,055	22,783
<b>Total</b>	<b>23,975</b>	<b>28,355</b>

#### NOTE 30 - OTHER CURRENT OPERATING LIABILITIES

Other current liabilities break down as follows:

€ thousands	31/12/2014	31/12/2013 restated
Deferred income	8,222	8,329
Other creditors	10,678	11,782
<b>Total</b>	<b>18,900</b>	<b>20,111</b>

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### 4.6. Notes to the consolidated financial statements

#### NOTE 31 - FINANCIAL INSTRUMENTS

The fair values of financial instruments are as follows:

	Carrying amount		Fair value	
	31/12/2014	31/12/2013 restated	31/12/2014	31/12/2013 restated
<b>FINANCIAL ASSETS</b>				
Non-current financial assets	5,966	6,210	5,966	6,210
Trade receivables	41,579	37,057	41,579	37,057
Other current assets	24,436	26,500	24,436	26,500
Cash and cash equivalents	103,137	104,496	103,137	104,496
<b>Total financial assets</b>	<b>175,118</b>	<b>174,263</b>	<b>175,118</b>	<b>174,263</b>
<b>FINANCIAL LIABILITIES</b>				
Non-current financial debt	485,469	471,544	561,191	529,224
Current financial debt	54,010	48,452	54,010	48,452
Trade payables	43,825	43,765	43,825	43,765
Other current financial liabilities	42,875	48,466	42,875	48,466
Financial derivatives	46,410	28,375	46,410	28,375
<b>Total financial liabilities</b>	<b>672,589</b>	<b>640,602</b>	<b>748,311</b>	<b>698,282</b>

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 provide the most reliable indication of the fair value of a financial instrument.

For 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.

#### 31 December 2014

	Level <sup>2</sup>	Carrying amount	Fair value by profit or loss	Fair value by shareholders' equity	Amortised cost
<b>FINANCIAL ASSETS</b>					
Non-current financial assets	2	5,966	–	88	5,878
Trade receivables	2	41,579	–	–	41,579
Other current assets		24,436	–	–	24,436
Cash and cash equivalents	1 and 2	103,137	103,137	–	–
<b>Total financial assets</b>		<b>175,118</b>	<b>103,137</b>	<b>88</b>	<b>71,893</b>
<b>FINANCIAL LIABILITIES</b>					
Non-current financial debt <sup>1</sup>	2	485,469	1,500	–	483,969
Current financial debt	2	54,010	–	–	54,010
Trade payables		43,825	–	–	43,825
Other current financial liabilities	2	42,875	–	–	42,875
Financial derivatives	2	46,410	–	46,410	–
<b>Total financial liabilities</b>		<b>672,589</b>	<b>1,500</b>	<b>46,410</b>	<b>624,679</b>

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 valuation technique based on observable parameters,
- Level 3: evaluation technique incorporating non-observable parameters.

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#### 31 December 2013 restated

	Level <sup>2</sup>	Carrying amount	Fair value by profit or loss	Fair value by shareholders' equity	Amortised cost
<b>FINANCIAL ASSETS</b>					
Non-current financial assets	2	6,210	–	277	5,933
Trade receivables	2	37,057	–	–	37,057
Other current assets		26,500	–	–	26,500
Cash and cash equivalents	1 and 2	104,496	104,496	–	–
<b>Total financial assets</b>		<b>174,263</b>	<b>104,496</b>	<b>277</b>	<b>69,490</b>
<b>FINANCIAL LIABILITIES</b>					
Non-current financial debt <sup>1</sup>	2	471,544	3,055	–	468,489
Current financial debt	2	48,452	–	–	48,452
Trade payables		43,765	–	–	43,765
Other current financial liabilities	2	48,466	–	–	48,466
Financial derivatives	2	28,375	–	28,375	–
<b>Total financial liabilities</b>		<b>640,602</b>	<b>3,055</b>	<b>28,375</b>	<b>609,172</b>

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 valuation technique based on observable parameters,
- Level 3: evaluation technique incorporating non-observable parameters.

As indicated in note 2.22 of this document, the Group has not recognised the possible earn-outs related to the sale of its Wind Power business. The conditions for obtaining these earn-outs were not fulfilled at year-end.

In accordance with the provisions of the amendment to IFRS 7, the tables presented above indicate the Group's assets and liabilities that are measured at fair value according to their measurement method.

## NOTE 32 - RISK AND CAPITAL MANAGEMENT

### 32.1. Risk management

#### Interest rate risk

For tranche 3 of the Albioma Bois-Rouge power plant, for which the financing by means of finance leases is not at fixed interest rates, the impact of the change in interest rates on the financing is passed on to customers in accordance with the contractual terms. For all other power plants except tranches 1 and 2 of Albioma Le Gol power plant, which are subject to fixed-rate financing, the impact of the change in interest rates cannot be passed on to customers. As such, those 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 €430.7 million at 31 December 2014 compared with €410.3 million at 31 December 2013. Interest rate hedging instruments are presented in note 24.

Financial debt included variable-rate debt of €360.5 million in 2014, compared with €422.3 million in 2013. Fixed-rate or hedged debt represents 87% of total financial debt.

#### Sensitivity of financial assets and liabilities to changes in interest rates

After taking into account interest rate hedges, a 100 basis points increase in interest rates would result in an additional expense of €0.2 million. This amount corresponds to 0.8% of the total amount of financial expenses for the year under review (€25.0 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 as provided for in 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;

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### 4.6. Notes to the consolidated financial statements

- 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. 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,
  - 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.

At 31 December 2014, currency risks were as follows:

€ thousands	31/12/2014	31/12/2013
Value in euros of net assets denominated in Mauritian rupees	24,467	23,560
Value in euros of net assets denominated in Brazilian real	34,525	–
<b>Total net assets denominated in foreign currencies</b>	<b>58,992</b>	<b>23,560</b>

Net assets denominated in Mauritian rupees are subject to hedging of a net investment in a foreign operation as described in note 16.

#### 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 overdue trade receivables at 31 December 2014. 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:

€ thousands	31/12/2014	31/12/2013 restated
Cash equivalents	75,869	66,367
Cash	27,268	38,129
Lines of credit not utilised	40,000	43,500
<b>Liquidity position</b>	<b>143,137</b>	<b>147,996</b>

#### Legal, industrial and environmental risks

The general legal risk incurred as a result of the Group's activities, its industrial and environmental risks as well as the risks relating to the location of its assets are presented in section 1.8 of the 2014 Registration Document. 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.

#### Risks stemming from regulatory changes

The energy production 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.

#### 32.2. 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's 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.

During the 2014 financial year, a liquidity contract was implemented by Exane BNP Paribas 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:

- 78,075 shares;
- €669,438.

## NOTE 33 - OFF-BALANCE SHEET COMMITMENTS

## 33.1. Off-balance sheet commitments given

<i>€ thousands</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
Guarantees given to suppliers	3,000	3,000
Fixed leases	17,971	18,937
Guarantees concerning the Classified Installations for Environmental Protection (ICPE) safety decree	664	630
Sundry guarantees	595	595
<b>Commitments given relating to operating activities</b>	<b>22,230</b>	<b>23,162</b>
Assets pledged as collateral	2,200	2,200
Guarantee on environmental risks	3,105	–
Sundry guarantees	1,413	343
<b>Commitments given relating to financing activities</b>	<b>6,717</b>	<b>2,543</b>
Liabilities guarantees	6,363	11,903
<b>Commitments given relating to changes in the consolidation scope</b>	<b>6,363</b>	<b>11,903</b>
<b>Total off-balance sheet commitments given</b>	<b>35,311</b>	<b>37,608</b>

The commitments given in relation to the Brazilian entity are described in note 4.1.

**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.

**Leases**

Leases relate to the photovoltaic installations in operation. These leases include fixed lease payments as indicated in the table above and conditional lease payments indexed to revenue or production volumes. Concerning the conditional lease payments, the best estimate of future lease payments is €27.0 million at 31 December 2014 compared with €29.0 million at 31 December 2013.

**Finance lease commitments given**

See details below regarding off-balance sheet commitments received.

**Guarantees concerning the decree for the safety of classified installations for the protection of the environment (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 2014, these guarantees amounted to €0.7 million.

**Sundry guarantees**

These mainly concern commitments given to rebuild a photovoltaic plant that has been damaged.

**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.

As such, all future receivables from EDF, Endesa (Spain) and GSE (Italy) are given as collateral in an amount of €461 million (compared with €467 million at 31 December 2013). This amount corresponds to the principal outstanding at 31 December 2014 in respect of debts relating to projects in operation or under construction benefiting from bank funding. The last of these liabilities is payable in 2029.

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#### Pledges of subsidiaries' shares

Company	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in € thousands)	Value of securities in the parent company's financial statements (in € thousands)	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%
Tiper Méthanisation	27/09/2011	31/07/2026	171	339	51%	1,207	51%
Cap'ter Méthanisation	13/12/2012	30/06/2028	25	58	43%	2,477	43%
Sain'ter Méthanisation	05/03/2013	04/04/2027	39	89	44%	3,911	44%
Unité de Méthanisation Agricole de Pauvres (UMAP)	31/03/2014	31/12/2028	66	141	47%	6,627	47%

#### Guarantee on environmental risks

This commitment relates to a guarantee on environmental risks issued to the bank that financed the acquisition of the Rio Pardo Termoeléctrica power plant.

#### Sundry guarantees

The change by comparison with 2013 is mainly due to a commitment to contribute additional own funds to a development project.

#### Commitments given relating to changes in the consolidation scope

In connection with earlier sales of businesses, the Group granted liabilities guarantees.

The change compared with 2013 is mainly attributable to the settlement of two commitments given in connection with the sale of the Wind Power business to EDF Energies Nouvelles on 11 February 2013 for €5.5 million in total.

### 33.2. Off-balance sheet commitments received

€ thousands	31/12/2014	31/12/2013
Commitments received for electricity purchases	Not evaluated	Not evaluated
<b>Commitments given relating to operating activities</b>	-	-
Lines of credit granted but not utilised	40,000	43,500
Lines of credit granted for projects	4,657	8,005
<b>Commitments received relating to financing activities</b>	<b>44,657</b>	<b>51,505</b>
Earn-outs on sales in 2013	Not evaluated	Not evaluated
<b>Commitments received relating to changes in the consolidation scope</b>	<b>Not evaluated</b>	<b>Not evaluated</b>
<b>Total off-balance sheet commitments received</b>	<b>44,657</b>	<b>51,505</b>

#### Commitments received relating to operating activities

##### 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, 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 from customers

The exercising of a finance lease option in 2013 resulted in the realisation of commitments given and received of the same amount.

#### Commitments received relating to financing activities

At 31 December 2014, the Group benefited from commitments received for the financing of projects and operations for an amount of €44.7 million, undrawn at this date (including €40 million for Albioma).

##### Commitments received relating to changes in the consolidation scope

Following the sale of its Wind Power business to EDF Energies Nouvelles on 11 February 2013, the Group received a conditional earn-out commitment, valid for five years, related to projects under development. This earn-out is conditional on the success of these projects.

## NOTE 34 - RELATED PARTIES

The consolidated financial statements comprise the financial statements of Albioma and the subsidiaries mentioned in note 37.

Albioma is the parent company of the Group. Albioma's financial statements are fully consolidated in the consolidated financial statements of Financière Hélios. There are no transactions between Financière Hélios and the companies of the Albioma Group.

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 2014 and 31 December 2013:

Sales to/purchases from related parties (in thousands of euros)	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
2014	2,183	6,013	1,615	1,450
2013	1,521	6,552	1,313	1,283

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 2014 and 31 December 2013, 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 in respect of 2014 and 2013 for the Group's key executives comprising the Executive Committee is shown below:

€ thousands	2014	2013
Remuneration	3,237	2,934
Directors' fees	156	133
Share-based payments	504	46
<b>Total</b>	<b>3,897</b>	<b>3,113</b>

In the event that the Board of Directors resolved to revoke or not renew his functions as Chairman and Chief Executive Officer, Jacques Pétry would benefit from a lump-sum termination payment. This payment would correspond to the amount of his net fixed remuneration for the last six months prior to termination of his term of office and the variable remuneration received (or due) in respect of the last six months prior to termination of his term of office, these amounts being net of any employers' social security contributions and GSC unemployment insurance cover for company managers and executives. In connection with the 2012 and 2014 bonus share allotment plans, Jacques Pétry received 225,000 bonus shares and 160,000 performance shares. The other members of the Executive Committee benefited from the allotment of 215,000 bonus shares and 268,000 performance shares.

Executives do not benefit from a specific plan for post-employment benefits.

## NOTE 35 - GAS EMISSION ALLOWANCES

The Albioma Group's power plants located in the French overseas departments are included in operations subject to regulations on carbon dioxide (CO<sub>2</sub>) emission allowances.

In kt	2014	2013
Opening allowances	24	106
Allowances allocated free of charge	290	–
CO <sub>2</sub> emitted	(2,170)	(2,363)
CO <sub>2</sub> allowances acquired	1,883	2,281
<b>Closing allowances</b>	<b>27</b>	<b>24</b>

## NOTE 36 - EVENTS AFTER THE REPORTING PERIOD

## Industrial action by some employees of the Thermal Biomass business at the Le Moule site in Guadeloupe

On 21 January 2015, at the instigation of the Fédération de l'Énergie de la Confédération Générale du Travail de la Guadeloupe (FE-CGTG), some employees of the thermal biomass business at the Moule site in Guadeloupe went on strike.

After intense negotiations, overseen by the Guadeloupe Department for Business, Competition, Consumption, Work and Employment (DIECCTE), converging viewpoints were reached and joint positions and decisions signed by the two parties. These were confirmed by the signature with the FE-CGTG of a protocol to end the dispute. The employees returned to work on 5 March 2015; the non-striking employees had maintained production at both installations since 14 February 2015.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

#### NOTE 37 - CONSOLIDATION SCOPE

	Percentage interest at 31/12/2014	Percentage control at 31/12/2014	Percentage interest at 31/12/2013	Percentage control at 31/12/2013
<b>Fully consolidated companies</b>				
Albioma (formerly Séchillienne-Sidec)	Parent	Parent	Parent	Parent
<b>REUNION ISLAND</b>				
Plexus Sol	100%	100%	100%	100%
Albioma Solaire Réunion (formerly SCE Société de Conversion d'Énergie)	100%	100%	100%	100%
Albioma Solaire Bethléem (formerly SCEB Société de Conversion d'Énergie B)	100%	100%	100%	100%
ALBIOMA Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge)	100%	100%	100%	100%
Exploitation Maintenance Services (a subsidiary of Albioma Bois-Rouge) <sup>2</sup>	–	–	100%	100%
ALBIOMA Le Gol (formerly Compagnie Thermique du Gol)	65%	65%	65%	65%
Sud Thermique Production (a subsidiary of Albioma Le Gol) <sup>2</sup>	–	–	65%	65%
ALBIOMA Power Alliance (formerly Power Alliance SCE) <sup>1</sup>	100%	100%	–	–
Albioma Saint-Pierre (formerly Saint-André Energie)	51%	51%	100%	100%
<b>GUADELOUPE</b>				
ALBIOMA le Moule (formerly Compagnie Thermique du Moule)	100%	100%	100%	100%
Caraïbes Thermique Production (a subsidiary of Albioma Le Moule) <sup>2</sup>	–	–	100%	100%
ALBIOMA Caraïbes (formerly Caraïbes Energie)	100%	100%	100%	100%
ALBIOMA Guadeloupe Logistique (formerly Recyclage Cendres Mâchefers Industries)	100%	100%	100%	100%
ALBIOMA Marie Galante (formerly Marie-Galante Energie)	65%	65%	65%	65%
Energipole Quantum	50%	50%	50%	50%
Caraïbes Energies Production (a subsidiary of Caraïbes Energie) <sup>2</sup>	–	–	100%	100%
ALBIOMA Solaire Kourou (formerly Quantum Energie Production)	100%	100%	100%	100%
<b>FRENCH GUIANA</b>				
ALBIOMA Solaire Guyane (formerly Quantum Energie Guyane)	100%	100%	100%	100%
ALBIOMA Solaire Matoury (formerly Quantum Energie Matoury)	100%	100%	100%	100%
<b>MARTINIQUE</b>				
ALBIOMA Galion (formerly Compagnie de Cogénération du Galion)	80%	80%	80%	80%
ALBIOMA Solaire Antilles (formerly Quantum Energie Antilles)	80%	80%	80%	80%
ALBIOMA Solaire Habitat (formerly Quantum Energie Habitat)	80%	80%	80%	80%
ALBIOMA Solaire Lasalle (formerly Quantum Energie Lassale)	80%	80%	80%	80%
<b>MAYOTTE</b>				
ALBIOMA Solaire Mayotte (formerly SCEM SNC)	100%	100%	100%	100%

1. Albioma Power Alliance was consolidated at equity in 2013.

3. Companies merged into operating companies in 2014.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

Fully consolidated companies	Percentage interest at 31/12/2014	Percentage control at 31/12/2014	Percentage interest at 31/12/2013	Percentage control at 31/12/2013
<b>SPAIN</b>				
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%
<b>ITALY</b>				
Quantum Energia Italia	100%	100%	100%	100%
Quantum 2008A (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%
Quantum Energia Pettovallone (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%
Quantum Energia Cingoli Treia (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%
<b>BRAZIL</b>				
Albioma Participações Do Brasil	100%	100%	100%	100%
Albioma Rio Pardo Participações (a subsidiary of Albioma Participações Do Brasil )	100%	100%	–	–
Rio Pardo Termoelétrica (a subsidiary of Albioma Rio Pardo Participações)	100%	100%	–	–

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

	Percentage interest at 31/12/2014	Percentage control at 31/12/2014	Percentage interest at 31/12/2013	Percentage control at 31/12/2013
<b>Fully consolidated companies</b>				
<b>MAINLAND FRANCE</b>				
Agrimaine Méthanisation	24%	40%	14%	40%
Biogaz de Vignes	30%	100%	60%	100%
Capter Méthanisation	26%	50%	30%	50%
Methaneo ENR	36%	60%	36%	60%
Methaneo	60%	60%	60%	60%
Carentan Méthanisation	33%	55%	20%	55%
Perla	54%	90%	54%	90%
Sain'ter Méthanisation	26%	44%	26%	44%
Teras Méthanisation	30%	50%	30%	50%
Tiper Méthanisation	30%	51%	30%	51%
Unité de Méthanisation Agricole de Pauvres (UMAP)	28%	47%	28%	47%
Méthaval	30%	50%	30%	50%
Mater Biogaz	60%	100%	60%	100%
Méthanagri	60%	60%	–	–
Energic Méthanisation	25%	50%	15%	50%
Bordères Méthanisation	36%	60%	36%	60%
Retz Énergie Méthanisation	60%	100%	60%	100%
Lisieux Méthanisation	60%	100%	60%	100%
Pays de Falaise Méthanisation	29%	49%	29%	49%
Pays de Honfleur Méthanisation	60%	100%	60%	100%
Biogazillac Méthanisation	24%	100%	60%	100%
Éoliennes des Quatre-vents	100%	100%	100%	100%
Albioma Solaire Pierrelatte (formerly Quantum Energie Pierrelatte)	100%	100%	100%	100%
Quantum Énergie Marsillargues	100%	100%	100%	100%
Albioma Solaire Fabrègues (formerly Quantum Energie Fabrègues)	100%	100%	100%	100%
Albioma Biomasse Mimizan (formerly Quantum Energie Le Gua)	100%	100%	100%	100%
Quantum Énergie SMDC	100%	100%	100%	100%
Quantum Énergie PV1	100%	100%	100%	100%

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 agreement or due to the governance structure in place.

	Percentage interest at 31/12/2014	Percentage control at 31/12/2014	Percentage interest at 31/12/2013	Percentage control at 31/12/2013
<b>Equity-accounted companies</b>				
<b>MAURITIUS</b>				
Omnicane Thermal Energy Operations (La Baraque) (OTEO La Baraque, formerly Compagnie Thermique de Savannah)	27%	27%	27%	27%
Terragen (formerly Compagnie Thermique de Bellevue)	25%	25%	25%	25%
Omnicane Thermal Energy Operations (Saint-Aubin) (OTEO Saint-Aubin, formerly Compagnie Thermique du Sud)	25%	25%	25%	25%
Terragen Management (formerly Compagnie Thermique de Bellevue Management)	28%	28%	28%	28%
<b>GUADELOUPE</b>				
Élect'Sécurité	30%	30%	30%	30%
Quantum Caraïbes	50%	50%	50%	50%
<b>REUNION ISLAND</b>				
Compagnie Industrielle des Cendres et Mâchefers	34%	34%	34%	34%
ALBIOMA Power Alliance (APA, formerly Power Alliance) <sup>1</sup>	–	–	50%	50%

1. Albioma Power Alliance is now fully consolidated.

## NOTE 38 - INFORMATION ON EQUITY INVESTMENTS WITH SIGNIFICANT SHAREHOLDERS EXCLUDING THE GROUP

## 38.1. Breakdown of subsidiaries with significant non-controlling interests

	Business sector	Country	Percentage held in non-controlling interests		Cumulative amount of non-controlling interests		Share of net income pertaining to non-controlling interests	
			2014	2013	2014	2013	2014	2013
Albioma Le Gol	Thermal Biomass – France	France (Reunion Island)	35%	35%	50,236	52,143	3,493	4,540
Other non-significant subsidiaries	n/a	n/a	n/a	n/a	2,349	12,468	(9,797)	757

For the year ended 31 December 2014, the net income attributable to non-controlling interests also includes impairment losses booked for the Anaerobic Digestion business.

The significance is assessed on the basis of the contributions of the entities concerned to operating income from ordinary activities, non-current assets, net debt and total consolidated equity.

For the year ended 31 December 2014, net income attributable to non-controlling interests of the subsidiaries deemed not material included, in particular, the impairment provisions recognised in respect of the Anaerobic Digestion activity, as described in Note 9 to the consolidated financial statements.

The figures in the table below are the full amounts for each item, before elimination of intra-Group transactions.

€ thousands	Albioma Le Gol	
	31/12/2014	31/12/2013
<b>CONSOLIDATED INCOME STATEMENT</b>		
Revenue	95,122	96,000
Net income	9,874	12,833
Net income, Group share	6,381	8,293
Net income, attributable to non-controlling interests	3,493	4,540
<b>Total comprehensive income</b>	<b>9,432</b>	<b>14,116</b>
Group share	6,093	9,127
Attributable to non-controlling interests	3,339	4,989
<b>Dividends paid to non-controlling interests</b>	<b>(4,894)</b>	<b>(4,961)</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
Non-current assets	199,227	198,370
Current assets	65,238	70,017
<b>Total assets</b>	<b>264,465</b>	<b>268,387</b>
Equity, Group share	65,375	68,858
Equity, attributable to non-controlling interests	50,236	52,143
Non-current liabilities	83,820	88,702
Current liabilities	65,034	58,684
<b>Total equity and liabilities</b>	<b>264,465</b>	<b>268,387</b>
<b>STATEMENT OF CONSOLIDATED CASH FLOWS</b>		
Cash from operating activities	32,212	26,552
Cash used by investing activities	(9,217)	(4,537)
Cash used by financing activities	(23,444)	(21,072)

## 38.2. Restrictions on the control of assets, liabilities and cash

Not applicable.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.6. Notes to the consolidated financial statements

#### NOTE 39 - RECONCILIATION STATEMENTS FOR THE PUBLISHED AND RESTATED FINANCIAL STATEMENTS

##### 39.1. Reconciliation of published income statement and restated income statement of 31 December 2013

€ thousands	2013 published	Consolidation at equity of Albioma Power Alliance and Quantum Caraïbes	Restatement to operating income of the share of net income pertaining to companies consolidated at equity	2013 restated
<b>Revenue</b>	364,280	(941)	–	<b>363,339</b>
<b>Operating income</b>	<b>86,282</b>	<b>(119)</b>	<b>2,723</b>	<b>88,886</b>
Financial expenses and income	(23,530)	42	–	(23,488)
Share of net income of companies consolidated at equity	2,723	–	(2,723)	–
<b>Profit before tax</b>	<b>65,475</b>	<b>(77)</b>	<b>–</b>	<b>65,398</b>
Tax charge	(23,205)	77	–	(23,128)
<b>Net income for the year</b>	<b>42,270</b>	<b>–</b>	<b>–</b>	<b>42,270</b>

##### 39.2. Reconciliation of published statement of financial position and restated statement of financial position of 31 December 2013

€ thousands	31/12/2013 published	Consolidation at equity of Albioma Power Alliance and Quantum Caraïbes	31/12/2013 restated
<b>NON-CURRENT ASSETS</b>			
Goodwill	11,300	–	11,300
Intangible assets	92,916	–	92,916
Property, plant and equipment	761,299	(5,374)	755,925
Non-current financial assets	6,216	(6)	6,210
Investments in associates	24,138	2,907	27,045
Deferred tax assets	14,681	–	14,681
<b>Total non-current assets</b>	<b>910,549</b>	<b>(2,472)</b>	<b>908,077</b>
<b>CURRENT ASSETS</b>			
Stocks and assets in progress	46,515	(46)	46,469
Trade receivables	37,205	(148)	37,057
Other current operating assets	26,653	(153)	26,500
Cash and cash equivalents	105,062	(566)	104,496
<b>Total current assets</b>	<b>215,434</b>	<b>(912)</b>	<b>214,522</b>
<b>Total assets</b>	<b>1,125,983</b>	<b>(3,384)</b>	<b>1,122,599</b>

€ thousands	31/12/2013 published	Consolidation at equity of Albioma Power Alliance and Quantum Caraïbes	31/12/2013 restated
<b>Equity</b>			
<b>Total shareholders' equity, Group share</b>	<b>329,028</b>	<b>–</b>	<b>329,028</b>
Non-controlling interests	64,611	–	64,611
<b>Total shareholders' equity</b>	<b>393,639</b>	<b>–</b>	<b>393,639</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	14,425	–	14,425
Provisions for liabilities	7,205	–	7,205
Deferred tax liabilities	67,405	(676)	66,729
Non-current financial debt	474,883	(3,339)	471,544
Non-current derivatives	28,375	–	28,375
<b>Total current liabilities</b>	<b>592,293</b>	<b>(4,015)</b>	<b>588,278</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	43,837	(72)	43,765
Tax and social security liabilities	28,413	(58)	28,355
Current financial debt	48,737	(285)	48,452
Other current operating liabilities	19,066	1,045	20,111
<b>Total current liabilities</b>	<b>140,052</b>	<b>631</b>	<b>140,682</b>
<b>Total liabilities</b>	<b>1,125,983</b>	<b>(3,384)</b>	<b>1,122,599</b>

## 4.7. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### PricewaterhouseCoopers Audit

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

### Mazars

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

*This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking readers.*

*The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying consolidated financial statements of Albioma;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

### Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2014 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.

Without qualifying our opinion, we draw your attention to the following matters:

- the change in the consolidation method applied to certain entities described in Note 2.1 to the consolidated financial statements pursuant to the application of IFRS 10 – “Consolidated Financial Statements” and IFRS 11 – “Joint Arrangements”;
- the change in the accounting policy set out in Note 2.2 to the consolidated financial statements and relating to the reclassification of the share of net income in equity-accounted companies in operating income.

## 4 • CONSOLIDATED FINANCIAL STATEMENTS

### 4.7. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- Note 2.10 to the consolidated financial statements sets out the accounting policies used for leases. As part of our assessment of the accounting principles used by your Group, we have verified the appropriateness of the methods used and the procedures applied for the classification and treatment of leases.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

#### Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, on 28 April 2015

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

**Mazars**

Manuela Baudoin-Revert  
Partner

# COMPANY FINANCIAL STATEMENTS | 5

## FOR THE 2014 FINANCIAL YEAR



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## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### Income statement

#### Income statement

<i>€ thousands</i>	France	Export	31/12/2014	31/12/2013
Sales of goods purchased for resale	61	-	61	651
Production sold – goods	3,572	-	3,572	-
Production sold – services	18,148	-	18,148	18,781
<b>Net revenue</b>	<b>21,781</b>	<b>-</b>	<b>21,781</b>	<b>19,432</b>
Production transferred to stocks	-	-	(475)	545
Depreciation and provisions written back, charges transferred	-	-	1,816	-
Other income	-	-	1,199	434
<b>Operating income</b>	<b>-</b>	<b>-</b>	<b>24,321</b>	<b>20,411</b>
<b>EXTERNAL CHARGES</b>				
Purchases of goods for resale [including excise duties]	-	-	703	537
Purchases of raw materials and other consumables	-	-	3,126	707
Other purchases and external charges	-	-	11,093	8,761
<b>Total external charges</b>	<b>-</b>	<b>-</b>	<b>14,923</b>	<b>10,005</b>
<b>TAXES, DUTIES AND SIMILAR PAYMENTS</b>				
	-	-	642	525
<b>STAFF COSTS</b>				
Wages and salaries	-	-	8,895	8,666
Social security charges	-	-	5,432	4,154
<b>Total staff costs</b>	<b>-</b>	<b>-</b>	<b>14,327</b>	<b>12,820</b>
<b>OPERATING PROVISIONS</b>				
Depreciation and amortisation of non-current assets	-	-	579	208
Provisions on current assets	-	-	-	312
Provisions for liabilities and charges	-	-	1,100	323
<b>Total operating provisions</b>	<b>-</b>	<b>-</b>	<b>1,679</b>	<b>843</b>
<b>Operating charges</b>	<b>-</b>	<b>-</b>	<b>31,571</b>	<b>24,193</b>
<b>Operating income</b>	<b>-</b>	<b>-</b>	<b>(7,250)</b>	<b>(3,782)</b>

.../...

.../...

€ thousands	31/12/2014	31/12/2013
<b>Operating income</b>	<b>(7,250)</b>	<b>(3,782)</b>
<b>FINANCIAL INCOME</b>		
Income from participating interests	28,487	23,723
Income from other marketable securities and receivables from non-current assets	1,182	689
Provisions written back and charges transferred	40	120
Net income on disposals of marketable securities	278	555
<b>Total financial income</b>	<b>29,987</b>	<b>25,086</b>
<b>FINANCIAL EXPENSES</b>		
Impairment of financial assets	9,764	3,498
Interest payable and similar expenses	2,153	972
Net expenses on disposals of marketable securities	208	132
<b>Total financial expenses</b>	<b>12,126</b>	<b>4,602</b>
<b>Net financial income</b>	<b>17,861</b>	<b>20,484</b>
<b>Pre-tax profit on ordinary activities</b>	<b>10,611</b>	<b>16,702</b>
<b>NON-RECURRING INCOME</b>		
On revenue transactions	1,048	81
On capital transactions	261	2,125
<b>Total non-recurring income</b>	<b>1,309</b>	<b>2,205</b>
<b>NON-RECURRING EXPENSES</b>		
On revenue transactions	–	836
On capital transactions	20	557
Depreciation, amortisation and impairment	680	981
<b>Total non-recurring expenses</b>	<b>700</b>	<b>2,375</b>
<b>Net non-recurring income/(expense)</b>	<b>609</b>	<b>(169)</b>
Employee profit-sharing	270	261
Corporation tax	(1,539)	(1,643)
<b>Total income</b>	<b>55,617</b>	<b>47,702</b>
<b>Total expenses</b>	<b>43,128</b>	<b>29,788</b>
<b>Net income</b>	<b>12,488</b>	<b>17,914</b>

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### Statement of financial position

#### Assets

€ thousands	Gross	Depreciation and amortisation	Net	
			31/12/2014	31/12/2013
<b>INTANGIBLE ASSETS</b>				
Concessions, patents and similar rights	279	135	144	83
Other intangible assets	73	54	19	54
<b>Total intangible assets</b>	<b>352</b>	<b>189</b>	<b>163</b>	<b>137</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Land	1,032	–	1,032	1,032
Buildings	680	440	240	267
Technical installations, equipment and industrial tooling	4	1	3	3
Other property, plant and equipment	1,559	710	848	258
Property, plant and equipment in progress	10	–	10	948
<b>Total property, plant and equipment</b>	<b>3,285</b>	<b>1,152</b>	<b>2,133</b>	<b>2,508</b>
<b>LONG-TERM INVESTMENTS</b>				
Other participating interests	231,731	5,518	226,213	203,095
Loans	193	–	193	163
Other long-term investments	1,573	320	1,253	1,226
<b>Total long-term investments</b>	<b>233,497</b>	<b>5,838</b>	<b>227,660</b>	<b>204,484</b>
<b>Non-current assets</b>	<b>237,135</b>	<b>7,179</b>	<b>229,956</b>	<b>207,129</b>
<b>STOCKS AND WORK-IN-PROGRESS</b>				
Work-in-progress - goods	212	–	212	687
Goods purchased for resale	1,565	1,372	193	193
<b>Total stocks and work-in-progress</b>	<b>1,777</b>	<b>1,372</b>	<b>405</b>	<b>880</b>
<b>RECEIVABLES</b>				
Advances and payment on account of orders	69	–	69	63
Trade receivables	11,593	312	11,281	13,114
Other receivables	18,261	8,538	9,722	23,965
<b>Total receivables</b>	<b>29,922</b>	<b>8,850</b>	<b>21,072</b>	<b>37,142</b>
<b>CASH, CASH EQUIVALENTS AND OTHER</b>				
Marketable securities	60,998	–	60,998	61,535
Cash and cash equivalents	12,518	–	12,518	26,825
Prepayments	141	–	141	202
<b>TOTAL cash, cash equivalents and other</b>	<b>73,657</b>	<b>–</b>	<b>73,657</b>	<b>88,562</b>
<b>Current assets</b>	<b>105,356</b>	<b>10,223</b>	<b>95,134</b>	<b>126,583</b>
Borrowing costs to be deferred	1,580	–	1,580	–
<b>Total assets</b>	<b>344,071</b>	<b>17,401</b>	<b>326,670</b>	<b>333,712</b>

## Equity and liabilities

€ thousands	Net	
	31/12/2014	31/12/2013
<b>EQUITY</b>		
Share capital <i>of which, paid: 1,145</i>	1,145	1,123
Additional paid-in capital	29,607	23,191
Revaluation differences <i>of which, equity accounting reserve: –</i>	3	3
Legal reserve	112	110
Statutory and contractual reserves	922	930
Regulated reserves	1	1
Other reserves	15,905	15,905
Retained earnings	87,858	87,412
Net income for the year	12,488	17,914
<b>Total equity</b>	<b>148,042</b>	<b>146,589</b>
<b>REGULATED PROVISIONS</b>	134	134
<b>Shareholders' equity</b>	<b>148,176</b>	<b>146,723</b>
Provisions for liabilities	2,998	2,318
Provisions for charges	2,211	1,175
<b>Provisions for liabilities and charges</b>	<b>5,210</b>	<b>3,494</b>
<b>FINANCIAL LIABILITIES</b>		
Borrowings from financial institutions	82,064	53,304
Other borrowings	74,713	109,564
<b>Total financial liabilities</b>	<b>156,777</b>	<b>162,868</b>
<b>OTHER LIABILITIES</b>		
Trade payables	3,164	2,147
Tax and social security liabilities	6,710	12,224
Liabilities on non-current assets	136	3,600
Other liabilities	5,401	2,072
<b>Total other liabilities</b>	<b>15,411</b>	<b>20,043</b>
<b>DEFERRED INCOME</b>	1,095	584
<b>Liabilities</b>	<b>173,283</b>	<b>183,495</b>
<b>Total equity and liabilities</b>	<b>326,670</b>	<b>333,712</b>

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 1. Significant events

#### 1. Significant events

On 10 March 2014, the Group's registered office was transferred from Immeuble Le Monge to Tour Opus 12, La Défense.

