



Albioma

REGISTRATION
DOCUMENT

ANNUAL FINANCIAL REPORT

2018

1

THE ALBIOMA GROUP

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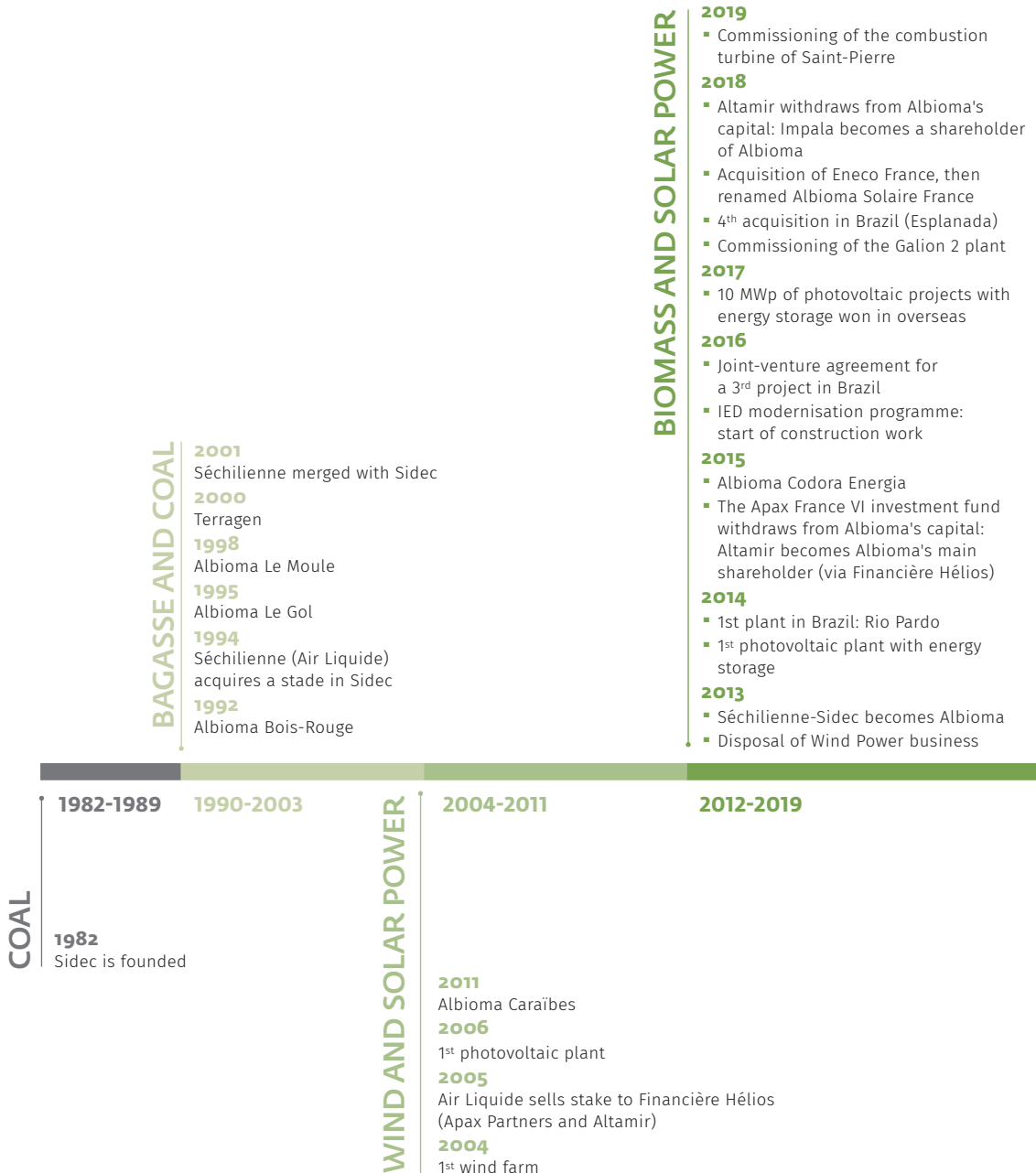
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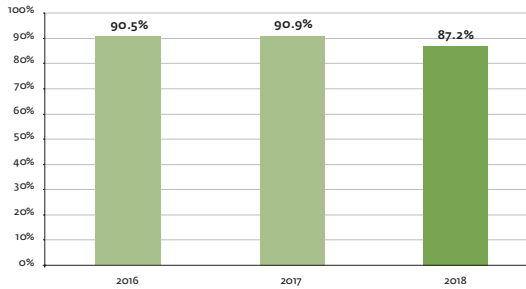
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1.1. History



1.2. Key figures

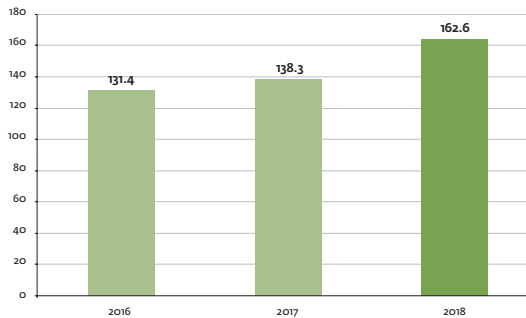
1.2.1. AVAILABILITY OF THERMAL BIOMASS PLANTS¹



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

1.2.2. EBITDA^{1,2}

In million of euros

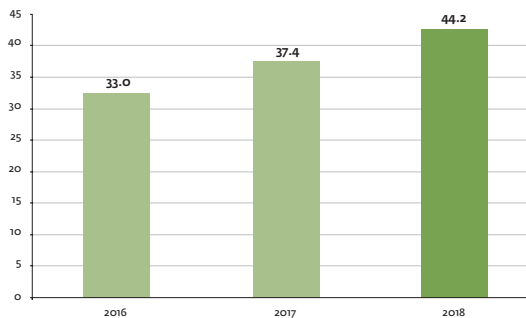


1. EBITDA: operating income before depreciation and amortisation charges and net of charges to provisions, including Group income from companies consolidated using the equity method.

2. Published data.

1.2.3. NET INCOME, GROUP SHARE¹

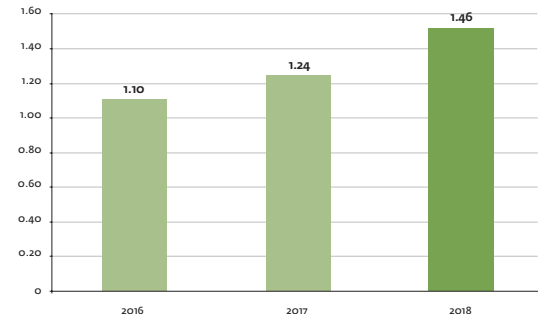
In million of euros



1. Published data.

1.2.4. CONSOLIDATED BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE¹

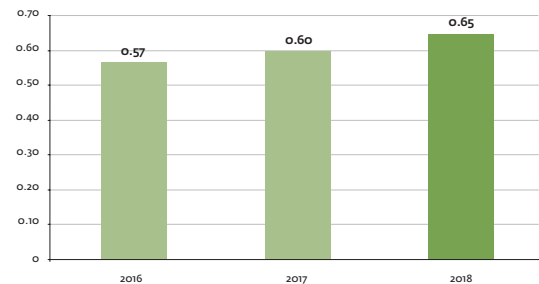
In euros



1. Published data.

1.2.5. DIVIDEND PER SHARE¹

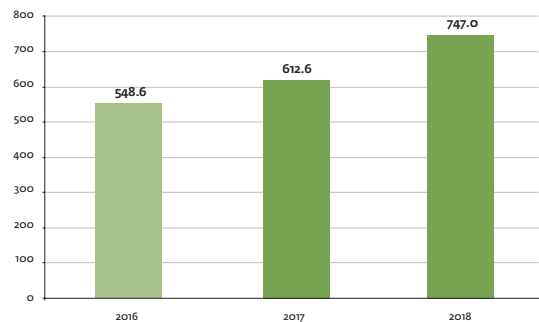
In euros



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

1.2.6. CONSOLIDATED NET DEBT

In million of euros



1.3. Activities and main markets

1.3.1. ACTIVITIES

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

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

The Group operates 11 thermal plants and more than 150 photovoltaic plants. With an installed capacity of 867 MW at the end of 2018 (and 910 MW by the close of February 2019), the Group produced 3,306 GWh of electricity in 2018.

1.3.1.1. Thermal Biomass

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

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

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

In Brazil, the duration of sugar campaigns (nine or ten months) and the quantity of sugar cane processed by sugar mills enables the Group's cogeneration facilities to operate using bagasse all year round (i.e. 11 months out of 12, with the remaining month set aside for annual maintenance).