Following the opening of a local office in July 2013, in March 2014, Albioma acquired Rio Pardo Termoelétrica, a cogeneration plant located in the State of São Paulo. The plant is located in an area that is very conducive to the cultivation of sugarcane and operates all year round using the bagasse harvested over nine months. The plant, which was brought into service in 2009, is fitted with high-quality equipment and has an installed capacity of 60MW, similar to that of the Group's other plants. It is adjacent to a sugar mill with the capacity to process 2.1 million tonnes of sugarcane per annum and therefore to supply the plant with bagasse throughout the year. Albioma's unique expertise will significantly enhance the energy efficiency of the existing facilities that will ultimately transfer 160 GWh of electricity to the grid per annum.

The acquisition of 100% of the shares in the cogeneration plant was finalised on 31 March 2014. This operation, 50% of which is financed by local debt and the rest by equity, is making a positive contribution both in terms of EBITDA and net income, Group share, as from the first half of 2014.

Following the signing of a settlement agreement, the dispute with a supplier concerning the supply of solar panels to Albioma Group companies for projects dating back to 2007 is now closed.

Albioma announced the private placement of an €80 million "Euro PP" bond maturing in December 2020. This issue carries an annual coupon of 3.85%. This transaction enabled Albioma to roll over existing corporate debts that fall due in February 2015 on very favourable terms, to lengthen significantly the maturity on this debt, and to diversify the Group's sources of funding in support of its ambitious growth strategy for the coming years. The bonds were placed with European institutional investors. At the same time, Albioma renewed its short-term bank credit lines in the form of a €40 million confirmed revolving credit facility.

The General Meeting of 27 May 2014 approved the implementation of a new bonus share plan for all Group executives and employees.

#### 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 French Accounting Standards Authority (*Autorité des Normes Comptables*), and 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. These assets comprise fixtures and fittings, vehicles, furniture and equipment, and IT hardware and software. The straight-line method of depreciation is used.

	Depreciation period
Software	2 years
IT hardware	3 years
Other property, plant and equipment	5 years

Where applicable, an impairment provision is raised 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. Participating interests may be measured according to the share in recorded net assets or the share in restated net assets, the calculation of which may be based on discounted future cash flows.

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.

An impairment provision is booked against receivables from participating interests if the restated net asset value of the subsidiary (or the net carrying position if it is deemed representative of a recoverable amount) becomes negative, taking into account the subsidiary's prospects for development and the characteristics of the receivables.

#### 2.3. STOCKS

Stocks are measured at purchase cost. If the estimated net realisable amount of stocks is lower than the purchase cost, an impairment loss is recognised.

#### 2.4. CURRENT ACCOUNTS AND OTHER RECEIVABLES

Current accounts and 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. FINANCIAL INSTRUMENTS

The Company hedges its interest rate risk (borrowings at variable interest rates) using swaps. Interest expense on borrowings and the net impact of the swap transaction are recorded in financial expenses.

## 2.7. 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.

## 2.8. 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 73 employees at 31 December 2014, 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 lump-sum retirement payment plans and defined benefit plans 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.

## 2.9. TAX CONSOLIDATION

Albioma and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule entered into, on 31 March 2005 and 22 April 2009 respectively, 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	Consolidated date	Deconsolidated 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

# 3. Notes on the annual financial statements

## 3.1. STATEMENT OF FINANCIAL POSITION – ASSETS

### 3.1.1. Non-current assets

#### Intangible assets

€ thousands	31/12/2013	Increases	Decreases	Transfers	31/12/2014
Concessions and similar rights, patents, licences, brands, processes, software, rights	147	132	–	–	279
Other intangible assets	73	–	–	–	73
Intangible assets in progress	118	71	188	–	–
<b>Gross amount</b>	<b>338</b>	<b>203</b>	<b>188</b>	<b>–</b>	<b>352</b>
Concessions and similar rights, patents, licences, brands, processes, software, rights	64	71	–	–	135
Other intangible assets	19	35	–	–	54
Intangible assets in progress	–	–	–	–	–
<b>Amortisation &amp; depreciation</b>	<b>83</b>	<b>106</b>	<b>–</b>	<b>–</b>	<b>189</b>
Concessions and similar rights, patents, licences, brands, processes, software, rights	83	–	–	–	144
Other intangible assets	54	–	–	–	19
Intangible assets in progress	118	–	–	–	–
<b>Net amount</b>	<b>255</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>163</b>

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 3. Notes on the annual financial statements

#### Property, plant and equipment

<i>€ thousands</i>	31/12/2013	Augmentations	Diminutions	Transferts	31/12/2014
Land	1,032	–	–	–	1,032
Buildings	680	–	–	–	680
Technical installations, equipment and industrial tooling	3	1	–	–	4
General installations, fixtures and fittings	245	28	–	298	571
Vehicles	14	–	–	–	14
Office equipment and IT hardware, furniture	408	292	–	274	974
Property, plant and equipment in progress	831	893	1,141	(573)	10
<b>Gross amount</b>	<b>3,213</b>	<b>1,213</b>	<b>1,141</b>	<b>–</b>	<b>3,285</b>
Land	–	–	–	–	–
Buildings	163	27	–	–	190
Technical installations, equipment and industrial tooling	–	1	–	–	1
General installations, fixtures and fittings	175	84	–	–	260
Vehicles	14	–	–	–	14
Office equipment and IT hardware, furniture	219	217	–	–	436
Property, plant and equipment in progress	–	–	–	–	–
Depreciation of property, plant and equipment	250	–	–	–	250
<b>Amortisation &amp; depreciation</b>	<b>822</b>	<b>329</b>	<b>–</b>	<b>–</b>	<b>1,152</b>
Land	1,032	–	–	–	1,032
Buildings	267	–	–	–	240
Technical installations, equipment and industrial tooling	3	–	–	–	3
General installations, fixtures and fittings	69	–	–	–	311
Vehicles	–	–	–	–	–
Office equipment and IT hardware, furniture	188	–	–	–	538
Property, plant and equipment in progress	831	–	–	–	10
<b>Gross amount</b>	<b>2,390</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,133</b>

#### Long-term investments

##### Equity investments

<i>€ thousands</i>	31/12/2013	Increases	Decreases	31/12/2014
Non-group participating interests	217	–	–	217
Group participating interests	203,854	27,679	20	231,514
<b>Gross amount</b>	<b>204,071</b>	<b>27,679</b>	<b>20</b>	<b>231,731</b>
Non-group participating interests	–	–	–	–
Group participating interests	976	4,582	40	5,518
<b>Impairment</b>	<b>976</b>	<b>4,582</b>	<b>40</b>	<b>5,518</b>
Non-group participating interests	217	–	–	217
Group participating interests	202,878	–	–	225,996
<b>Net amount</b>	<b>203,095</b>	<b>–</b>	<b>–</b>	<b>226,213</b>

The increase in participating interests mainly relates to:

- the acquisition, on 31 March 2014, of 100% of the Brazilian company Rio Pardo Termoelétrica, made through the subsidiary Albioma Participações do Brasil, in which the capital has increased from €440 thousand to €25,660 thousand;
- the acquisition, on 17 April 2014, for €2,000 thousand, of minority interests in Albioma Power Alliance (formerly Power Alliance SCE).

The reduction in participating interests relates mainly to the disposal of 49% of the capital of Albioma Saint-Pierre;

The impairment loss recognised on securities in 2014 concerns the investment in the anaerobic digestion sector.

**Other long-term investments**

<i>€ thousands</i>	31/12/2013	Increases	Decreases	31/12/2014
Long-term loans	163	31	–	193
Deposits & guarantees paid	1,546	35	8	1,573
<b>Gross amount</b>	<b>1,708</b>	<b>66</b>	<b>8</b>	<b>1,767</b>
Long-term loans	–	–	–	–
Deposits & guarantees paid	320	–	–	320
<b>Impairment</b>	<b>320</b>	<b>–</b>	<b>–</b>	<b>320</b>
Long-term loans	163	–	–	193
Deposits & guarantees paid	1,226	–	–	1,253
<b>Net amount</b>	<b>1,388</b>	<b>–</b>	<b>–</b>	<b>1,447</b>

**3.1.2. Current assets****Goods purchased for resale**

<i>€ thousands</i>	31/12/2014	31/12/2013	Change
Work-in-progress	212	687	(475)
Goods purchased for resale	1,565	1,565	–
<b>Total stocks</b>	<b>1,777</b>	<b>2,252</b>	<b>(475)</b>
Depreciation work-in-progress	–	–	–
Depreciation goods purchased for resale	(1,372)	(1,372)	–
<b>Total depreciation</b>	<b>(1,372)</b>	<b>(1,372)</b>	<b>–</b>
<b>Net amount</b>	<b>405</b>	<b>880</b>	<b>(475)</b>

At 31 December 2014, stocks mainly consisted of photovoltaic panels for €1,565 thousand.

At 31 December 2014, an impairment provision of €1,372 thousand had been booked against this stock.

**Other receivables**

<i>€ thousands</i>	31/12/2014	31/12/2013	Change
Employees - Advances and payments on account	140	190	(50)
Suppliers - Credits receivable	–	–	–
VAT accounts receivables	182	705	(523)
VAT deductible on non-current assets	9	60	(50)
Accounts receivable from the State	1,804	–	1,804
Income accounts receivable	417	185	232
Current accounts	14,586	20,026	(5,440)
Tax consolidation current accounts	1,118	6,171	(5,053)
Receivables due from employee welfare bodies	4	13	(9)
Sundry accounts receivable	1	–	1
Impairment of current accounts	(8,538)	(3,385)	(5,153)
<b>Total other receivables</b>	<b>9,723</b>	<b>23,965</b>	<b>(14,242)</b>

At 31 December 2014, the change in impairment was mainly attributable to the impairment of a current account (€5,182 thousand) recognised in 2014 on the Anaerobic Digestion business following the initial commissioning of the plants.

**Marketable securities**

At 31 December 2014, the marketable securities item stood at €60,998.

It consisted of €41,500 thousand in term deposits, €17,535 thousand in mutual funds, and €1,963 thousand in treasury shares.

**Prepayments and accrued income**

Prepayments, of €140 thousand, relate primarily to insurance and subscriptions.

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 3. Notes on the annual financial statements

#### 3.2. LIABILITIES AND EQUITY

##### 3.2.1. Shareholders' equity

€ thousands	31/12/2013	Increases	Decreases	Appropriation of 2013 net income (in euros)	31/12/2014
Share capital	1,123	8	–	14,196.14	1,145
Additional paid-in capital	23,191	–	–	6,416,472.50	29,607
Revaluation differences	3	–	–	–	3
Legal reserve	110	–	–	2,061.50	112
Statutory reserves - Contractual	930	–	8	–	922
Other reserves	15,906	–	–	–	15,906
Retained earnings	87,412	–	–	446,417.36	87,858
Net income for the year	17,914	12,488	–	(17,914,302.46)	12,488
Dividends paid	–	–	–	11,035,154.96	–
<b>Total equity</b>	<b>146,589</b>	<b>12,496</b>	<b>8</b>	<b>–</b>	<b>148,042</b>
Regulated provisions	134	–	–	–	134
<b>Total shareholders' equity</b>	<b>146,723</b>	<b>12,496</b>	<b>8</b>	<b>–</b>	<b>148,176</b>

##### Share capital

At December 31, 2014, the share capital consisted of 29,734,932 shares with a nominal value of €0.0385 per share, fully paid-up and held for 42.47% by Financière Hélios affiliates of the Apax Partners group, and for 57.53% by various shareholders on the market.

At this same date, the company held 78,075 of its own shares (representing 0.26% of the share capital and stripped of voting rights) in connection with a liquidity agreement managed by Exane BNP Paribas and 38,424 of its own shares under the bonus share plan adopted by the General Meeting of 14 March 2012.

##### Appropriation of 2013 net income

In accordance with the decisions of the 27 May 2014 General Meeting, the net income for 2013 was appropriated as follows:

€ thousands	
Transfer to the legal reserve	2
Dividends paid	17,466
Retained earnings	446

The Ordinary and Extraordinary General Meeting set the amount of the 2013 dividend at €0.60 per share and resolved to grant each shareholder an option for the payment of 50% of the dividend, i.e. €0.30 per share, in new shares, the remainder having been paid in cash.

Ultimately, €11,005 thousand was settled in cash and €6,431 thousand in shares; 368,731 new shares were issued at a unit price of €17.44.

##### Net income for the year

€ thousands	
Operating income	(7,250)
Net financial income	17,861
Net non-recurring income/(expense)	609
Profit-sharing	(270)
Tax	1,539
<b>Total</b>	<b>12,488</b>

##### 3.2.2. Provisions for liabilities and charges

€ thousands	31/12/2013	Charge	Reversals - Used	Reversals - Unused	31/12/2014
Provisions for liabilities	2,318	680	–	–	2,998
Provisions for retirement benefits	932	420	–	–	1,351
Provisions for defined benefit retirement plans	244	–	64	–	180
Other provisions for charges	–	680	–	–	680
<b>Provisions for liabilities</b>	<b>3,494</b>	<b>1,780</b>	<b>64</b>	<b>–</b>	<b>5,210</b>
Of which operating	1,175	1,100	64	–	2,211
Of which financial	2,318	–	–	–	2,318
Of which non-recurring	–	680	–	–	680
<b>Provisions for liabilities &amp; charges</b>	<b>3,494</b>	<b>1,780</b>	<b>64</b>	<b>–</b>	<b>5,210</b>

### Provisions for liabilities

Provisions for liabilities, which essentially cover the projected risks of payment of compensation relating to disputes or legal action, increased from €2,318 thousand at 31 December 2013 to €2,998 thousand at 31 December 2014.

### Provisions for charges

#### Lump-sum retirement payments

At 31 December 2014, lump-sum retirement benefits represented an amount of €1,351 thousand.

These charges relate to 75 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 2.2% per annum.

#### Defined benefit retirement plan

This relates to the introduction in 2004 of a defined benefit retirement plan for executives employed by the Company prior to 1983. The provision stood at €180 thousand at 31 December 2014.

#### Other provisions for charges

This item, amounting to €680 thousand, relates to the provision recorded following Albioma's buyback of 66,930 of its own shares (purchases made on 31 December 2014 and purchases to come in early 2015) to partly cover the servicing of the 2012 bonus share plan.

### Tax and social security liabilities

Tax and social security liabilities break down as follows:

<i>In euros</i>	31/12/2014	31/12/2013	Change
Tax liabilities	133	6,241	(6,108)
Social security/employee-related liabilities	4,102	3,730	372
Social security/employee welfare body liabilities	2,476	2,253	223
<b>Total tax and social security liabilities</b>	<b>6,711</b>	<b>12,224</b>	<b>(5,513)</b>

### Liabilities on non-current assets

At 31 December 2014, amounts due to suppliers of non-current assets totalled €135 thousand. All of these liabilities are due within one year.

### 3.2.3. LIABILITIES

#### Borrowings from and amounts due to credit institutions

In May 2014, the Group 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%.

#### Collateral

Not applicable

#### 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 2014.

#### Drawdowns

At 31 December 2014, the drawdowns were as follows:

<i>€ thousands</i>	
Euro PP	80,000
Revolving credit facility	–

#### Interest-rate hedging

Not applicable (main corporate debt is at a fixed rate).

#### Trade payables

Trade payables amounted to €3,164 thousand at 31 December 2014, including €2,068 thousand from invoices not yet received. All of these liabilities are due within one year.

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 3. Notes on the annual financial statements

#### Other liabilities

<i>€ thousands</i>	31/12/2014	31/12/2013	Change
Customer credit notes to be raised	–	969	(969)
Other creditors	24	17	7
Tax consolidation current accounts	2,801	295	2,507
Accrued expenses	2,542	752	1,790
Dividends payable	34	40	(6)
Customer prepayments	–	–	–
<b>Total other liabilities</b>	<b>5,401</b>	<b>2,072</b>	<b>3,329</b>

#### Deferred income

Deferred income, amounting to €1,095 thousand, relates to billing for services performed after 31 December 2014 or accrued income relating to future periods.

### 3.3. INCOME STATEMENT

#### 3.3.1. Revenue

Revenue amounted to €21,781 thousand at 31 December 2014 and comprised:

<i>€ thousands</i>	31/12/2014	31/12/2013	Change
Sales of goods purchased for resale	61	651	(590)
Production sold – goods	3,572	–	3,572
Production sold – services	18,148	18,781	(633)
<b>Revenue</b>	<b>21,781</b>	<b>19,432</b>	<b>2,349</b>

#### 3.3.2. Net financial income

Financial income comprises:

<i>€ thousands</i>	31/12/2014	31/12/2013	Change
Interest and financial charges	2,153	972	1,181
Net expenses on disposals of marketable securities	208	132	77
Impairment of financial assets	9,764	3,498	6,266
<b>Financial expenses</b>	<b>12,126</b>	<b>4,602</b>	<b>7,524</b>
Income from participating interests	28,487	23,723	4,764
Other financial income	1,182	689	493
Provisions written back and charges transferred	40	120	(80)
Net income on disposals of marketable securities	278	555	(276)
<b>Financial income</b>	<b>29,987</b>	<b>25,086</b>	<b>4,901</b>
<b>Net financial income</b>	<b>17,861</b>	<b>20,484</b>	<b>(2,623)</b>

#### 3.3.3. Net non-recurring income/(expense)

Net non-recurring income/ (expense) breaks down as follows:

<i>€ thousands</i>	31/12/2014	31/12/2013	Change
Penalties and tax fines	–	–	–
Other non-recurring expenses on revenue transactions	–	751	(751)
Net book value of transferred assets - Intangible	–	14	(14)
Net book value of transferred assets - Financial	20	543	(523)
Expenses on revenue transactions	–	85	(85)
Provisions for non-recurring liabilities and charges	680	981	(301)
<b>Non-recurring expenses</b>	<b>700</b>	<b>2,375</b>	<b>(1,675)</b>
Proceeds from the sale of transferred assets - Intangible	–	4	(4)
Proceeds from the sale of transferred assets - Financial	261	2,121	(1,860)
Other non-recurring income	1,048	81	967
<b>Non-recurring income</b>	<b>1,309</b>	<b>2,205</b>	<b>(897)</b>
<b>Net non-recurring income/(expense)</b>	<b>609</b>	<b>(169)</b>	<b>778</b>

As part of the settlement agreement signed with a supplier of photovoltaic panels, following a dispute, the Company received compensation of €1,048 thousand.

### 3.3.4. Tax

The scope of the tax consolidation at 31 December 2014 includes 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 2014, for the Company, the head of the tax group, these agreements resulted in a tax credit of €6,446 thousand, corresponding to the tax saving stemming from the tax consolidation.

Albioma also recognised in expenses the tax in respect of its own taxable profit for 2014 of €4,864 thousand.

## 4. Other information

### 4.1 EMPLOYEES

At 31 December 2014, Albioma employed a total of 80 staff (including one corporate officer) compared with 75 (including one corporate officer) at 31 December 2013.

### 4.2. REMUNERATION OF THE ADMINISTRATIVE AND EXECUTIVE BODIES

Remuneration paid by the Company in 2014 to Corporate Officers totalled €869 thousand, compared with €821 thousand in 2013.

Corporate officers do not benefit from a specific plan for post-employment benefits.

A charge of €156 thousand was recognised in 2014 in respect of attendance fees allocated to members of the Board of Directors.

### 4.3. STOCK OPTION AND BONUS SHARE PLANS

	2014 bonus share plan for employees who are not members of the Executive Committee	2014 bonus share plan for members of the Executive Committee	2012 bonus share plan	2010 stock option plan
Total number of options and shares originally authorised	400,000	430,000	810,000	190,000
<b>Number of instruments in issue at 31 December 2010</b>	–	–	–	<b>189,500</b>
Options and bonus shares expired	–	–	–	(66,900)
<b>Number of instruments in issue at 31 December 2011</b>	–	–	–	<b>122,600</b>
Options and bonus shares allotted	–	–	617,400	–
Options and bonus shares expired	–	–	–	(18,000)
<b>Number of instruments in issue at 31 December 2012</b>	–	–	<b>617,400</b>	<b>104,600</b>
Options and bonus shares allotted	–	–	92,000	–
Options and bonus shares expired	–	–	(19,000)	(5,200)
<b>Number of instruments in issue at 31 December 2013</b>	–	–	<b>690,400</b>	<b>99,400</b>
Options and bonus shares allotted	259,000	430,000	117,213	–
Rights cancelled during the period	(7,000)	(2,000)	(26,265)	(1,000)
Effective acquisitions for the period	–	–	(198,302)	–
<b>Number of instruments in issue at 31 December 2014</b>	<b>252,000</b>	<b>428,000</b>	<b>583,046</b>	<b>98,400</b>
Number of options exercisable at the year end	–	–	–	98,400
<b>Value of shares used for the employer's contribution base (in euros)</b>	<b>2.91</b>	<b>5.63</b>	<b>0.33</b>	<b>5.0</b>

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 4. Other information

#### 4.3.1. Stock option plans

Only the stock option plan adopted by the General Meeting of 18 May 2010 (meeting of the Board of Directors of 27 August 2010) concerning a maximum of 200,000 attributable stock options (corresponding to one share for each option exercised, i.e. 0.67% of the capital as at 31 December 2014) was in operation as at 31 December 2014.

These options are exercisable at the price of €21.31 from 28 August 2014 to 28 August 2017. The exercise of options by all beneficiaries is 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.

#### 4.3.2. Bonus share plans

Only the following bonus share plans were in operation as at 31 December 2014:

- a bonus share plan adopted by the General Meeting of 14 March 2012 concerning a maximum of 810,000 attributable shares;
- a bonus share plan adopted by the General Meeting of 27 May 2014 exclusively for members of the Group's Executive Committee (including the Chairman and Chief Executive Officer), concerning a total initial attributable amount of 430,000 shares;
- a bonus share plan adopted by the General Meeting of 27 May 2014 for Group employees who are not members of the Executive Committee, concerning a total initial attributable amount of 400,000 shares.

#### 2012 bonus share plan

The bonus share plan adopted by the General Meeting of 14 March 2012 concerning a maximum of 810,000 attributable shares was continued in 2014.

The effective acquisition of the shares is subject to performance conditions being met, in particular the achievement, during a reference period, of a six-month moving average of the Albioma share closing price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche.

The bonus shares allotted under the second and third tranches of the plan were cancelled on 27 January 2015, as the performance conditions for effective acquisition of the said shares had not been met on the date specified under the plan rules. The number of shares remaining as at 31 December 2014 under the first tranche of the plan only was 66,596.

Since the performance conditions for the first tranche of the plan were met during 2014, 198,302 shares were effectively vested in favour of the beneficiaries who, during the year, met the presence conditions specified in the plan rules. These shares were created through a capital increase.

In order to service the remainder of the first tranche of the plan, the Board of Directors made use of the authorisation granted by the General Meeting of 27 May 2014 to buy back 66,930 shares. As at 31 December 2014, 38,424 shares had been bought back on this basis. A charge of €680 thousand was recognised in relation to this in 2014.

#### 2014 bonus share plan for members of the Executive Committee

A bonus share plan adopted by the General Meeting of 27 May 2014 was implemented during the year for the members of the Group's Executive Committee (including the Chairman and Chief Executive Officer), concerning a total initial attributable amount of 430,000 shares.

Effective acquisition of the shares is subject to performance conditions being met, in particular:

- for the first of three equal tranches, 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;
- for the second of three equal tranches, a change of between 20% and 60% 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.

None of the performance conditions for this plan had been met as at 31 December 2014.

#### 2014 bonus share plan for employees who are not members of the Executive Committee

A bonus share plan adopted by the General Meeting of 27 May 2014 was implemented during 2014 for Group employees who are not members of the Executive Committee, concerning a total initial attributable amount of 400,000 shares.

Effective acquisition of the shares is subject to performance conditions being met, in particular:

- for a first tranche of 50%, achieving an average availability rate of installations of more than 91.5% over the period 2014-2016;
- for a second tranche of 50%, achieving consolidated EBITDA within the range of €153.5 million to €169.5 million for 2016.

## 4.4. OFF-BALANCE SHEET COMMITMENTS

<i>€ thousands</i>	2014	2013
<b>OFF-BALANCE SHEET COMMITMENTS GIVEN</b>		
Guarantees given to suppliers	3,000	3,000
Financing of project companies	818	3,700
Joint and several loan repayment guarantee	17,617	–
Option to repurchase shares held by non-controlling interests	1,500	3,055
Liabilities guarantees	6,363	11,903
Sundry commitments	622	252
<b>Total off-balance sheet commitments given</b>	<b>29,920</b>	<b>21,910</b>
<b>OFF-BALANCE SHEET COMMITMENTS RECEIVED</b>		
Lines of credit granted but not utilised	40,000	43,500
Earn-outs on disposal of the Wind Power business	Not measured	Not measured
<b>Total off-balance sheet commitments received</b>	<b>40,000</b>	<b>43,500</b>

## 4.4.1. Off-balance sheet commitments given

- Guarantees given to suppliers: this commitment concerns counter-guarantees for payment given to suppliers in connection with supply agreements entered into by the subsidiaries.
- Financing of project companies: this commitment concerns the financing of projects and the operation of developing subsidiaries. At 31 December 2014, the non-financed commitment amounted to €0.8 million.
- Joint and several loan repayment guarantee: this commitment concerns a joint and several guarantee of a loan and environmental liabilities issued through a bank on behalf of the subsidiary Albioma Rio Pardo Participações.
- Option to repurchase shares held by non-controlling interests: in order to guarantee the founders of Methaneo a liquid market for the shares they hold in the Company's share capital, in 2012 Albioma granted a repurchase promise in respect of half of the shares held by these founders in 2016 and all the remaining shares in 2018. Following the signing of an amendment to the shareholders' agreement on 27 October 2014, the expiry of the buyback option is set at 2016 for all shares, for a sale price of €1.5 million.
- Liabilities guarantees: the change compared with 2013 is mainly attributable to the settlement of two commitments given in connection with the sale of the Wind Power business to EDF Énergies Nouvelles on 11 February 2013 for a total value of €5.5 million.

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
OSEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100%
OSEO 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%

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 4. Other information

#### 4.4.2. Off-balance sheet commitments received

- Lines of credit granted: Albioma received commitments for the financing of projects and operations for an amount of €40 million, not drawn down at 31 December 2014.
- Earn-outs from sales that took place in 2013: sale of the Wind Power business to EDF Energies Nouvelles on 11 February 2013. Albioma received a conditional earn-out commitment, valid for five years, related to projects under development. This earn-out is conditional on the success of these projects.

#### 4.5. FINANCIAL DERIVATIVES

Not applicable.

#### 4.6. TRANSACTIONS WITH RELATED PARTIES

<i>€ thousands</i>	Albioma subsidiaries 2013	Albioma subsidiaries 2014
<b>STATEMENT OF FINANCIAL POSITION</b>		
Trade receivables	12,120	10,740
Accrued expenses	7	2,197
Subsidiaries' current accounts – debit and tax consolidation	26,197	15,704
Accrued income	56	15
Subsidiaries' current accounts – credit and tax consolidation	109,859	77,474
Trade payables	65	206
<b>INCOME STATEMENT</b>		
Sales of PV plants, equipment and services	18,702	20,619
Recharging of seconded employees	730	946
Interest on subsidiaries' current accounts	58	123
Interest on loans and advances	427	546
Income from participating interests	23,723	28,487

Transactions with related parties are entered into on an arm's length basis.

#### 4.7. ACCRUED INCOME AND ACCRUED EXPENSES

<i>€ thousands</i>	
<b>ACCRUED INCOME</b>	
Suppliers' credit notes not yet received	–
Customer invoices to be raised	5,624
Value added tax on invoices not yet received	106
Provisions for accrued income	417
<b>ACCRUED EXPENSES</b>	
Suppliers' invoices not yet received	2,069
Amounts due to employees	4,102
Amounts due to the State	61
Provisions for accrued expenses	2,542
Credit notes to be raised	–
Value added tax on invoices to be raised	51
Accrued interest on borrowings	194

#### 4.8. CONSOLIDATION

The financial statements of Albioma are fully consolidated by Financière Hélios.

#### 4.9. BREAKDOWN OF CORPORATION TAX BETWEEN CURRENT PROFIT AND LOSS AND NON-RECURRING PROFIT OR LOSS

<i>€ thousands</i>	Tax rate	Corporation tax
Current profit or loss before tax	33.33%	(1,650)
Non-recurring profit or loss before tax	33.33%	359
<b>Total</b>		<b>(1,291)</b>

#### 4.10. INCREASES AND DECREASES IN THE FUTURE TAX LIABILITY

<i>€ thousands</i>	Base amount	Increases and decreases in the future tax liability
<b>Increases</b>	–	–
<b>Decreases</b>		
Provision for lump-sum retirement benefits and supplementary pensions	420	140
Employee profit-sharing	300	100
Sundry provisions and other	10,773	3,591
<b>Total decrease in the future tax liability</b>	<b>11,493</b>	<b>3,831</b>

#### 4.11. EVENTS AFTER THE REPORTING DATE

None.

## 5. Maturities of receivables and liabilities

### RECEIVABLES

<i>€ thousands</i>	Gross amount	Due within 1 year	Due in more than 1 year
<b>NON-CURRENT ASSETS</b>			
Receivables from participating interests	–	–	–
Loans	193	–	193
Other long-term investments	1,573	–	1,573
<b>CURRENT ASSETS</b>			
Trade receivables	11,593	11,593	–
Employee-related receivables	139	139	–
Social security and other employee welfare bodies	5	5	–
State and other public authorities			
<i>Corporation tax</i>	1,804	1,804	–
<i>Value added tax</i>	191	191	–
<i>Other taxes and duties</i>	–	–	–
Group and shareholders	15,704	15,704	–
Sundry accounts receivable	418	418	–
Accrued income	–	–	–
<b>PREPAYMENTS</b>	141	141	–
<b>Total</b>	<b>31,762</b>	<b>29,995</b>	<b>1,767</b>

### LIABILITIES

<i>€ thousands</i>	Gross amount	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years
Bond issues	–	–	–	–
Borrowings from and amounts due from financial institutions				
<i>within maximum of 2 years at inception</i>	2,064	2,064	–	–
<i>within + 2 years at inception</i>	80,000	–	–	80,000
Sundry borrowings and financial liabilities	40	40	–	–
Trade payables	3,164	3,164	–	–
Employee-related liabilities	4,102	4,102	–	–
Social security and other employee welfare bodies	2,476	2,476	–	–
State and other public authorities				
<i>Corporation tax</i>	–	–	–	–
<i>Value added tax</i>	72	72	–	–
<i>Other taxes and duties</i>	61	61	–	–
Liabilities on non-current assets	136	136	–	–
Group and shareholders	74,673	74,673	–	–
Other liabilities	5,401	5,401	–	–
Accrued expenses	–	–	–	–
Deferred income	1,095	1,095	–	–
<b>Total</b>	<b>173,284</b>	<b>93,284</b>	<b>–</b>	<b>80,000</b>

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

#### 6. List of subsidiaries and participating interests

<i>In euros (unless stated otherwise)</i>	<b>Share capital</b>	<b>Other equity</b>	<b>Number of shares held</b>	<b>% of capital held</b>
<b>Albioma Le Gol (ALG)</b> Formerly Compagnie Thermique du Gol Le Gol 97450 Saint-Louis (Réunion)	13,354,534	87,027,674	566,045	64.62%
<b>Albioma Bois-Rouge (ABR)</b> Formerly Compagnie Thermique de Bois-Rouge Cambuston 2 chemin de Bois-Rouge 97440 Saint-André (Réunion)	18,826,302	30,043,600	1,235,000	100.00%
<b>Albioma Le Moule (ALM)</b> Formerly Compagnie Thermique du Moule Site de Gardel 97160 Le Moule (Guadeloupe)	22,379,516	20,888,080	1,468,000	100.00%
<b>Compagnie Industrielle Cendres et Mâchefers (CICM)</b> 97419 La Possession (Réunion)	887,400	(8,465)	1,972	33.98%
<b>Isergie</b> (close at 30 September 2014) 17 rue de La Frise 38000 Grenoble	3,811,226	2,613,050	10,000	4.00%
<b>Albioma Guadeloupe Logistique (AGL)</b> Formerly Recyclage Cendres. Mâchefers Industries Gardel 97160 Le Moule (Guadeloupe)	686,021	119,960	44,993	99.99%
<b>Terragen (in Mauritian rupees)</b> Formerly Compagnie Thermique de Bellevue 18 rue Edith Cavell Port-Louis (Mauritius)	520 523,500 MUR	976,852,704 MUR	14,054,134	27.00%
<b>Terragen Management (in Mauritian rupees)</b> Formerly Compagnie Thermique de Bellevue Management 18 rue Edith Cavell Port-Louis (Mauritius)	100,000 MUR	1,390,247 MUR	2,825	28.25%
<b>Éoliennes des Quatre-Vents</b> Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	1,874,266	4,000	100.00%
<b>OSEO Saint-Aubin</b> Formerly Compagnie Thermique du Sud Anglo-mauritius House Adolphe de Plevitz street Port-Louis (Mauritius)	255,000,000 MUR	297,178,729 MUR	637,500	25.00%
<b>Albioma Galion (AG)</b> Formerly Compagnie Thermique du Galion Usine du Galion 97220 La Trinité (Martinique)	17,040,000	21,859,483	13,632,000	80.00%
<b>OSEO La Baraque</b> Formerly Compagnie Thermique de Savannah Anglo-mauritius House Adolphe de Plevitz Street Port-Louis (Mauritius)	761,000,000 MUR	370,879,726 MUR	1,902,500	25.00%

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividends received in 2014	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
28,054,763	28,054,763	–	8,937,835	99,428,663	10,738,940
63,365,942	63,365,942	–	11,176,750	82,747,326	4,632,581
35,774,642	35,774,642	–	954,200	57,841,042	3,661,987
312,260	312,260	–	–	7,887,935	(256,806)
198,184	–	–	–	36,045	1,023,124
685,958	685,958	–	–	4,615,033	52,097
5,392,972	5,392,972	–	1,141,304	1,137,572,159	201,660,015
				MUR	MUR
2,400	2,400	–	–	43,780,321	31,528
				MUR	MUR
40,000	40,000	–	–	–	12,362
1,885,803	1,885,803	–	451,264	758,878,240	85,251,790
				MUR	MUR
13,632,000	13,632,000	–	–	33,982,309	2,961,288
4,868,018	4,868,018	–	840,740	1,718,086,137	185,628,931
				MUR	MUR

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
<b>Énergie Beaufonds</b> 8 allée de Beaufonds 97470 Saint-Benoît (Réunion)	37,000	n/c	1,195	64.62%
<b>Albioma Caraïbes (AC)</b> Formerly Caraïbes Énergie 97160 Le Moule (Guadeloupe)	17,040,000	16,339,987	1,704,000	100.00%
<b>Albioma Solaire Réunion (ASR)</b> Formerly Société de Conversion d'Énergie 21 rue Hélène Boucher Zone aéroportuaire 97438 Sainte-Marie (Réunion)	50,000	14,031,314	5,000	100.00%
<b>Plexus Sol</b> 21 rue Hélène Boucher Zone aéroportuaire 97438 Sainte-Marie (Réunion)	37,000	1,147,295	3,700	100.00%
<b>Albioma Solaire Guyane (ASG)</b> Formerly Quantum Énergie Guyane Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	2,123,993	4,000	100.00%
<b>Albioma Solaire Antilles (ASA)</b> Formerly Quantum Énergie Antilles Usine du Galion 97220 La Trinité (Martinique)	10,185,000	(1,496,750)	814,800	80.00%
<b>Albioma Solaire Habitat (ASH)</b> Formerly Quantum Énergie Habitat Usine du Galion 97220 La Trinité (Martinique)	4,370,000	244,218	349,600	80.00%
<b>Albioma Power Alliance (APA)</b> 36 cour de l'Usine de Bois-Rouge 97440 Saint-André (Réunion)	120,000	583,597	1,000	100.00%
<b>Élect'Sécurité</b> 7 rue des Amarreuses ZA La Fabrique 97224 Ducos (Martinique)	100,000	n/c	300	30.00%
<b>Quantum Energia Italia</b> Piazzale Biancamano n°8 20121 Milano (Italie)	110,000	(274,714)	–	100.00%
<b>Sun Developers 2 (Linares)</b> Sancha de Lara 13 29015 Malaga (Spain)	113,250	–	–	100.00%
<b>Sun Developers 3 (Linares)</b> Sancha de Lara 13 29015 Malaga (Spain)	226,500	–	–	100.00%
<b>Sun Developers 18 (Linares)</b> Sancha de Lara 13 29015 Malaga (Spain)	250	–	–	100.00%
<b>Sun Developers 15 (Orgiva)</b> Sancha de Lara 13 29015 Malaga (Spain)	4,306	132,450	–	100.00%
<b>Sun Developers 16 (Orgiva)</b> Sancha de Lara 13 29015 Malaga (Spain)	4,006	55,923	–	100.00%

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividends received in 2014	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
18,803	18,803	–	–	–	n/c
17,040,000	17,040,000	–	–	41,252,043	5,925,107
6,245,864	6,245,864	–	1,600,000	8,827,951	5,609,762
459,111	459,111	–	37,000	931,706	208,642
40,000	40,000	–	2,147,800	7,946,582	2,119,964
8,148,000	8,148,000	–	–	4,804,768	318,142
3,496,000	3,496,000	–	–	2,000,376	641,489
2,060,000	2,060,000	–	811,800	1,314,971	561,858
30,000	–	–	–	–	n/c
110,000	–	3,409,586	–	–	(11,279)
113,250	–	112	–	–	–
226,500	–	118	–	–	–
250	–	–	–	–	–
458,841	458,841	612,367	–	–	121,508
355,237	355,237	452,179	–	–	60,935

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
<b>Sun Developers 17 (Orgiva)</b> Sancha de Lara 13 29015 Malaga (Spain)	1,000	–	–	100.00%
<b>Quantum Caraïbes (QC)</b> Usine du Galion 97220 La Trinité (Martinique)	100,000	197,797	5,000	50.00%
<b>Énergipole Quantum</b> Zone Industrielle Jaula 97129 Lamentin (Guadeloupe)	150,000	n/c	500	50.00%
<b>Albioma Marie-Galante (AMG)</b> Formerly Marie-Galante Énergie Usine de Grande Anse 97112 Grand Bourg	150,000	(19,812)	9,750	65.00%
<b>Quantum Énergie Marsillargues</b> Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	(78,584)	4,000	100.00%
<b>Albioma Solaire Pierrelatte (ASP)</b> Formerly Quantum Énergie Pierrelatte Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	3,836,000	3,235,853	383,600	100.00%
<b>Albioma Solaire Fabrègues (ASF)</b> Formerly Quantum Énergie Fabrègues Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	223,593	4,000	100.00%
<b>Quantum Énergie SMDC</b> Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	(47,736)	4,000	100.00%
<b>Albioma Biomasse Mimizan (ABM)</b> Formerly Quantum Énergie Le Gua Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	(45,369)	4,000	100.00%
<b>Quantum Énergie PV1</b> Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	(68,335)	4,000	100.00%
<b>Albioma Solaire Lassalle (ASL)</b> Formerly Quantum Énergie Lassalle Usine du Galion 97220 La Trinité (Martinique)	40,000	2,479,665	3,200	80.00%
<b>Albioma Saint-Pierre (AS-P)</b> Formerly Saint-André Énergie 2 chemin de Bois-Rouge 97440 Saint-André (Réunion)	40,000	(643,231)	4,000	51.00%

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividends received in 2014	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
1,000	1,000	–	–	–	–
50,000	50,000	–	–	603,284	255,277
75,000	75,000	–	–	–	n/c
97,500	–	350,000	–	–	(3,319)
40,000	–	117,130	–	–	(3,764)
3,836,000	3,836,000	–	–	2,903,779	1,378,396
40,000	40,000	31,525	–	529,734	171,008
40,000	–	11,750	–	–	(3,682)
40,000	–	6,153	–	–	(3,682)
40,000	–	29,245	–	–	(2,091)
32,000	32,000	150,000	–	2,497,992	799,140
20,400	20,400	1,145,183	–	–	(2,910)

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
<b>Albioma Solaire Bethléem (ASB)</b> Formerly SCE Société de Conversion d'Énergie B 21 rue Hélène Boucher 97480 Sainte-Marie (Réunion)	3,600,000	2,186,965	1,764,000	49.00%
<b>Albioma Solaire Matoury (ASM)</b> Formerly Quantum Énergie Matoury Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	1,600,240	647,608	1,600,240	100.00%
<b>Albioma Solaire Kourou (ASK)</b> Formerly Quantum Énergie Production Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	1,000	(56,680)	900	90.00%
<b>Methaneo</b> Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	105,010	(6,799,618)	6,300	60.00%
<b>Société anonyme d'économie mixte locale - Énergie de Martinique</b> Hôtel de Région de Martinique Rue Gaston Defferre 97200 Fort de France (Martinique)	1,665,000	n/c	75	7.50%
<b>Albioma Participações do Brasil Ltda (en reais brésiliens)</b> Rua da Quitanda 86 Salas 201 e 203 Centro Edifício Galeria Sul América CEP 20091-005 Rio de Janeiro (Brazil)	85,000,000 BRL	(6,398,229) BRL	85,000,000	99.99%
<b>Solaire de Martinique</b> 8 zone de Manhity 97232 Le Lamentin (Martinique)	100,000	n/c	333	33.00%
<b>Biomasse de Martinique</b> Centre d'Affaires de la Martinique Zone industrielle Californie 97232 Le Lamentin (Martinique)	n/c	–	–	33.00%
<b>Total</b>				

1. Paid-up share as at 31 December 2014.

## 5 • COMPANY FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

### 6. List of subsidiaries and participating interests

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividends received in 2014	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
1,764,000	1,764,000	625	388,080	3,641,018	828,570
1,812,775	1,812,775	1,995,522	–	2,429,522	166,499
900	900	80,800	–	–	(3,676)
4,582,200	–	6,181,991	–	1,225,685	(6,694,608)
124,875	124,875	–	–	–	n/c
26,100,000 <sup>1</sup>	26,100,000	–	–	–	32,411,538 BRL
16,650	16,650	–	–	–	n/c
2,475	2,475	–	–	–	n/c
<b>231,730,573</b>	<b>226,212,690</b>	<b>14,574,287</b>	<b>28,486,773</b>		

## Statutory Auditors' Report on the annual financial statements

#### **PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

#### **Mazars**

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

*This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking readers.*

*The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying financial statements of Albioma;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

### Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Investments in subsidiaries and current accounts recognised as assets in the financial statements are measured in accordance with the accounting rules and methods set out in Notes 2.2 and 2.4 to the financial statements. We have assessed the factors taken into consideration to estimate value in use and, where applicable, verified the calculation of impairment losses.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, on 28 April 2015  
The Statutory Auditors

#### **PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

#### **Mazars**

Manuela Baudoin-Revert  
Partner

# CORPORATE SOCIAL RESPONSIBILITY INFORMATION | 6



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## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.1. Reporting and consolidation methodology for corporate social responsibility information

#### 6.1. Reporting and consolidation methodology for corporate social responsibility information

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 37 to the consolidated financial statements for the 2014 financial year, on page 138 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. Environmental information relating to the Anaerobic Digestion business was included for the first time in 2014, as two facilities (Tiper Méthanisation and Cap'ter Méthanisation) completed their ramp-up phase during the year. Environmental information

relating to the Rio Pardo Termoeléctrica plant in Brazil is not included in the 2014 figures; as this cogeneration plant was acquired and taken over by the Company mid-year, the environmental data for this new plant is not at this stage representative of the facility's nominal operation. More generally, information relating to any entity that is not consolidated using the full consolidation method is annotated so as to clearly define the corresponding scope.

The data compiled in 2014 has been selected to ensure it is comparable with data published in 2013 and 2012, the Group having reviewed the materiality of this information in accordance with the Global Reporting Initiative guidelines.

Information is collected and consolidated in accordance with a universal protocol for the measuring and reporting of non-financial data, under the responsibility of the Group's Corporate Social Responsibility department (previously known as the Social and Environmental Responsibility department). Internal and external consistency tests are carried out on the information 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 limited assurance report on the information relating to the 2014 financial year presented in section 6.5 on page 185 of this Registration Document)<sup>1</sup>.

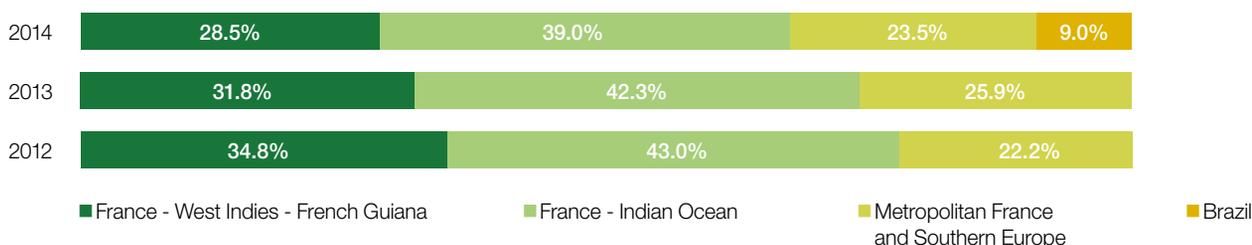
## 6.2. Employment information

### 6.2.1. EMPLOYMENT

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

At 31 December 2014, Albioma employed 413 men and women (359 in 2013), most of whom are located in the French overseas departments.

##### Breakdown of workforce by geographic location, as at 31 December 2014

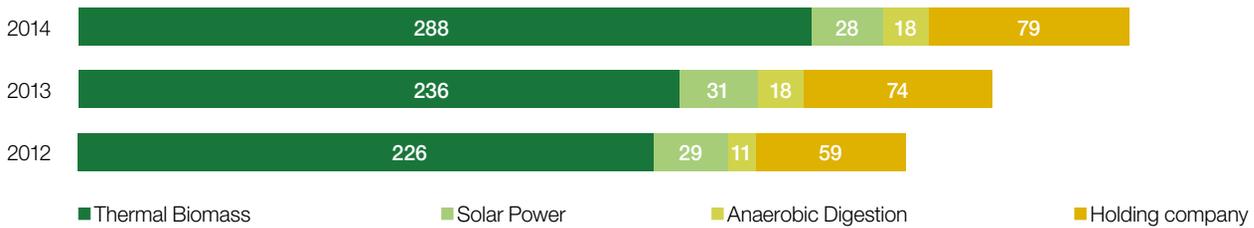


In 2014, the Group acquired the Rio Pardo Termoeléctrica thermal power plant in Brazil, resulting in the inclusion of a new geographic region in the workforce breakdown data.

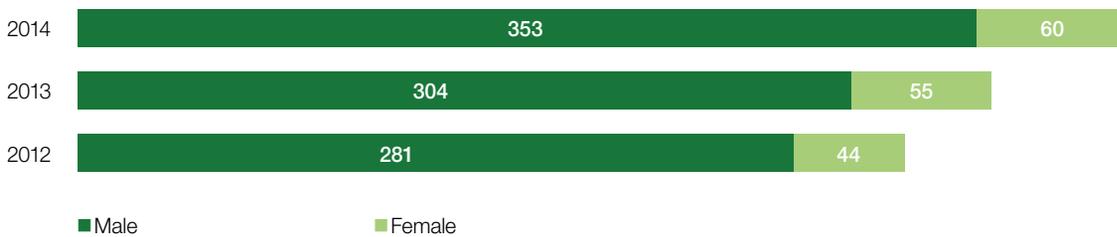
<sup>1</sup> The change from a panel of independent third party organisations to a single independent third party in 2014 was made in accordance with the recommendation issued by the national statutory auditors' association (Compagnie Nationale des Commissaires aux Comptes) in July 2014. Pending clarification from the relevant ministries regarding engagements by "joint independent third party organisations", Compagnie Nationale des Commissaires aux Comptes (CNCC) has advised statutory auditors wishing to operate as independent third party organisations in the context of the professional standard NEP 9090 "Services relating to corporate social responsibility information in the context of audits directly relating to the Statutory Auditor's engagement" to:

- suspend the use of panels of statutory auditors operating as "joint independent third party organisations"; consequently, reviews of corporate social responsibility information in application of Section L. 225-102-1 of the French Commercial Code (Code de commerce) should be conducted by a single statutory auditor, reflecting the current requirements and restrictions of the standard ISO 17020;
- adapt their internal procedures accordingly.

**Breakdown of workforce by business sector, as at 31 December 2014**

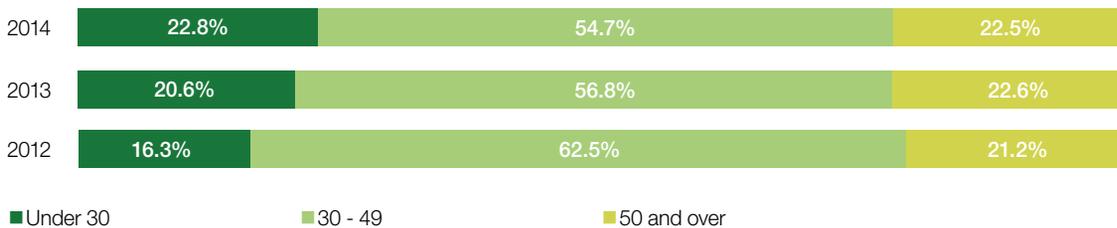


**Breakdown of workforce by gender, as at 31 December 2014**

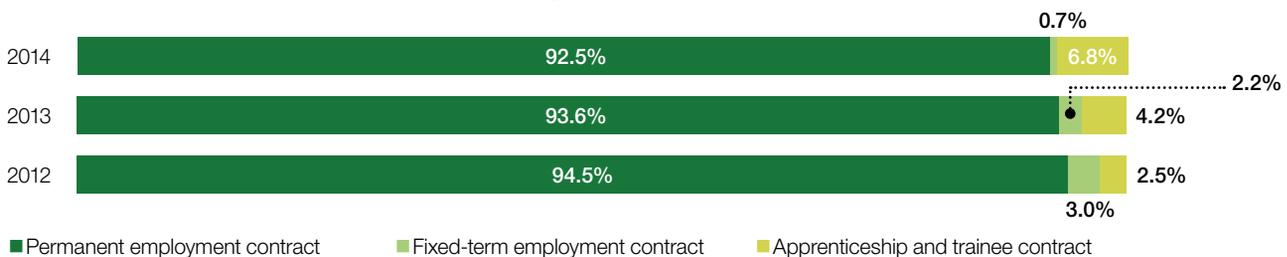


Total headcount increased by +15% in 2014, with a bigger rise in the number of male employees (+16%) than female employees (+9%), due to the inclusion of the Rio Pardo Termoelétrica plant.

**Breakdown of workforce by age, as at 31 December 2014**



**Breakdown of workforce by type of contract, as at 31 December 2014**



Albioma has set a target of taking on a number of trainees, interns and apprentices equivalent to 5% of its total headcount as at 31 December. In 2014, trainees, interns and apprentices accounted for 7.5% of the Group's total workforce.

**Breakdown of workforce by employee category, as at 31 December 2014**



Executives represented a smaller proportion of the total workforce in 2014 than in 2013, as a result of integrating the Rio Pardo Termoelétrica plant.

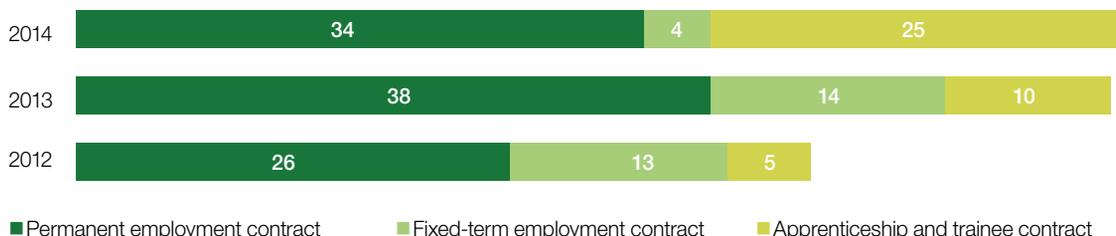
## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.2. Employment information

#### 6.2.1.2. Recruitment and departures

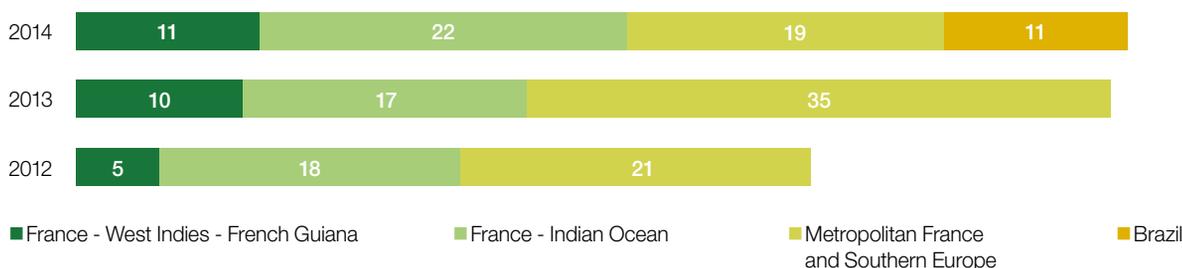
The Group hired 63 people in 2014 (compared with 62 in 2013).

##### Breakdown of recruitments by type of contract



Since 2013, Albioma has set a target of taking on a number of trainees, interns and apprentices equivalent to 5% of the total workforce. This determination to include younger workers was reflected in recruitment trends, with a sharp fall in recruitment on fixed-term contracts (-71%) in favour of recruitment on vocational training and apprenticeship contracts (+150%).

##### Breakdown of recruitments by geographic location



The large number of recruitments in Metropolitan France in 2014 is the result of a program to upgrade head office technical and other resources available to support the operational businesses. The increased hiring in the Indian Ocean region was mainly concentrated in the Thermal Biomass business.

A total of 35 employees left the Group in 2014 (28 in 2013), three of whom were dismissed. The Group's turnover rate<sup>1</sup> remained stable in 2014, at 13.6% (compared with 13.8% in 2013).

#### 6.2.1.3. Remuneration and changes in 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 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 French Labour Code, informed by the Group's budgetary 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.

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.

The gross average monthly salary, including all items of remuneration and for all locations except Brazil, increased by 5% between 2013 and 2014.

In Brazil, the change in employee compensation derives from a combination of the annual pay negotiations and consideration for promotions and individual performance. Annual pay review negotiations are required under statutory and local regulatory measures. The resulting percentage increase may be defined freely, although it customarily reflects inflation, at least to some extent. A formal remuneration policy is in the process of being implemented in the Group's Brazilian entities.

1. Average Group recruitments and departures over the year in relation to the total workforce as at 1 January.

### 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 can invest up to 25% of their annual remuneration in the savings plan.

##### Incentive scheme

The Company has put in place a succession of incentive schemes since 2006. The most recent covers the 2012-2014 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 divided between the employees on the basis of their salary.

#### Operating companies

The following plans and schemes apply specifically 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 in 2008; these plans are funded by voluntary payments by employees, re-investment of incentive payments and company contributions.

These companies also operate three-year incentive schemes, first introduced in 2009.

A special profit-sharing agreement covering the companies within the economic and employment unit (UES) has been in place since 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 in 2008. The company operates an incentive scheme covering the 2012-2014 period, introduced in 2012. 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 in 2008. The company operates an incentive scheme covering the 2012-2014 period, introduced in 2012. A special profit-sharing agreement has also been in place since 2011.

##### Albioma Solaire Antilles

A company savings plan was set up in 2013, offering 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. All employees who have worked for the company 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 2013, entitles employees who have worked for the 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 the company is exceeded.

##### Albioma Solaire Reunion - Albioma Power Alliance - Plexus Sol - Albioma Solaire Mayotte

A company savings plan was set up for these four companies in 2013, offering 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 2013 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 2013, entitles all 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.

##### Methaneo

Methaneo has been operating an incentive scheme since 2013, entitling all employees within its scope who have worked for it for more than three months to a bonus based on their length of service and the stage of progress of the various projects under development.

##### Brazil

A mechanism in the form of a fixed annual bonus based on the preceding year was in place at Rio Pardo Termoeletrica for 2014. New mechanisms are currently being studied for the current year and beyond.

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.2. Employment information

#### Stock option and bonus share plans

The Company's policy on stock options and the allotment of bonus shares is described in section 7.4.1 on page 208 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 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. 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 the overseas departments, 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.

In Brazil, Rio Pardo Termoeletrica employees are covered by the statutory pension regime managed by the State. There is no specific supplemental pension scheme.

### 6.2.2. ORGANISATION OF WORK

#### 6.2.2.1. Organisation of working hours

All Group companies comply with statutory, regulatory and contractual obligations relating to working hours. An employee's working hours will depend on his status and the business sector in which he works.

#### Working hours

<i>In hours</i>	2014	2013	2012
Number of hours worked	664,255	617,541	556,993
of which, number of hours of overtime	37,623	37,855	37,881
Overtime / hours worked	5.7%	6.1%	6.8%

The Group's production facilities operate around the clock, as a result of which, some employees are expected to work non-standard hours. Working times, periods and breaks for those employees who work continuous shifts are determined in conjunction with the occupational physician and employee representative bodies.

#### Breakdown of working hours

	2014	2013	2012
Percentage of employees working non-continuous shifts	68.5%	70.0%	69.0%
Percentage of employees working continuous shifts	31.5%	30.0%	31.0%

#### 6.2.2.2. Absenteeism

The absenteeism rate fell sharply in 2014. The data for this indicator from 2013 and 2012 was incomplete and has been adjusted for 2014.

	2014	2013	2012
Absenteeism rate <sup>1</sup>	3.1%	4.2%	4.4%

*1. Ratio between hours of absence and theoretical working hours (excluding overtime).*

### 6.2.3. LABOUR-MANAGEMENT RELATIONS

#### 6.2.3.1. Organisation of labour-management dialogue, including procedures for informing, consulting and negotiating with employees

In 2013, a Labour-Management Dialogue Charter was put in place and applies to the entire Group. It sets out the following commitments:

- Develop a labour-management partnership in a climate of mutual respect and dialogue;
- Regularly distribute objective information by any means suited to top-down communication ;
- Ensure effective bottom-up communication;
- Uphold the freedom of association;
- Encourage individual and collective employee freedom of expression;
- Consult elected employee representatives;
- Ensure the proper functioning of employee representative bodies;
- Enhance and develop collective negotiations in order to resolve potential difficulties or differences of opinion through dialogue;
- Review action taken in connection with the Charter at a Group Committee meeting once a year.

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 the French overseas departments:

- 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 covering both companies;

These employee representation bodies are represented on a Group Committee, which serves to improve labour-management dialogue, operating in addition to the other bodies set up in the individual power plants and regional economic and employment units. The Group Committee met twice in 2013 (6 June and 10 December 2013) and three times in 2012 (20 January, 23 May and 30 November 2012). The Committee's membership will be renewed in 2015, in the light of elections held in 2014 and early 2015.

All of Albioma's thermal power plants, including all the French thermal power plants whose employees have the special nationally-defined IEG status, also have a "Secondary Employee Commission" in addition to the usual employee representative bodies. The Commission must be informed and consulted with regard to any issues affecting management of special-status employees (recruitment, promotion, transfers).

### Brazil

At Rio Pardo Termoeletrica in Brazil, there is no formal employee representation body. Annual pay review negotiations are required under statutory and local regulatory measures.

#### 6.2.3.2. Review of collective bargaining agreements

In 2014, all Group employees were covered by a collective bargaining agreement or had special IEG status.

Albioma's labour-management dialogue policy facilitates the signature of a number of collective bargaining agreements every year. In 2014, 25 such agreements were signed (compared with 20 in 2013).

## 6.2.4. HEALTH AND SAFETY

### 6.2.4.1. Health and safety conditions in the workplace

The health and safety of employees and external service providers is an important issue for the Albioma Group, and this is confirmed by the Safety Charter introduced in 2013.

The Company has invested in a number of updated operational tools and resources in recent years, including a certified health and safety management system featuring:

- training/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.

This health and safety management system is already operational in the two thermal power plants on Reunion Island, Albioma Le Gol (certified in 2011) and Albioma Bois-Rouge (certified in 2013). In 2014, these two plants were successfully audited and their ILO OSH 2001 certification maintained.

In addition to the resources deployed in the field, the regular Safety Committee meetings introduced in 2013 at the four base load thermal power plants were rolled out across all of the Group's businesses in 2014. The Safety Committee, whose members include the Deputy Director responsible for thermal power operations and the plant manager, addresses issues defined at the start of the year, in accordance with the Group's safety objectives. Committee meetings provide an opportunity to monitor safety performance at each production facility, pool experience and highlight achievements.

The Safety Committees report for 2014 has been examined and discussed by the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee).

#### 6.2.4.2. Review of agreements signed with trade unions and employee representatives relating to health and safety in the workplace

The Group did not enter into any agreements relating to health and safety topics in 2014. In 2013, an agreement was signed in line with the policy set out in the Safety Charter (also published in 2013). This Charter is being rolled out to good effect, supported by cross-functional dialogue between management, internal and external specialists, doctors and employee representatives on the Health, Safety and Working Conditions Committees (CHSCT). The objectives and commitments set out in the Safety Charter have been defined as indicators, which are monitored by Albioma's Executive Committee on a monthly basis.

#### 6.2.4.3. Occupational accidents (including frequency and severity information) and work-related illnesses

The frequency and severity rates of occupational accidents (lost-time >24 h) are monitored on a monthly basis. Despite the sustained efforts of field personnel supported by corporate initiatives to improve safety, the Group's performance slipped in 2014. In December 2014, the Group responded by commissioning an audit of its safety strategy at local and global levels. This audit, conducted by a specialist firm, should yield a clearer understanding of the decrease in performance and identify areas for improvement. The auditor is expected to report its conclusions by the end of the first quarter of 2015.

	2014	2013	2012
Frequency rate	30.1	14.6	26.9
Severity rate	0.69	0.45	0.44
Work-related illness	—	—	—

## 6.2.5. TRAINING

### 6.2.5.1. Training policies

Albioma considers that it is in the Group's clear interest to invest in continuous professional development and training throughout each employee's career. In accordance with its Training Charter, the Group intends to provide all its employees with continuing professional and personal development opportunities by providing them with means and tools that they can use to enhance and improve their skills, achieve personal development and contribute to Albioma's competitiveness.

Albioma's commitments with regard to training are as follows:

- offer each employee a career assessment at least once a year, which will include a review of training received and define personal objectives;
- encourage professional training development by defining ambitious objectives that are consistent with each region's specific profile, offering 35 hours of annual training on average, and putting in place suitable means and resources at Group level;
- develop foreign-language training with a view to the Group's international expansion.

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.2. Employment information

#### 6.2.5.2. Total number of hours of training

Albioma did not achieve its target of providing 35 hours' training per employee in 2014. Although this result is attributable in part to the technical incidents experienced during the year, the issue cannot be left unaddressed. Action will be taken in 2015 to bring performance back in line with targets and, in particular, to give renewed impetus to non-compulsory training.

In hours	2014	2013	2012
Total number of hours of training	10,152	12,580	8,831
Average number of hours of training per employee	25	35	27
of which, training on safety	11	20	11

#### 6.2.6. EQUALITY

##### 6.2.6.1. Measures to promote gender equality

Gender equality is a key part of the Group's diversity policy.

The percentage of female employees within the Group remains low. The proportion of female executives remained stable in 2014.

	2014	2013	2012
Women as a percentage of total workforce	15%	15%	14%
Women as a percentage of executives	18%	18%	17%
Women as a percentage of newly recruited employees	21%	31%	39%

In accordance with Article L. 225-37-1 of the Commercial Code, at its meeting on 4 March 2014 the Board of Directors discussed the Company's policy on professional equality and equal pay on the basis of the preparatory work carried out by the Nomination and Remuneration Committee. The Board of Directors:

- took note that the assessments performed by the Human Resources department, the results of which were presented to the Nomination and Remuneration Committee, did not find any inequality in pay but showed that the percentage of women in the workforce was low;
- approved the job equality and diversity action plan submitted by the Nomination and Remuneration Committee; this action plan is based on:
  - maintaining efforts to increase the proportion of female employees within the Group, particularly among executives, and working to encourage women to pursue technical careers, both within the Group and more generally;
  - hand-in-hand with the drive to increase the proportion of female employees, develop the means of ensuring equal access by men and women to senior management positions and training opportunities;
  - implement an ethics program, including a whistleblowing procedure, to put the Group's commitments into practice, particularly in the area of anti-discrimination measures;
  - roll out measures to identify disabilities in partnership with occupational physicians.

#### 6.2.6.2. Measures to promote the employment and inclusion of people with disabilities

As the proportion of employees with disabilities is an indicator specific to French labour law, it has been calculated for the France scope (excluding Brazil). This proportion increased in 2014 despite the rise in overall headcount. To compensate for the small number of positions accessible to potential employees with disabilities, the Group has substantially increased outsourcing to the sheltered employment sector.

	2014	2013	2012
Percentage of employees with disabilities <sup>1</sup>	1.3%	1.1%	1.2%

1. Beneficiaries (excluding Brazil) of the 'BOE' obligation to employ people with disabilities.

With a view to employing more people with disabilities, disabled access criteria have been factored into the works at the new head office so that the building is accessible to people with reduced mobility.

#### 6.2.6.3. Policy on combating discrimination

The Group actively combats all forms of discrimination and considers diversity to be a priority in its human resources policy. Albioma believes that diversity is a source of dynamism, creativity and performance. The markets in which the Group operates are varied and complex; diversity in the workforce means we are better equipped to adapt and therefore improve overall performance.

In accordance with the Anti-Discrimination Charter, the Group's objectives are to increase diversity in its workforce by achieving a better gender balance and effectively capitalising on the many different cultures represented within Albioma.

#### 6.2.7. PROMOTION OF AND COMPLIANCE WITH THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION ON...

##### 6.2.7.1. ...upholding the freedom of association and the right to collective bargaining

As explained in section 6.2.3 on page 176 of this Registration Document, the Group has introduced a Labour-Management Dialogue Charter and put in place an organisational structure that upholds the freedom of association and the right to collective bargaining. In 2014, the Group entered into 10 collective bargaining agreements addressing issues relating to trade union law and elections.

##### 6.2.7.2. ...the elimination of discrimination in respect of employment and occupation

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.

### 6.2.7.3. ...the 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.

### 6.2.7.4. ...the 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.

## 6.3. Environmental information

Albioma conducts its business in site-specific ecosystems. Due to the Group's significant presence in island locations, Albioma attaches particular importance to ensuring that the interdependencies with other constituent elements of such ecosystems remain functional and balanced. The foundation for Albioma's environmental initiatives consists in understanding and analysing the Group's impacts, ensuring regulatory compliance and operating a continuous improvement process in the area of emissions reductions and resource management.

The Group's efforts to protect the environment have focused on its thermal power plants, which accounted for 90% of installed power capacity in 2014.

Photovoltaic electricity generation - by definition, a clean energy - is monitored essentially in terms of impact on the ground and on biodiversity. This business does not generate waste, and the issue of what to do with end-of-life facilities forms part of the Group's general environmental impact management process.

Collective anaerobic digestion plants create emissions that have environmental impacts. The main emission is digestate, a solid waste product of biomass; due to its agronomic properties, digestate can be fully recovered through agricultural applications.

### 6.3.1. GENERAL ENVIRONMENTAL POLICY

Albioma's environmental policy is underpinned by the Group's proactive commitment to industrial ecology. In particular, this commitment concerns:

- Contributing to the energy transition through a more balanced energy mix (less dependent on fossil fuels):
  - by leveraging the Group's extensive experience of co-combustion of sugar-making bagasse to increase thermal recovery rates from other sources of biomass, while factoring in any risks of conflicting uses;
  - by harnessing the abundant sunshine at its locations in the French overseas departments to develop a photovoltaic energy business;
  - by developing power generation from biodegradable waste well-suited to anaerobic digestion processes;
- Making efficient use of resources, in keeping with two of the four industrial ecology strategies (intensifying resource use and limiting dissipative losses):
  - by maintaining high power generation efficiency rates at its existing plants and striving for excellence through a continuous performance improvement process;
  - by incorporating the latest technological advances in the area of energy efficiency when designing new power plants;

- Reducing environmental impacts:

- by contributing to the fight against the greenhouse effect by increasing the share of production from renewable sources;
- by minimising the environmental impact of the Group's activities by controlling and monitoring its emissions;
- by developing industrial ecology symbiosis solutions applicable to by-products from the Group's activities (implementing short return-to-the-earth loops, recovering by-products in construction materials, etc.).

### 6.3.1.1. The Group's organisational response to environmental issues and where applicable, environmental assessment and/or certification processes

At Group level, environmental matters are the responsibility of the Corporate Social Responsibility (formerly Environmental and Social Responsibility) department, which steers, leads and coordinates all such initiatives. This department oversees collection of environmental data and consolidates it at Group level. Two air and water pollution experts also report to the Engineering and Works department at head office, providing support to operational subsidiaries. In 2012, Albioma set up an Environmental and Social Responsibility (henceforth Corporate Social Responsibility) Committee under the aegis of the Board of Directors. This committee met four times in 2014 (see details provided in section 2.2.4.1 on page 54 of this Registration Document).

In the field, subsidiaries are given considerable responsibility for management of environmental matters, depending on the level of investment required: each subsidiary is responsible for identifying and reducing its own environmental impacts, and for implementing Group policy at local level. The principal operational subsidiaries have appointed a Quality/Safety/Environment (QSE) manager.

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

The certification process continues at the Group's other thermal facilities in the West Indies and French Guiana region, with the goal of obtaining certification within two years. Preparatory work is also in progress with a view to certification of the Group's photovoltaic facilities in the France - Indian Ocean region.

### 6.3.1.2. Environmental protection-related employee training and information initiatives

Albioma makes its environmental preservation requirements clear to all employees. As part of the certification process, 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 Activity and Sustainable Development Report published in 2014 describes the Group's environmental impacts and the action taken to reduce them and provide Albioma with sustainable development solutions. Every employee received a copy of the report.

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.3. Environmental information

#### 6.3.1.3. Resources allocated to pollution and environmental risk prevention efforts

In order to comply with regulatory requirements and uphold the Group's environmental priorities, the various production facilities devote considerable resources to reducing their environmental impact and preventing pollution risks.

<i>In thousands of euros</i>	2014	2013	2012
Expenditure on pollution and environmental risk prevention	11,525	4,297	10,515

#### 6.3.1.4. Amount of provisions and guarantees relating to environmental risks

The Group was not concerned by any environmental disputes in 2014.

In view of the obligation to provide financial guarantees - applicable to environmentally-classified facilities (Installations Classées pour la Protection de l'Environnement - ICPE) under the terms of 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 Article R. 516-1 of the Environmental Code - in December 2013, Albioma submitted a file to the competent authorities, in which the total cost of safely decommissioning its facilities was assessed to be €664,000. As of 30 June 2014, the Group had provided a financial guarantee representing 20% of the estimated cost, with the outstanding amount to be contributed at the rate of 20% per annum over the next four years.

### 6.3.2. POLLUTION AND WASTE MANAGEMENT

#### 6.3.2.1. Measures to prevent, reduce or remediate environmentally harmful releases into the atmosphere, water or ground

Albioma is aware of the environmental impacts of its activities, makes ongoing investments to improve its production facilities and strives to reduce emissions into the atmosphere, water and the ground. The Engineering and Works department set up in 2013 is responsible for carrying out and monitoring work at thermal power plants.

Throughout 2014, the Group pursued its preparatory studies for a major capital investment programme to reduce atmospheric emissions, especially sulphur dioxide and nitrous oxide emissions. This programme will enable the Group to rapidly bring its thermal power plants into compliance with the new emission limits stipulated by the recently-introduced EU Directive on industrial emissions. The final stage of the fume post-treatment systems that will be installed consists in baghouse filters that will protect plants against potential electrofilter malfunctions.