As part of our strategy to support the energy transition in the various departments and regions of Overseas France, and in line with the objectives defined in France's multiyear energy plans, Albioma has launched a plan to replace the use of coal with biomass at our French thermal power plants. The Group will have fully exited coal by 2023, instead recovering sustainable, traceable biomass. As the Group's plants are already designed to operate using a variety of fuels, this change in energy mix could be made with lower investments than those made by certain European power companies to convert their 100% coal-fired plants to biomass.

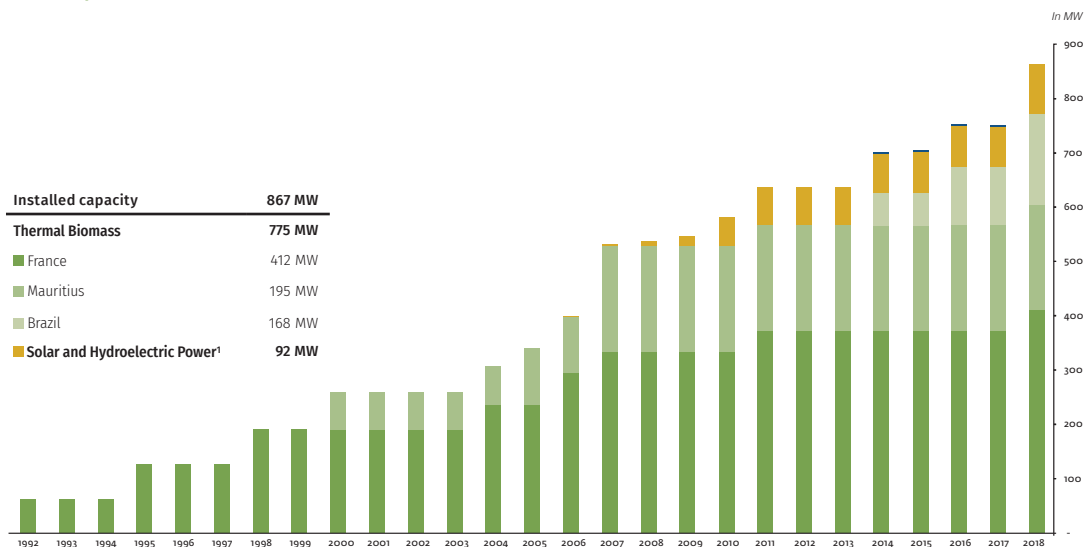
1.3.1.2. Solar Power

The Group has been producing photovoltaic solar energy since 2006. In synergy with the thermal biomass activity, the construction of an efficient power fleet is increasing Albioma's contribution to the production of renewable electricity supplementing the renewable energy obtained from bagasse. With a solar power fleet providing a capacity of 92 MWp, Albioma is a major player in the production of photovoltaic solar energy in France, and is the leading producer in the French overseas departments and regions, where the facilities benefit from exceptional sunshine conditions, with exposure exceeding the average for French farms by more than 20%. Albioma operates its plants within the framework of secure long-term agreements with EDF.

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

Albioma has recently strengthened its position in solar power in metropolitan France, where the Group was already operating facilities with combined power of 8 MWp, with the 2018 acquisition of 100% of Eneco France, an innovative solar power specialist. Created in 2008 and with an innovative positioning in power generation for onsite consumption, Eneco France develops, builds and operates photovoltaic plants on rooftops and agricultural facilities at private or industrial sites in the South of France. Eneco France owns photovoltaic plants with an installed capacity of 17 MWp and has an extensive portfolio of projects under development.

1.3.1.3. Installed capacity of the Group, showing changes and distribution by business sector as at 31 December 2018



1. Including a 0.5 MW hydroelectric plant.

1.3.1.4. Breakdown of the Group's 2018 income from ordinary activities, EBITDA and operational income by business sector

<i>In millions of euros</i>	Income from ordinary activities	EBITDA	Operating income
France – Thermal Biomass	363.4	123.6	91.0
France and Southern Europe – Solar Power	41.5	30.1	15.4
Mauritius	-	3.1	3.1
Brazil	17.6	6.5	(4.5)
Holding company, Anaerobic Digestion and Other	5.8	(0.7)	(1.8)

1.3.2. REGULATORY AND CONTRACTUAL FRAMEWORK

1.3.2.1. Regulatory framework of French electricity market

General remarks

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

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

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

Classified installations for environmental protection (ICPE - 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 are governed by laws and regulations applying to classified installations (ICPE), including those concerning the rehabilitation of sites when the classified activity is discontinued and the provision of financial guarantees for certain installations (see additional information in section 1.9.3.1 on page 59 of this Registration Document). More generally, the Group's activities are governed by all the laws and regulations arising from the transposition into French law of the European directives and regulations on the protection of the environment (including in particular Directive 2010/75/EU of 24 November 2010 on industrial emissions or Directive 96/61/EC of 24 September 1996 on integrated pollution prevention and control, see additional information below).

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

Mechanisms for compensating extra costs for public service missions

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

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

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

Act no. 2015-992 of 17 August 2015 on energy transition for green growth

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

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

The priorities for action and the resources implemented to achieve these objectives are set out in multi-year energy plans for each overseas department or region. These plans set out regional energy policy objectives covering the full spectrum of uses (including electric power, heating, cooling and transport), ranks the related issues and provides a framework for work over the coming years regarding management of all energies on the Group's territories. They include a separate biomass-to-energy development plan for the overseas departments and regions.

The multi-year energy plans are drawn up by the relevant local authorities and approved by decree. In 2017, Reunion Island, Guadeloupe, Mayotte and French Guiana published their multi-year plans covering the period 2018-2023. The review process covering the subsequent period (2023-2028) is ongoing par all these areas.

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.

Industrial Emissions Directive 2010/75/EU of 24 November 2010

The Industrial Emissions Directive (IED) 2010/75/EU of 24 November 2010 sets out an integrated approach to prevention and reduction of pollution emitted by certain industrial facilities. The IED unifies seven existing directives, including the Integrated Pollution Prevention and Control Directive (IPPC) 2008/1/EC of 15 January 2008, which it strengthens. The decree of 26 August 2013 transposed this Directive into French law and defined the environmental performance requirements. More specifically, sulphur oxide (SOx) and nitrous oxide (NOx) emissions are limited with effect from 1 January 2020. A programme to bring the Group's thermal power plants in the overseas departments and regions into compliance with the lower atmospheric emission caps was launched in 2016.

One of the IED's guiding principles is to use the Best Available Techniques (BATs) when operating activities subject to the Directive, making them the baseline for the operating license definition file. A review of the operating license conditions may be triggered by the publication, in the Official Journal of the European Union, of "BAT conclusions" compiled into Best available techniques REference documents (BREF).

The Group's activities in Overseas France are subject to the BREF on large combustion plants, regarding which an implementation decision was published in the Official Journal of the European Union on 17 August 2017. As required by the regulation, the Group submitted its review files to the Prefect of the relevant department in 2018.

1.3.2.2. Contractual framework applying to the sale of electricity

The Group operates its electricity production plants pursuant to long-term power purchase 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 power agreements are covered by 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 one or more long-term agreements with EDF, which provide that the Group will ultimately become the owner of the operating facilities and retain control over the land on which they are built.

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.

1 • THE ALBIOMA GROUP

1.3. Activities and main markets

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

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

For each contract (with the exception of the Albioma Caraïbes PPA, henceforth known as ALM-3 following the 2018 absorption of Albioma Caraïbes by Albioma Le Moule, and the PPA for the Galion 1 power plant), the fixed premium is reduced,

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

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

<i>In thousands of euros</i>	01/01/2019	01/01/2023	01/01/2024	Expiry
Albioma Bois-Rouge 1 (Units 1 & 2)	-	-	-	2027
Albioma Bois-Rouge 2 (Unit 3)	(3,662)	-	-	2039
Albioma Le Gol A (Units 1 & 2)	-	(3,126)	-	2030
Albioma Le Gol B (Unit 3)	(5,290)	-	-	2030
Albioma Le Moule (Units 1 & 2)	-	-	(3,393)	2033
Albioma Le Moule (Unit 3, formerly Albioma Caraïbes)		No fixed premium discount		2040
Albioma Galion 1		No fixed premium discount		2031
Albioma Galion 2		Linear tapering discount over term		See note 1
Albioma Saint-Pierre		Linear tapering discount over term		See note 2
Additional fixed premiums		Linear tapering discount over term		See note 3

1. 30-year contract, with effect from industrial commissioning, announced on 26 September 2018.

2. 25-year contract, with effect from industrial commissioning, announced on 25 February 2019.

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

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

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

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

Mauritius

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

The electricity purchase price is based on:

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

Brazil

The regulated Brazilian electricity market essentially consists of:

- a regulated market (70% of consumption), on which electricity is purchased by distribution companies only, by means of a competitive-bidding process resulting in electricity purchase agreements awarded on the basis of the lowest price. The electricity is then sold under purchase agreements with a term ranging from 15 to 30 years;
- a free market (30% of consumption), on which agreements are negotiated bilaterally with brokers and large industrial and commercial customers (terms and conditions, duration, index-linking formula), generally for a period of between one and five years depending on the price structure.