#### Atmospheric emissions

<i>In tonnes</i>	2014	2013	2012
SOx <sup>1</sup>	6,772	8,090	7,260
NOx <sup>2</sup>	4,819	4,623	4,299
Particulate	166	145	192
CO <sup>3</sup>	1,531	1,128	1,105

1. Sulphur oxide.

2. Nitrogen oxide.

3. Carbon monoxide.

In 2014, Albioma carried out installation works for liquid waste and runoff water processing facilities at its Albioma Le Gol and Albioma Bois-Rouge plants on Reunion Island. These facilities, which were commissioned in December 2014, decrease the suspended matter content of aqueous discharges from these two plants. They are equipped with continuous measuring instruments that provide more precise, reliable information to plant operators.

#### 6.3.2.2. Waste prevention, recycling and disposal measures

Coal and biomass combustion by-products, in the form of ash and slag, account for most of the solid waste generated by Albioma's activities. Accordingly, particular focus has been given to these substances since early 2013, with the twin aims of ensuring that they have no environmental impact and developing waste recovery solutions. Using them in future as raw materials for certain activities, particularly in the construction industry, would enable the volumes of imported and locally-extracted resources to be reduced; this benefit is particularly significant in the context of the island locations of the Group's main facilities.

Albioma completed its inventory of the various grades of ash and slag produced by the Group's plants in the first half of the year. The purpose of this study was to enhance the Group's understanding of its by-products and assess their behaviour with respect to the various applicable standards and regulatory baselines. A very wide range of parameters were studied, in particular covering leaching (water extraction) tests, the absence of soil and hydrogeological impacts in storage conditions, biological stability and the absence of radiological impacts in the context of the regulations on technologically enhanced natural radioactivity.

In the light of the positive results of all the aforementioned studies, the various processes were ranked, in particular in terms of implementation times. Pending the emergence of new recovery processes, Albioma has decided to give priority to disposal at sites intended for inert materials, which offer the benefit of a clearly defined regulatory framework.

#### Combustion by-products

<i>In tonnes</i>	2014	2013	2012
Slag	67,163	78,978	81,407
Ash	132,216	126,626	142,413
Gypsum	3,972	4,550	4,821
<b>Total</b>	<b>203,351</b>	<b>210,154</b>	<b>228,641</b>

Albioma works in symbiosis with its agribusiness partners, recovering by-products from their activities and supplying them with energy.

Albioma's Thermal Biomass activity employs a business model based on a highly efficient process for recovering energy from bagasse, a fibrous residue from the sugarcane production process. The Anaerobic Digestion activity 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 gas distribution network.

As an industrial ecology stakeholder, the Group is naturally fully engaged in the virtuous circle of waste reduction. Furthermore, Albioma ensures that its own industrial waste is managed by properly certified subsidiaries, and recycled whenever possible.

**Industrial waste**

<i>In tonnes</i>	2014	2013	2012
Non-hazardous industrial waste	7,405	3,295	404
Hazardous industrial waste	220	197	189
<b>Total</b>	<b>7,626</b>	<b>3,492</b>	<b>593</b>

In 2014, development work for the green waste reception area at the Albioma Le Gol plant entailed the non-recurrent production of a large volume of earth that in turn had to be disposed of. Sludge clearing operations in water retaining ponds were another factor in the increase in the quantity of industrial waste produced.

**6.3.2.3. Inclusion of noise-related nuisances and other forms of pollution specific to a particular activity**

The prefectural orders applicable at the Group's thermal plants and collective 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.

**6.3.3. SUSTAINABLE USE OF RESOURCES****6.3.3.1. Water procurement and consumption in accordance with local restrictions**

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 air cooling towers that operate with ambient air rather than a water supply.

Water consumption is measured continuously at local level and tracked centrally at monthly Executive Committee Meetings.

**Water consumption**

	2014	2013	2012
Raw water extraction (thousands of cu. m)	7,397	7,416	8,025
Water intensity of power generation activity (cu m./MWh)	2.38	2.30	2.30

**6.3.3.2. Raw material consumption and measures in favour of more efficient resource utilisation**

The Group uses fuel, but does not consume raw materials in the strict sense of the term. Albioma strives constantly to increase the efficiency with which it uses renewable and fossil fuels.

<i>In thousands of tonnes</i>	2014	2013	2012
Total biomass consumption	742	611	674
of which, bagasse consumption	681	611	674
Coal consumption	883	951	990
Heating oil consumption	22	37	23

**6.3.3.3. Energy consumption, energy efficiency measures and use of renewable energy**

The vast majority of the Group's plants operate using power generated onsite. Annual targets for reducing this consumption as a share of power generated output are set for each of the Group's thermal power plants. Performance in this area is measured by a manager onsite, and the results reported to the Group Executive Committee on a monthly basis. Engineers with the Engineering and Works department are specifically assigned to monitor and improve plant performance.

The yield in terms of electricity output per ton of sugarcane crushed is a key indicator of the performance of the industrial processes employed for Albioma's Thermal Biomass activity.

<i>In kWh produced per tonne of cane crushed</i>	2014	2013	2012
Electricity yield per tonne of sugarcane <sup>1</sup>	137	141	140

1. Including electricity supplied to sugar refineries

Albioma is a leading producer of renewable energy in the French overseas departments and, as stated in section 6.3.1 on page 179 of this Registration Document, the Group intends to contribute to the energy transition through a more balanced energy mix.

	2014	2013	2012
Renewable energy as a percentage of total power output	33.8%	31.1%	35.2%

In 2013, the West Indies – French Guiana region experienced an unusually severe drought, which adversely impacted local sugarcane production. Weather conditions during the 2014 sugar harvest were more clement, both in Guadeloupe and Reunion Island, enabling sugarcane and bagasse production to return to normal levels.

Furthermore, the Group's renewable energy production was increased and diversified as a result of contributions from the anaerobic digestion units and Albioma Le Gol's green waste recovery business.

**6.3.3.4. Land use**

Land use issues are a focus of attention for Albioma's photovoltaic activities using solar farms. During the design process for such photovoltaic power plants, the Group researches sustainable solutions to avoid or minimise any encroachment onto farming land and, where applicable, offset any impact on agricultural activities.

Solutions to develop sheep farms to graze the 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.

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.4. Social information

#### 6.3.4. CLIMATE CHANGE

##### 6.3.4.1. Greenhouse gas emissions

Albioma produces renewable energy and, as stated in section 6.3.1 on page 179 of this Registration Document, the Group intends to actively reduce its greenhouse gas emissions by adopting a more balanced energy mix.

	2014	2013	2012
Direct greenhouse gas emissions (thousands of tonnes CO <sub>2</sub> equivalent)	2,239	2,360	2,403
of which, CO <sub>2</sub> <sup>1</sup> emissions	2,204	2,329	2,380
of which, N <sub>2</sub> O <sup>2</sup> emissions	24	25	16
of which, CH <sub>4</sub> <sup>3</sup> emissions	11	6	8
Carbon intensity of electricity and steam production <sup>4</sup> (grams CO <sub>2</sub> /kWh)	708	730	678

1. Carbon dioxide.

2. Nitrogen protoxide.

3. Methane.

4. Only direct CO<sub>2</sub> emissions are included.

The quantity of bagasse recovered by Albioma's thermal power plants increased in 2014, resulting in lower coal consumption. This twin effect accounts for the decrease in carbon intensity of the Group's energy production.

##### 6.3.4.2. Adaptation to the effects of climate change

The Intergovernmental Panel on Climate Change (IPCC) predicts a strong probability of extreme rainfall events becoming more intense and more frequent in humid tropical regions, such as those in which the Group operates. Albioma is careful to assess the vulnerability of its planned and existing installations with due consideration for climate change forecasts.

#### 6.3.5. BIODIVERSITY PROTECTION

##### 6.3.5.1. Measures to preserve or enhance biodiversity

Impact studies conducted during the construction phase for each of the Group's plants have yielded offset measures or recommendations relating to biodiversity issues such as restoring natural habitats, blending structures into the landscape, etc. These measures and recommendations have been systematically taken into consideration and implemented by the Group.

## 6.4. Social information

### 6.4.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE GROUP'S ACTIVITIES...

#### 6.4.1.1. ...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 premium corresponds to a fraction of revenues from bagasse recovery-based electricity production, which is passed on to the sugarcane growers and refineries. The sugarcane sector represents 18,300 jobs on Reunion Island<sup>1</sup> and 10,000 jobs in Guadeloupe<sup>2</sup>.

Wherever the Group operates, its subsidiaries:

- provide employment in local economies 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.

In 2014, extensive work to construct liquid waste processing facilities at the Albioma Bois-Rouge and Albioma Le Gol plants was carried out. These were major projects for the Group and competitive bidding processes were organised, with local and metropolitan contractors being notified in accordance with company guidelines. Ultimately, metropolitan contractors were selected, accounting for the decrease in the proportion of local purchases between 2013 and 2014.

	2014	2013	2012
Number of direct and indirect jobs supported <sup>1</sup>	678	694	588
Proportion of local purchases <sup>2</sup>	43%	68%	59%
Amount of taxes paid to local authorities (in thousands of euro)	9,408	9,857	12,012

1. Excluding jobs upstream.

2. As a percentage of the Group's total purchases, excluding fuel.

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

2. Source: Guadeloupe Office of food, agriculture and forests (Direction de l'Alimentation, de l'Agriculture et de la Forêt).

The most significant local economic impact associated with the operation of the Group's thermal power plants is the 'virtuous partnership' with sugar refineries. Adopting a circular economy approach, Albioma uses the co-products of the sugarcane 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, and cutting maintenance costs).

	2014	2013	2012
Steam sent to sugar refineries (in thousands of tonnes)	1,638	816	958
Estimated savings for sugar refineries <sup>1</sup> (in thousands of euro)	14,745	7,340	8,619

1. Steam sale price, excluding fuel, estimated at €9 per tonne.

The significant increase in the quantity of steam supplied to sugar refineries results from the inclusion of the Rio Pardo Termoeléctrica plant in 2014.

#### 6.4.1.2. ...on local populations and residents

The Group's power generation activity directly helps to provide an essential service to local populations, especially in areas that are not connected. Albioma produces a substantial proportion of the electricity consumed on Reunion Island and in Guadeloupe (see information on the Group's market position in section 1.3.3.1 on page 13 of this Registration Document).

	2014	2013	2012
Net electricity produced and sold <sup>1</sup> (in GWh), of which:	2,308	2,314	2,506
thermal	2,198	2,217	2,303
photovoltaic	97	97	97
anaerobic digestion	13	n/a	n/a
Number of households whose electricity is supplied by Albioma	854,858	857,039	928,245
Number of people whose electricity is supplied by Albioma	1,880,689	1,885,485	2,134,964

1. Group's total net production sold, excluding Mauritius.

The Group makes every effort to fit into the local environment, and strives to deliver a high-quality, reliable power supply. The high availability rate of the Group's power plants ensures that the local power grid is optimally supplied. In 2014, the Group's overall availability rate decreased, due to technical incidents at the Albioma Bois-Rouge and Albioma Le Moule plants.

	2014	2013	2012
Availability rates of thermal installations <sup>1</sup>	90.0%	92.3%	92.2%

1. This rate corresponds to the 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 by the plant and the maximum demand for energy.

The Group's photovoltaic installations in the West Indies - French Guiana region include rooftop photovoltaic panels on social housing in Martinique. This project arose out of a close partnership with Société Immobilière de la Martinique (SIMAR). The panels will in time cover the electricity needs of 1,400 residents, who will see their service charges fall as a result. Similarly, the additional income generated will enable SIMAR to renovate these homes.

### 6.4.2. RELATIONS WITH INDIVIDUALS AND ORGANISATIONS CONCERNED BY THE GROUP'S ACTIVITIES, INCLUDING OCCUPATIONAL INSERTION ASSOCIATIONS, EDUCATIONAL ESTABLISHMENTS, ENVIRONMENTAL ASSOCIATIONS, CONSUMER ASSOCIATIONS AND LOCAL RESIDENTS

#### 6.4.2.1. Dialogue with individuals and organisations

Albioma has been operating as an energy producer in the French overseas departments for more 20 years. The Group has always maintained good working relationships with partners, although this has not been a particular focus of external corporate communication. The Group now feels that the time has come to structure this approach and ensure that good practices at certain production facilities are shared and rolled out across all locations.

To this end, an assessment of possible interactions with partners was launched in 2014, overseen in particular by the Corporate Social Responsibility Committee (formerly the Environmental and Social Responsibility Committee). This approach has given the Group a clearer understanding of the issues relating to this type of consultation and helped to identify areas for action.

As part of the official inauguration ceremony in 2014, a delegation of Mauritian businesses toured the photovoltaic installation with integrated storage solution built on the roof of a Leclerc shopping centre on Reunion Island. The Group's plants (Albioma Le Moule, Tiper Méthanisation, etc.) hold open-day events attended by significant numbers of school children and students each year, in order to share Albioma's industrial culture and raise its profile with young people.

#### 6.4.2.2. Partnerships and sponsorships

##### Partnership with Énergie de Martinique

In December 2014, Albioma and EDF agreed a bagasse/biomass pricing amendment for the Galion 2 plant in Martinique, which will be the largest all-biomass power plant in Overseas France.

Albioma is working in partnership with Énergie de Martinique (a Martinican semi-public company involving the Martinique Regional Authority) to develop new processes enabling the use of new types of locally sourced biomass in addition to sugar refining bagasse, such as sugarcane chaff, the hitherto unrecovered fraction of distillery bagasse, coppice wood, non-fermentable green waste and energy crops grown without conflicts of use. Ultimately, nearly 40% of the plant's procurement needs should be fulfilled by locally sourced biomass.

As part of this effort, early trials with sorghum were carried out in partnership with three pioneer farmers, supported by a specialist technical institute, *Institut Technique Tropical*, with the long-term aim of including this crop in banana plantation rotations. In light of these trials, an initial inventory of the most favourable conditions for this new type of crop was compiled, with the constant aim of avoiding conflicts of use in terms of both land and biomass. The partnership with Énergie de Martinique combines the Martinique Regional Authority's knowledge of Martinique's agricultural context with Albioma's industrial expertise in biomass recovery for use as fuel.

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.4. Social information

#### Almar training plan

Sixteen young people from Overseas France have been working with the Group since May 2014 as part of the Almar training project, which arose out of a partnership between the AFPA adult vocational training organisation (Association pour la Formation Professionnelle des Adultes), the LADOM agency for the promotion of professional mobility in the French overseas departments (*Agence de l'Outre-mer pour la Mobilité*), the AGEFOS PME training tax collection agency (*Organisme Paritaire Collecteur Agréé*) and Albioma's four baseload thermal power plants. These apprentices, working towards a qualification as heating equipment maintenance technicians, spend part of their 14-month course at the Group's production facilities and part receiving more theoretical training at the AFPA campus in Lardy, near Paris. The first class of trainees should receive their qualifications in July 2015.

At the inaugural edition of the Reunion Island training awards (*Trophées de la Formation*) organised by MEDEF Réunion and Opcalia Réunion, Albioma received the "formalised quality policy" award in the Work-study Training category.

#### Local sponsorship actions

Albioma subsidiaries organise local sponsorship actions every year. For example, the group sponsors sports clubs in several areas in which it operates, with particular focus on team sports and environmentally-friendly outdoor sports.

<i>In thousands of euros</i>	2014	2013	2012
Financial contributions for sponsorship initiatives	25	43	30

The level of financial contributions provided to partners in 2014 was similar to the figure for 2012. A new policy on donations and corporate philanthropy is to be implemented in 2015. This policy will give priority to sponsoring and philanthropy initiatives that resonate with the Group's aims.

#### 6.4.3. SUBCONTRACTING AND SUPPLIERS

##### 6.4.3.1. Inclusion of social and environmental issues in purchasing policy

New general terms and conditions of purchase came into effect across the Group on 1 January 2014. They include a clause on corporate social responsibility, setting out the Group's commitments and requirements in this area. A copy of these terms and conditions is provided to all Albioma suppliers.

In addition, purchases of imported fossil fuels, which represent a substantial proportion of Group purchases, are sourced from recognised, quality suppliers (EDF Trading, ATIC Services) who in turn procure materials from producers who observe good practices in terms of corporate social responsibility. The certified thermal plants also conduct annual assessments of their strategic suppliers, which include health, safety and environmental criteria.

##### 6.4.3.2. 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 up-skilling initiatives as necessary.

	2014	2013	2012
Subcontracting costs (in thousands of euro)	36,141	34,811	37,426
Subcontracting costs as a percentage of operating costs	10.59%	10.20%	9.20%

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

The Safety Charter introduced by Albioma in 2013 contains safety-related commitments applying to Group employees and also to subcontractors working on Group sites (see details provided in section 6.2.4 on page 177 of this Registration Document). Albioma pays particular attention to accidents at its facilities, regardless of whether the victim is a Group employee or employed by a subcontractor.

#### 6.4.4. FAIR PRACTICE

##### 6.4.4.1. Anti-corruption measures

Albioma's business practices are designed to prevent corruption-related risks. In 2014, as in previous years, the Group did not encounter any corruption-related incidents.

##### 6.4.4.2. Consumer health and safety measures

The approval and operating licence application procedures for environmentally-classified facilities (ICPE), such as the Group's thermal power plants and collective agricultural anaerobic digestion units, include "health impact" aspects. Albioma fully complies with these criteria.

##### 6.4.4.3. Other actions to uphold human rights

As indicated in section 6.2.7 on page 178 of this Registration Document, Albioma complies with the Fundamental Conventions of the International Labour Organization and respects human rights.

6.5. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, human resources and social information included in the Management Report

### 6.5. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, human resources and social information included in the Management Report

*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.*

#### FOR THE YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In our capacity as Statutory Auditor of Albioma, (the "Company"), appointed as an independent third party and certified by COFRAC under number 3-1060<sup>1</sup>, we hereby report to you on the consolidated environmental, human resources and social information for the year ended 31 December 2014, included in the management report (hereinafter the "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 management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the "Protocol of assessment and reporting of non-financial information – Environmental, human resources and social indicators" 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

Our independence is defined by regulatory texts, the French Code of Ethics (*Code de déontologie*) governing our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical requirements, French professional standards and applicable legal and regulatory requirements.

#### Statutory Auditor's responsibility

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

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure 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 (Statement regarding the completeness of the 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).

Our work was carried out by a team of 4 persons between October 2014 and March 2015 and lasted around 13 weeks. We were assisted in our work by our experts in corporate social responsibility.

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 3000<sup>2</sup> concerning our conclusion on the fairness of CSR Information.

#### 1. Statement regarding the completeness of the CSR Information

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 the human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising therefrom.

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 was not disclosed, we verified that the 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 entities it controls as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in "Methodology of reporting and consolidation of environmental, human resources and social information" section of the management report.

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

1. whose scope is available at [www.cofrac.fr](http://www.cofrac.fr)

2. ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

### 6.5. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, human resources and social information included in the Management Report

#### 2. Conclusion on the fairness of the CSR Information

##### Nature and scope of our work

We conducted a dozen interviews with the persons responsible for preparing the CSR Information in the departments responsible for collecting the information, 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 a data-collection, compilation, processing and control process to ensure the 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 important (as set out in the appendix to the report):

- 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 accordance with the other information in the management report;
- at the level of a representative sample of entities selected by us<sup>1</sup> on the basis of their activity, their contribution to the consolidated indicators, 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 50% of the headcount and between 64% and 92% of the quantitative environmental data.

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 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 our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Neuilly-sur-Seine, on 28 April 2015

One of the Statutory Auditors,

**PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

Sylvain Lambert  
Partner - Sustainable Development department

1. Thermal biomass - Reunion Island: Albioma Le Gol and Albioma Bois Rouge; Solar Power - Caribbean area: Antilles - Guyane; Thermal biomass - Brazil: Rio Pardo; Anaerobic digestion: Tiper (Poitou Charente, France)

## 6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.5. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, human resources and social information included in the Management Report

### Appendix: List of information that we considered to be the most important

#### Human resources (employment) information

- Total workforce and breakdown according to gender
- Breakdown of recruitments by type of contract
- Percentage of interns, trainees and apprentices
- Number of departures
- Gross average monthly salary
- Number of hours worked
- Number of hours of overtime
- Absenteeism rate
- Review of collective bargaining agreements
- Labour-management dialogue policy (qualitative)
- Frequency rate
- Severity rate
- Number of hours of training
- Number of hours of training on safety issues

#### Environmental information

- General environmental policy (qualitative)
- SO<sub>x</sub>, NO<sub>x</sub> and particulate emissions
- Quantity of combustion by-products generated
- 2014-2018 combustion by-product programme (qualitative)
- Consumption of energy raw materials (coal, bagasse and heating oil)
- Electricity yield per ton of sugarcane
- Renewable energy as a percentage of total power output
- Water intensity of power generation
- Carbon intensity of electricity and steam production

#### Social information

- Installation availability rate
- Impact on regional employment (qualitative)
- Consideration of subcontractors in the health and safety policy (qualitative)



# LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

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## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.1. Company information

## 7.1. Company information

### 7.1.1. IDENTIFICATION DETAILS

#### 7.1.1.1. 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.

#### 7.1.1.2. Legal form

Albioma is a French limited company incorporated as a société anonyme governed by a Board of Directors.

#### 7.1.1.3. Legislation applicable to the issuer

Albioma is governed by French law.

#### 7.1.1.4. Trade and companies register

The Company is registered in the Nanterre Trade and Companies Register under number 775 667 538 (APE Code: 7010 Z).

#### 7.1.1.5. 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."*

#### 7.1.1.6. 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."*

#### 7.1.1.7. 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 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.

#### 7.1.1.8. Financial year

The Company's financial year commences on 1 January and ends on 31 December of each year.

#### 7.1.1.9. 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](http://www.albioma.com).

### 7.1.2. INCORPORATING DOCUMENTS AND MEMORANDUM AND ARTICLES OF ASSOCIATION

#### 7.1.2.1. Amendments to the Memorandum and Articles of Association put to the General Meeting of 28 May 2015

The General Meeting of 28 May 2015 will be asked to vote on:

- an amendment to Article 32 of the Memorandum and Articles of Association, designed to render the Memorandum and Articles of Association compliant with the new provisions of Article R. 225-85 of the French Commercial Code (Code de Commerce), introduced by Article 4 of Decree No. 2014-1466 of 8 December 2014 modifying the date and the procedures for the preparation of the list of persons authorised to take part in general meetings of shareholders and bondholders for trading companies (see explanations given in the Board of Directors' report to the General Meeting set out in section 8.2 on page 220 *et seq.* of this Registration Document);
- an amendment to Article 37 of the Memorandum and Articles of Association, designed to reassert the 'one share, one vote' principle, through the exemption provided for in Article L. 225-123 of the French Commercial Code as amended by Law no. 2014-384 of 29 March 2014 introduced to re-establish the real economy (see explanations given in the Board of Directors' report to the General Meeting set out in section 8.2 on page 220 *et seq.* of this Registration Document).

#### 7.1.2.2. 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 proportion 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 video-conferencing 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.*

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.1. Company information

*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."*

#### **7.1.2.3. 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 repayment 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 General Meetings the quorum shall be calculated on the basis of all the shares comprising the share capital, with the exception of those that have been stripped of voting rights pursuant to the laws or regulations, and each shareholder shall have as many votes as the number of shares he holds or represents provided all amounts due thereon have been paid, subject only to the restrictions provided in the applicable legislation."*

**Article 45 of the Memorandum and Articles of Association**

*I. "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 share 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.*

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### 7.1. Company information

*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."*

*II. "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 share capital.*

*The provisions of this paragraph 2 will apply for the first time to the payment of dividends for the financial year ended 31 December 2015, resolved by the shareholders at the General Meeting to be held in 2016."*

#### **7.1.2.4. Amendment to shareholder rights (Article 39 of the Memorandum and Articles of Association)**

Please refer to section 7.1.2.5 on page 194 of this Registration Document.

#### **7.1.2.5. 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 three 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 third 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

"At General Meetings the quorum shall be calculated on the basis of all the shares comprising the share capital, with the exception of those that have been stripped of voting rights pursuant to the laws or regulations, and each shareholder shall have as many votes as the number of shares he holds or represents provided all amounts due thereon have been paid, subject only to the restrictions provided in the applicable legislation."

#### 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.

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### 7.2. Information about the share capital

*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 experts 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."*

#### 7.1.2.6. 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.

#### 7.1.2.7. Clauses that may affect control of the Company

Not applicable.

#### 7.1.2.8. Changes to the share 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 share capital by any means allowed by the applicable laws.*

*In the event of a reduction of the share 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 7.1.2.5 on page 194 of this Registration Document.

### 7.2. Information about the share capital

#### 7.2.1. PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION CONCERNING CHANGES IN CAPITAL AND VOTING RIGHTS

Not applicable.

#### 7.2.2. ISSUED CAPITAL AND UNISSUED AUTHORISED CAPITAL

##### 7.2.2.1. Issued capital

As at 31 December 2014, the Company's share capital was €1,144,794.88 divided into 29,734,932 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 share capital did not change between 31 December 2014 and the filing of this Registration document.

##### 7.2.2.2. Unissued authorised capital

**Summary of the authorisations that are currently valid or that expired during the 2014 financial year granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the share capital or buy back the Company's own shares.**

The table set out below presents, in particular pursuant to the provisions of Article L. 225-129-5 of the French Commercial Code, the valid authorisations as well as those that expired during the 2014 financial year, granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the share capital or buy back the Company's own shares, and the extent to which they were used by the Board of Directors during the 2014 financial year. The following proposed amendments to the Memorandum and Articles of Association will be put to the General Meeting of 28 May 2015 (please refer to the information set out in the Board of Directors' report for the General Meeting which can be found in section 8.2 on page 220 *et seq.* of this Registration Document):

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### 7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2014 financial year)				Authorisations proposed to the General Meeting of 28 May 2015		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
<b>INCREASE OF CAPITAL</b>							
Issue with maintenance of preferential subscription rights	31/05/2012 (10)	26	€357,000 in par value for capital securities, €200 million in par value for debt securities	None	n/a	n/a	n/a
Issue with maintenance of preferential subscription rights	27/05/2014 (14)	26	€357,000 in par value for capital securities, €200 million in par value for debt securities	None	12	26	€357,000 in par value for capital securities, €200 million in par value for debt securities
Issue with waiver of preferential subscription rights by means of a public offering	31/05/2012 (11)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities <sup>1</sup>	None	n/a	n/a	n/a
Issue with waiver of preferential subscription rights by means of a public offering	27/05/2014 (15)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities <sup>5</sup>	None	13	26	€215,000 in par value for capital securities, €200 million in par value for debt securities <sup>7</sup>
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	31/05/2012 (12)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities <sup>1</sup>	None	n/a	n/a	n/a
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	27/05/2014 (16)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities <sup>5</sup>	None	14	26	€215,000 in par value for capital securities, €200 million in par value for debt securities <sup>7</sup>
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	31/05/2012 (13)	26	15% of the initial issue <sup>1</sup>	None	n/a	n/a	n/a
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	27/05/2014 (17)	26	15% of the initial issue <sup>5</sup>	None	15	26	15% of the initial issue <sup>7</sup>
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	31/05/2012 (14)	26	10% of the share capital on the date of the Board of Directors' decision setting the price of the issue per 24-month period <sup>1,2</sup>	None	n/a	n/a	n/a
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	27/05/2014 (18)	26	10% of the share capital on the date of the Board of Directors' decision setting the price of the issue per 24-month period <sup>5,6</sup>	None	16	26	10% of the share capital on the date of the Board of Directors' decision setting the price of the issue per 24-month period <sup>7,8</sup>
Issue to remunerate contributions in kind granted to the Company, within the limit of 10% of the capital	31/05/2012 (15)	26	10% of the share capital on the date of the Board of Directors' decision on the issue <sup>1</sup>	None	n/a	n/a	n/a

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2014 financial year)				Authorisations proposed to the General Meeting of 28 May 2015		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
Issue to remunerate contributions in kind granted to the Company, within the limit of 10% of the capital	27/05/2014 (19)	26	10% of the share capital on the date of the Board of Directors' decision on the issue <sup>5</sup>	None	17	26	10% of the share capital on the date of the Board of Directors' decision on the issue <sup>7</sup>
Issue to remunerate contributions of securities pursuant to a public exchange offer	31/05/2012 (16)	26	€215,000 in par value <sup>1</sup>	None	n/a	n/a	n/a
Issue to remunerate contributions of securities pursuant to a public exchange offer	27/05/2014 (20)	26	€215,000 in par value <sup>5</sup>	None	18	26	€215,000 in par value <sup>7</sup>
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	31/05/2012 (17)	26	€50,000 in par value <sup>1</sup>	None	n/a	n/a	n/a
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	27/05/2014 (21)	26	€50,000 in par value <sup>5</sup>	None	19	26	€50,000 in par value <sup>7</sup>
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	31/05/2012 (18)	26	Total amount that can be capitalised as at the date of the Board of Directors' decision	None	n/a	n/a	n/a
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	27/05/2014 (22)	26	Total amount that can be capitalised as at the date of the Board of Directors' decision	None	20	26	Total amount that can be capitalised as at the date of the Board of Directors' decision
<b>TREASURY SHARES</b>							
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	30/05/2013 (13)	18	10% of the share capital (5% of the share 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. €60 million Maximum purchase price per share: €28	Implementation of a liquidity contract operated by Exane BNP Paribas (53,443 treasury shares as at 27/05/2014) <sup>3</sup>	n/a	n/a	n/a

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2014 financial year)				Authorisations proposed to the General Meeting of 28 May 2015		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
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	27/05/2014 (12)	18	10% of the share capital (5% of the share 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. €75 million Maximum purchase price per share: €36	Implementation of a liquidity contract operated by Exane BNP Paribas and buy back of 38,424 shares to be used for the bonus share plan adopted by the General Meeting of 14 March 2012 (116,499 treasury shares as at 31/12/2014) <sup>3</sup>	10	18	10% of the share capital (5% of the share 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. €75 million Maximum purchase price per share: €36
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	30/05/2013 (16)	18	10% of the share capital per 24-month period	None	n/a	n/a	n/a
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	27/05/2014 (13)	18	10% of the share capital per 24-month period	None	11	18	10% of the share capital per 24-month period
<b>SHARE SUBSCRIPTION AND PURCHASE OPTION PLANS AND BONUS SHARE PLANS</b>							
Grant of authorisation to the Board of Directors to allot existing or new bonus shares to employees and Corporate Officers of the Company and related companies	14/03/2012 (8)	38	810,000 shares <sup>1</sup>	Allotment of 117,213 bonus shares <sup>4</sup>	n/a	n/a	n/a
Grant of authorisation to the Board of Directors to allot existing or new bonus shares to employees and Corporate Officers of the Company and related companies	27/05/2014 (23)	38	830,000 shares <sup>5</sup>	Allotment of 689,000 bonus shares <sup>4</sup>	n/a	n/a	n/a

1. 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 10th resolution of the General Meeting of 31 May 2012.

2. Maximum amount set against the caps of €215,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 11th and 12th resolutions of the General Meeting of 31 May 2012, 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 10th resolution of the General Meeting of 31 May 2012.

3. See explanations given in section 7.3.6.2 on page 205 of this Registration Document.

4. See explanations given in section 7.4.3.1 on page 209 et seq. of this Registration Document.

5. 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.

6. Maximum amount set against the caps of €215,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 15th and 16th resolutions of the General Meeting of 27 May 2014, 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 14th resolution of the General Meeting of 27 May 2014.

7. 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.

8. Maximum amount set against the caps 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.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.2. Information about the share capital

#### Potential capital

The table set out below presents the potential share capital on 31 December 2014 and on the date of the filing of this Registration Document. Changes in the potential capital between 31 December 2014 and the date of the filing of this Registration Document are due to:

- the effective acquisition of 1,501 bonus shares under the first tranche of the bonus share plan adopted by the General Meeting of 14 March 2012, made possible by the fact that the performance condition for this tranche has been satisfied, requiring the achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of at least €18.50 (see explanations given in section 7.4.3.1 on page 210 of this Registration Document);
- the recorded cancellation of the allotment of 516,450 bonus shares under the second and third tranches of the bonus share plan adopted by the General Meeting of 14 March 2012, as the performance conditions for the effective acquisition of the said shares were not satisfied by 26 January 2015 (see explanations given in section 7.4.3.1 on page 210 of this Registration Document);
- the recorded cancellation of the allotment of 1,167 bonus shares under the first tranche of the bonus share plan adopted by the General Meeting of

14 March 2012, as the relevant beneficiaries have left the Company (see explanations given in section 7.4.3.1 on page 210 of this Registration Document);

- the allotment of 19,300 bonus shares under the bonus share plan adopted by the General Meeting of 27 May 2014 in favour of Group employees who are not members of the Executive Committee (see explanations given in section 7.4.3.1 on page 212 of this Registration Document);
- the recorded cancellation of the allotment of 4,800 bonus shares under the bonus share plan adopted by the General Meeting of 27 May 2014 for Group employees who are not members of the Executive Committee (see explanations given in section 7.4.3.1 on page 212 of this Registration Document);
- the effective acquisition of 1,167 bonus shares under the first tranche of the bonus share plan adopted by the General Meeting of 14 March 2012, made possible by the fact that the performance condition for this tranche has been satisfied, requiring the achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of at least €18.50 (see explanations given in section 7.4.3.1 on page 210 of this Registration Document).

	31/12/2014		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	29,734,932	1,144,794.88	29,734,932	1,144,794.88
Unissued authorised capital	1,361,446	52,415.67	855,661	32,942.95
Stock options	98,400	3,788.40	98,400	3,788.40
Bonus shares allotted	1,263,046	48,627.27	757,261	29,154.55
<b>Total</b>	<b>31,194,778</b>	<b>1,200,998.95</b>	<b>30,688,993</b>	<b>1,210,680.78</b>

The Company had not issued any shares granting rights to the capital as at 31 December 2014 and on the date on which this Registration Document was filed. The principal terms and conditions of the share subscription or purchase option plans and the bonus share plans outstanding on 31 December 2014 are set out in section 7.4 on page 208 *et seq.* of this Registration Document.

As at 31 December 2014, the following Group companies were affected by an option-based mechanism that could have an impact on their share capital.

- Within the framework of the acquisition, on 31 March 2014, of 100% of the capital of 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 said 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 will be calculated based on a reference price, factoring in changes in the shareholders' equity of 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 Rio Pardo Termoelétrica on the date on which the option is exercised.
- The Company has granted the founders of Methaneo a put option for the sale of the fraction of the capital (40%) they hold within the framework of a shareholders' agreement entered into on 9 May 2012, amended in an agreement entered into on 27 October 2014, providing that the exercise period will come to an end in 2016 and reducing the exercise price of the option to €1.5 million for all of the relevant securities.

#### 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" 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 corresponding prospectus, approved by the AMF (*Autorité des Marchés Financiers*) on 3 June 2014 under number 14-267, is available in English on the websites of Albioma ([www.albioma.com](http://www.albioma.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

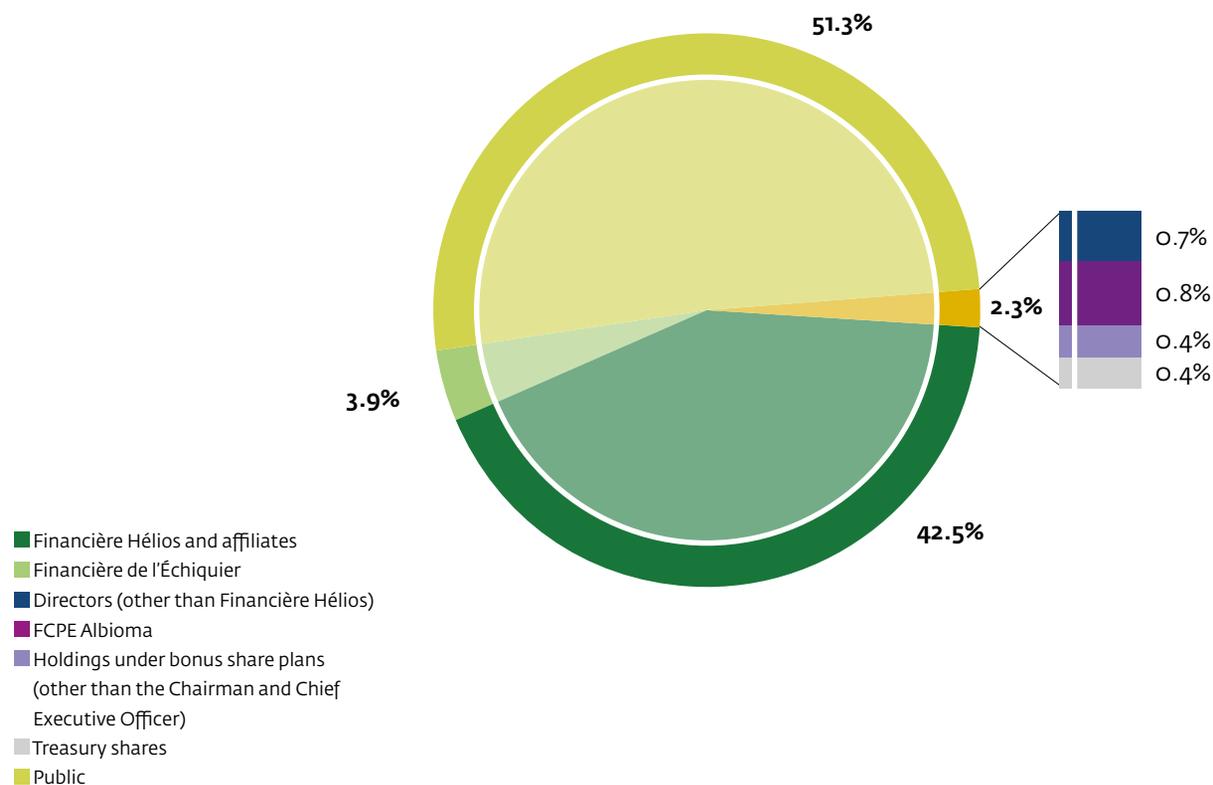
## 7.2.3. CHANGES IN SHARE CAPITAL DURING THE LAST FIVE YEARS

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
31/12/2009	–	0.0385	–	1,095,003.33	–	28,441,645
05/07/2012	Payment in shares of 50% of the dividend for the 2011 financial year.	0.0385	7,153.30	1,102,349.13	185,800	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 share plan adopted by the General Meeting of 14 March 2012 <sup>1</sup>	0.0385	7,621.81	1,144,782.06	197,969	29,734,599
01/12/2014	Effective acquisition of shares under the bonus share plan adopted by the General Meeting of 14 March 2012 <sup>1</sup>	0.0385	12.82	1,144,794.88	333	29,734,932

1. See explanations given in section 7.4.3.1 on page 210 of this Registration Document.

## 7.3. Shareholders

## 7.3.1. SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2014



## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.3. Shareholders

#### 7.3.2. CONTROL OF THE COMPANY, CROSSING OF DISCLOSURE THRESHOLDS, SHAREHOLDERS HOLDING MORE THAN 5 % OF THE CAPITAL OR THE VOTING RIGHTS

##### 7.3.2.1. Control of the Company

As at 31 December 2014, Financière Hélios directly held 11,023,435 shares in the Company (representing 37.07 % of the capital and 37.22 % of the voting rights). On this date the Company was directly and indirectly controlled by Altamir (previously called Altamir Amboise) and by the private equity fund (FCPI) Apax France VI (managed by Apax Partners), which held respectively 449,727 shares (representing 1.51 % of the capital and 1.52% of the voting rights) and 1,156,028 shares (representing 3.89 % of the capital and 3.90% of the voting rights) in the Company.

As at 31 December 2014, Financière Hélios, Apax France VI and Altamir thus held between them 12,629,190 shares in the Company (representing 42.47% of the capital and 42.64 % of the voting rights). Accordingly, taking into account the voting rights that are effectively exercised, the percentage of the capital and the voting rights held by these Apax Partners group entities confers upon them the majority of the voting rights at the Company's General Meetings.

Financière Hélios is a Director of the Company. It is represented in this role by Mr Edgard Misrahi. Patrick de Giovanni and Maurice Tchenio, Directors in their own names, also hold positions within the Apax Partners group.

As at 31 December 2014, the Company considered that there is no risk of any abuse of the Apax Partners group's controlling power. The following measures are moreover intended to protect the Company from the abusive exercise of said control:

- the presence on the Board of Directors of a majority of independent Directors (five out of nine, see explanations given in section 2.2.2.2 on page 37 of this Registration Document);
- each of the Board of Directors' specialised Committees counts among its members two independent Directors, including its Chairman, together with a Director from the Apax Partners group.

##### 7.3.2.2. Crossing of disclosure thresholds, shareholders holding more than 5% of the capital or the voting rights

As at 31 December 2014 and to the best of the Company's knowledge, no shareholder held, alone or in concert, more than 5% of the capital or voting rights, other than the entities affiliated to the Apax Partners group.

During the 2014 financial year and until the date on which this Registration Document was filed, the Company was not informed of any crossing of the capital or voting right thresholds referred to in Article L. 233-7 of the French Commercial Code. In a letter of 11 August 2014, Financière de l'Échiquier, acting on behalf of the funds it manages, disclosed, as an adjustment, that on 1 August 2014 it had fallen below the Company's 5% capital and voting right disclosure thresholds and that it held, on the said date and on 8 August 2014, on behalf of the said funds, 1,480,927 shares representing the same number of voting rights, corresponding to 4.98% of the Company's capital and voting rights (passive crossing of disclosure threshold due to the increase of capital completed for the effective acquisition of 197,969 bonus shares allotted as part of the plan adopted by the General Meeting of 14 March 2012). Financière de l'Échiquier, acting on behalf of the funds it manages, also informed the Company, in a letter of 19 November 2014, that on 17 November 2014 it had fallen below the disclosure thresholds set out in the Memorandum and Articles of Association of 4% of the Company's capital and voting rights and that it held, on the said date, on behalf of the said funds, 1,154,701 shares representing the same number of voting rights, corresponding to 3.88% of the Company's capital and voting rights. This disclosed holding has been used as the last position of Financière de l'Échiquier known to the Company on 31 December 2014 for the purposes of this Registration Document.

In application of Article L. 228-2 of the French Commercial Code and Article 13 of its Memorandum and Articles of Association, in January then in September 2014, the Company introduced, through Euroclear France, two procedures for identifying its bearer shareholders (the so-called Identifiable Bearer Securities survey). This has 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.

## 7.3.3. CHANGES IN OWNERSHIP OF THE SHARE CAPITAL AND THE VOTING RIGHTS DURING THE LAST THREE FINANCIAL YEARS

	31/12/2014 <sup>1</sup>				31/12/2013				31/12/2012			
	% of the capital	% of exercisable voting rights <sup>2</sup>	% of theoretical voting rights <sup>2</sup>	Number of shares	% of capital	% of exercisable voting rights <sup>2</sup>	% of theoretical voting rights <sup>2</sup>	Number of shares	% of capital	% of exercisable voting rights <sup>2</sup>	% of theoretical voting rights <sup>2</sup>	% des droits de vote théoriques <sup>2</sup>
Financière Hélios	11,023,435	37.07%	37.22%	37.07%	10,837,019	37.15%	37.23%	37.15%	10 581,980	36.96%	37.03%	36.96%
FCPR Apax France VI	1,156,028	3.89%	3.90%	3.89%	1,136,479	3.90%	3.90%	3.90%	1,109,733	3.88%	3.88%	3.88%
Altamir	449,727	1.51%	1.52%	1.51%	442,122	1.52%	1.52%	1.52%	431,718	1.51%	1.51%	1.51%
<b>Financière Hélios and affiliates</b>	<b>12,629,190</b>	<b>42.47%</b>	<b>42.64%</b>	<b>42.47%</b>	<b>12,415,620</b>	<b>42.57%</b>	<b>42.65%</b>	<b>42.57%</b>	<b>12,123,431</b>	<b>42.34%</b>	<b>42.43%</b>	<b>42.34%</b>
Financière de l'Échiquier <sup>3</sup>	1,154,701	3.88%	3.90%	3.88%	1,638,441	5.62%	5.63%	5.62%	1,659,385	5.80%	5.81%	5.80%
Directors (other than Financière Hélios) <sup>4</sup>	221,837	0.75%	0.75%	0.75%	144,575	0.50%	0.50%	0.50%	14,707	0.05%	0.05%	0.05%
FCPE Albioma <sup>5</sup>	227,987	0.77%	0.77%	0.77%	197,780	0.68%	0.68%	0.68%	162,941	0.57%	0.57%	0.57%
Holdings under bonus share plans <sup>6</sup>	123,302	0.41%	0.42%	0.41%	-	-	-	-	-	-	-	-
Shares held by group companies	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares <sup>7</sup>	116,499	0.39%	-	0.39%	58,193	0.20%	-	0.20%	56,500	0.20%	-	0.20%
Public	15,261,416	51.32%	51.53%	51.32%	14,713,290	50.44%	50.54%	50.44%	14,615,481	51.05%	51.15%	51.05%
<b>Total</b>	<b>29,734,932</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>29,167,899</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>28,632,445</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

1. To the best of the Company's knowledge, the ownership of the share capital did not undergo any material change between 31 December 2014 and the date on which this Registration Document was filed.

2. See explanations given in section 7.3.8 on page 207 of this Registration Document.

3. See explanations given in section 7.3.2.2 on page 202 of this Registration Document).

4. Directors other than Financière Hélios. At 31 December 2014 and at 31 December 2013: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Patrick de Giovanni, Myriam Maestroni, Edgard Misrahi, Michèle Remillieux, Maurice Tchenio and Daniel Valot; as at 31 December 2012: Jacques Pétry, Michel Bleitrach, Patrick de Giovanni, Xavier Lencou-Barème, Myriam Maestroni, Edgard Misrahi, Guy Rico and Jean Stern;

5. An employee shareholder company investment fund (Fonds commun de placement d'entreprise) operating as part of the Company's company savings plan. See explanations given in section 6.2.1.3 on page 175 and in section 7.3.4 on page 203 of this Registration Document.

6. See explanations given in section 7.4.3.1 on page 209 et seq. of this Registration Document).

7. Shares held under a liquidity contract operated by Exane BNP Paribas and following the implementation of a share buyback programme during the 2014 financial year, to be used for the bonus share plan adopted by the General Meeting of 14 March 2012, temporarily stripped of voting rights. See explanations given in section 7.3.6.2 on page 205 of this Registration Document.

## 7.3.4. EMPLOYEES' PARTICIPATING INTEREST IN THE SHARE CAPITAL

As at 31 December 2014, the Company's employees held, via the Albioma FCPE, an employee shareholder company investment fund operating as part of the company savings plan, a total of 227,987 shares (representing 0.77 % of the capital and 0.77 % of the voting rights) (see section 6.2.1.3 on page 175 of this Registration Document for further details).

## 7.3.5. SHAREHOLDER AGREEMENTS

## 7.3.5.1. Agreements liable to cause a change in control

None, to the best of the Company's knowledge.

## 7.3.5.2. 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.

## 7.3.5.3. Dutreil law" lock-in commitments

None, to the best of the Company's knowledge.

## 7.3.6. SHARES HELD BY GROUP COMPANIES, TREASURY SHARES AND SHARE BUYBACK PROGRAMMES

## 7.3.6.1. Shares held by Group companies

Not applicable.

## 7.3.6.2. Treasury shares, liquidity contracts and share buyback programmes

## Treasury shares

As at 31 December 2014, the Company held 116,499 treasury shares (representing 0.39% of the capital, stripped of voting rights), 78,075 of which were held under a liquidity contract operated by Exane BNP Paribas and 38,424 of which were held following the implementation of a share buyback programme, to be used for the bonus share plan adopted by the General Meeting of 14 March 2012.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.3. Shareholders

#### 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 2014 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 30 May 2013 and 27 May 2014. The authorisation granted on 27 May 2014 invalidated the unused part of the authorisation granted on 30 May 2013.

The terms of these authorisations were as follows:

<b>OBJECTIVES (IN DECREASING ORDER OF PRIORITY)</b>	<ul style="list-style-type: none"><li>• 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 AMF.</li><li>• To implement all Company stock option plans in accordance with Article L. 225-177 <i>et seq.</i> of the French Commercial Code, all bonus shares allotted under a company or Group savings plan in accordance with Article L. 3332-1 <i>et seq.</i> of the French Employment Code, all bonus shares allotted under Article L. 225-197-1 <i>et seq.</i> of the French Commercial Code, and all bonus shares allotted 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.</li><li>• 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.</li><li>• 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.</li><li>• 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.</li><li>• To implement any other market practices that are accepted or recognised by the law or the AMF and, more generally, to achieve any other objective allowed by the applicable regulations.</li></ul>
<b>MAXIMUM AMOUNT OF CAPITAL THAT CAN BE BOUGHT BACK</b>	10% of the share capital (5% of the share 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.
<b>MAXIMUM PURCHASE PRICE</b>	<b>General Meeting of 30 May 2013</b> €28 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment 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. <b>General Meeting of 27 May 2014</b> €36 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment 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.
<b>MAXIMUM AMOUNT, NET OF COSTS, ALLOCATED TO THE PROGRAMME</b>	<b>General Meeting of 30 May 2013</b> €60 million <b>General Meeting of 27 May 2014</b> €75 million
<b>BUYING AND SELLING PROCEDURES</b>	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.  In the event of a public offering for Company shares settled in full in cash, the Company may continue to implement its share buyback programme in compliance with the applicable laws and regulations.
<b>TERM</b>	18 months starting from the date of the General Meeting.

During the 2014 financial year, shares were bought back under these authorisations for:

- the implementation of a liquidity contract by Exane BNP Paribas, designed to stimulate the market for Albioma securities on the Euronext Paris;
- the bonus share plan adopted by the General Meeting of 14 March 2012 (see explanations given in section 7.4.3.1 on page 210 of this Registration Document).

No derivative products were used for share buybacks within the framework of the liquidity contract operated in 2014. There was no open position (buy or sell) on 31 December 2014, nor on the date of the filing of this Registration Document.

The Company has not used the authorisations to reduce the share capital by cancelling shares acquired under a buyback programme, granted by the General Meetings of 30 May 2013 and 27 May 2014 (see explanations given in section 7.2.2.2 on page 197 *et seq.* of this Registration Document).

### Liquidity contracts

During the 2014 financial year, a liquidity contract was implemented by Exane BNP Paribas 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:

	30/06/2014 <sup>1</sup>	31/12/2014 <sup>2</sup>
Investment service provider	Exane BNP Paribas	Exane BNP Paribas
Number of shares held on the liquidity account	59,516	78,075
Cash held on the liquidity account (in euros)	961,478	669,438

1. Date on which positions were calculated for the half-yearly liquidity contract results as at 30 June 2014.

2. Date on which positions were calculated for the half-yearly liquidity contract results as at 31 December 2014.

### Liquidity contracts operated during the 2014 financial year

At its meeting held on 23 December 2014, the Board of Directors used the authorisation granted by the General Meeting of 27 May 2014 to buy back 66,930 shares, for the first tranche of the bonus share plan adopted by the General Meeting of 14 March 2012, completed on 26 July 2014 via an increase of capital.

The corresponding purchases were completed on the Company's behalf by Gilbert Dupont between 24 December 2014 and 7 January 2015. As at 31 December 2014, 38,424 shares have been bought back for this purpose. Pursuant to the authorisation granted by the General Meeting of 27 May 2014, they have been allocated as at 31 December 2014 for the above-mentioned bonus share plan only. None of the allocated shares were transferred during the 2014 financial year for the effective acquisition of bonus shares allotted under the above-mentioned plan.

### Summary of the Company's trading in its own shares during the 2014 financial year

		% of the capital
Total number of shares purchased over the 2014 financial year <sup>2</sup>	438,983	
of which, held under a liquidity contract operated by Exane BNP Paribas	400,559	
of which, held for other authorised purposes	38,424	
Total number of shares sold in the 2014 financial year <sup>2</sup>	380,677	
of which, held under a liquidity contract operated by Exane BNP Paribas	380,677	
of which, held for other authorised purposes	–	
Average purchase price (in euros) <sup>2</sup>	18.62	
Average selling price (in euros) <sup>2</sup>	18.72	
Number of shares cancelled over the past 24 months	–	
Number of shares held in the portfolio as at 31/12/2014	116,499	0.39%
of which, held under a liquidity contract operated by Exane BNP Paribas	78,075	0.26%
of which, held for the bonus share plan adopted by the General Meeting of 14 March 2012	38,424	0.13%
Net book value of the portfolio as at 31/12/2014 (in euros) <sup>1</sup>	1,963,471	
Market value of the portfolio as at 31/12/2014 (in euros)	1,921,069	

1. Net book value of the portfolio with value date 31 December 2014, calculated using the First In, First Out method (FIFO).

2. Transactions involving Delivery Versus Payment (DVP) between 1 and 31 December 2014.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.3. Shareholders

#### Proposal to the General Meeting of 28 May 2015 to renew the authorisation granted to the Board of Directors to trade in the Company's shares

A proposal will be submitted to the General Meeting of 28 May 2015 to renew, for a period of 18 months, the authorisation granted to the Board of Directors to trade in the Company's shares. In this case, the new authorisation shall invalidate the unused part of the authorisation granted to the Board of Directors by the General Meeting of 27 May 2014 (see the explanations given in the Board of Directors' report for the General Meeting in section 8.2 on page 220 *et seq.* of this Registration Document).

The terms of the proposal submitted to the General Meeting of 28 May 2015 are as follows:

<b>OBJECTIVES (IN DECREASING ORDER OF PRIORITY)</b>	<ul style="list-style-type: none"><li>• 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 AMF.</li><li>• To implement all Company stock option plans in accordance with Article L. 225-177 <i>et seq.</i> of the French Commercial Code, all bonus shares allotted under a company or Group savings plan in accordance with Article L. 3332-1 <i>et seq.</i> of the French Employment Code, all bonus shares allotted under Article L. 225-197-1 <i>et seq.</i> of the French Commercial Code, and all bonus shares allotted 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.</li><li>• 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.</li><li>• 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.</li><li>• 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.</li><li>• To implement any other market practices that are accepted or recognised by the law or the AMF and, more generally, to achieve any other objective allowed by the applicable regulations.</li></ul>
<b>MAXIMUM AMOUNT OF CAPITAL THAT CAN BE BOUGHT BACK</b>	10% of the share capital (5% of the share 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.
<b>MAXIMUM PURCHASE PRICE</b>	€36 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment 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.
<b>MAXIMUM AMOUNT, NET OF COSTS, ALLOCATED TO THE PROGRAMME</b>	€75 million.
<b>BUYING AND SELLING PROCEDURES</b>	<p>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.</p> <p>In the event of a public offering for Company shares settled in full in cash, the Company may continue to implement its share buyback programme in compliance with the applicable laws and regulations.</p>
<b>TERM</b>	18 months starting from the date of the General Meeting.

### Proposal to the General Meeting of 28 May 2015 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 is also invited to renew the authorisation granted to the Board of Directors by the General Meeting of 27 May 2014 to reduce the share 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 27 May 2014 (see the explanations given in the Board of Directors' report for the General Meeting in section 8.2 on page 200 *et seq.* of this Registration Document).

#### 7.3.7. PLEDGES OF THE ISSUER'S SHARES

Shareholder	Beneficiaries	Start date	Maturity date	Conditions for lifting pledge	Number of shares pledged	% of capital as at 31/12/2014
Financière Hélios SAS	Natixis <sup>1</sup> Société Générale <sup>1</sup>	16/07/2008	First of the two following dates: (i) the date of full and final repayment and payment of all sums owed under the Secured Obligations, (ii) the date on which the pledge is fully lifted	Payment and/or repayment in full of all sums in principal, interest, late payment interest, compensation, costs, fees and incidental amounts owed by Financière Hélios SAS to the beneficiaries under the credit facility agreement of 16 July 2008, and all charges, costs and expenses and other sums incurred by the beneficiaries to protect, preserve and/or exercise their rights with regard to Financière Hélios SAS (the <b>"Secured Obligations"</b> )	11,023,435	37.07%
Financière Hélios SAS	Natixis <sup>2</sup> Société Générale <sup>2</sup>	05/05/2010	First of the two following dates: (i) the date of full and final repayment and payment of all sums owed under the Additional Secured Obligations, (ii) the date on which the pledge is fully lifted	Payment and/or repayment in full of all sums in principal, interest, late payment interest, compensation, costs, fees and incidental amounts owed by Financière Hélios SAS to the beneficiaries in connection with the additional obligations imposed upon it under the memorandum of understanding, i.e., primarily, the increase in the margin applicable to the credit, and all charges, costs, expenses and other sums incurred by the beneficiaries to protect, preserve and/or exercise their rights with regard to Financière Hélios SAS (the <b>"Additional Secured Obligations"</b> )	11,023,435	37.07%
Other non-corporate shareholders <sup>3</sup>	unknown	unknown	unknown	unknown	26,008	0.09%

1. Senior pledge

2. Junior pledge

3. To the best of the Company's knowledge, based on the entries in the shareholder register on 31 December 2014.

#### 7.3.8. VOTING RIGHTS

As at 31 December 2014 and on the date on which this Registration Document was filed, 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. Every month, the Company publishes the number of exercisable voting rights and theoretical voting rights attached to the shares that comprise the capital.

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.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.4. Share subscription and purchase option plans and bonus share plans

The General Meeting of 28 May 2015 will be asked to vote on an amendment to Article 37 of the Memorandum and Articles of Association, designed to reassert the 'one share, one vote' principle, through the exemption provided for in Article L. 225-123 of the French Commercial Code as amended by Law no. 2014-384 of 29 March 2014 introduced to re-establish the real economy (see explanations given in the Board of Directors' report to the General Meeting set out in section 8.2 on page 220 *et seq.* of this Registration Document).

#### 7.4. Share subscription and purchase option plans and bonus share plans

##### 7.4.1. THE GROUP'S LONG-TERM PROFIT SHARE POLICY

The Company sets great store by the importance of offering Group employees and management a long-term incentive plan. The arrangements used have taken the form of stock option plans, and latterly bonus share plans.

Only the stock option plan adopted by the General Meeting of 18 May 2010 (Board of Directors' meeting of 27 August 2010), under the terms of which a maximum of 200,000 subscription options can be allotted (each option entitles its holder to one share, so, if exercised, these options would represent 0.67% of the share capital at 31 December 2014) was in operation as at 31 December 2014. The stock option plans adopted by the General Meeting of 18 December 2001 (Board of Directors' meetings of 2 September 2002 and 11 December 2003) were exercised in full during the exercise period commencing on 11 December 2007 and ending on 11 February 2010. The stock option plan adopted by the General Meeting of 27 May 2005 (Board of Directors' meeting of 13 December 2005) was partially exercised during the exercise period commencing on 13 December 2009 and ending on 13 December 2012, and all of the options that have not been exercised were recorded as cancelled on 13 December 2012.

The following bonus share plans were the only plans in operation on 31 December 2014:

- bonus share plan adopted by the General Meeting of 14 March 2012 (Board of Directors' meetings of 26 July 2012, 28 November 2012, 17 January 2013, 18 March 2013, 26 July 2013, 24 September 2013 and 17 December 2013 and decisions of 13 January 2014 of the Chairman and Chief Executive Officer acting pursuant to the powers delegated to him by the Board of Directors), for a maximum of 810,000 shares that may be allotted, corresponding to 2.72% of the capital as at 31 December 2014;
- bonus share plan adopted by the General Meeting of 27 May 2014 (Board of Directors' meeting of 27 May 2014), for members of the Group's Executive Committee only (including the Chairman and Chief Executive Officer), for an initial total of 430,000 shares that may be allotted, corresponding to 1.45% of the capital as at 31 December 2014, out of the 830,000 shares that could be allotted under the authorisation granted by the General Meeting, corresponding to 2.79% of the capital as at 31 December 2014;
- bonus share plan adopted by the General Meeting of 27 May 2014 (Board of Directors' meetings of 27 May 2014, 22 July 2014 and 28 October 2014), for Group employees who are not members of the Executive Committee, for an initial total of 352,525 shares that may be allotted, corresponding to 1.19% of the capital as at 31 December 2014, out of the 830,000 shares that could be allotted under the authorisation granted by the General Meeting, corresponding to 2.79% of the capital as at 31 December 2014.

The bonus share plan set up as a result of the resolutions adopted at the General Meeting of 16 June 2009 (Board of Directors' meetings of 28 August 2009, 25 January 2010, 28 July 2010 and 21 October 2011) was, as at 31 December 2012, cancelled in full (145,136 bonus shares allotted to Nordine

Hachemi were cancelled by the Board of Directors at its meeting of 21 October 2011 when he was removed from office due to strategic differences, 121,330 bonus shares allotted were cancelled as a result of the departure of 13 employees who had received their shares between the date of allotment and 31 December 2012, and the 141,650 remaining bonus shares were expressly and irrevocably waived by the 37 employees to whom they had been allotted when they accepted the benefit of the bonus share plan set up as a result of the decision taken at the General Meeting of 14 March 2012).

During the 2014 financial year, the Group's long-term incentive plan was affected by the following events.

- The exercise period for the stock options allotted under the plan adopted by the General Meeting of 18 May 2010 commenced on 28 August 2014, for a period of three years, ending on 28 August 2017. No option was exercised in 2014 and the options were not in the money on 31 December 2014.
- At its meeting on 26 July 2012 the Board of Directors decided, on the recommendation of the Nomination and Remuneration Committee, to allot bonus shares at the beginning of 2014 as part of the plan approved by the General Meeting of 14 March 2012 in favour of all employees of the operating companies if the average availability of the facilities during 2012 and 2013 was greater than 91.5%. A reserve of 120,000 shares was accordingly set aside for the purpose of these allotments. The Chairman and Chief Executive Officer, acting pursuant to the delegation granted to him by the Board of Directors, confirmed that this condition had been met and approved, on 13 January 2014, the allotment of 117,213 bonus shares to all the employees of the Group's operating companies, confirming the Group's desire to involve all its personnel in long-term value creation.
- At its meeting on 4 March 2014, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided to submit to the General Meeting of 27 May 2014 a resolution concerning the renewal of the authorisation granted to the Board of Directors to allot bonus shares to employees and Corporate Officers of the Company and of its related companies. The General Meeting approved this proposal and accordingly, authorised the Board of Directors to complete these allotments up to a maximum amount of 830,000 shares, representing approximately 2.79% of the capital as at 31 December 2014. At its meeting held on 27 May 2014, the Board of Directors used this authorisation to set up the two new bonus share plans described above.

##### 7.4.2. STOCK OPTION PLANS

The information that follows, together with the information in section 2.3.4 on page 66 *et seq.* 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.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.4. Share subscription and purchase option plans and bonus share plans

#### 7.4.2.1. Current stock option plans

The key features of the stock option plans adopted by the General Meeting of 18 May 2010 are set out below.

	As a % of the capital as at 31/12/2014	
Date of the General Meeting	18/05/2010	
Date of meeting of the Board of Directors	27/08/2010	
<b>Total number of initial beneficiaries</b>	<b>82</b>	
<b>Total number of options allotted</b>	<b>190,000</b>	<b>0.64%</b>
<b>Overall valuation on allotment (in thousand euros) <sup>1</sup></b>	<b>949</b>	<b>-</b>
<b>Total number of shares available for subscription</b>	<b>190,000</b>	<b>0.64%</b>
of which, by the first 10 employees who are not Corporate Officers	68,000	0.23%
of which, by Corporate Officers	33,500	0.11%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	30,000	0.10%
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011)	-	-
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%
Start of option exercise period	28/08/2014	
End date	28/08/2017	
Subscription price (in euros) <sup>2</sup>	21.31	
Terms and conditions of exercise	See note 3	
<b>Number of shares subscribed as at 31/12/2014</b>	<b>-</b>	<b>-</b>
of which, by the first 10 employees who are not Corporate Officers	-	-
of which, by Corporate Officers	-	-
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	-	-
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011)	-	-
• Xavier Lencou-Barème (Director until 30/05/2013)	-	-
<b>Total number of stock options cancelled or lapsed as at 31/12/2014</b>	<b>91,600</b>	<b>0.31%</b>
of which, for the first 10 employees who are not Corporate Officers	33,000	0.11%
of which, for Corporate Officers	30,000	0.10%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011) <sup>4</sup>	30,000	0.10%
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011)	-	-
• Xavier Lencou-Barème (Director until 30/05/2013)	-	-
<b>Number of stock options remaining as at 31/12/2014</b>	<b>98,400</b>	<b>0.33%</b>
of which, for the first 10 employees who are not Corporate Officers	35,000	0.12%
of which, for Corporate Officers	3,500	0.01%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	-	-
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011)	-	-
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%

1. Valuation of the options granted on the date of allotment, as calculated based on the IFRS 2 financial reporting standard.

2. Arithmetic average of Albioma (Séchillienne-Sidec at the time) shares' closing prices during the 20 trading days preceding the date of allotment.

3. The exercise of the options by any beneficiary is subject to a performance condition relating to changes in the installed capacity of the Group's photovoltaic facilities: the capacity of the photovoltaic facilities of the Company and its subsidiaries installed as at 31 December 2011 must have increased by at least 30% per annum compared to the capacity of the facilities installed as at 31 December 2009. This condition was met on 31 December 2011.

4. When, at its meeting on 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.

#### 7.4.2.2. Stock subscription options granted to employees other than Corporate Officers, or exercised by them during the 2014 financial year

Not applicable.

#### 7.4.3. BONUS SHARE PLANS

The information that follows, together with the information in section 2.3.5 on page 67 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-197-4 of the French Commercial Code.

##### 7.4.3.1. Current bonus share plans

The key features of the stock option plans adopted by the General Meeting of 14 March 2012 and 27 May 2014 are set out below.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.4. Share subscription and purchase option plans and bonus share plans

#### Bonus share plan adopted by the General Meeting of 14 March 2012

	As a % of the capital as at 31/12/2014	
Date of the General Meeting	14/03/2012	
Date of meeting of the Board of Directors	Between 26/07/2012 and 13/01/2014 <sup>1</sup>	
<b>Total number of initial beneficiaries</b>	<b>See note 2</b>	<b>–</b>
<b>Total number of bonus shares allotted<sup>3</sup></b>	<b>826,613</b>	<b>2.78%</b>
<b>Overall valuation on allotment (in thousand euros)<sup>4</sup></b>	<b>226</b>	<b>–</b>
of which, to the first 10 employees who are not Corporate Officers	220,000	0.74%
of which, to Corporate Officers	240,000	0.81%
• Jacques Pétry, Chairman and Chief Executive Officer	225,000	0.76%
• Xavier Lencou-Barème (Director until 30/05/2013)	15,000	0.05%
Date of effective acquirement of the shares	See note 5	–
End date of the lock-in period	See note 6	–
<b>Number of shares effectively acquired as at 31/12/2014</b>	<b>198,302</b>	<b>0.67%</b>
of which, for the first 10 employees who are not Corporate Officers	63,335	0.21%
of which, for Corporate Officers	80,000	0.27%
• Jacques Pétry, Chairman and Chief Executive Officer	75,000	0.25%
• Xavier Lencou-Barème (Director until 30/05/2013)	5,000	0.02%
<b>Total number of cancelled or lapsed shares as at 31/12/2014</b>	<b>45,265</b>	<b>0.15%</b>
of which, for the first 10 employees who are not Corporate Officers	–	–
of which, for Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
<b>Number of shares remaining as at 31/12/2014<sup>7</sup></b>	<b>583,046</b>	<b>1.96%</b>
of which, for the first 10 employees who are not Corporate Officers	156,665	0.53%
of which, for Corporate Officers	160,000	0.54%
• Jacques Pétry, Chairman and Chief Executive Officer	150,000	0.50%
• Xavier Lencou-Barème (Director until 30/05/2013)	10,000	0.03%

1. The share allotments were approved as part of a plan for all Group employees at meetings of the Board of Directors held on 26 July 2012 (616,400 shares), 28 November 2012 (1,000 shares), 17 January 2013 (4,500 shares), 18 March 2013 (3,500 shares), 30 May 2013 (2,000 shares), 23 July 2013 (12,500 shares), 24 September 2013 (54,500 shares) and 17 December 2013 (15,000 shares). Additional shares were allotted pursuant to a decision of the Chairman and Chief Executive Officer, acting under the powers delegated to him by the Board of Directors, on 13 January 2014, to employees of the Group's operating companies (117,213 shares).

2. As the shares were allotted gradually, between 26 July 2012 and 13 January 2014, the number of initial beneficiaries is irrelevant. As at 31 December 2014, 229 Group employees, along with the Chairman and Chief Executive Officer, had been allotted bonus shares (aggregate total of the beneficiaries named between 26 July 2012 and 13 January 2014, 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. Aggregate total of bonus shares allotted between 26 July 2012 and 13 January 2014 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. The share allotments were divided into three equal tranches. Different performance conditions must be met to trigger the effective acquisition of each tranche.

4. Valuation of the shares allotted on the date of allotment, as calculated based on the IFRS 2 financial reporting standard.

5. The effective acquisition of the shares allotted on 26 July 2012 is subject to the following performance conditions:

- achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period.

- the completion, at any time during a period of two years and six months starting on the date of allotment, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche; in such instances, the shares are acquired at the later of the following two dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the date of allotment.

Given the changes made to the rules of the bonus share plan by the Board of Directors during its meeting of 17 December 2013, accepted by each beneficiary concerned at the beginning of 2014, the effective acquisition of shares allotted after 26 July 2012 is subject to meeting the following performance conditions:

- achievement, at any time during the period from 26 July 2014 to 26 January 2015 of a six-month moving average of the closing listed Albioma share price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche; in such instances, the shares are acquired on the later of the two following dates: either the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price during this period is reached, or the expiry of a period of two years from the date of allotment;

- the completion, at any time during the period between the date of allotment and 26 January 2015, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the two following dates: in such instances, the shares are acquired at the later of the following two dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the date of allotment.

6. Two years from the date of the effective acquisition of the shares, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the shares effectively acquired until he stands down.

7. As at the date of the filing of this Registration Document, the bonus share allotments under the second and third tranches of the plan have been cancelled, effective from 27 January 2015, as the performance conditions for the effective acquisition of the said shares had not been met by 26 January 2015. As at 31 December 2014, 66,596 shares were available under the first and only tranche of the plan, corresponding to 0.22% of the capital.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.4. Share subscription and purchase option plans and bonus share plans

#### Bonus share plans adopted by the General Meeting of 27 May 2014

##### Bonus share plan in favour of Executive Committee members

	As a % of the capital as at 31/12/2014	
Date of the General Meeting	27/05/2014	
Date of meeting of the Board of Directors	27/05/2014 <sup>1</sup>	
<b>Total number of initial beneficiaries</b>	<b>14</b>	<b>–</b>
<b>Total number of bonus shares allotted<sup>2</sup></b>	<b>430,000</b>	<b>1.45%</b>
<b>Overall valuation on allotment (in thousand euros)<sup>3</sup></b>	<b>2,421</b>	<b>–</b>
of which, to the first 10 employees who are not Corporate Officers	256,000	0.86%
of which, to Corporate Officers	160,000	0.54%
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	160,000	0.54%
Date of effective acquisition of the shares	See note 4	–
End date of the lock-in period	See note 5	–
<b>Number of shares effectively acquired as at 31/12/2014</b>	<b>–</b>	<b>–</b>
of which, for the first 10 employees who are not Corporate Officers	–	–
of which, for Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	–	–
<b>Total number of cancelled or lapsed shares as at 31/12/2014</b>	<b>2,000</b>	<b>0.01%</b>
of which, for the first 10 employees who are not Corporate Officers	–	–
of which, for Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	–	–
<b>Number of shares remaining as at 31/12/2014</b>	<b>428,000</b>	<b>1.44%</b>
of which, for the first 10 employees who are not Corporate Officers	256,000	0.86%
of which, for Corporate Officers	160,000	0.54%
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	160,000	0.54%

1. The allotments were approved as part of a plan open to the Group's Executive Committee members only (including the Chairman and Chief Executive Officer) at the Board of Directors' meeting of 27 May 2014 (430,000 shares).