Electricity produced can also be sold on a spot basis, like all commodities. The sale price corresponds to electricity prices on the market on the date of sale, subject to application of an annual minimum and maximum threshold set by the federal government (BRL 42/MWh and BRL 513/MWh, respectively, for 2019).

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

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

On average, 75% of power sales for the period 2019-2021 have been secured on good price conditions.

Contractual framework of the Solar Power activity

Electricity produced by the solar power business is sold within the framework of power 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.

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

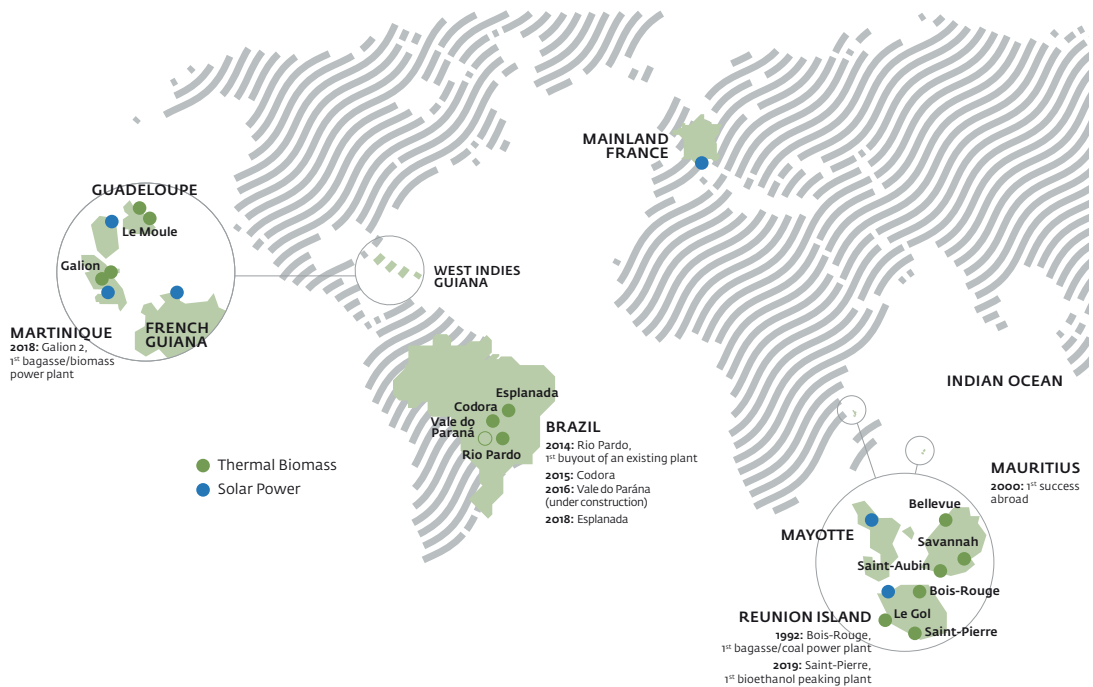
For facilities commissioned after 2010, new pricing conditions were defined in a government order dated 4 March 2011, following the moratorium introduced by Decree 2010-1510 of 9 December 2010 which, subject to certain exceptions, suspended the purchasing obligation for new projects. With the exception 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 photovoltaic projects with integrated storage technologies, in particular, are no longer covered by the preferential tariff and fall within the competitive-bidding framework.

Two projects, one on Reunion Island (1 MWp) and one in French Guiana (2 MWp), operate under this new system: the Group was awarded the contracts in 2013 following a submission of tenders. The Reunion Island plant was brought into service in Summer 2014, while the plant in French Guiana is still under development. In 2016, Albioma won a call for tenders organised by the Energy Regulation Commission in 2015 for three new projects to operate under the same system: two rooftop projects on Reunion Island (total capacity of 2.6 MWp) and one ground-array project in Guadeloupe (capacity of 3.3 MWp). The call for tenders organised by the Energy Regulation Commission in 2016 resulted in 11 additional new projects in 2017, with a total capacity of 4 MWp, which will increase the total capacity of the Group's plants with storage capabilities to 12.9 MWp in 2019.

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

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

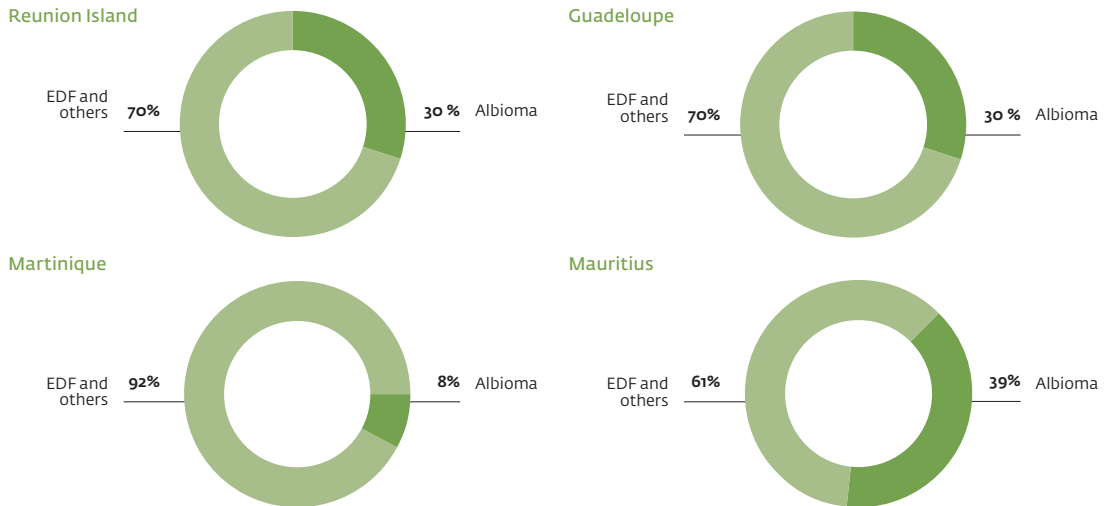
1.3.3. PRINCIPAL MARKETS



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

Albioma is a leading electricity producer in Overseas France alongside EDF, and is a key partner of the Mauritius Central Electricity Board. The Group positions itself vis-a-vis electricity network managers on the alternative energy production market segment. It can meet base-load electricity needs, while also responding to these regions' desire to increase the share of locally-produced renewable energy and helping to preserve the stability of electricity networks.

Proportion of total electricity production generated by the Group in the overseas departments and Mauritius in 2018¹



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

1.3.3.2. Biomass combustion for electricity generation

Overview of the global market

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

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

At global level, electricity production from biomass grew at an average rate of 7.7% per year over the period 2013-2017, compared with an average annual growth rate of 2.5% for total electricity production, and 7.5% for total production from all renewable energy sources¹. 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 2017, some 555 TWh of electricity, representing a little less than 2.2 % of the global total, was produced from biomass, making it the third-largest source of renewable energy (total output from renewables: 6,762 TWh), after hydro-electricity (4,185 TWh) and wind power (1,528 TWh) but ahead of solar power (494 TWh)².

As regards renewable power generation over the 2013-2017 period at a European level, solid biomass-fuelled electricity production grew at an average annual rate of 1.2 % in western

Europe (compared to 0.3 % for total electricity production and 3.1 % for electricity production from all renewable sources). In 2017, solid biomass was used to generate 94.8 TWh of electricity in this region, representing 2.8% of total electricity production (3,342 TWh) and 8.2% of electricity production from renewable sources. This figure of 94.8 TWh ranks solid biomass among the main renewable sources, after hydro power (528 TWh), wind power (353 TWh) and solar power (111 TWh)³.

As regards the French market over the same period, solid biomass-based power generation grew at an average annual rate of 25.6 % in France (compared with declines -1.0% for total electricity production and -2.1% for renewable production). In 2017, solid biomass was used to produce 2.7 TWh⁴ of electricity in France, representing 0.5 % of total electricity production (529 TWh) and 3.0 % of renewable production. Based on this figure of 2.7 TWh, solid biomass ranked as the fourth-largest renewable source over the studied period, after hydro power (68.3 TWh), wind power (27.8 TWh) and solar power (10.2 TWh)⁵.