2. The allotments are 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 must be met to trigger the effective acquisition of each tranche.

3. Valuation of the shares allotted on the date of allotment, as calculated based on the IFRS 2 financial reporting standard.

4. The effective acquisition of the shares is subject to the following performance conditions:

- Shares of the first one-third tranche will not be effectively acquired unless there is a variation of at least 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- Shares of the second two-third tranche will not be effectively acquired unless there is a variation of more than 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. If the above-mentioned variation remains below 60% until the end of the said acquisition period, on a strict basis, the number of shares of the relevant tranche that will be effectively acquired will be calculated at the end of the acquisition period by linear interpolation based on the highest value of the variation of the six-month moving average reached over the acquisition period within a 20% to 60% range. If the above-mentioned variation reaches or exceeds 60% at any given time during the acquisition period, all of the shares of the relevant tranche will be effectively acquired on the date set in the plan's rules. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- If a takeover bid is 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 shares of the first tranche will be effectively acquired if the final price per share of the takeover is 120% or more of the six-month average closing price of the Albioma share on 27 May 2014. Shares of the second tranche will be effectively acquired if the final price per share of the takeover is 160% or more of the said average. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.

5. Two years from the date of the effective acquisition of the shares, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the shares effectively acquired until he stands down.

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.4. Share subscription and purchase option plans and bonus share plans

#### Bonus share plan in favour of Group employees who are not members of the Executive Committee

		As a % of the capital as at 31/12/2014
Date of the General Meeting	27/05/2014	
Date of meeting of the Board of Directors	Between 27/05/2014 and 28/10/2014 <sup>1</sup>	
<b>Total number of initial beneficiaries</b>	<b>See note 2</b>	<b>–</b>
<b>Total number of bonus shares allotted <sup>3</sup></b>	<b>259,000</b>	<b>0.87%</b>
<b>Overall valuation on allotment (in thousand euros) <sup>4</sup></b>	<b>745</b>	<b>–</b>
of which, to the first 10 employees who are not Corporate Officers	98,000	0.33%
of which, to Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	–	–
Date of effective acquirement of the shares	See note 5	–
End date of the lock-in period	See note 6	–
<b>Number of shares effectively acquired as at 31/12/2014</b>	<b>–</b>	<b>–</b>
of which, for the first 10 employees who are not Corporate Officers	–	–
of which, for Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	–	–
<b>Total number of cancelled or lapsed shares as at 31/12/2014</b>	<b>7,000</b>	<b>0.02%</b>
of which, for the first 10 employees who are not Corporate Officers	–	–
of which, for Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	–	–
<b>Number of shares remaining as at 31/12/2014 <sup>6</sup></b>	<b>252,000</b>	<b>0.85%</b>
of which, for the first 10 employees who are not Corporate Officers	98,000	0.33%
of which, for Corporate Officers	–	–
• Jacques Pétry, Chairman and Chief Executive Officer since 21/10/2011	–	–

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) and 28 October 2014 (1,000 shares). Additional shares were allotted at the beginning of the 2015 financial year at the Board of Directors' meeting of 3 March 2015 (19,300 shares).

2. As the shares were allotted gradually, the number of initial beneficiaries is irrelevant. As at 31 December 2014, 108 Group employees had been allotted bonus shares (aggregate total of the beneficiaries named between 27 May 2014 and 31 December 2014, 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 allotments are divided up into two tranches, and each tranche covers one half of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

4. Valuation of the shares allotted on the date of allotment, as calculated based on the IFRS 2 financial reporting standard.

5. The effective acquisition of the shares is subject to the following performance conditions:

- Shares of the first tranche will not be effectively acquired unless an average availability rate of more than 91.5% is recorded for the facilities for 2014-2016. If this performance condition is satisfied, the shares of the first tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

- Shares of the second tranche will not be effectively acquired unless the Group's 2016 consolidated EBITDA exceeds €153.5 million for the 2016 financial year, on a strict basis, and the number of shares effectively acquired under this second tranche will be 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 is satisfied, all or part of the shares of the second tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

6. Two years after the date on which the shares are effectively acquired.

### 7.5. Factors likely to have an impact in the event of a public offering

#### 7.4.3.2. Bonus shares allotted during the 2014 financial year to the ten employees, not Corporate Officers, with the highest number of shares

The total number of shares allotted during the 2014 financial year to the ten employees, not Corporate Officers, that had received the highest number of shares, was 256,000. All of these shares were allotted as part of the bonus share plan adopted by the General Meeting of 27 May 2014 in favour of Executive Committee members.

#### 7.4.3.3. Shares effectively acquired

The performance condition applicable for the first tranche of the bonus share plan adopted by the General Meeting of 14 March 2012, requiring the achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of at least €18.50, was satisfied during the 2014 financial year. Within this framework, 198,302 shares were effectively acquired by the beneficiaries who also satisfied the presence conditions set in the plan's rules.

As at the date of the filing of this Registration Document, the bonus share allotments under the second and third tranches of the above-mentioned bonus share plan have been cancelled, effective from 27 January 2015, as the performance conditions for the effective acquisition of the said shares were not satisfied by 26 January 2015. As at 31 December 2014, 66,596 shares may still be effectively acquired under the first tranche of the above-mentioned plan. As at the date of the filing of this Registration Document, factoring in the effective acquisition of an additional 2,668 shares under the first tranche of the above-mentioned plan, 63,928 shares may still be effectively acquired between 30 May 2015 and 13 January 2016.

As at 31 December 2014 and on the date on which this Registration Document was filed, none of the performance conditions determining the effective acquisition of the bonus shares under the plan approved by the General Meeting of 27 May 2014 had been met (see section 7.4.3.1 on pages 211 and 212 of this Registration Document for details).

### 7.5. Factors likely to have an impact in the event of a public offering (Article L. 225-100-3 of the French Commercial Code)

#### 7.5.1. THE COMPANY'S CAPITAL STRUCTURE

In view of the controlling interest held by Apax Partners group entities, the structure of the Company's capital would potentially have an impact in the event of a public offering.

The structure of the Company's capital is described in section 7.3.1 on page 201 of this Registration Document. Information about control of the Company is provided in section 7.3.2.1 on page 202 of this Registration Document.

#### 7.5.2. 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

##### 7.5.2.1. 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 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 Chairman and Chief Executive Officer is subject to an additional obligation requiring him to retain 25% of the effectively acquired shares as registered shares until he stands down from office.

As at 31 December 2014, 198,302 shares, representing 0.67% of the capital, were subject to this two-year lock-in commitment, it being specified that 18,750 shares, representing 0.06% of the capital, effectively acquired by the Chairman and Chief Executive Officer during the 2014 financial year, were subject to an additional lock-in commitment applying until he stands down from office.

##### 7.5.2.2. Contractual clauses of which the Company has been notified pursuant to Article L. 233-11 of the French Commercial Code

Not applicable.

#### 7.5.3. 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 7.3.2.2 on page 202 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 7.3.6.1 on page 203 of this Registration Document).

#### 7.5.4. LIST OF THE HOLDERS OF ANY SECURITIES GRANTING SPECIAL RIGHTS OF CONTROL, AND A DESCRIPTION OF THESE

Not applicable.

#### 7.5.5. CONTROL MECHANISMS PROVIDED FOR IN ANY EMPLOYEE SHAREHOLDING PLAN IF THE EMPLOYEES DO NOT EXERCISE CONTROLLING RIGHTS

Not applicable (See explanations given in section 6.2.1.3 on page 175 of this Registration Document).

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.6. Albioma shares

#### 7.5.6. AGREEMENTS BETWEEN SHAREHOLDERS, OF WHICH THE COMPANY IS AWARE, THAT MAY RESTRICT SHARE TRANSFERS OR THE EXERCISE OF VOTING RIGHTS.

Not applicable (See explanations given in section 7.3.5 on page 203 of this Registration Document).

#### 7.5.7. 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 7.1.2, page 190 *et seq.* of this Registration Document) and the Board of Directors' Internal Regulations (whose full text appears in section 2.2.4.3 on page 57 of this Registration Document).

#### 7.5.8. 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 7.1. on page 190 *et seq.* of this Registration Document) and the Board of Directors' Internal Regulations (whose full text appears in section 2.2.4.3 on page 57 of this Registration Document).

The powers of the Board of Directors are also described in section 2.2.4 on page 48 *et seq.* of this Registration Document.

The powers granted to the Board of Directors to increase or reduce the share capital and to trade in the Company's shares as part of share buyback programmes are described in section 7.2.2.2 on page 196 *et seq.* of this Registration Document.

#### 7.5.9. AGREEMENTS CONCLUDED BY THE COMPANY THAT ARE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF THE COMPANY, EXCEPT WHERE SUCH DISCLOSURE, OTHER THAN IN CASES OF MANDATORY DISCLOSURE, WOULD SERIOUSLY HARM THE COMPANY'S INTERESTS

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" bond issue totalling €80 million, to be redeemed in December 2020, that 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](http://www.albioma.com)) and the Financial Markets Authority's website ([www.amf-france.org](http://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 in Brazil;
  - a lease agreement for land used by one of the Company's subsidiaries to run photovoltaic facilities on Reunion Island.

#### 7.5.10. 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

There is no agreement in place that provides for severance payments to be made to the members of the Board of Directors (other than the Chairman and Chief Executive Officer) 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.

Information concerning the remuneration of the Chairman and Chief Executive Officer and, in particular, information about severance pay and commitments relating to his standing down from office is provided in section 2.3.6 on page 71 of this Registration Document.

### 7.6. Albioma shares

#### 7.6.1. DATASHEET

ISIN code	FR0000060402
2016 loyalty bonus code <sup>1</sup>	FR0011643998
2017 loyalty bonus code <sup>2</sup>	FR0012332849
Stock code <sup>3</sup>	ABIO
Par value	€0.0385
Market of listing	NYSE – Euronext Paris, Compartment B
Deferred settlement service	Eligible
French Equity Savings Plan (PEA)	Eligible
French Equity Savings Plan-SME (PEA-PME) <sup>4</sup>	Eligible

1. Shares eligible for the increased dividend payable in 2016 for the 2015 financial year. From 2016 onwards, this code will become the permanent loyalty bonus code. See explanations given in section 7.6.3.3 on page 217 of this Registration Document.

2. Actions eligible for the increased dividend payable in 2017 for the 2016 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2017 onwards: FR0011643998.

3. Since the meeting of the General Meeting of 30 May 2013 approving the change of the Company's name. The previous stock code was SECH.

4. On the date on which this Registration Document was filed, Albioma shares fulfilled the eligibility conditions for the equity savings plan regime for financing small and medium enterprises and midcap companies (PEA-PME) set up pursuant to Finance Law no. 2013-1278 of 29 December 2013 for 2014 (Articles L. 221-32-1 to 3 and D. 221-113-1 to 7 of the Monetary and Financial Code).

## 7.6.2. STOCK MARKET PRICE

## 7.6.2.1. Market overview of Albioma stock

2013

	Price in euros			Average daily trading (number of securities)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	15.44	14.70	15.05	37,695	566,958
February	15.70	14.81	15.24	25,812	393,515
March	15.61	13.70	14.84	44,920	656,311
April	13.99	12.62	13.15	24,084	317,516
May	14.82	13.88	14.23	24,540	348,320
June	15.18	13.68	14.49	22,024	320,560
July	15.40	13.92	14.57	26,734	393,843
August	15.99	14.86	15.72	31,617	492,859
September	15.42	14.60	15.11	18,784	283,474
October	18.27	14.74	17.08	61,892	1,056,354
November	18.20	17.16	17.64	20,163	355,237
December	17.90	16.49	16.99	15,065	255,609

2014

	Price in euros			Average daily trading (number of securities)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	18.94	16.56	18.07	32,444	581,751
February	19.04	18.40	18.75	13,985	261,600
March	20.68	18.45	19.81	33,238	659,655
April	20.96	19.35	19.95	30,941	616,614
May	20.77	19.25	19.91	22,752	454,324
June	19.84	18.20	19.07	19,290	365,150
July	19.29	16.80	18.32	22,956	418,855
August	19.34	18.51	18.97	15,023	284,092
September	20.34	19.30	19.69	26,750	529,769
October	19.38	17.00	17.79	19,007	334,840
November	18.20	17.06	17.58	21,690	381,967
December	17.45	15.74	16.49	20,775	341,006

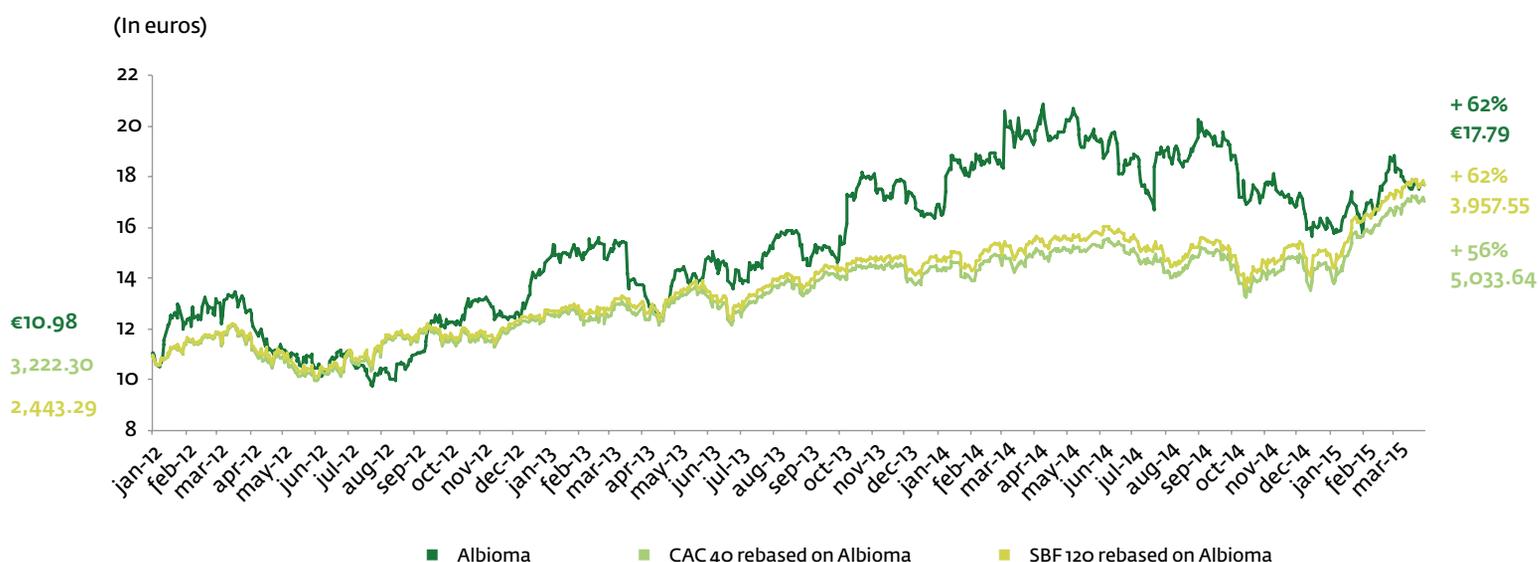
2015 (figures as at 31 March 2015)

	Price in euros			Average daily trading (number of securities)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	17.50	15.90	16.54	45,226	738,656
February	18.86	15.90	17.37	37,179	630,857
March	18.93	17.63	18.03	33,834	614,065

## 7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

### 7.6. Albioma shares

#### 7.6.2.2. Change in the Albioma share price between 2 January 2012 and 31 March 2015 and change in comparison to the CAC 40 and SBF 120 indices



### 7.6.3. DIVIDEND

#### 7.6.3.1. Dividend policy

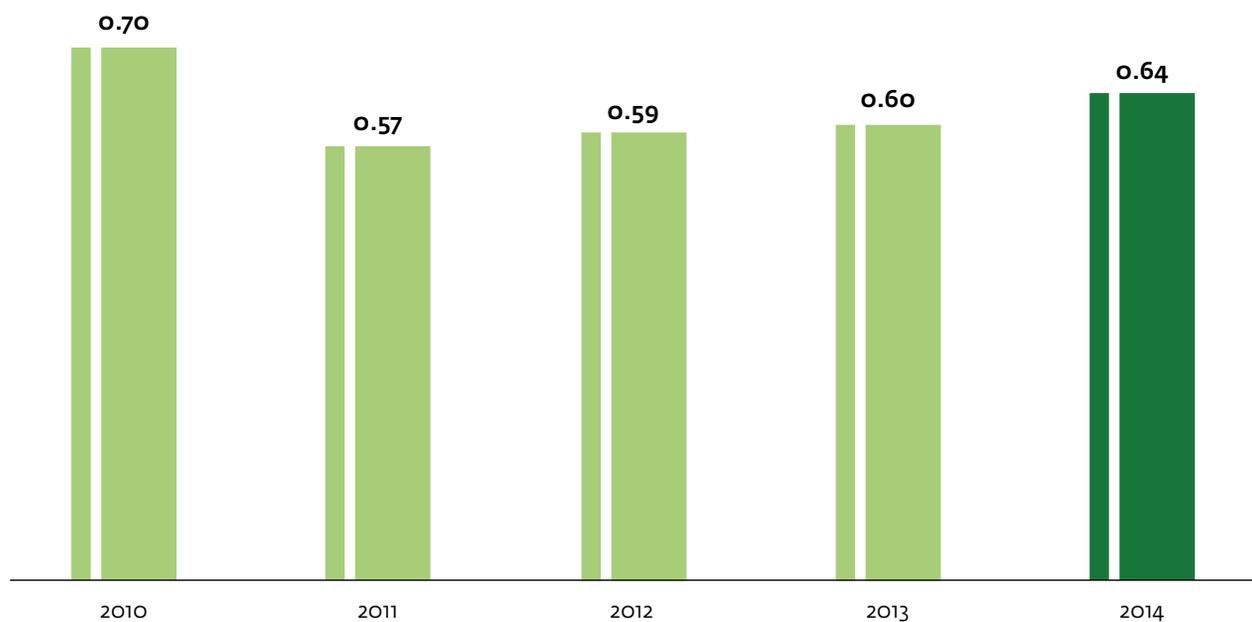
In 2012, the Group announced a dividend policy whereby it would distribute the equivalent of 50% of its net income, Group share, excluding capital gains on disposals, retroactivity and financing needs for new projects. Under this policy, the Group proposed to the General Meeting a constantly increasing dividend and offered its shareholders the possibility of receiving payment of 50% of the dividend in new shares.

The proposal made to the General Meeting of 28 May 2015 for a dividend of €0.64 per share, a 7% increase, with an option for payment of the dividend in new shares, continues this dividend policy and is in line with the sustained growth target set for 2013-2023 involving a doubling of the invested capital, which should result in a doubling of the net income, Group share.

Moreover, Article 45 of the Memorandum and Articles of Association guarantees the shareholders a minimum dividend, known as the first 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 7.1.2.3 on page 193 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 first dividend, the shareholders shall not be able to claim it from the profit in subsequent years.

**7.6.3.2. Change in the dividend (2010 to 2014 financial years)**

(dividend proposed to the Combined General Meeting of 28 May 2015)

**7.6.3.3. 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 7.1.2.3 on page 193 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 from 1 January 2014 onwards. 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 shall be 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 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 2014 and 31 December 2015 will therefore be eligible in 2016 for an increased dividend for the 2015 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).

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. The code identifying shares eligible for the increased dividend payable in 2016 for the 2015 financial year (FR0011643998) will become the permanent identification code for shares eligible for the increased dividend. These special identification codes do not affect the ISIN code for the Albioma share (FR0000060402), which will remain the only identification code visible on Euronext Paris and can always be used when trading on this market (see the details provided in section 7.6.1 on page 214 of this Registration Document).

**7.6.3.4. Limitation period for dividends**

The limitation period for dividends is five years. Dividends still unclaimed after that time shall be deposited automatically with the Caisse des Dépôts et Consignations.

## 7 • INFORMATIONS JURIDIQUES. CAPITAL ET ACTIONNARIAT

### 7.7. Financial communication and shareholder relations

#### 7.7. Financial communication and shareholder 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.

##### 7.7.1. THE WEBSITE : WWW.ALBIOMA.COM

In tandem with its change of name, in July 2013 Albioma launched its new website, [www.albioma.com](http://www.albioma.com).

Completely overhauled for ease of navigation and for optimised viewing on smartphones and tablets, since 2014 the Group's website has been administered in three languages (French, English and Brazilian Portuguese).

The website is an information and discovery space designed to help investors keep abreast of the Group's news.

##### 7.7.2. LETTER TO SHAREHOLDERS

Two or three times a year Albioma publishes a letter to shareholders, which is sent personally to each registered shareholder and posted online in the Shareholders area of the Company's website as soon as it is available. It reviews the implementation of the Group's strategy, its results and stock price performance, and focuses on the year's highlights

##### 7.7.3. NUMEROUS MEETINGS WITH FINANCE INDUSTRY PLAYERS

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.

##### 7.7.4. ACTIONARIA TRADE FAIR: ALBIOMA MEETS ITS INDIVIDUAL SHAREHOLDERS

On 21 and 22 November 2014, Albioma was present for the third 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, including the Chairman and Chief Executive Officer, to discover or gain a better understanding of the Group's lines of business and ambitions.

##### 7.7.5. CONTACTS

###### 7.7.5.1. Investors

###### Albioma

Julien Gauthier  
Chief Financial Officer

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T. +33 (0) 1 47 76 67 00

###### 7.7.5.2. Press and media

###### LPM Strategic Communications

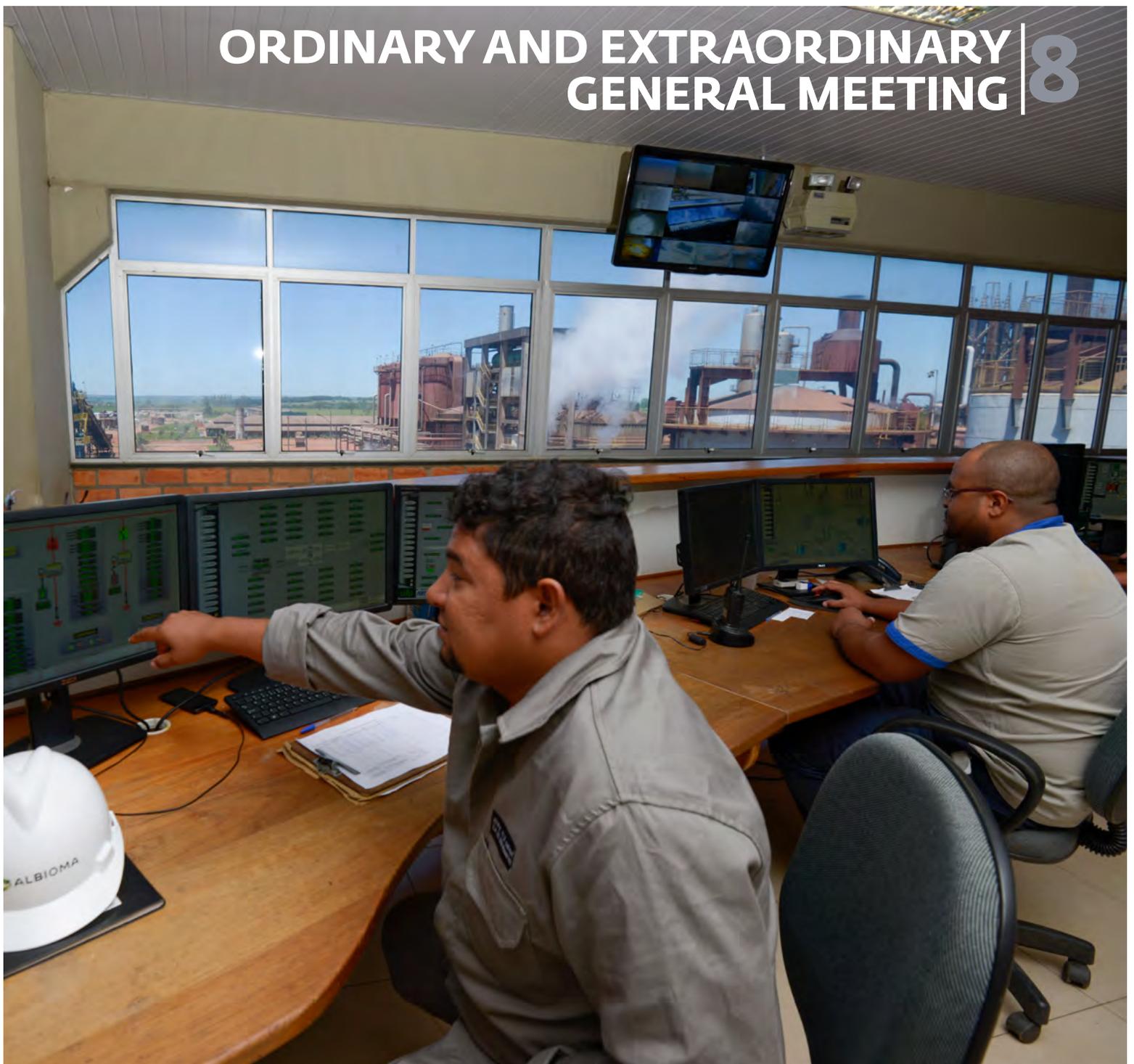
Luc Perinet-Marquet

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T. +33 (0)1 44 50 40 35

##### 7.7.6. 2015 FINANCIAL CALENDAR

04/03/2015 (pre-trading)	Annual results for 2014
29/04/2015 (pre-trading)	First quarter 2015 revenue
28/05/2014	Annual General Meeting of shareholders (auditorium of Capital 8, 32 Rue de Monceau, 75008 Paris, at 3 p.m.)
27/07/2015 (after trading)	First half 2015 results
28/10/2015 (pre-trading)	Third quarter 2015 revenue

# ORDINARY AND EXTRAORDINARY GENERAL MEETING | 8



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<b>8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015</b>	<b>220</b>	8.3.3. Report by the Statutory Auditors on the issue of shares and/or securities giving access to capital, with the waiver of preferential subscription rights, reserved for members of a company savings plan (nineteenth resolution)	248
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8.2.2. Resolutions put to the Extraordinary General Meeting	229		

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.1. Agenda

The General Meeting will be held on 28 May 2015 at 3 p.m., in the auditorium of the Centre de Conférences Capital 8, 32 Rue de Monceau, 75008 Paris.

### 8.1. Agenda

#### 8.1.1. ORDINARY MEETING

- Approval of the company financial statements for the financial year ended 31 December 2014
- Approval of the consolidated financial statements for the financial year ended 31 December 2014
- Appropriation of income and setting of the dividend for the financial year ended 31 December 2014
- Option for payment of the dividend for the financial year ended 31 December 2014 in new shares
- Opinion on the remuneration due or awarded for the financial year ended 31 December 2014 to Mr Jacques Pétry, Chairman and Chief Executive Officer
- Approval of the agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the Commercial Code
- Renewal of Mr Maurice Tchenio's appointment as a director
- Record of the expiry of the term of office as a director of Mr Patrick de Giovanni, who does not wish to stand for office again, and appointment of Mr Franck Hagège as a director
- Record of the expiry of the term of office as a director of Ms Myriam Maestroni, who does not wish to stand for office again, and appointment of Ms Marie-Claire Daveu 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

#### 8.1.2. EXTRAORDINARY MEETING

- 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
- Delegation of authority to the Board of Directors to decide to issue, with maintenance of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities
- Delegation of authority to the Board of Directors to decide to issue, by means of a public offering with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities
- Delegation of authority to the Board of Directors to decide to issue by means of an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code, with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities
- Delegation of authority to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance or waiver of preferential subscription rights, in the case of surplus demand, pursuant to the twelfth, thirteenth and fourteenth resolutions
- Grant of authorisation to the Board of Directors to set the price of issues by means of a public offering or an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code of ordinary shares or securities, with waiver of preferential subscription rights, within a limit of 10% of the capital

- Delegation of powers to the Board of Directors to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions in kind made to the Company, within a limit of 10% of the capital
- Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions of securities pursuant to a public exchange offer
- Delegation of authority 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 waiver of preferential subscription rights
- Delegation of authority to the Board of Directors to decide to increase the capital by capitalising premiums, reserves, profit or other sums eligible for capitalisation
- Amendment to Article 32 of the Memorandum and Articles of Association relating to the organisation of General Meetings
- Amendment to Article 37 of the Memorandum and Articles of Association relating to voting rights attached to shares
- Powers to carry out formalities

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

#### 8.2.1. RESOLUTIONS PUT TO THE ORDINARY GENERAL MEETING

##### 8.2.1.1. Resolutions 1, 2 and 3: approval of Company and consolidated financial statements for the financial year ended 31 December 2014, appropriation of income and setting of the dividend for the financial year ended 31 December 2014

#### Explanation

The purpose of the 1st and 2nd resolutions is the approval of the company and consolidated financial statements for the 2014 financial year. The Company's Statutory Auditors have produced the reports set out in chapter 5 on page 170 and in section 4.7 on page 143 of the Registration Document for the 2014 financial year in relation to these financial statements.

The company financial statements for the 2014 financial year record a net profit of €12,488,000, compared to €17,914,000 for the 2013 financial year. They are set out in full in chapter 5 on page 146 *et seq.* of the Registration Document for the 2014 financial year.

The consolidated financial statements for the 2014 financial year record a net income, Group share, of €38,048,000, compared to €42,596,000 for the 2013 financial year. They are set out in full in chapter 4 on page 98 *et seq.* of the Registration Document for the 2014 financial year.

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

The third resolution relates to the appropriation of income for the 2014 financial year and the setting of the dividend. The Board of Directors, in line with the policy announced in 2012 (distribution of the equivalent of 50% of the net income, Group share, excluding disposal gains, retroactivity and financing of new projects), proposes a dividend of €0.64 per share to the General Meeting, which is a 7% increase compared to the €0.60 dividend for the 2013 financial year.

If the General Meeting approves the proposed amount, the shares will go ex-dividend on 8 June 2015 and the dividend will be paid on 2 July 2015.

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 Company shares.

The dividend is eligible for the 40% tax allowance pursuant to Article 158(3) (2) of the Tax Code in accordance with the terms, conditions and limits laid down by applicable laws and regulations.

The Board of Directors invites the shareholders to approve these resolutions.

#### First resolution – Approval of the Company financial statements for the financial year ended 31 December 2014

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 2014 and the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the company financial statements for the financial year ended 31 December 2014,

approves the company financial statements for the financial year ended 31 December 2014 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 €12,488,000,

and, pursuant to the provisions of 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 2014.

#### Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2014

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 2014 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 2014,

approves the consolidated financial statements for the financial year ended 31 December 2014 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 €38,048 thousand.

#### Third resolution – Appropriation of income and setting of the dividend for the financial year ended 31 December 2014

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 2014 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 2014, amounting to €12,488,262.26 as set out below:

##### Source of amounts to be appropriated (in euros)

Net income for the year	12,488,262.26
Retained earnings brought forward	87,858,491.94
<b>Total</b>	<b>100,346,754.20</b>

##### Appropriation (in euros)

To the legal reserve	2,183.08
To payment of a dividend of €0.64 per share	18,955,797.12
To retained earnings	81,388,774.00
<b>Total</b>	<b>100,346,754.20</b>

notes that:

- these amounts are calculated on the basis of the number of shares comprising the capital and the number of treasury shares held under the liquidity agreement as at 31 December 2014, and may be adjusted to take into account any differences in 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,

sets, accordingly, the dividend payable on each share with dividend rights at €0.64,

sets the ex-dividend date at 8 June 2015 and resolves that the dividend will be paid on 2 July 2015,

notes that this dividend is eligible for the 40% tax allowance pursuant to Article 158(3)(2) of the Tax Code in accordance with the terms, conditions and limits laid down by applicable laws and regulations,

and notes that the following dividends have been distributed in the last three financial years:

Financial year	Total amount distributed (in euros)	Net dividend per share (in euros)	Reduction pursuant to Article 158 (3) (2°) of the General Tax Code
2011	16,152,572	0.57	40%
2012	16,860,692	0.59	40%
2013	17,465,824	0.60	40%

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

#### 8.2.1.2. Resolution 4: option for payment of the dividend for the financial year ended 31 December 2014 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 2014 financial year, in new Company shares.

This proposal falls within the scope of the distribution policy implemented by the Group since 2012.

If the General Meeting approves this proposal, shareholders will have the right to opt for payment of 50% of the €0.64 dividend distributed pursuant to the third resolution, i.e. €0.32 per share, in cash or 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 8 June 2015 and 22 June 2015 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. €0.64 per share.

Accordingly, 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 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. This price will be set by the Board of Directors, prior to the General Meeting. If, on the basis of this price, the amount of 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 2 July 2015, on the same day as payment of the part of the share dividend payable in cash. Dividend and other rights will accrue from 1 January 2015.

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 2014 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 €0.64 per share, i.e. €0.32 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 and for which the shareholder has decided to exercise the option,
- this option must be exercised by the shareholder between 8 June 2015 and 22 June 2015 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 2 July 2015, and dividend and other rights will accrue from 1 January 2015,
- if the amount of 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.

## 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

**8.2.1.3. Resolution 5: Opinion on the remuneration due or awarded for the financial year ended 31 December 2014 to Mr Jacques Pétry, Chairman and Chief Executive Officer****Explanation**

The fifth resolution is submitted to the General Meeting pursuant to the new provisions of section 24.3 of the AFEP-MEDEF Code, as amended in June 2013, which recommends that shareholders should be consulted in relation to the remuneration due or awarded to executive directors in the previous financial year.

Shareholders are invited to have their say in the form of an advisory resolution. If the General Meeting votes against the resolution submitted to it, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, will discuss and vote on this matter at one of its next meetings and the Company will immediately announce the action the Board of Directors intends to take following the vote against the resolution in a press release to be published on the Company's website.

Shareholders are asked to vote on the remuneration due or awarded for the financial year ended 31 December 2014 to the Chairman and Chief Executive Officer, the Company's only executive director. This therefore constitutes an ex-post vote on:

- the remuneration due for the 2014 financial year, meaning the cash remuneration earned by the Chairman and Chief Executive Officer that is certain, both in terms of his entitlement and the amount, whether or not paid;
- the remuneration awarded for the 2014 financial year, that is, remuneration in the form of securities and/or cash, the award of which is agreed but whose 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 Mr Jacques Pétry for the 2014 financial year is presented in more detail in section 2.3 on pages 62 *et seq.* of the Registration Document for the 2014 financial year. Pursuant to the Application Guide of the AFEP-MEDEF's Code of Corporate Governance for Listed Corporations published in January 2014 by the Haut Comité de Gouvernement d'Entreprise, (High Corporate Governance Committee), the remuneration which shareholders are required to vote on is summarised below.