Strong positions in the French overseas departments and regions and Mauritius

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

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

1. Source: REN21, *Renewables Global Status 2018*.

2. Source: REN21, *Renewables Global Status 2018*.

3. Source: ENTSO-E, *Electricity in Europe 2017*.

4. Source: *Observ'ER, 2018 barometer of the state of renewable energies in France*.

5. Source: RTE, *Bilan électrique 2017*.

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

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

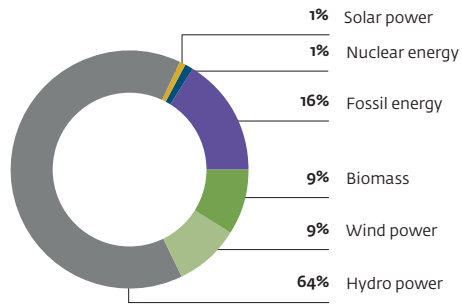
Overview of the Brazilian market

An exceptionally deep market

Following a harvest focussed on ethanol production, Brazil became the world's second-largest sugar producer, with 28.9 million tonnes produced during the 2018/2019 harvest (from April 2018 to March 2019), accounting for 16% of total global production and 40% of world exports. Brazil nevertheless remained the world's number one sugar cane grower (with 620 million tonnes of cane processed during the 2018/2019 harvest) and the world number two in ethanol, behind the United States, producing 33 billion litres over the 2018/2019 campaign.

There are currently more than 320 sugar refineries operating in Brazil, making it the world's deepest bagasse-to-energy market. Currently, 7% of the country's electricity is produced by recovering bagasse, despite mediocre performance by existing cogeneration units (with an average of 35 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 2019



An expanding market

The Brazilian electricity market, which has a greater installed capacity (164 TW) than France (131 TW) but serves a population three times as large, offers considerable growth potential. According to the most recent version of the energy development plan published by the Ministry for Mining and Energy, covering the period 2018-2027, energy consumption is forecast to have an annual average growth rate of 2.3%. The market share of renewable energy sources (hydroelectricity, wind, solar and biomass) are predicted to represent 85% of Brazil's installed capacity by 2027, placing the country in the green energy vanguard.

Sugar and ethanol

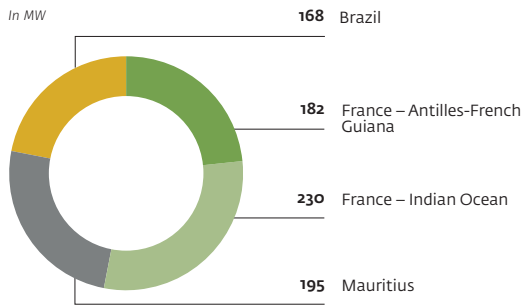
Despite low prices over the past two years, due to major surpluses on the sugar market, the long-term outlook for the sugar industry is encouraging. A new global shortage cycle (October-September) is expected in 2019, which will provide the ideal environment for a recovery in sugar prices. Furthermore, high oil prices and the official launch next year of the *Renovabio* (a government scheme to support the ethanol sector) will also positively impact the sugar and ethanol sector.

Dry weather during the 2018/2019 harvest adversely affected global growth in sugar cane growing, leading to a decline in agricultural yields. However, rain during the second half of the campaign brought welcome relief, and harvests surpassed initial estimates. Brazil's economic recovery continued in 2018, with gross domestic product increasing by 1.1%. The measured pace of recovery helped to maintain inflation at a moderate rate of 3.7% (as measured by the consumer price index, IPCA), even in a period of historically low interest rates. Energy consumption has now returned to pre-crisis levels, impacting plans aimed at increasing capacity via contracts in the regulated market. Consumer migration from the regulated market to the open market has gathered pace, driven by a benign regulatory framework for decentralised

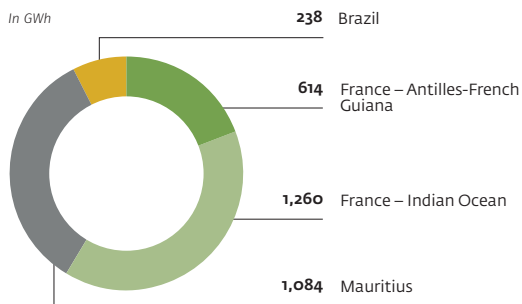
1. Source: Banco de Informações de Geração, ANEEL.

production and by high regulated tariffs. Overall, economic indicators are expected to remain stable in 2019, as Brazilians wait for the economic measures promised by the recently-elected government to be implemented. Most economic actors forecast the enactment of market-friendly reforms, which could set the economy on a higher-growth trajectory and positively impact energy demand, with repercussions on prices, capacity growth and financial terms and conditions. This economic context represents a major opportunity for Albioma.

Installed capacity of the Thermal Biomass activity by geographic region as at 31 December 2018



Electricity production by the Thermal Biomass activity in 2018, by geographic region



1.3.3. Photovoltaic electricity generation

A steadily growing global market

At global level, photovoltaic installed capacity, which was no more than 8 MWp in 2007, rose to 40 MWp in 2010 and has continued to grow very strongly since, reaching 402 MWp in 2017. The global photovoltaic power fleet has been expanding exponentially since 2007, despite the economic and financial crises. While Europe was the driving force behind the installation of new production facilities at the start of the millennium, China, Japan and the US remained leading contributors to growth in 2017. The world's emerging markets have contributed significantly to the growth of this market¹.

In the European Union, photovoltaic installed capacity, which was less than 0.2 GWp in 2000, exceeded 100 GWp in 2016, largely driven by Germany. In 2017, as in 2016, installed capacity rose by approximately 6 GWp, essentially in the UK, Germany and France. These three countries alone account for over 70 % of all installed photovoltaic capacity in the European Union. This trend can be explained essentially by the opening up of regulated markets and the development of on-site consumption.

In France, the photovoltaic power market continues to grow at a steady rate. In 2010, production facilities represented an installed capacity of 1 GWp; by the end of December 2018, the installed capacity had risen to 8.5 GWp (including 386 MWp in the overseas departments and regions, as at the end of March 2018²). The number of new solar power facilities connected to the French electricity grid rose sharply in 2017, with a connected capacity of 873 MWp over the year, excluding the many projects still in the pipeline³.

1. Source: REN21, Renewables Global Status 2018.

2. French Ministry for the Ecological and Solidary Transition, Data and Statistical Studies department.

3. Source: French Government Commission on Sustainable Development (Commissariat général au développement durable), Dashboard: photovoltaic solar energy, Q4 2017

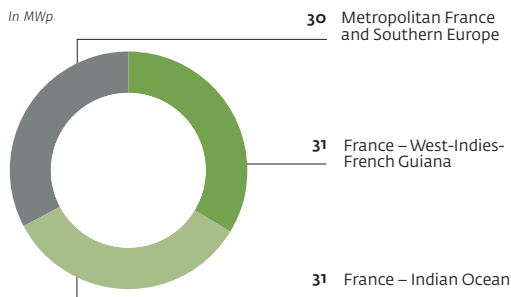
Albioma is a leading producer of photovoltaic energy in the overseas departments and regions

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

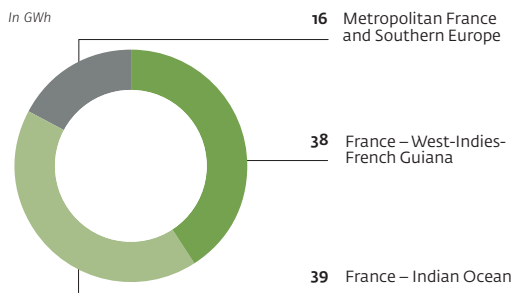
The Group adapts the pace at which it is developing this activity, and the corresponding locations, to reflect the changing mechanisms and regulations applicable in its target regions, while prioritising the construction of photovoltaic plants with storage capabilities.

In 2018, Albioma accounted for 17% of the total photovoltaic installed capacity in the Antilles-French Guiana region, and 15% of the Indian Ocean region, making the Group the leading producer of photovoltaic energy in the overseas departments and regions¹.

Solar power installed capacity by geographic region as at 31 December 2018



Power generation by the solar energy business in 2018, by region



1. Source: Albioma internal statistics and EDF SEI connection data.

1.4. Strategic priorities and investment policy

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

1.4.1.1. Work towards the energy transition in Overseas France

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

Against this backdrop, the solutions provided by Albioma not only ensure the stability of electricity networks, thereby facilitating the penetration of intermittent renewable energy, in particular in areas where the electricity network is vulnerable, but also provide a framework and long-term support for local farming activities, enabling them to improve their competitiveness by supplying inputs to the biomass-to-energy process.

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

The Group's first area of contribution consists in replacing coal with new types of sustainable biomass in its bagasse/coal thermal power plants in France. The Energy Transition Act represents a unique opportunity for Albioma to decarbonate its energy production. Tomorrow's facilities will be fuelled by bagasse during the sugar campaign and by other types of biomass during the rest of the year. This effort to convert the existing coal-fired plant units has now been included in the multi-year energy plans for overseas departments and regions, and in 2018, the Group agreed an initial amendment to the power purchase agreement for the Albioma Caraïbes plant (henceforth Albioma Le Moule - Unit 3) with a view to converting the plant, which will operate using biomass only from 2020.

The Group's work has focused on using local sources of biomass while avoiding conflicting uses, and more specifically on using other types of waste generated by the sugar cane process, such as sugar cane chaff and distillery bagasse, which is currently not recovered or only on a marginal basis.