Remuneration due or awarded for the 2014 financial year	Amounts or estimates put to the vote (in € thousands)	Disclosure
Fixed remuneration	430	Information on the fixed component of the Chairman and Chief Executive Officer's remuneration for the 2014 financial year and changes in this remuneration can be found in section 2.3.2 on page 63 <i>et seq.</i> of the Registration Document for the 2014 financial year.
Variable annual remuneration	430	Information on the variable component of the Chairman and Chief Executive Officer's remuneration for the 2014 financial year, the quantitative and qualitative criteria used to fix this amount and the cap on the qualitative component, can be found in section 2.3.2 on page 63 <i>et seq.</i> of the Registration Document for the 2014 financial year.
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	901	160,000 bonus shares were allotted under the bonus share plan pursuant to resolutions adopted by the shareholders at the General Meeting of 27 May 2014. Information on stock option plans and bonus share plans as at 31 December 2014 can be found in sections 2.3.4 and 2.3.5 on page 66 <i>et seq.</i> of the Registration Document for the 2014 financial year.
Directors' fees	n/a	The Chairman and Chief Executive Officer is not entitled to directors' fees.
Value of benefits in kind	39	Information on the benefits in kind granted to the Chairman and Chief Executive Officer for the 2014 financial year can be found in section 2.3.2 on page 63 <i>et seq.</i> of the Registration Document for the 2014 financial year.

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

Remuneration due or awarded for the 2014 financial year to be voted on or already voted on by the General Meeting under the procedure for regulated agreements and commitments	Amounts put to the vote (in € thousands)	Disclosure
Severance payment	–	<p>Information on the severance payment potentially payable to Mr Jacques Pétry if he is removed from the office of Chairman and Chief Executive Officer or his appointment is not renewed can be found in section 2.3.6 on page 71 <i>et seq.</i> of the Registration Document for the 2014 financial year.</p> <p>At the General Meeting of 27 May 2014 the shareholders approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this severance payment bearing in mind the Board of Directors' reauthorisation of this payment at its meeting of 30 May 2013, in the context of Mr Jacques Pétry's re-appointment as Chairman and Chief Executive Officer (sixth resolution).</p> <p>At the General Meeting of 27 May 2014 the shareholders also approved, on the basis of the special report of the Statutory Auditors, the amendment made by the Board of Directors to the terms and conditions of this severance payment at its meeting of 4 March 2014 with a view, in particular, to ensuring compliance with the provisions of the AFEP-MEDEF Code, recommending that the performance conditions required to be met for the payment of such severance payment be assessed over a period of at least two financial years (seventh resolution).</p>
Compensation payable under a non-compete clause	–	<p>Information on compensation under a non-compete clause potentially payable to Mr Jacques Pétry if he is removed from the office of Chairman and Chief Executive Officer or his appointment is not renewed can be found in section 2.3.6 on page 71 <i>et seq.</i> of the Registration Document for the 2014 financial year.</p> <p>At the General Meeting of 27 May 2014 the shareholders approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this non-compete clause bearing in mind the Board of Directors' reauthorisation of this clause at its meeting of 30 May 2013, in the context of Mr Jacques Pétry's re-appointment as Chairman and Chief Executive Officer (sixth resolution).</p>
Supplementary retirement plan	n/a	There is no supplementary pension plan that has the characteristics of commitments governed by Article L. 225-42-1, paragraph 6, of the French Commercial Code.

#### Fifth resolution – Opinion on the remuneration due or awarded for the financial year ended 31 December 2014 to Mr Jacques Pétry, Chairman and Chief Executive Officer

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

consulted pursuant to the provisions of section 24.3 of the latest version of the Code of Corporate Governance for Listed Companies published by AFEP and MEDEF in June 2013,

and having taken note of the report of the Board of Directors for the General Meeting,

votes in favour of the remuneration due or awarded for the financial year ended 31 December 2014 to Mr Jacques Pétry, Chairman and Chief Executive Officer, as presented in section 2.3 of the Registration Document for the financial year ended 31 December 2014 and as reiterated in the report by the Board of Directors to the General Meeting set out in section 8.2 of the said Registration Document.

#### 8.2.1.4. Resolution 6: approval of the agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the Commercial Code

##### Explanation

The purpose of the sixth 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 Commercial Code during the 2014 financial year.

The Statutory Auditors have issued a report recording the absence of any agreement or commitment that needs to be put to the General Meeting, set out in section 2.8 on page 81 *et seq.* of the Registration Document for the 2014 financial year.

The Board of Directors invites the shareholders to approve this resolution.

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

#### **Sixth resolution - Approval of agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the 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 Commercial Code,

notes the fact that no agreements or commitments governed by Articles L. 225-38 and L. 225-42-1 of the Commercial Code were entered into during the financial year ending on 31 December 2014.

#### **8.2.1.5. Resolution 7: Renewal of Mr Maurice Tchenio's appointment as a Director**

##### **Explanation**

The purpose of the seventh resolution is to renew Mr Maurice Tchenio's appointment as a Director, as his term of office expires at the close of the General Meeting.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, proposes that the General Meeting renew his appointment for a four-year term of office, expiring at the close of the General Meeting called in 2019 to approve the financial statements for the financial year ending 31 December 2018.

Information on the offices and positions held by Mr Maurice Tchenio (including the offices and positions held over the past five years) can be found in section 2.2.3 on page 46 of the Registration Document for the 2014 financial year.

The Board of Directors invites the shareholders to approve this resolution.

#### **Seventh resolution – Renewal of Mr Maurice Tchenio's appointment 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,

notes that Mr Maurice Tchenio's term of office as a Director will expire at the close of this General Meeting,

and resolves, accordingly, to reappoint Mr Maurice Tchenio as a Director for a four-year term of office expiring at the close of the General Meeting called in 2019 to approve the financial statements for the financial year ending 31 December 2018.

#### **8.2.1.6. Resolution 8: record of the expiry of the term of office as a Director of Mr Patrick de Giovanni, who does not wish to stand for office again, and appointment of Mr Franck Hagège as a Director**

##### **Explanation**

The purpose of the eighth resolution is to appoint Mr Franck Hagège as a Director to replace Mr Patrick de Giovanni, whose term of office expires at the close of the General Meeting and who does not wish to stand for office again.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, proposes that the General Meeting record the expiry of the term of office of Mr Patrick de Giovanni, who does not wish to stand for office again, and appoint Mr Franck Hagège as a Director for a four-year term of office, expiring at the close of the General Meeting called in 2019 to approve the financial statements for the financial year ending 31 December 2018.

If the shareholders adopt the resolution, Mr Franck Hagège's appointment as a member of the Audit, Accounts and Risks Committee and a member of the Corporate Social Responsibility Committee (formerly the Social and Environmental Responsibility Committee) will be proposed to the Board of Directors at the meeting to be held immediately after the General Meeting.

The Board of Directors invites the shareholders to approve this resolution.

##### **Additional information**

###### **Franck Hagège**

- Date of birth: 1 September 1974
- Nationality: French
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- He does not hold any Albioma shares on the date of filing of the Registration Document for the 2014 financial year.

A graduate of the Hautes Études Commerciales (HEC) business school, Franck Hagège was appointed Partner and Director of Apax Partners Midmarket on 1 January 2015. He joined Apax Partners in 2004 in the Retail and Consumer Goods department. He began his career in 1998 as a Consultant with AT Kearney, where he worked on assignments involving strategic and operational issues for major groups and investment funds for five years. He also worked at NetsCapital for one year, where he was involved in M&A transactions in the telecom and media sector.

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

#### Offices and positions as of the date of the filing of the 2014 Registration Document

##### WITHIN THE ALBIOMA GROUP

Not applicable

##### OUTSIDE THE ALBIOMA GROUP

Lion / Seneca France 1 SAS	Member of the Supervisory Board
Lion / Seneca France Audio SAS	Member of the Supervisory Board
AA Franchise SASU	Member of the Supervisory Board
Hephaestus III BV (Netherlands)	Non-Executive Director
Hephaestus IV Cooperatief UA (Netherlands)	Director B

#### Offices and positions held during the last five years, expired as of the date of the filing of the 2014 Registration Document

#### Expiry

##### WITHIN THE ALBIOMA GROUP

Not applicable

##### OUTSIDE THE ALBIOMA GROUP

Financière Season SAS	Permanent representative of Apax Partners SA in its capacity as a member of the Executive Committee	2014
Thom Europe SAS	Permanent representative of Apax Partners SA in its capacity as member of the Supervisory Board	2014
Abaco SAS	Permanent representative of Apax Partners SA in its capacity as representative of the body of bond holders	2013
Ginkgo B. Company SAS	Member of the Supervisory Board	2013
Heytens Centrale SA	Permanent representative of Apax Partners SA in its capacity as Director	2012
Groupe Mondial Tissus SA	Permanent representative of Apax Partners SA in its capacity as Director	2010
Sandinvest SA	Member of the Management Board	2010
Financiere Season SAS	Member of the Executive Committee	2010

#### **Eighth resolution - Record of the expiry of the term of office as a Director of Mr Patrick de Giovanni, who does not wish to stand for office again, and appointment of Mr Franck Hagège 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 Mr Patrick de Giovanni, who does not wish to stand for office again, will expire at the close of this General Meeting,

and resolves, accordingly, to appoint Mr Franck Hagège as a Director for a four-year term of office expiring at the close of the General Meeting called in 2019 to approve the financial statements for the financial year ending 31 December 2018.

#### **8.2.1.7. Resolution 9: record of the expiry of the term of office as a Director of Ms Myriam Maestroni, who does not wish to stand for office again, and appointment of Ms Marie-Claire Daveu as a Director**

##### Explanation

The purpose of the 9th resolution is to appoint Ms Marie-Claire Daveu as a Director to replace Ms Myriam Maestroni, whose term of office expires at the close of the General Meeting and who does not wish to stand for office again.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, proposes that the General Meeting record the expiry of the term of office of Ms Myriam Maestroni, who does not wish to stand for office again, and appoint Ms Marie-Claire Daveu as a Director for a four-year term of office, expiring at the close of the General Meeting called in 2019 to approve the financial statements for the financial year ending 31 December 2018.

If the shareholders adopt the resolution, Ms Marie-Claire Daveu's appointment as Chair of the Corporate Social Responsibility Committee (formerly the Social and Environmental Responsibility Committee) will be proposed to the Board of Directors at the meeting to be held immediately after the General Meeting.

The Board of Directors invites the shareholders to approve this resolution.

## 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

**Additional information****Marie-Claire Daveu**

- Date of birth: 05 April 1971
- Nationality: French
- Business address: Kering, 10 Avenue Hoche, 75008 Paris
- She does not hold any Albioma shares on the date of filing of the Registration Document for the 2014 financial year.

Marie-Claire Daveu began her career as a senior civil servant in the field of agriculture and the environment, serving as a Technical Adviser to Prime Minister Jean-Pierre Raffarin before being appointed Principal Private Secretary to Serge Lepeltier, Minister of Ecology and Sustainable Development, in 2004.

She joined Sanofi-Aventis Group in 2005 as Head of Sustainable Development. From 2007 to 2012, she served as Principal Private Secretary to Nathalie Kosciusko-Morizet, first within the Ministry of Ecology, then the Ministry of Forecasting and the Digital Economy, and lastly, within the Ministry of Ecology, Sustainable Development, Transport and Housing. In September 2012, Marie-Claire Daveu was appointed to her current position as Chief Sustainability Officer, Head of International Institutional Affairs at Kering group. She is also a member of Kering group's Executive Committee. Marie-Claire Daveu, who is 44, is a graduate of the Paris Grignon National Institute of Agronomy (INA PG) and of the National School of Rural Engineering, Water and Forests (ENGREF). She also holds a DESS advanced studies degree in Public Administration from Paris Dauphine University.

**Offices and positions as of the date of the filing of the 2014 Registration Document****WITHIN THE ALBIOMA GROUP**

Not applicable

**OUTSIDE THE ALBIOMA GROUP**

Crédit Agricole Corporate and Investment Bank (CACIB) SA

**Offices and positions held during the last five years, expired as of the date of the filing of the 2014 Registration Document**

**Expiry**

**WITHIN THE ALBIOMA GROUP**

Not applicable

**OUTSIDE THE ALBIOMA GROUP**

Not applicable

**Ninth resolution: record of the expiry of the term of office as a Director of Ms Myriam Maestroni, who does not wish to stand for office again, and appointment of Ms Marie-Claire Daveu 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 Ms Myriam Maestroni, who does not wish to stand for office again, will expire at the close of this General Meeting,

and resolves, accordingly, to appoint Ms Marie-Claire Daveu as a Director for a four-year term of office expiring at the close of the General Meeting called in 2019 to approve the financial statements for the financial year ending 31 December 2018.

**8.2.1.8. Resolution 10 - 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 tenth 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 2014 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 30 May

2013 and 27 May 2014. The authorisation granted on 27 May 2014 invalidated the unused part of the authorisation granted on 30 May 2013.

During the 2014 financial year, shares were bought back pursuant to these authorisations in order to:

- allow Exane BNP Paribas to implement a liquidity contract designed to improve liquidity of the Albioma share on the Euronext Paris market (see further information in section 7.3.6.2 on page 205 of the Registration Document for the 2014 financial year);
- supply shares for the bonus share plan approved by the shareholders at the General Meeting of 14 March 2012 (see further information in section 7.3.6.2 on page 205 of the Registration Document for the 2014 financial year).

Detailed information on the Board of Directors' use of these authorisations can be found in sections 7.2.2.2 and 7.3.6.2 on pages 196 *et seq.* and 203 *et seq.* of the Registration Document for the 2014 financial year.

The Board of Directors proposes that the shareholders extend the existing authorisation, granted on 27 May 2014, 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 stock option plans or bonus share plans and any allotments, allocations or sales of shares, in particular under any scheme to share in the Company's profits;

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- 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 eleventh 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 acquisitions;
- the implementation of any other market practices that are 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 share 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 share 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 share capital.

The aggregate amount of purchases, net of costs, may not exceed €75 million. The maximum purchase price per share may not exceed €36, 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.

In the event of a public offering for the Company's shares settled entirely in cash, the Company may continue to implement its share buyback programme in compliance with applicable laws and regulations.

A description of this share buyback programme can be found in section 7.3.6.2, page 206 of the Registration Document for the 2014 financial year.

The Board of Directors invites the shareholders to approve this resolution.

#### **Tenth 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 Commercial Code, Articles 241-1 to 241-6 of the AMF's General Regulations and European Regulation No. 2273/2003 of the European Commission of 22 December 2003, 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 L.225-177 *et seq.* of the Commercial Code, 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 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 eleventh 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 accepted market practices and applicable regulations,
- to implement any other market practices that are 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 share 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 share capital,
- the aggregate amount of the purchases, net of costs, may not exceed €75 million,
- the maximum purchase price per share must not exceed €36, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment 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 relevant transaction and the number of shares after the transaction,

resolves that the purchase, sale or transfer of the shares may be carried out or paid, 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, trading in options or derivatives, the purchase of options or the purchase of securities. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme,

resolves, that in the event of a public offering for the Company's shares settled in full in cash, the Company may continue to implement its share buyback programme in compliance with applicable laws and regulations,

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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 authorization 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 twelfth resolution adopted at the General Meeting held on 27 May 2014,

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.

#### 8.2.2. RESOLUTIONS PUT TO THE EXTRAORDINARY GENERAL MEETING

##### 8.2.2.1. Resolution 11 - 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 eleventh 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 8.3.1, on page 245 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing authorisation, granted to it by the General Meeting at its meeting of 27 May 2014.

The Board of Directors proposes that the General Meeting extend 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, up to 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.

##### Eleventh 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 eleventh 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 authorization for a period of 18 months, with effect from the date of this General Meeting,

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.

##### 8.2.2.2. Resolution 12 - delegation of authority to the Board of Directors to decide to issue, with maintenance of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities

###### Explanation

The purpose of the twelfth resolution is to renew the delegation of authority granted to the Board of Directors to decide to issue, with maintenance of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

The Board of Directors proposes that the General Meeting renew this delegation for a period of 26 months and cancel the existing delegation.

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If the General Meeting approves this proposal, the Board of Directors will have the authority to decide, with the power to sub-delegate, one or more issues, denominated in euros or in any other currency or unit of account established by reference to a basket of currencies, in respect of:

- Company shares,
- securities giving immediate or subsequent access, by any means, to shares to be issued by the Company,
- shares giving immediate or subsequent access, by any means, to other shares or giving access to debt securities, free of charge or for financial consideration, and/or
- securities giving immediate or subsequent access, by any means, to shares to be issued by a company in which the Company directly or indirectly holds more than one half of the capital.

This delegation does not, however, authorise the Board of Directors to issue preference shares or securities giving access to preference shares.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed €357,000 (corresponding to approximately 31.2% of the capital as at 31 December 2014). The nominal amount of the capital increases that may be carried out under the delegations referred to in the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth and nineteenth resolutions will also be applied against this aggregate cap, which will be increased, where applicable, by the additional nominal amount of shares that may be issued to protect the rights of holders of securities giving access to capital.

The maximum nominal amount of the debt securities that may be issued under this delegation, or their equivalent value in euros on the date on which their issue is decided, may not exceed €200 million. The nominal amount of the debt securities that may be issued under the delegations referred to in the thirteenth, fourteenth, fifteenth and sixteenth, resolutions will also be applied against this aggregate cap, which will be increased, where applicable, by any redemption premium above par value. It is, moreover, specified that the nominal amount of any issues governed by Article L. 228-92, paragraph 3, of the Commercial Code that may be decided by the Board of Directors pursuant to Article L. 228-40 of the Commercial Code will not be applied against this aggregate cap.

Shareholders will have a preferential subscription right on a pre-emptive basis for ordinary shares and securities giving access to capital issued under this delegation in proportion to the number of shares held. The Board of Directors may grant preferential subscription rights to shareholders for excess shares, to be exercised in proportion to shareholder subscription rights and, in all circumstances, up to the number of shares applied for.

In the event that applications for new shares on a pre-emptive basis and, where applicable, applications for excess shares do not take up the entire issue of shares or securities giving access to capital under this delegation, the Board of Directors may implement one or more of the following options available to it under Article L. 225-134 of the Commercial Code, in such order as it determines:

- to limit the issue, where applicable, to the amount of the subscriptions provided that said amount is not less than three quarters of the issue decided by the Board of Directors;
- to distribute, at its own discretion, all or part of the securities that have not been subscribed for to whomever it decides;
- to offer all or part of the securities that have not been subscribed for to the public.

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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities.

The Board of Directors invites the shareholders to approve this resolution.

#### **Twelfth Resolution: Delegation of authority to the Board of Directors to decide to issue, with maintenance of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities**

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 twelfth resolution,

in accordance with the provisions of Article L. 225-129 *et seq.* of the Commercial Code, in particular Articles L. 225-129-2, L. 225-132, L. 225-133 and L. 225-134 of the Commercial Code, and the provisions of Article L. 228-91 *et seq.* of the 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, both in France and abroad, denominated in euros or in any other currency or unit of account established by reference to a basket of currencies:

- Company shares,
- securities giving immediate or subsequent access, by any means, to shares to be issued by the Company,
- shares giving immediate or subsequent access, by any means, to other shares or giving access to debt securities, free of charge or for financial consideration, and/or
- securities giving immediate or subsequent access, by any means, to shares to be issued by a company in which the Company directly or indirectly holds more than one half of the capital,

which may be subscribed for in cash, including by setting off liquid and payable debts, or partly in cash and partly by capitalising reserves, profit or premiums,

resolves that preference shares and securities giving immediate or subsequent access, by any means, to preference shares are expressly excluded from this delegation,

resolves that the securities giving access to the Company's ordinary shares issued under this delegation may, in particular, be composed of debt securities or be combined with the issue of such securities, or allow the issue thereof as intermediate securities, that they may in particular be issued as subordinated or unsubordinated securities (and, if subordinated, the Board of Directors must determine their level of subordination), for a fixed or perpetual term, and be issued in euros or in any other currency or monetary units established by reference to a basket of currencies,

resolves that the maximum nominal amount of the capital increases under this delegation, that may be carried out immediately or in the future, may not exceed €357,000, on the understanding that:

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- the aggregate maximum nominal amount of the capital increases that may be carried out under this delegation, and in accordance with the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth and nineteenth resolutions submitted to this General Meeting, may not exceed this amount of €357,000,
- 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 that the maximum nominal amount of the debt securities that may be issued under this resolution, or their equivalent in euros on the date on which their issue is decided, may not exceed €200 million, on the understanding that:

- this amount is an aggregate cap that applies to all debt securities that may be issued under this delegation and in accordance with the thirteenth, fourteenth, fifteenth and sixteenth resolutions submitted to this General Meeting,
- this amount is not affected by and is separate from the amount of any debt securities governed by Article L. 228-92, paragraph 3, of the Commercial Code issued pursuant to a decision or authorisation by the Board of Directors in accordance with the provisions of Article L. 228-40 of the Commercial Code,
- this amount will be increased, where applicable, by any redemption premium above par value,

resolves that, in accordance with applicable laws and regulations and the terms and conditions determined by the Board of Directors, shareholders will have a preferential subscription right on a pre-emptive basis for ordinary shares and securities giving access to capital issued under this delegation in proportion to the number of shares held and that the Board of Directors may grant shareholders preferential subscription rights in respect of excess shares, to be exercised in proportion to shareholder subscription rights and, in all circumstances, up to the number of shares applied for,

resolves that if the applications for shares on a pre-emptive basis and, where applicable, subscriptions for excess shares do not take up the entire issue of shares or securities giving access to capital decided under this delegation, the Board of Directors may implement one or more of the following options available to it under Article L. 225-134 of the Commercial Code, in such order as it determines:

- to limit the issue, where applicable, to the amount of subscriptions, provided that said amount is not less than three quarters of the issue decided by the Board of Directors,
- to distribute, at its own discretion, all or part of the unsubscribed securities to whomever it decides, or
- to offer all or part of the unsubscribed securities to the public,

notes that 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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities,

resolves that warrants for the Company's shares may be issued by way of cash subscriptions in accordance with the provisions set out above or by way of free allotments to the holders of existing shares, it being understood that the Board of Directors may decide that allotment rights for fractional shares will not be tradable and that the corresponding securities will be sold in the event of free allotments of detachable subscription warrants,

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,

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 to issue securities,
- determine all characteristics, the amount and the terms of any issue and the securities to be issued and in particular to:
  - determine the class of securities issued and set the relevant subscription price, the amount of the premium, the terms of payment, the date on which the dividend and other rights accrue (which may apply retroactively), the terms on which the securities issued under this resolution give access to the Company's ordinary shares and, where applicable, contractual provisions providing for cases of adjustment in addition to the cases provided for by law and under regulations,
  - determine, where applicable, the conversion, exchange and redemption rights, including through the delivery of Company assets such as existing securities, attached to shares or securities giving access to capital to be issued,
  - if the securities to be issued will be comprised of or combined with debt securities, fix their term (fixed or perpetual), their remuneration and, where applicable, the compulsory or optional circumstances for suspension or non-payment of interest, the right to reduce or increase the nominal value of the securities and the other terms of issue (including the provision of guarantees or sureties) and redemption (including repayment through the delivery of Company assets), on the understanding that the securities to be issued may grant the Company the right to issue debt securities (whether of a similar nature or otherwise) by way of payment of interest, for which payment has been suspended (for example, on account of the terms of redemption or remuneration or other rights such as indexation, option rights),
- during their life, modify the terms of the relevant securities, in accordance with applicable laws and regulations,
- determine the terms and conditions under which the Company may, where applicable, buy back or exchange on a stock exchange, at any time or during pre-determined periods, securities issued or to be issued, immediately or in the future, in order to cancel them or otherwise, based on applicable laws and regulations,
- of its own motion, 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 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 prove necessary for the carrying out and successful completion of these issues.

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#### 8.2.2.3. Resolution 13: Delegation of authority to the Board of Directors to decide to issue, by means of a public offering with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities

##### Explanation

The purpose of the thirteenth resolution is to renew the delegation of authority granted to the Board of Directors to decide to issue by means of a public offering, with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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 by means of a public offering, as defined in Article L. 411-1 *et seq.* of the Monetary and Finance Code, including by means of an offering comprising a public offering, involving one or more issues, denominated in euros or in any other currency or unit of account established by reference to a basket of currencies:

- Company shares,
- securities giving immediate or subsequent access, by any means, to shares to be issued by the Company,
- shares giving immediate or subsequent access, by any means, to other shares or giving access to debt securities, free of charge or for financial consideration, and/or
- securities giving immediate or subsequent access, by any means, to shares to be issued by a company in which the Company directly or indirectly holds more than one half of the capital.

This delegation does not, however, authorise the Board of Directors to issue preference shares or securities giving access to preference shares.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed €215,000 (corresponding to approximately 18.8 % of the capital as at 31 December 2014). This amount will be applied against the aggregate nominal cap of €357,000 provided for in the twelfth resolution. 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 maximum nominal amount of the debt securities that may be issued under this delegation, or their equivalent value in euros on the date on which their issue is decided, may not exceed €200 million. This amount will be applied against the nominal cap of €200 million provided for in the twelfth resolution. It will be increased, where applicable, by any redemption premium

above par value. It is moreover specified that the nominal amount of any issues governed by Article L. 228-92, paragraph 3, of the Commercial Code decided by the Board of Directors pursuant to Article L. 228-40 of the Commercial Code will not be applied against this cap.

Shareholder preferential subscription rights for securities that may be issued under this delegation will be waived. However, the Board of Directors has the power to grant shareholders a preferential right that does not give rise to the creation of tradable rights.

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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities.

Without prejudice to the terms of the sixteenth resolution:

- the issue price of the new shares issued under this delegation may not be less than the minimum amount provided for under the laws and regulations in force on the date of issue (currently the weighted average price of the Company's shares quoted on the regulated Euronext Paris market in the last three trading days prior to the date on which this price is set, to which a discount of no more than 5% may be applied, in accordance with the provisions of the first paragraph of Article L. 225-136(1) and Article R. 225-119 of the Commercial Code);
- the issue price of securities giving access to capital will be such that the amount received immediately by the Company, plus any amount that may subsequently be received by the Company, will be, for each share issued as a result of the issue of these securities, at least equal to the issue price defined in the previous paragraph.

The Board of Directors invites the shareholders to approve this resolution.

#### **Thirteenth resolution – Delegation of authority to the Board of Directors to decide to issue by means of a public offering, with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities**

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,

in accordance with the provisions of Article L. 225-129 *et seq.* of the Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of the Commercial Code, and the provisions of Article L. 228-91 *et seq.* of the 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 to issue, by means of a public offering, as defined in Article L. 411-1 *et seq.* of the Monetary and Finance Code, including by means of an offering comprising a public offering, involving one or more issues, and in the proportions and at the times it deems fit, both in France and abroad, denominated

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in euros or in any other currency or unit of account established by reference to a basket of currencies:

- Company shares,
- securities giving immediate or subsequent access, by any means, to shares to be issued by the Company,
- shares giving immediate or subsequent access, by any means, to other shares or giving access to debt securities, free of charge or for financial consideration, and/or
- securities giving immediate or subsequent access, by any means, to shares to be issued by a company in which the Company directly or indirectly holds more than one half of the capital,

which may be subscribed for in cash, including by setting off liquid and payable debts,

resolves that preference shares and securities giving immediate or subsequent access, by any means, to preference shares are expressly excluded from this delegation of authority,

resolves that the securities giving access to the Company's ordinary shares issued under this delegation may, in particular, be composed of debt securities or be combined with the issue of such securities, or allow the issue thereof as intermediate securities, that they may in particular be issued as subordinated or unsubordinated securities (and, if subordinated, the Board of Directors must determine their level of subordination), for a fixed or perpetual term, and be issued in euros or in any other currency or monetary units established by reference to a basket of currencies,

resolves that the maximum nominal amount of the capital increases under this delegation, that may be carried out immediately or in the future, may not exceed €215,000, on the understanding that:

- the nominal amount of the capital increases that may be carried out under this delegation will be applied against the aggregate maximum nominal amount set in the twelfth resolution of this 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 that the maximum nominal amount of the debt securities that may be issued under this delegation, or their equivalent in euros on the date on which their issue is decided, may not exceed €200 million, on the understanding that:

- this amount will be increased, where applicable, by any redemption premium above par value,
- this amount will be applied against the aggregate maximum nominal amount set in the twelfth resolution of this General Meeting,
- this amount is not affected by and is separate from the amount of any debt securities issues governed by Article L. 228-92, paragraph 3, of the Commercial Code that the Board of Directors may authorise in accordance with the provisions of Article L. 228-40 of the Commercial Code,

resolves to waive shareholder preferential subscription rights for securities that may be issued under this delegation but authorises the Board of Directors to grant shareholders a preferential right on a pre-emptive basis and/or for excess shares that does not give rise to the creation of tradable rights, pursuant to the provisions of Article L. 225-135 of the Commercial Code,

notes that 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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities,

resolves that, without prejudice to the terms of the sixteenth resolution:

- the issue price of the new shares issued may not be less than the minimum amount provided for under the laws and regulations in force on the date of issue (currently the weighted average price of the Company's shares quoted on the regulated Euronext Paris market in the last three trading days prior to the date on which this price is set, to which a discount of no more than 5% may be applied, in accordance with the provisions of the first paragraph of Article L. 225-136(1) and Article R. 225-119 of the Commercial Code),
- the issue price of securities giving access to capital will be such that the amount received immediately by the Company, plus any amount that may subsequently be received by the Company, will be, for each share issued as a result of the issue of these securities, at least equal to the issue price defined in the previous paragraph.

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,

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 to issue securities,
- determine all characteristics, the amount and the terms of any issue and the securities to be issued and in particular to:
  - determine the class of securities issued and set the relevant subscription price, the amount of the premium, the terms of payment, the date on which the dividend and other rights accrue (which may apply retroactively), the terms on which the securities issued under this resolution give access to the Company's ordinary shares and, where applicable, contractual provisions providing for cases of adjustment in addition to the cases provided for by law and under regulations,
  - determine, where applicable, the conversion, exchange and redemption rights, including through the delivery of Company assets such as existing securities, attached to shares or securities giving access to capital to be issued,
  - if the securities to be issued will be comprised of or combined with debt securities, fix their term (fixed or perpetual), their remuneration and, where applicable, the compulsory or optional circumstances for suspension or non-payment of interest, the right to reduce or increase the nominal value of the securities and the other terms of issue (including the provision of guarantees or sureties) and redemption (including repayment through the delivery of Company assets), on the understanding that the securities to be issued may grant the Company the right to issue debt securities (whether of a similar nature or otherwise) by way of payment of interest, for which payment has been suspended (for example, on account of the terms of redemption or remuneration or other rights such as indexation, option rights),

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- during their life, modify the terms of the relevant securities, in accordance with applicable laws and regulations,
- determine the terms and conditions under which the Company may, where applicable, buy back or exchange on a stock exchange, at any time or during pre-determined periods, securities issued or to be issued, immediately or in the future, in order to cancel them or otherwise, based on applicable laws and regulations,
- of its own motion, 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 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 prove necessary.

#### **8.2.2.4. Resolution 14: delegation of authority to the Board of Directors to decide to issue by means of an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code, with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities**

##### **Explanation**

The purpose of the fourteenth resolution is to renew the delegation of authority granted to the Board of Directors to decide to issue by means of an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code, with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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 by means of an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code (meaning an offering exclusively reserved to persons providing third-party asset management investment services or accredited investors or a restricted circle of investors provided that these investors are acting for their own account), involving one or more issues, denominated in euros or in any other currency or unit of account established by reference to a basket of currencies:

- Company shares,
- securities giving immediate or subsequent access, by any means, to shares to be issued by the Company,

- shares giving immediate or subsequent access, by any means, to other shares or giving access to debt securities, free of charge or for financial consideration, and/or
- securities giving immediate or subsequent access, by any means, to shares to be issued by a company in which the Company directly or indirectly holds more than one half of the capital.

This delegation does not, however, authorise the Board of Directors to issue preference shares or securities giving access to preference shares.

The maximum nominal amount of the capital increases that may be carried out under this delegation immediately or in the future may not exceed €215,000 (corresponding to approximately 18.8 % of the capital as at 31 December 2014) and must fall within the limits on issues provided for in the laws and regulations in force on the date of issue (for information purposes only, on the date of this General Meeting, capital securities issued by means of an offering referred to in Article 411-2(II) of the Monetary and Finance Code may not exceed 20% of the Company's capital per year). This amount will be applied against the aggregate nominal cap of €357,000 provided for in the twelfth resolution. 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 maximum nominal amount of the debt securities that may be issued under this delegation, or their equivalent value in euros on the date on which their issue is decided, may not exceed €200 million. This amount will be applied against the nominal cap of €200 million provided for in the twelfth resolution. It will be increased, where applicable, by any redemption premium above par value. It is moreover specified that the nominal amount of any issues governed by Article L. 228-92, paragraph 3, of the Commercial Code decided by the Board of Directors pursuant to Article L. 228-40 of the Commercial Code will not be applied against this cap.

Shareholder preferential subscription rights for securities that may be issued under this delegation will be waived.

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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities.

Without prejudice to the terms of the sixteenth resolution:

- the issue price of the new shares issued under this delegation may not be less than the minimum amount provided for under the laws and regulations in force on the date of issue (currently the weighted average price of the Company's shares quoted on the regulated Euronext Paris market in the last three trading days prior to the date on which this price is set, to which a discount of no more than 5% may be applied, in accordance with the provisions of the first paragraph of Article L. 225-136(1°) and Article R. 225-119 of the Commercial Code),
- the issue price of securities giving access to capital will be such that the amount received immediately by the Company, plus any amount that may subsequently be received by the Company, will be, for each share issued as a result of the issue of these securities, at least equal to the issue price defined in the previous paragraph.

The Board of Directors invites the shareholders to approve this resolution.

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**Fourteenth resolution – Delegation of authority to the Board of Directors to decide to issue by means of an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code, with waiver of preferential subscription rights, ordinary shares and/or securities giving immediate or subsequent access to capital and/or debt securities**

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 the provisions of Article L. 225-129 *et seq.* of the Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of the Commercial Code, and the provisions of Article L. 228-91 *et seq.* of the 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 to issue, by means of an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code (meaning an offering exclusively reserved to persons providing third-party asset management investment services or accredited investors or a restricted circle of investors provided that these investors are acting for their own account), involving one or more issues, and in the proportions and at the times it deems fit, both in France and abroad, denominated in euros or in any other currency or unit of account established by reference to a basket of currencies:

- Company shares,
- securities giving immediate or subsequent access, by any means, to shares to be issued by the Company,
- shares giving immediate or subsequent access, by any means, to other shares or giving access to debt securities, free of charge or for financial consideration, and/or
- securities giving immediate or subsequent access, by any means, to shares to be issued by a company in which the Company directly or indirectly holds more than one half of the capital,

which may be subscribed for in cash, including by setting off liquid and payable debts,

resolves that preference shares and securities giving immediate or subsequent access, by any means, to preference shares are expressly excluded from this delegation of authority,

resolves that the securities giving access to the Company's ordinary shares issued under this delegation may, in particular, be composed of debt securities or be combined with the issue of such securities, or allow the issue thereof as intermediate securities, that they may in particular be issued as subordinated or unsubordinated securities (and, if subordinated, the Board of Directors must determine their level of subordination), for a fixed or perpetual term, and be issued in euros or in any other currency or monetary units established by reference to a basket of currencies,

resolves that the maximum nominal amount of the capital increases under this delegation, that may be carried out immediately or in the future, may not exceed €215,000, on the understanding that:

- capital securities issued under this delegation by means of an offering referred to in Article 411-2(II) of the Monetary and Finance Code may not exceed the limits provided for in the laws and regulations in force on the date of issue (for information purposes only, on the date of this General Meeting, capital securities issued by means of an offering referred to in Article 411-2(II) of the Monetary and Finance Code may not exceed 20% of the Company's capital per year), on the understanding that this limit will be assessed on the date of the Board of Directors' decision to use this delegation,
- the nominal amount of the capital increases that may be carried out under this delegation will be applied against the aggregate maximum nominal amount set in the twelfth resolution of this 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 that the maximum nominal amount of the debt securities that may be issued under this delegation, or their equivalent in euros on the date on which their issue is decided, may not exceed €200 million, on the understanding that:

- this amount will be increased, where applicable, by any redemption premium above par value,
- this amount will be applied against the aggregate maximum nominal amount set in the twelfth resolution of this General Meeting,
- this amount is not affected by and is separate from the amount of any debt securities issues governed by Article L. 228-92, paragraph 3, of the Commercial Code that the Board of Directors may authorise in accordance with the provisions of Article L. 228-40 of the Commercial Code,

resolves to waive the preferential subscription rights held by shareholders in respect of securities that may be issued under this delegation,

notes that 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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities,

resolves that, without prejudice to the terms of the sixteenth resolution:

- the issue price of the new shares issued may not be less than the minimum amount provided for under the laws and regulations in force on the date of issue (currently the weighted average price of the Company's shares quoted on the regulated Euronext Paris market in the last three trading days prior to the date on which this price is set, to which a discount of no more than 5% may be applied, in accordance with the provisions of the first paragraph of Article L. 225-136(1°) and Article R. 225-119 of the Commercial Code),
- the issue price of securities giving access to capital will be such that the amount received immediately by the Company, plus any amount that may subsequently be received by the Company, will be, for each share issued as a result of the issue of these securities, at least equal to the issue price defined in the previous paragraph.