Fostering the emergence of local supply chains, which in time will cover 30 to 40% of the procurement requirements of bagasse/biomass facilities, is a major socioeconomic issue for these regions. In addition, the Group will import biomass in the form of wood pellets to satisfy network needs. The Group will need to ensure that the identified supply sources are certified, so that the imported biomass, which has a much better carbon footprint than imported coal, can qualify as a sustainable source.

The Group's second area of contribution is the development of 100% renewable energy production facilities. Accordingly, in 2018 and early 2019, the Group commissioned two facilities with symbolic importance for the energy transition in overseas departments and regions: the Galion 2 plant in Martinique and the Saint-Pierre combustion turbine on Reunion Island. This strategic stance is also embodied by the Group's decision to step up development of its offering of photovoltaic electricity production facilities with energy storage.

- The Galion 2 plant (40 MW) will be the first 100% biomass cogeneration plant in Martinique, and it supplies 15% of the island's electricity. Based on a win-win exchange with the Galion sugar refinery, the project aims to safeguard the refinery's future by making it more efficient. The Galion 2 power plant project is the fruit of 10 years of cooperation between all the stakeholders to increase the share of renewable energy in Martinique from 7% to 22%, helping to drive the island's energy transition while complying with the strictest of environmental regulations. In addition to the bagasse supplied by the Galion sugar mill, the plant also sources new forms of biomass locally, and will import wood pellets from certified sources.
- The Saint-Pierre combustion turbine plan (41 MW) is the first French peaking power plant to operate essentially with ethanol obtained by distilling sugar cane molasses, which will be produced locally by the COFEPP group's Rivière du Mât distillery on Reunion Island and by the Omnicane group on Mauritius.

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

1.4.1.2. Roll out the bagasse/biomass model globally

The Group's traditional model based on the high-efficiency recovery of bagasse, which it uses in Mauritius where it operates three bagasse/coal power plants and where it has developed a new project to equip the last sugar mill on the island with a high-pressure cogeneration plant, was rolled out to Brazil in 2014. As the world's leading sugar producer, the Group naturally identified Brazil as a priority target for its future international development. Albioma now operates three plants in the country, using bagasse all year round, and a fourth project is currently under development (the Vale do Paran  project consisting in increasing the capacity of an existing cogeneration facility to 48 MW). The Group's unparalleled expertise enables it to tap into a major source of productivity, as the cogeneration plants used by the sugar mills tend to have very low generation efficiency rates which the Group can improve upon quite substantially. The successful roll-out of the Group's traditional model in Brazil is confirmation of its strategic goal, announced in 2012: 40% of the investment programme for 2013-2023 are allocated to the Group's expansion in Brazil, where the Group's objective is to achieve critical mass in order to absorb its local structural costs, agreeing a new project every 12-18 months.

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

1.4.1.3. Developing photovoltaic projects across Group territories

Leveraging more than 10 years of experience in photovoltaic energy production, the Group has established itself as the leading photovoltaic power generator in France's overseas departments and regions.

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

The Group also decided to accelerate its investment in small plants subject to the guaranteed power purchase scheme, not only in Overseas France, but also via the acquisition of Eneco France in late 2018 (17 MWp installed capacity, largely in the form of PV plants on agricultural and other building rooftops).

1.4.2. €790 MILLION IN CAPITAL EXPENDITURE COMMITTED OVER THE PERIOD 2013-2018, WITH AN ADDITIONAL €500 TO €700 MILLION TO BE COMMITTED BETWEEN 2019 AND 2023

With €790 million in capital expenditure already committed, the Group should be in a position to generate an EBITDA in the region of €200 by 2020. This initial phase of the 2013-2023 investment programme centred on:

- deploying the programme to make the thermal power plants in Overseas France compliant with the EU Industrial Emissions Directive (IED), representing to a firm capital commitment of around €275 million for all affected plants by the end of 2019;
- commissioning two new renewable energy production facilities, the Galion 2 bagasse/biomass plant in Martinique and the Saint-Pierre combustion turbine on Reunion Island, representing a total investment of approximately €275 million;

- developing projects for photovoltaic plants with integrated storage within the framework of calls for tenders issued by the French energy regulator (Commission de régulation de l'énergie - CRE), acquiring additional capacity in Overseas and metropolitan France, and developing new small-capacity facilities qualifying for power purchase obligations; these projects together represent firm investment commitments of around €100 million and will all be operating by the end of 2019;

- rolling out Albioma's activities in Brazil, through the acquisition of the Group's three plants now in operation, at a total capital cost in the region of €140 million.

The Group now plans to commit to €500-700 million in development investments between 2019 and 2023, devoted to:

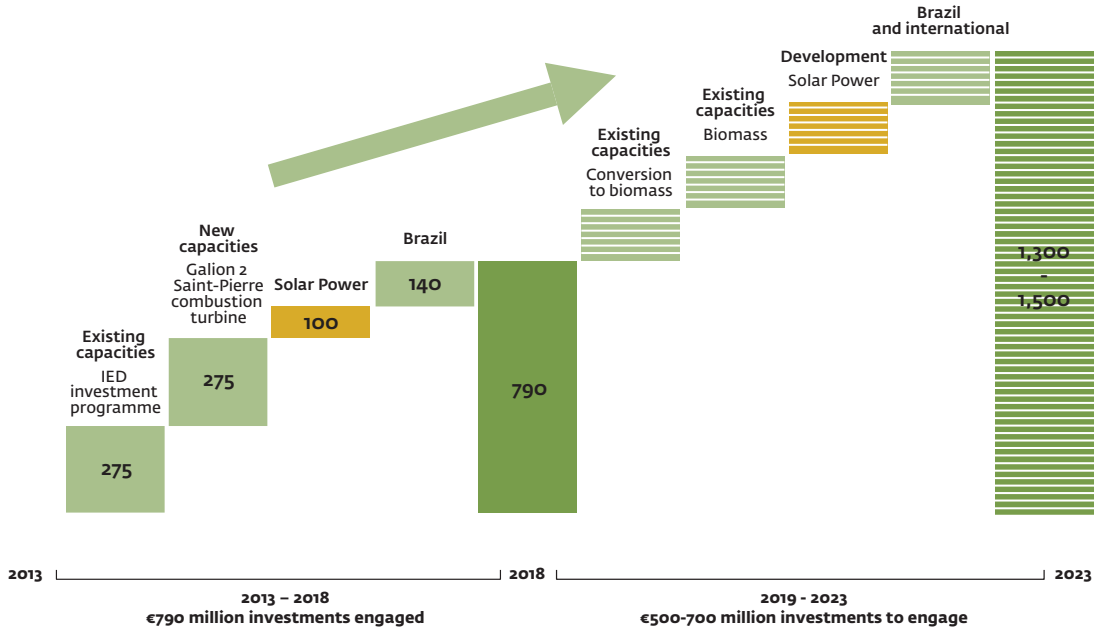
- converting the coal-fired units at the thermal power plants in Overseas France to operate using biomass, with firm capital expenditure commitments totalling €70 million at the date of submission of this Registration Document, for the conversion to biomass of Albioma Le Moule - Unit 3;
- developing new all-biomass production facilities;
- ramping up development of the Group's solar fleet;
- pursuing the Group's international development (specifically, continuing the Brazilian rollout, with the aim of achieving critical mass and, if appropriate, moving into additional countries), with BRL 100 million in firm investment commitments at the of submission of this Registration Document, allocated to the construction of the Vale du Paran  project, scheduled to begin operating in 2021.

These investments will be financed by raising long-term bank financing without recourse to the parent company beyond the construction period if applicable (with the exception of investments made in Brazil), up to 80 to 100% of the amount of the investments (the balance being financed in equity by the Group and, if applicable, by its partners).

1 • THE ALBIOMA GROUP

1.4. Strategic priorities and investment policy

In millions of euros



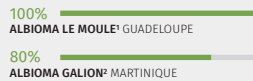
1.5. Organisation

1.5.1. SIMPLIFIED LEGAL ORGANISATION CHART (AS AT THE REGISTRATION DOCUMENT FILING DATE)¹



THERMAL BIOMASS

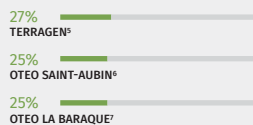
ANTILLES-FRENCH GUIANA



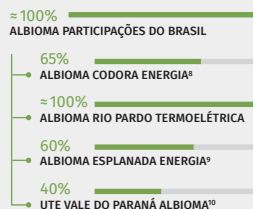
FRANCE – INDIAN OCEAN



MAURITIUS

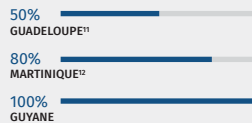


BRAZIL



SOLAR POWER

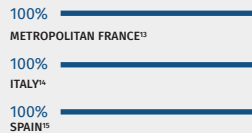
ANTILLES-FRENCH GUIANA



FRANCE – INDIAN OCEAN



METROPOLITAN FRANCE – SOUTHERN EUROPE



- Albioma Caraïbes was taken over by Albioma le Moule following the merger of the two entities on 31 July 2018.
- With COFEPP Group.
- With Tereos Group.
- With COFEPP and Tereos Group.
- The Group owns 27% of Terragen alongside a consortium (HBM) of sugar production and sugar cane plantation companies in the North of Mauritius, a cooperative investment company owned by sugar industry workers in Mauritius (Sugar Investment Trust) and the State Investment Corporation, a public sector company in Mauritius.
- The Group owns 25% of Omnicane Thermal Energy Operations Saint-Aubin, together with the sugar producer Mon Trésor et Mon Désert and the Sugar Investment Trust.
- The Group owns 25% of Omnicane Thermal Energy Operations La Baraque, together with the sugar producer Mon Trésor et Mon Désert and the Sugar Investment Trust.
- With Jalles Machado Group. In August 2015, Codora Energia was acquired through Albioma Codora Participações, a subsidiary of Albioma Participações do Brasil. Albioma Codora Participações was then absorbed into Codora Energia (now called Albioma Codora Energia) by means of a reverse takeover.
- With Jalles Machado Group.
- With Vale do Paraná S/A - Álcool e Açúcar Group
- The Group owns 50% of Albioma Énergipole Solaire (alongside Énergipole Group).
- The Group owns 80% of Albioma Solaire Habitat, Albioma Solaire Antilles and Albioma Solaire Lassalle (alongside COFEPP Group).
- On 11 December 2018, the Group acquired 100% of Eneco France (now called Albioma Solaire France).
- Companies in the Quant Energia sub-group.

1. There is no decorrelation between capital holdings and voting rights in the Group. Revenue generated by the Group's major subsidiaries is mentioned in Note 19 to the parent company financial statements for the 2018 financial year, in chapter 4 on pages 242 et seq. of this Registration Document.

1.5.2. ADDITIONAL INFORMATION ON THE GROUP'S LEGAL STRUCTURE

1.5.2.1. Project companies

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

A list of all fully consolidated companies or associates as at 31 December 2018 is provided in Note 39 to the consolidated financial statements for the 2018 financial year, in chapter 4 on pages 209 *et seq.* of this Registration Document.

1.5.2.2. Main changes to the legal structure over the 2018 financial year

The following transactions took place in 2018:

- early dissolution and universal transfer of assets from Albioma Caraïbes to Albioma Le Moule following the merger of Albioma Caraïbes with Albioma Le Moule approved on 31 July 2018, backdated to 1 January 2018;
- incorporation of SAS Saint-Benoît Énergies Vertes on 1 February 2018, 80% owned by COFEPP Group and 20% by the Company;
- incorporation of Albioma Esplanada Energia on 1 February 2018, 60% owned by Albioma Participações do Brasil (wholly-owned by the Company) and 40% by Jalles Machado Group;
- disposal by the Company of all interests in Albioma Solaire Bethléem, Albioma Power Alliance and Plexus Sol to its wholly-owned subsidiary Albioma Solaire Réunion on 24 April 2018;
- notification of the change in Albioma Marie-Galante's company name on 18 May 2018, now called Marie-Galante Énergie;
- acquisition by Albioma Participações do Brasil (wholly-owned Company subsidiary) of a 40% interest in UTE Vale do Paraná Albioma from Vale do Paraná – Álcool e Açúcar group on 16 August 2018;
- incorporation of Albioma Solaire Organabo on 9 November 2018, wholly-owned by the Company;
- acquisition by the Company of a 51% interest in Solaire du Bac from Exploitation Agricole du Galion on 21 November 2018;
- disposal by the Company of the full interest in Methaneo to Biométhanisation Partenaires on 10 December 2018;
- acquisition by the Company of a 100% interest in Eneco France from Eneco Solar, Bio, Hydro B.V on 11 December 2018 and renamed Albioma Solaire France on the same date.

1.5.3. FUNCTIONAL ORGANISATION AND EXECUTIVE COMMITTEE

1.5.3.1. Functional organisation

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

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

These six divisions serve the Group's three regions, and each regional director is responsible for all the thermal power plants and photovoltaic plants in his/her region and for local Group development, and also represents the Group there. The three regions are:

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

The Company Secretary liaises between all the Divisions and Departments, General Management and the Board of Directors, and is responsible for the secretariat of the Board of Directors and for matters associated with company law, securities law and governance, ethics and codes of practice, and coordinates the communications department.

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

1.5.3.2. Executive Committee

Frédéric Moyne

Chief Executive Officer

Born on 15 October 1975, Frédéric Moyne is a graduate of the Ecole des Hautes Etudes Commerciales (HEC). He started his career at Air Liquide in 1998. In 2001, he joined Séchilienne-Sidec, since renamed Albioma, as an Assistant to the Chief Executive, 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 Energy (Wind / Solar / Anaerobic Digestion) and Group strategy. He was asked to head business development in Brazil in 2013. The Board of Directors appointed him Chief Executive Officer with effect from 1 June 2016, when the functions of Chairman of the Board of Directors and Chief Executive Officer were separated.

Pascal Langeron

Chief Operating Officer - Industrial Division

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

Louis Decrop

Chief Operating Officer – Development and New Businesses

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

Julien Gauthier

Chief Operating Officer Finance

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

Paul Mayer

Human Resources Director

Born on 1 August 1958, Paul Mayer is a graduate of Sciences Politiques Strasbourg and of CIFFOP de l'Université Panthéon Paris 2. He began his career in 1981 at SNECMA in various HR management positions. He joined Steelcase Strafor in 1992 as Human Resources Director for the France Division, and then as Plant Manager in the Wood Division, followed by Tetra Laval in 1998, where he moved from Human Resources Director France and Belgium to Vice-President Human Resources for a division of Tetra Pak in Sweden and Vice-President for Human Resources at the Sidel Group. Between 2008 and 2017, he held various senior HR positions in Tetra Pak in Europe and the Middle East, before being appointed Human Resources Director Europe and Central Asia for Tetra Pak Group. He also teaches at the Institut d'Études Politiques de Paris as well as at the Université Panthéon-Assas Paris 2. He joined Albioma as Human Resources Director in 2018.

Nicolas de Fontenay

West Indies-French Guiana Regional Director

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

Éric de Bollivier

Reunion Island-Mayotte Regional Director

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

Christiano Forman

Brazil Regional Director

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

Mickaël Renaudeau

Company Secretary

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

1.6. Property, plant and equipment

The Group's property, plant and equipment is described in Note 16 to the consolidated financial statements for the 2018 financial year, in chapter 4 on page 184 of this Registration Document.

The following table shows the Group's main items of property, plant and equipment 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.

Actif	Situation	Localisation	Activité	Capacité brute totale (en MW)	Situation du foncier	Situation des équipements
Albioma Bois-Rouge 1 (Units 1 & 2)	In operation	Reunion Island	Bagasse/coal cogeneration	60,0	Emphyteutic leases	Freehold
Albioma Bois-Rouge 2 (Unit 3)	In operation	Reunion Island	Bagasse/coal cogeneration	48,0	Construction lease	Freehold
Albioma Le Gol A (Units 1 & 2)	In operation	Reunion Island	Bagasse/coal cogeneration	64,0	Freehold	Freehold
Albioma Le Gol B (Unit 3)	In operation	Reunion Island	Bagasse/coal cogeneration	58,0	Freehold	Freehold
Albioma Saint-Pierre	In operation	Reunion Island	Peaking thermal bio-ethanol / heating oil	41,0	Freehold	Freehold
Albioma Le Moule (Units 1 & 2)	In operation	Guadeloupe	Bagasse/coal cogeneration	64,0	Freehold	Freehold
Albioma Le Moule (Unit 3)	In operation	Guadeloupe	Coal-fired base-load thermal	38,0	Freehold	Financial lease
Albioma Galion1	In operation	Martinique	Peaking thermal (heating oil)	40,0	Construction lease	Freehold
Albioma Galion2	In operation	Martinique	Biomass cogeneration	40,0	Emphyteutic leases	Freehold
Terragen	In operation	Mauritius	Bagasse/coal cogeneration	70,0	Freehold	Freehold
OTEO Saint-Aubin	In operation	Mauritius	Coal cogeneration	35,0	Freehold	Freehold
OTEO La Baraque	In operation	Mauritius	Bagasse/coal cogeneration	90,0	Freehold	Freehold
Solar – Indian Ocean	In operation	Reunion Island, Mayotte	Ground array and rooftop solar	30,8	Common-law and emphyteutic leases	Lease with purchase option
Solar – Antilles	In operation	Guadeloupe Martinique	Ground array and rooftop solar	14,9	Common-law and emphyteutic leases	Freehold and lease with purchase option
Solar – French Guiana	In operation	French Guiana	Ground array solar	16,0	Emphyteutic leases	Freehold and lease with purchase option
Solar – Spain	In operation	Spain	Ground array solar	2,4	Emphyteutic leases	Financial lease
Solar – Italy	In operation	Italy	Ground array solar	2,0	Emphyteutic leases	Financial lease
Solar – Metropolitan France	In operation	Metropolitan France	Ground array and rooftop solar	25,9	Emphyteutic leases, administrative emphyteutic leases, construction leases, public works agreements, agreements concerning occupancy of the public domain, common-law leases	Freehold
SECL SAS	In operation	Metropolitan France	Hydroelectric power	0,5	Freehold	Freehold
Albioma Rio Pardo Termoelétrica	In operation	Brazil	Biomass cogeneration	60,0	Use free of charge	Freehold
Albioma Codora Energia	In operation	Brazil	Biomass cogeneration	68,0	Use free of charge	Freehold
Albioma Esplanada Energia	In operation	Brazil	Biomass cogeneration	40,0	Use free of charge	Freehold