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,

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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,

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 to issue securities,
- determine all characteristics, the amount and the terms of any issue and the securities to be issued and in particular to:
  - determine the class of securities issued and set the relevant subscription price, the amount of the premium, the terms of payment, the date on which the dividend and other rights accrue (which may apply retroactively), the terms on which the securities issued under this resolution give access to the Company's ordinary shares and, where applicable, contractual provisions providing for cases of adjustment in addition to the cases provided for by law and under regulations,
  - determine, where applicable, the conversion, exchange and redemption rights, including through the delivery of Company assets such as existing securities, attached to shares or securities giving access to capital to be issued,
  - if the securities to be issued will be comprised of or combined with debt securities, fix their term (fixed or perpetual), their remuneration and, where applicable, the compulsory or optional circumstances for suspension or non-payment of interest, the right to reduce or increase the nominal value of the securities and the other terms of issue (including the provision of guarantees or sureties) and redemption (including repayment through the delivery of Company assets), on the understanding that the securities to be issued may grant the Company the right to issue debt securities (whether of a similar nature or otherwise) by way of payment of interest, for which payment has been suspended (for example, on account of the terms of redemption or remuneration or other rights such as indexation, option rights),
- during their life, modify the terms of the relevant securities, in accordance with applicable laws and regulations,
- determine the terms and conditions under which the Company may, where applicable, buy back or exchange on a stock exchange, at any time or during pre-determined periods, securities issued or to be issued, immediately or in the future, in order to cancel them or otherwise, based on applicable laws and regulations,
- of its own motion, 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 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 prove necessary.

#### **8.2.2.5. Resolution 15: delegation of authority to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance or waiver of preferential subscription rights, in the case of surplus demand, pursuant to the twelfth, thirteenth and fourteenth resolutions**

##### **Explanation**

The purpose of the fifteenth resolution is to renew the delegation of authority granted to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance or waiver of preferential subscription rights in the case of surplus demand, pursuant to the twelfth, thirteenth and fourteenth resolutions.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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 increase the number of shares or securities to be issued within the framework of issues undertaken under the delegations granted in the twelfth, thirteenth and fourteenth resolutions, in order to satisfy surplus demand, if any.

The additional shares or securities will be offered for subscription at the price charged for the initial issue, within the deadlines and limits prescribed in the laws and regulations in force on the date of issue (currently within 30 days of the end of the subscription period and no more than 15% of the initial issue).

The nominal amount of issues that may be undertaken under this delegation will be applied against the cap referred to in the resolution under which the initial issue was made, and against the aggregate cap referred to in the twelfth resolution.

The Board of Directors invites the shareholders to approve this resolution.

#### **Fifteenth resolution – Delegation of authority to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance or waiver of preferential subscription rights in the case of surplus demand, pursuant to the twelfth, thirteenth and fourteenth resolutions**

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. 225-135-1 of the Commercial Code,

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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 increase the number of shares or securities to be issued within the framework of any issue undertaken under the twelfth, thirteenth and fourteenth resolutions of this General Meeting, in the event that the Board of Directors registers surplus demand, at the price charged for the initial issue and within the deadlines and limits prescribed in the laws and regulations in force on the date of issue (currently within 30 days of the end of the subscription period and no more than 15% of the initial issue),

resolves that the nominal amount of the issues decided under this delegation will be applied against the cap referred to in the resolution under which the initial issue was undertaken, as well as against the aggregate cap referred to in the twelfth resolution,

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,

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 take such steps as are appropriate and enter into any agreements, 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 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 prove necessary.

#### **8.2.2.6. Resolution 16: grant of authorisation to the Board of Directors to set the price of issues by means of a public offering or an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code of ordinary shares or securities, with waiver of preferential subscription rights, within a limit of 10% of the capital**

#### **Explanation**

The purpose of the sixteenth resolution is to renew the authorisation granted to the Board of Directors to set the price of issues by means of a public offering or an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code of ordinary shares or securities, with waiver of preferential subscription rights, within a limit of 10% of the capital.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing authorisation, granted to it by the General Meeting at its meeting of 27 May 2014.

The Board of Directors proposes that the General Meeting renew this authorisation for a period of 26 months and cancel the existing authorisation.

If the General Meeting approves this proposal, the Board of Directors will be authorised, with the power to sub-delegate, to derogate from the terms and conditions governing the setting of prices as laid down in the thirteenth and fourteenth resolutions, pursuant to the provisions of the second paragraph of Article L. 225-136(1) of the Commercial Code for issues of ordinary shares and/or securities giving immediate or subsequent access to capital. If this authorisation is used, the issue price will be set as follows:

- the issue price of shares will be the volume-weighted average price of the Company's shares on the regulated Euronext Paris market on the last trading day closed prior to the date on which the Board of Directors decided the relevant issue, to which a discount of no more than 10% may be applied,
- for securities giving access to capital, the issue price will be such that the amount received immediately by the Company, plus any amount that may subsequently be received by the Company, will be, for each of the Company's shares issued as a result of the issue of these securities, at least equal to the amount defined above.

The maximum nominal amount of the capital increases that may be implemented under this authorisation may not exceed 10% of the share capital, over any twelve (12) month period (said capital being assessed on the date of the Board of Directors' decision setting the issue price). This amount will be applied against the maximum nominal amount referred to in the thirteenth or fourteenth resolution as applicable, as well as against the aggregate nominal cap of €357,000 set in the twelfth resolution.

The Board of Directors invites the shareholders to approve this resolution.

#### **Sixteenth resolution – Grant of authorisation to the Board of Directors to set the price of issues by means of a public offering or an offering referred to in Article L. 411-2(II) of the Monetary and Finance Code of ordinary shares or securities, with waiver of preferential subscription rights, within a limit of 10% of the capital**

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 Article L. 225-136 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, for issues of ordinary shares and/or securities giving immediate or subsequent access to capital undertaken pursuant to the thirteenth and fourteenth resolutions of this General Meeting, to derogate from the terms and conditions governing the setting of prices referred to in said resolutions, pursuant to the provisions of the second paragraph of Article L. 225-136(1) of the Commercial Code, and to set prices in accordance with the following provisions:

- the issue price of shares will be the volume-weighted average price of the Company's shares on the regulated Euronext Paris market on the last trading day closed prior to the date on which the Board of Directors decided the relevant issue, to which a discount of no more than 10% may be applied,
- for securities giving access to capital, the issue price will be such that the amount received immediately by the Company, plus any amount that may subsequently be received by the Company, will be, for each of the Company's shares issued as a result of the issue of these securities, at least equal to the amount defined above,

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resolves that the maximum nominal amount of the capital increases that may be implemented under this authorisation may not exceed 10% of the share capital, over any twelve (12) month period (said capital being assessed on the date of the Board of Directors' decision setting the issue price), it being specified that this amount will be applied against:

- the maximum nominal amount referred to in the thirteenth or fourteenth resolution of this General Meeting, as applicable, and
- the aggregate maximum nominal amount set in the twelfth resolution of this General Meeting,

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,

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 take such steps as are appropriate and enter into any agreements, 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 and file all statements and request any and all permissions that prove necessary.

#### **8.2.2.7. Resolution 17: Delegation of powers to the Board of Directors to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions in kind made to the Company, within a limit of 10% of the capital**

##### **Explanation**

The seventeenth resolution is designed to renew the delegation of powers granted to the Board of Directors to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions in kind made to the Company, within a limit of 10% of the capital.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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 necessary powers to decide, with the power to sub-delegate, to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions in kind made to the Company and comprising capital securities or securities (other than contributions of securities pursuant to a public exchange offer).

The shares or securities will be issued pursuant to a report by one or more Contribution Auditors.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 10% of the capital on the date on which the issue is decided. This amount will be applied against the aggregate nominal cap referred to in the twelfth resolution. 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 Company's shareholders will not be granted preferential subscription rights to securities that may be issued under this delegation.

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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities.

The Board of Directors invites the shareholders to approve this resolution.

#### **Seventeenth resolution – Delegation of powers to the Board of Directors to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions in kind made to the Company, within a limit of 10% of the capital**

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 seventeenth resolution,

in accordance with the provisions of Article L. 225-129 *et seq.*, Article L. 228-91 *et seq.* and Article L. 225-147 of the Commercial Code,

delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, the necessary powers to decide, pursuant to a report of the Contribution Auditor(s) referred to in the first and second paragraphs of Article L. 225-147 of the Commercial Code, to issue ordinary shares in the Company and/or securities giving immediate or subsequent access, by any means, to the Company's capital to remunerate contributions in kind made to the Company and comprising capital securities or securities when the provisions of Article L. 225-148 of the Commercial Code on contributions of securities pursuant to a public exchange offer do not apply,

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resolves that the maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 10% of the Company's capital on the date on which the Board of Directors decides the issue, it being specified that:

- the nominal amount of the capital increases that may be carried out under this delegation will be applied against the aggregate maximum nominal amount set in the twelfth resolution of this 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,

notes that shareholders will not be granted preferential subscription rights for the securities that may be issued under this delegation,

notes that under this delegation, shareholders are automatically deemed to have waived their preferential subscription rights in respect of ordinary shares in the Company to which the holders of securities issued under this delegation may be entitled under the rights attaching to said securities,

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 and to present the report of the Contribution Auditor(s) referred to in the first and second paragraphs of Article L. 225-147 of the Commercial Code to shareholders at the next General Meeting, pursuant to the provisions of Article R. 225-136 of the Commercial Code,

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:

- vote on the report of the Contribution Auditor(s) referred to in the first and second paragraphs of Article L. 225-147 of the Commercial Code, on the valuation of the contributions, the granting of special privileges and on their value,
- reduce, if the persons making the contributions agree, the value assigned to the contributions or the remuneration of special privileges,
- fix the number of securities to be issued to remunerate the contributions and the date on which dividend and other rights accrue thereon,
- of its own motion, 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 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 prove necessary.

#### **8.2.2.8. Resolution 18: Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions of securities pursuant to a public exchange offer**

##### **Explanation**

The purpose of the eighteenth resolution is to renew the delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions of securities pursuant to a public exchange offer.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2, on page 246 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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 in the Company and/or securities giving immediate or subsequent access, by any means, to existing and/or future shares in the Company to remunerate contributions of securities made pursuant to a public exchange offer initiated by the Company in respect of its own securities or the securities of another company listed on one of the regulated markets referred to in Article L. 225-148 of the Commercial Code.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed €215,000 (corresponding to approximately 18.8 % of the capital as at 31 December 2014). This amount will be applied against the aggregate cap of €357,000 referred to in the twelfth resolution. 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 Company's shareholders will not be granted preferential subscription rights to securities that may be issued under this delegation.

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 ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities.

The Board of Directors invites the shareholders to approve this resolution.

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

#### **Eighteenth resolution – Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate or subsequent access to capital to remunerate contributions of securities pursuant to a public exchange offer**

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 eighteenth resolution,

in accordance with the provisions of Article L. 225-129 *et seq.*, Article L. 225-148 and Article L. 228-91 *et seq.* of the 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 to issue shares in the Company and/or securities giving immediate or subsequent access, by any means, to the Company's capital to remunerate contributions of securities made pursuant to a public exchange offer initiated by the Company in respect of its own securities or the securities of another company listed on one of the regulated markets referred to in Article L. 225-148 of the Commercial Code,

resolves that the maximum nominal amount of the capital increases under this delegation, that may be carried out immediately or in the future, may not exceed €215,000, it being specified that:

- this amount will be applied against the aggregate maximum nominal amount referred to in the twelfth resolution of this 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,

notes that shareholders will not be granted preferential subscription rights for the securities that may be issued under this delegation,

notes that under this delegation, shareholders are automatically deemed to have waived their preferential subscription rights, pursuant to the provisions of Article L. 225-132 of the Commercial Code, in respect of the shares to which the holders of securities issued under this delegation may be entitled under the rights attaching to said securities,

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,

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:

- set the exchange ratio and, where applicable, the amount of the cash balance to be paid,
- record the number of securities contributed pursuant to the exchange together with the number of shares or securities to be created as remuneration for said contribution,
- determine the dates, terms and conditions of issue, in particular the price and the date on which dividend and other rights accrue, which may be retroactive, of the new shares or, where applicable, the securities giving immediate and/or subsequent access to shares in the Company,
- recognise as a liability on the balance sheet, in the contribution premium account, the difference between the issue price of the new shares and their nominal value, to which the rights of all shareholders will apply,
- of its own motion, allocate the cost of the capital increase against the amount of the relevant contribution premium, 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 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 prove necessary.

#### **8.2.2.9. Resolution 19: Delegation of authority 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 waiver of preferential subscription rights**

##### **Explanation**

The purpose of the nineteenth 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 waiver of preferential subscription rights.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.3, on page 248 of the Registration Document for the 2014 financial year.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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.

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed €50,000 (corresponding to approximately 4.4% of the capital as at 31 December 2014). This amount will be applied against the aggregate nominal cap of €357,000 provided for in the twelfth resolution. 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 the regulated Euronext Paris market in the twenty 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 securities may be reoffered to said beneficiaries within the framework of a capital increase carried out at a later date.

The Board of Directors invites the shareholders to approve this resolution.

#### **Nineteenth resolution – Delegation of authority 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 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 nineteenth resolution,

in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6, 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 to members of one or more 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 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 the 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 will not be less than 80% of the average opening price of the Company's shares on the regulated Euronext Paris market in the twenty 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 if 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 €50,000, it being specified that:

- the maximum nominal amount of the capital increases that may be carried out under this delegation will be applied against the aggregate maximum nominal amount set in the twelfth resolution of this 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 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
- where applicable, the discount,

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 securities may be reoffered to said beneficiaries within the framework of a capital increase to be carried out at a later date,

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,

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

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,

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,
- of its own motion, 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.

#### 8.2.2.10. Resolution 20: delegation of authority to the Board of Directors to decide to increase the capital by capitalising premiums, reserves, profit or other sums eligible for capitalisation

##### Explanation

The purpose of the twentieth resolution is designed to renew the delegation of authority granted to the Board of Directors to decide to increase the capital by capitalising premiums, reserves, profit or other sums eligible for capitalisation.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 27 May 2014.

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, one or more capital increases by the subsequent or simultaneous capitalisation of reserves, profit, issue, contribution or merger premiums or any other sums eligible for capitalisation under applicable laws and provisions of the Memorandum and Articles of Association, in the form of bonus share allotments and/or an increase in the nominal value of existing shares.

If the capital is increased by means of a bonus share allotment, the Board of Directors may decide that the allotment rights for fractional shares will not be tradable and that the corresponding shares will be sold, with the proceeds of the sale being allotted to rights holders in accordance with applicable laws and regulations.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed the amount of the sums that may be capitalised on the date of the Board of Directors' decision. This amount will not be applied against the aggregate cap referred to in the twelfth resolution. 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 Board of Directors invites the shareholders to approve this resolution.

#### Twentieth resolution – Delegation of authority to the Board of Directors to decide to increase the capital by capitalising premiums, reserves, profit or other sums eligible for capitalisation

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,

in accordance with the provisions of Article L. 225-129 *et seq.* and Article L. 225-130 of the 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 capital increases, in the proportions and at the times it decides, by means of the subsequent or simultaneous capitalisation of reserves, profit, issue, contribution or merger premiums or any other sums eligible for capitalisation under applicable laws and provisions of the Memorandum and Articles of Association, in the form of bonus share allotments and/or an increase in the nominal value of existing shares,

resolves that the maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed the amount of the sums that may be capitalised on the date of the Board of Directors' decision under this delegation, it being specified that:

- the nominal amount of the capital increases that may be carried out under this delegation will not be applied against the aggregate maximum nominal amount set in the twelfth resolution of this General Meeting,
- this cap will be increased, where applicable, by the additional amount of the ordinary shares that may be issued to protect, in accordance with applicable laws and any applicable contractual provisions providing for other cases of adjustment, the rights of holders of securities carrying an entitlement to capital securities in the Company,

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting of 28 May 2015

resolves that if the capital is increased by means of a bonus share allotment and in accordance with the provisions of Article L. 225-130 of the Commercial Code, the Board of Directors may decide that the allotment rights for fractional shares will not be tradable and that the corresponding shares will be sold, with the proceeds of the sale being allotted to rights holders in accordance with applicable laws and regulations,

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,

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:

- set the amount and type of the sums to be capitalised,
- set the number of new shares to be issued and/or the amount of the increase in nominal value of the existing shares comprising the share capital, set the date, even retroactively, on which dividend and other rights will accrue on the new shares or the effective date of the increase in nominal value, 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 and file all statements relevant for the issue, listing and financial administration of the securities issued under this delegation and request any and all permissions that may prove necessary.

**8.2.2.11. Resolution 21: Amendment to Article 32 of the Memorandum and Articles of Association relating to the organisation of General Meetings**

**Explanation**

The purpose of the twenty-first resolution is to amend Article 32 of the Memorandum and Articles of Association relating to the organisation of General Meetings.

This modification will bring the Memorandum and Articles of Association into line with the new Article R. 225-85 of the Commercial Code, as this results from Article 4 of Decree 2014-1466 of 8 December 2014, modifying the date and procedure for preparing the list of persons authorised to attend meetings of the shareholders or bond holders of commercial companies. Pursuant to this Article, shareholders are entitled by operation of law to attend general meetings if their shares are registered in an account in the name of the shareholder or the intermediary registered as acting on the shareholder's behalf by midnight, Paris time, two working days (and not three working days as previously) before the date of the General Meeting.

The Board of Directors invites the shareholders to approve this resolution.

**Twenty-first resolution – Amendment to Article 32 of the Memorandum and Articles of Association relating to the organisation of General Meetings**

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,

resolves to amend Article 32 of the Memorandum and Articles of Association, which will henceforth read as follows:

*“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.*

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

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*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.”*

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 amend the Memorandum and Articles of Association and carry out all steps and formalities.

#### **8.2.2.12. Resolution 22: amendment to Article 37 of the Memorandum and Articles of Association concerning the number of voting rights attached to shares**

##### **Explanation**

The purpose of the twenty-second resolution is to amend Article 37 of the Memorandum and Articles of Association concerning the number of voting rights attached to shares.

This modification of the Memorandum and Articles of Association confirms the principle of “one share, one vote”, pursuant to the exception allowed in Article L. 225-123 of the Commercial Code as amended pursuant to Act 2014-384 of 29 March 2014 aimed at ‘recapturing the real economy’. Without this exception, a double voting right will be attached by operation of law to all shares held in registered form by a single shareholder for at least two years with effect from the entry into force of the aforementioned law.

The proposal put to the shareholders by the Board of Directors will ensure all shareholders are equal and will avoid any abuse that might arise from the dissociation of the power to exercise voting rights and the actual financial risk assumed. In addition, the Board of Directors reminds the General Meeting that shareholders whose shares are held in registered form for a continuous period of two years or more, calculated in calendar years from 1 January 2014, will be entitled to a 10% increase on dividends, in line with the aim to encourage shareholder loyalty set out in the aforementioned law.

The Board of Directors invites the shareholders to approve this resolution.

#### **Twenty-second resolution: Amendment to Article 37 of the Memorandum and Articles of Association concerning the number of voting rights attached to shares**

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,

resolves to make use of the right allowed by Article L. 225-123 of the Commercial Code as amended pursuant to Act 2014-384 of 29 March 2014 aimed at ‘recapturing the real economy’, and to amend the wording of Article 37 of the Memorandum and Articles of Association, as follows:

*“At all General Meetings the quorum shall be calculated on the basis of all shares comprising the share 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.”*

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 amend the Memorandum and Articles of Association and carry out all steps and formalities.

#### **8.2.2.13. Resolution 23: powers to carry out formalities**

##### **Explanation**

The purpose of the twenty-third resolution is to grant holders of the original, copies or extracts of the minutes of General Meetings the necessary powers to carry out standard public notice and filing formalities.

The Board of Directors invites the shareholders to approve this resolution.

#### **Twenty-third 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.

## 8.3. Reports by the Statutory Auditors on the resolutions

### 8.3.1. REPORT BY THE STATUTORY AUDITORS ON THE CAPITAL REDUCTION (ELEVENTH RESOLUTION)

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**Mazars**

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

#### FOR THE YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In our capacity as Statutory Auditors of your Company, and in compliance with Article L.225-209 of the French Commercial Code (*Code de commerce*) in respect of the 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, 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 which 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 28 April 2015

The Statutory Auditors,

**PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

**Mazars**

Manuela Baudoin-Revert  
Partner

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.3. Reports by the Statutory Auditors on the resolutions

#### 8.3.2. REPORT BY THE STATUTORY AUDITORS ON THE ISSUE OF SHARES AND SECURITIES GIVING ACCESS TO CAPITAL, WITH THE MAINTENANCE OR WAIVER OF PREFERENTIAL SUBSCRIPTION RIGHTS (TWELFTH, THIRTEENTH, FOURTEENTH, FIFTEENTH, SIXTEENTH, SEVENTEENTH AND EIGHTEENTH RESOLUTIONS)

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**Mazars**

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

#### FOR THE YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

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 present below our report on the proposed delegation of authority to the Board of Directors to issue shares and securities, which you are asked to approve.

On the basis of its report, your Board of Directors proposes:

- that you grant it a delegation of authority, for a period of 26 months from the date of this Meeting, to effect the following transactions, to establish the definitive conditions of these issues, and, where applicable, to propose that you waive your pre-emptive subscription rights:
  - the issue, with maintenance of preferential subscription rights (twelfth resolution), of ordinary shares and/or capital securities granting access to other capital securities or granting entitlement to the allocation of debt securities, and/or securities granting access to capital securities to be issued, it being specified that pursuant to Article L.228-93, paragraph 1 of the Commercial Code, the securities to be issued may grant access to capital securities to be issued from any company in which your Company directly or indirectly owns more than half the capital;
  - the issue, without preferential subscription rights, by means of a public offering (thirteenth resolution), of ordinary shares and/or capital securities granting access to other capital securities or granting entitlement to the allocation of debt securities, and/or securities granting access to capital securities to be issued, it being specified that pursuant to Article L.228-93, paragraph 1 of the Commercial Code, the securities to be issued may grant access to capital securities to be issued from any company in which your Company directly or indirectly owns more than half the capital;
  - the issue, without preferential subscription rights, by means of a public offering referred to (II) in Article L.411-2 of the French Monetary and Finance Code (*Code monétaire et financier*) corresponding to a maximum of 20% of the share capital per year (fourteenth resolution), of ordinary shares and/or capital securities granting access to other capital securities or granting entitlement to the allocation of debt securities, and/or securities granting access to capital securities to be issued, it being specified that pursuant to Article L.228-93, paragraph 1 of the Commercial Code, the securities to be issued may grant access to capital securities to be issued from any company in which your Company directly or indirectly owns more than half the capital;
  - the issue, in the event of a public exchange offering initiated by your Company (eighteenth resolution) of ordinary shares and/or securities granting access to the Company's capital;
- that you authorise it, in accordance with the sixteenth resolution and when implementing the delegation set forth in the thirteenth and fourteenth resolutions, to establish the issue price within the annual legal limit of 10% of the share capital;
- that you grant it the necessary powers for a period of 26 months with effect from the date of this Meeting, to carry out an issue of ordinary shares and/or securities granting access to the Company's capital, to remunerate contributions in kind made to the Company and comprising capital securities or securities granting access to the capital (seventeenth resolution), within the limit of 10% of the share capital.

In accordance with the twelfth resolution, the total nominal amount of the capital increases made immediately or in the future may not exceed €357,000 as defined by the twelfth, thirteenth, fourteenth, seventeenth, eighteenth and nineteenth resolutions, it being specified that the maximum nominal amount of capital increases made immediately or in the future may not exceed €215,000 pursuant to each of the thirteenth, fourteenth and eighteenth resolutions. In accordance with the twelfth resolution, the total nominal amount of debt securities that may be issued shall not exceed €200,000,000 for the purposes of the twelfth, thirteenth and fourteenth resolutions.

## 8.3. Reports by the Statutory Auditors on the resolutions

These ceilings take into account the additional securities which may be created when implementing the delegations set forth in the twelfth, thirteenth and fourteenth resolutions, under the conditions provided for in Article L.225-135-1 of the Commercial Code, if you adopt the fifteenth resolution.

The Board of Directors is responsible for drawing up a report in accordance with Article R.225-113 *et seq.* of the Commercial Code. It is our responsibility to report on the fairness of the financial information taken from the financial statements, on the proposed waiver of preferential subscription rights and on certain other information concerning these operations, which is provided in this report.

We followed the procedures which 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 checking the contents of the Board of Directors' report in relation to these operations and the methods used to determine the share issue price.

Subject to a subsequent examination of the conditions for the proposed issues, we have no observations on the methods used to determine the share issue price set forth in the Board of Directors' report under the thirteenth, fourteenth and sixteenth resolutions.

Furthermore, as this report does not specify the methods for determining the share issue price in accordance with the implementation of the twelfth, seventeenth and eighteenth resolutions, we cannot express an opinion on the methods used to calculate the issue price.

As the final conditions under which the issues will be carried out have not yet been determined, we shall not express an opinion on them and, consequently, on the proposal to waive preferential subscription rights which is put to you in the thirteenth and fourteenth resolutions.

Pursuant to Article R.225-116 of the Commercial Code, we shall draw up an additional report, if necessary, when these delegations are used by your Board of Directors in the event of issues of capital securities granting access to other capital securities or granting entitlement to the allocation of debt securities, in the event of issues of securities granting access to capital securities to be issued and in the event of issues without preferential subscription rights.

Neuilly-sur-Seine and Courbevoie, on 28 April 2015

The Statutory Auditors,

**PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

**Mazars**

Manuela Baudoin-Revert  
Partner

## 8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 MAY 2015

### 8.3. Reports by the Statutory Auditors on the resolutions

#### 8.3.3. REPORT BY THE STATUTORY AUDITORS ON THE ISSUE OF SHARES AND/OR SECURITIES GIVING ACCESS TO CAPITAL, WITH THE WAIVER OF PREFERENTIAL SUBSCRIPTION RIGHTS, RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN (NINETEENTH RESOLUTION)

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**Mazars**

Tour Exaltis - 61, rue Henri Regnault  
92400 Courbevoie

#### FOR THE YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Articles L.228-92 and L.225-135 *et seq.* of the Commercial Code, we present below our report on the proposed delegation of authority to the Board of Directors to decide on an issue of ordinary shares and/or securities granting access to the Company's capital, without preferential subscription rights, reserved for participants in one or more company or group savings plans jointly set up by your Company and its affiliated companies in France or abroad, subject to the conditions provided for in Article L.225-180 of the Commercial Code and Article L.3344-1 of the French Labour Code (*Code du travail*), which you are asked to approve.

The maximum nominal amount of the capital increase which may result from this issue is set at €50,000 and will be included in the total ceiling set for capital increases of €357,000, as defined in the twelfth resolution.

This issue is submitted for your approval, pursuant to Articles L.225 129-6 of the 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 grant it a delegation of authority for a period of twenty-six months from the date of this Meeting, to decide on an issue and to waive your preferential subscription rights for the securities to be issued. Where applicable it is the Board's responsibility to determine the definitive issue conditions of this operation.

The Board of Directors is responsible for drawing up a report in accordance with Article R.225-113 *et seq.* of the Commercial Code. It is our responsibility to report on the fairness of the financial information taken from the financial statements, on the proposed waiver of preferential subscription rights and on certain other information concerning the issue, which is provided in this report.

We followed the procedures which 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 checking the contents of the Board of Directors' report in relation to this operation and the methods used to determine the share issue price.

Subject to a subsequent examination of the conditions for the proposed increase in capital, we do not have any observations on the methods used to determine the share issue price set forth in the Board of Directors' report.

As the final conditions under which the issues will be carried out have not yet been determined, we shall not express an opinion on them and, consequently, on the proposal to waive preferential subscription rights which is put to you.

Pursuant to Article R.225-116 of the Commercial Code, we shall draw up an additional report, if necessary, when this delegation is used by your Board of Directors in the event of issues of shares and capital securities granting access to other capital securities and in the event of issues of securities granting access to capital securities to be issued.

Neuilly-sur-Seine and Courbevoie, on 28 April 2015

The Statutory Auditors,

**PricewaterhouseCoopers Audit**

Jean-Christophe Georghiou  
Partner

**Mazars**

Manuela Baudoin-Revert  
Partner



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### 9.1. Persons responsible for auditing the financial statements

#### 9.1. Persons responsible for auditing the financial statements

##### 9.1.1. 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 <sup>1</sup>
<b>Principal Statutory Auditors</b>				
<b>PricewaterhouseCoopers Audit</b>	18/05/2010	18/05/2010	6 fin. yrs	2016 GM
Statutory Auditors Member of the Versailles Regional Company of Statutory Auditors Represented by Jean-Christophe Georghiou 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex				
<b>Mazars</b>	27/05/2004	18/05/2010	6 fin. yrs	2016 GM
Statutory Auditors Member of the Versailles Regional Company of Statutory Auditors Represented by Manuela Baudoin-Revert Tour Exaltis 61, rue Henri Regnault 92400 Courbevoie				
<b>Alternate Statutory Auditors</b>				
<b>Yves Nicolas</b>	18/05/2010	18/05/2010	6 fin. yrs	2016 GM
c/o PricewaterhouseCoopers Audit				
<b>Daniel Escudeiro</b>	18/05/2010	18/05/2010	6 fin. yrs	2016 GM
c/o Mazars				

1. 2016 GM: term of office will expire at the end of the General Meeting to be held in 2016 to approve the financial statements for the 2015 financial year.

##### 9.1.2. FEES PAID BY THE COMPANY TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2014	2013	2014	2013	2014	2013	2014	2013
<i>In thousands of euros</i>								
<b>Statutory audit, certification, review of parent company and consolidated financial statements</b>								
Albioma	122.00	121.00	56%	55%	184.00	182.00	53%	70%
Fully-consolidated subsidiaries	76.90	80.00	36%	36%	101.71	59.00	29%	23%
<b>Other work and services directly related to the statutory audit</b>								
Albioma	12.50	20.00	6%	9%	58.15	20.00	17%	8%
Fully-consolidated subsidiaries	5.20	–	2%	–	2.60	–	1%	0%
<b>Sub-total Audit</b>	<b>216.60</b>	<b>221.00</b>	<b>100%</b>	<b>100%</b>	<b>346.46</b>	<b>261.00</b>	<b>100%</b>	<b>100%</b>
<b>Other services provided by the networks</b>								
Legal, tax, employment matters	–	–	0%	0%	–	–	0%	0%
Other	–	–	0%	0%	–	–	0%	0%
<b>Sub-total Other services</b>	<b>–</b>	<b>–</b>	<b>0%</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>0%</b>	<b>0%</b>
<b>Total</b>	<b>216.60</b>	<b>221.00</b>	<b>100%</b>	<b>100%</b>	<b>346.46</b>	<b>261.00</b>	<b>100%</b>	<b>100%</b>

## 9.2. Historical financial information included for reference purposes

## 9.2. Historical 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 2013 and the corresponding report by the Statutory Auditors, as shown on pages 96 to 137 of the 2013 Registration Document, filed with the *Autorité des Marchés Financiers* (AMF) on 30 April 2014 under number D.14-0468, and the information taken from the management report for the year ended 31 December 2013, as shown on pages 84 to 93 of the 2013 Registration Document, together with the Company financial statements for the year ended 31 December 2013 and the corresponding report by the Statutory Auditors, as shown on pages 140 to 160 of the 2013 Registration Document;
- the consolidated financial statements for the financial year ended 31 December 2012 and the corresponding report by the Statutory Auditors, as shown on pages 195 to 255 of the 2012 Registration Document, filed with the *Autorité des Marchés Financiers* (AMF) on 29 April 2013 under number D.13-0462, and the information taken from the management report for the year ended 31 December 2012, as shown on pages 92 to 112 of the 2012 Registration Document, together with the Company financial statements for the year ended 31 December 2012 and the corresponding report by the Statutory Auditors, as shown on pages 256 to 278 of the 2012 Registration Document.

## 9.3. Person responsible for the Registration Document and the Annual Financial Report

**Jacques Pétry**  
Chairman and Chief Executive Officer

## 9.4. 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 9.6.4 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 issued a report on the consolidated financial statements for the financial year ended 31 December 2014 included in section 4.7, on page 143 of this Registration Document, which contains the following qualifications:*

*“Without qualifying our opinion, we draw your attention to the following matters:*

- *the change in the consolidation method applied to certain entities described in Note 2.1 to the consolidated financial statements pursuant to the application of IFRS 10 – “Consolidated Financial Statements” and IFRS 11 – “Joint Arrangements”;*
- *the change in the accounting policy set out in Note 2.2 to the consolidated financial statements and relating to the reclassification of the share of net income in equity-accounted companies in operating income.”*

*The Statutory Auditors’ report on the consolidated financial statements for the financial year ended 31 December 2013 in section 4.7 on page 137 of the 2013 Registration Document was filed with the *Autorité des Marchés Financiers* (AMF) on 30 April 2014 under number D.14-0468, without any observations or qualifications.*

*The Statutory Auditors’ report on the consolidated financial statements for the financial year ended 31 December 2012 in section 20.7 on page 254 of the 2012 Registration Document was filed with the *Autorité des Marchés Financiers* (AMF) on 29 April 2013 under number D.13-0462; it contains the following qualification:*

*“Without calling into question the opinion expressed above, please note the change in accounting methods described in note 2.2.2 to the financial statements relating to the early application of amendments to IAS 19 “Employee benefits”.*

Paris la Défense, on 30 April 2015

**Jacques Pétry**  
Chairman and Chief Executive Officer

## 9.5. Person responsible for the financial information

**Jacques Pétry**  
Chairman and Chief Executive Officer

## 9 • APPENDICES

### 9.6. Cross-reference tables

## 9.6. Cross-reference tables

### 9.6.1. 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 2014 Registration Document
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### 9.6.2. 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.

<b>Information referred to in Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's General Regulation</b>	<b>Pages of the 2014 Registration Document</b>
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### 9.6. Cross-reference tables

#### 9.6.3. 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 recommendation of 22 December 2008 on information to be disclosed concerning the remuneration of Corporate Officers, reiterated in its position-recommendation no. 2009-16 of 10 December 2009, most recently amended on 17 December 2013, can be found in this Registration Document.

<b>Tables required pursuant to AMF position-recommendation no. 2009-16 of 10 December 2009, most recently amended on 17 December 2013</b>		<b>Pages of the 2014 Registration Document</b>
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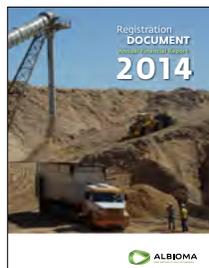
#### 9.6.4. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

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.

<b>Information in the 2014 management report</b>	<b>Pages of the 2014 Registration Document</b>
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**FIRST COVER PHOTO:**  
Stockpiled bagasse at the Rio Pardo Termoelétrica power plant in Brazil,  
during the sugar harvest.

Design and production:  EUROKAPI .

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