1.7. Research and development, patents and licences

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

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

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

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

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

1.7.1. THERMAL BIOMASS

Activity is mainly focused in the following areas:

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

1.7.2. ELECTRICITY STORAGE

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

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

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

1.7.3. NETWORK SERVICES

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

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

1.7.4. PREDICTIVE MAINTENANCE

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

The main items of equipment concerned are:

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

1.7.5. PRIMARY REDUCTION OF POLLUTANT EMISSIONS

This section concerns the following:

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

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

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

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

1.7.6. STEAM CYCLES

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

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

1.8. Risk management and internal control

1.8.1. RISK FACTORS

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

The Company has put in place an internal control system, including risk management procedures, in order to prevent and control these risks. These internal control and risk management procedures are described in section 1.8.2 on pages 40 *et seq.* of this Registration Document. It is nevertheless not possible to eliminate all risks. Moreover, other risks of which the Group is currently not aware or are not considered material as of the date of filing of this Registration Document might have a similar adverse impact in the future as to those discussed below.

1.8.1.1. Operational risks

Operational incidents

The operation of industrial units entails risks, which cannot be totally eliminated, relating to industrial accidents (see additional information in section 1.8.1.2 on pages 31 *et seq.* of this Registration Document), production facility malfunctions, machine breakages or safety shortcomings.

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

To reduce these risks, the Industrial Division oversees the maintenance programmes at Albioma's facilities, including in particular management of scheduled production outages. Production equipment suppliers are strictly monitored to ensure that delivered items meet optimal reliability standards. Furthermore, equipment renewal procedures are applied, to mitigate the costs of replacement operations and related down-time. Operational management of maintenance is now based on tools and methods designed to achieve a greater level of control over work, and is implemented in medium-term maintenance plans based on an analysis of risks and the criticality of equipment. The industrial accident

risk management system also entails management of stocks of strategic spare parts.

The procedures and certifications intended to reduce the risk of occurrence of industrial accidents are described in section 1.8.1.2 on pages 31 *et seq.* 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.

Development

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

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

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

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

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

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

Access to financing

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

If financing tailored to the Group's specific needs were not available, this would limit the Group's capacity to develop. The unavailability of financing could also limit the Group's capacity to refinance certain installations and would expose it to the risk of a substantial drop in profitability. Given the stability of its balance sheet and its contractual arrangements, the risk of unavailability of financing is very limited in France, although it cannot be completely ruled out, particularly in the event of a sharp deterioration in the lending markets or, more specifically, in the case of the refinancing of power plants using primarily non-renewable energy (the market for financing coal power plants is particularly tight).

Human resources

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

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

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

This risk is managed by:

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

Internal control errors

The Group has put in place risk management and internal control systems to prevent and manage the risks to which it is exposed. They are described in section 1.8.2 on pages 40 *et seq.* of this Registration Document.

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

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

1.8.1.2. Industrial and environmental risks

Industrial accidents and environmental damage

The operation of power plants, and in particular fuel-powered plants, entails a risk of industrial accidents that could result in the shutdown of the production facilities for a shorter 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, the Group is exposed to:

- fire risks affecting all the Group's activities, given that fuels (bagasse and other types of biomass, coal and oil-based products) and other flammable products are used and stored at its thermal power plants and that its photovoltaic facilities may be subject to voltage surges or short-circuits;
- the risk of explosion at its Thermal Biomass business (equipment operated at high pressure, electric filters, explosive environments linked to the storage of certain types of biomass, etc.);
- risks, in its Thermal Biomass business, associated with the use of hazardous products (lime, urea, soda, oils...).

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, in 2012 and 2013 the Group obtained AFNOR certification for the three QSE standards (ISO 9001, ISO 14001 and ILO-OSH 2001) for the Albioma Le Gol plant (certification obtained in 2011) and the Albioma Bois-Rouge plant (certification obtained in 2013). The same triple certification was also obtained by Terragen in Mauritius in 2014. OTEO Saint-Aubin obtained ISO 14001:2004 certification in 2014. In 2016, Albioma became France's first producer of photovoltaic electricity to obtain triple certification. The certification process will be extended to all Group businesses and all locations in the next few years.

Regulatory framework of the Group's business activities

The Group operates its industrial installations within a strictly regulated framework, particularly as regards the environment. All the Group's thermal power plants are subject to the laws and regulations governing environmentally-sensitive facilities (ICPE). The regulations also require the rehabilitation of sites when the classified activity is discontinued and the provision of financial guarantees for certain installations (see further information in section 1.9.3.1 on page 59 of this Registration Document). More generally, the Group's activities are governed by all the laws and regulations arising from the transposition into French law of the European directives and regulations on the protection of the environment (including in particular Directive 2010/75/EU of 24 November 2010 on industrial emissions).

Environmentally-sensitive facilities are supervised by the local Prefects and the DEAL (the French environment, planning and housing authorities), which are responsible for inspecting these 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 invested in a number of updated operational tools and resources in recent years, including a certified health and safety management system featuring:

- training and awareness programmes;
- internal monitoring of action plans;
- internal health and safety audits;
- ILO-OSH 2001 certification.

The creation, in 2017, of a Safety Division tasked with implementing a Group safety plan by 2020 made it possible to achieve a significant improvement in occupational accident frequency and severity rates in 2018.

1.8.1.3. Climate risks

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

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

The Thermal Biomass and Solar business operations in the West Indies-French Guiana region and the Indian Ocean (French overseas departments and Mauritius) region are exposed to the risk of natural disasters (volcanic eruptions, tropical storms, hurricanes, cyclones, flooding and earthquakes in the West Indies). Any such event could result in the shutdown of the production facilities for a short or longer period of time, or even in the partial or total destruction of the installation. Such potential events are factored in at the time of the design, construction and operation of the

production units. In most cases, the wording of the operating contracts (with the exception of the contracts for the Solar business and the Albioma Galion agreement for the sale of electricity) cover the possibility of natural disasters in a force majeure clause. In the absence of agreement between the parties regarding the contract provisions to be implemented to that effect, any damage suffered by the Group may be covered by its insurance programme, subject to applicable excesses and cover limits, provided the damage relates to an insured event.

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

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

The strategy consisting of the guaranteed sale of electricity produced (see additional information in section 1.8.1.10 on page 38 of this Registration Document), the care taken when selecting the sugar mill, and the geographic diversity of Albioma's sites both contribute to the management of climatic risk in Brazil.

1.8.1.4. Risks associated with the impact of climate change

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

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

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

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

However, the Group is still exposed to financial risks directly or indirectly associated with the impact of climate change. These risks and the measures put in place by the Group to reduce the impacts are described in section 1.8.1.3 on page 33 of this Registration Document. As regards climate change, the Group's strategy, aimed at increasing the proportion of energy produced using renewable sources to over 80% by 2023, is an intrinsic part of its low carbon strategy for the core areas of the Group's businesses.

For further information, please refer to section 1.9.3.4 on pages 62 *et seq.* of this Registration Document.

1.8.1.5. Labour-related risks

Risk of strikes

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

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

The Group pays very close attention to the management of its human resources, and ensures in particular that a healthy dialogue is maintained with the employee representative bodies. The Group also associates its employees with the growth of the Group and the creation of value in the long term, through the allocation of bonus performance shares, profit-sharing agreements and incentive schemes. For additional information on these topics, please refer to section 1.9.2.1 on pages 52 *et seq.* and section 6.4 on pages 275 *et seq.* of this Registration Document.

Risk associated with employees with "IEG" status

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

1.8.1.6. Country-related risks

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

In the French overseas departments and regions, the Group is exposed to risks associated with a large-scale political or social crisis that may, in particular, result in general strikes (see additional information in section 1.8.1.5 on page 34 of this Registration Document on labour risk).

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

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

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

Credit and counterparty risk

Generally, given the stability of the Group's clients in metropolitan France, the French overseas departments and regions and Mauritius, the Group's exposure to a counterparty risk relating to trade receivables is not material.

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

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

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

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

Risks to supply

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

- in the French overseas departments and regions and Mauritius, a risk of delays and, to a lesser extent given the Group's policy of diversifying suppliers, of an interruption in the supply of coal and, as applicable, imported biomass; the Group builds up and manages a buffer stock of fuel in each of its installations to cover any such delays, but it cannot guarantee that it will be able to maintain the availability of its installations in all circumstances;
- in Brazil a risk of an interruption in the supply of bagasse by the sugar-producer, due to its operational failure or financial default (see additional information above on the counterparty risk) or adverse weather conditions (see additional information in section 1.8.1.3 on page 33 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 at open-market prices (see additional information in section 1.8.1.10 on page 38 of this Registration Document).

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

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

The largest supplier during the past financial year was a coal supplier. In 2018, invoices from this single supplier totalled €24.0 million, excluding tax. In 2018, the total amount invoiced by the Group's ten largest suppliers was €158 million, excluding tax, compared with €182 million in 2017. These ten suppliers accounted for 34% of all Group suppliers in 2018, compared with 38% in 2017.

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 €388.2 million in 2018, representing 90.6% of consolidated income for the 2018 financial year. This is slightly up on 2017 (89.0%). Revenue earned with the Central Electricity Board is not included in consolidated income, as the Mauritian power plants are consolidated using the equity method. Any difficulties in relations with these customers could have a material adverse impact on the Group's results.

1.8.1.8. Litigation risks and main disputes

Risks associated with changes to the regulatory environment

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

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

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

In the event of any major unfavourable change in regulations, the Group cannot guarantee - despite the care taken in the management of its contracts - that its installations would remain profitable. More specifically, any unfavourable discretionary and/or retroactive change to the regulations applying to tariffs for electricity produced by photovoltaic installations, or to the tax regulations applying to these business activities (increasing existing taxes), could affect the Group's results for its current and future Solar business activities.

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 environmentally-sensitive facilities (ICPE);
- possible breach of conditions accompanying the grant of tax benefits;
- challenging of tax benefits granted to investments made in French overseas department and territories;

- 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 mainly 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.

Where applicable, the Group recognises provisions relating to pending litigation, reflecting its best estimates of the potential adverse financial consequences of litigation. See the clarifications in Note 27 to the consolidated financial statements for the 2018 financial year, in chapter 4 on page 198 of this Registration Document, and in Note 4.2 to the parent company financial statements for the 2018 financial year, in chapter 5 on page 230 of this Registration Document.

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

- The Group's thermal installations experienced significant labour disputes during 2011, mainly concerning the conditions for application of Article 14-6 of the Conditions of Employment of the Electricity and Gas Industries (*industries électriques et gazières* – IEG). Employees were demanding entitlement to the "colonial compensation" available to State employees working in the French overseas territories pursuant to Article 14-6 of the IEG Conditions of Employment. In 2012, this dispute on the application of the IEG Conditions of Employment was brought before the courts in Guadeloupe and Reunion Island by the national federation of mining and energy staff (*Fédération Nationale des Personnels des Mines et de l'énergie* – FNME-CGT) for each of the Group's thermal power plants, with the trade union demanding a 40% basic wage increase for its members. Similar cases have been initiated by the trade unions representing employees of other electricity producers in the French overseas departments, including EDF. All these cases were then grouped together before the Paris District Court (*Tribunal de Grande Instance*), which, when preparing the file, asked the *Conseil d'Etat* for a decision on the legality of certain regulations implementing the IEG Conditions of Employment and for its interpretation of Article 14-6 of the Conditions of Employment. The *Conseil d'Etat* has dismissed the arguments put forward by FNME-CGT, considering in particular that Article 14-6 of the IEG Conditions of Employment had been deprived of all effect as a result of the adoption of certain laws and regulations post-dating the entry into effect of the IEG Conditions of Employment. The ongoing proceedings were dismissed on 10 July 2018. FNME-CGT has two years from that date in which to reapply.

- In 2012, Albioma Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge) initiated proceedings based on hidden defects against Alstom Power before the Paris District Court seeking compensation for losses incurred in connection with significant damage to the steam turbine acquired from this supplier. The expert appraisal, initiated in 2013 upon Albioma Bois-Rouge's request, is still ongoing.
- Albioma Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge) was joined to an action brought by Sucrière de la Réunion against its insurer, QBE Insurance Europe, which was refusing to pay out on a claim by its client for operating losses of approximately €1 million. These operating losses were allegedly the result of the shutdown of the Bois-Rouge plant during the 2009 sugar campaign. Sucrière de La Réunion won the case before the appeal court in 2012, without any consequences for Albioma Bois-Rouge. In 2013, QBE Insurance Europe filed a new procedural suit before the District Court. In April 2015, the court again found in favour of Albioma Bois-Rouge. This decision was upheld by the Saint-Denis Appeal Court on 5 April 2017. QBE Insurance subsequently appealed against this decision to the Cour de Cassation. Proceedings are ongoing.
- 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-sensitive facilities (ICPE). Assaupamar sought, firstly, to obtain an interim order suspending the ICPE authorisation and, secondly, to obtain a judgement on the merits cancelling the authorisation. In an interim order dated 24 March 2015, the Judge recorded that Assaupamar had withdrawn its action seeking the suspension of the authorisation to operate the plant. In a decision dated 4 October 2016, the Fort-de-France Administrative Court revoked the operating licence on grounds of a technicality relating to a purportedly incomplete demonstration of the project's compatibility with the requirements of Martinique's development and water management master plan (*Schéma Directeur d'Aménagement et de Gestion des Eaux (SDAGE)*). Albioma Galion and the Ministry of Environment, Energy and the Sea appealed this decision.

On 13 April 2017, the Bordeaux Administrative Appeal Court set aside the decision of the Fort-de-France Administrative Court, and confirmed that the licence to operate the Galion 2 plant was fully valid. Assaupamar subsequently appealed this decision to the Conseil d'État, which rejected it on 11 July 2018. These proceedings are now ended.

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 2018 or since the end of the year.

1.8.1.9. Liquidity risk

The Group's Finance Division 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 Finance Division aims to maintain sufficient liquidity at all times by efficiently managing the Group's cash and cash equivalents, in particular by putting in place secure financing arrangements in terms of their duration and legal terms and conditions. More specifically, it arranges confirmed credit lines to guarantee optimal flexibility in Group financing. See additional information in Note 24 to the consolidated financial statements for the 2018 financial year in chapter 4 on pages 192 *et seq.* of this Registration Document.

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

At 31 December 2018, the breakdown of the liquidity position compared with that of previous years was as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017	31/12/2016
Other current financial assets	18,738	17,613	16,511
Bank accounts	76,559	74,440	79,951
Unused credit facilities	2,000	55,000	40,000
Liquidity position	97,297	147,053	136,462

1.8.1.10. Market risks**Risk of unfavourable changes in electricity prices**

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

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

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

Interest rate risk

The Group's interest-rate management policy is coordinated, supervised and managed centrally, with the aim of protecting future cash flows and reducing volatility of financial expenses. As at 31 December 2018, the Group's borrowings were split as follows:

<i>In thousands of euros</i>	31/12/2018				31/12/2017			
	Bank overdrafts, accrued interest and loan issue costs	Project debt	Corporate debt	Total	Bank overdrafts, accrued interest and loan issue costs	Project debt	Corporate debt	Total
BORROWINGS FROM FINANCIAL INSTITUTIONS								
Fixed rate	-	78,453	84,500	162,953	(1,054)	127,769	85,000	211,715
Variable rate	(13,330)	559,971	53,000	599,641	(4,472)	411,566	-	407,094
Sub-total	(13,330)	638,424	137,500	762,595	(5,526)	539,335	85,000	618,809
LEASE LIABILITIES								
Fixed rate	-	7,621	-	7,621	-	8,150	-	8,150
Variable rate	-	75,482	-	75,482	-	80,318	-	80,318
Sub-total	-	83,103	-	83,103	-	88,468	-	88,468
Total financial debt	(13,330)	721,528	137,500	845,698	(5,526)	627,803	85,000	707,277

Financial debt included variable-rate debt of €675.1 million at end-2018, compared with €487.4 million at end-2017. This increase was mainly due to draw-downs to finance the IED work and the combustion turbine at Saint-Pierre on Reunion Island as well as the short-term corporate debt draw-down to fund acquisitions.

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

The interest rate hedges are described in Note 25 to the consolidated financial statements for the 2018 financial year, in chapter 4 on page 195 of this Registration Document.

Sensitivity of financial assets and liabilities to variations in interest rates is described in Note 33.1 to the consolidated financial statements for the 2018 financial year, in chapter 4 on page 201 of this Registration Document.

Currency risk

The Group publishes its consolidated financial statements in euros, and in 2018 95.9% of its income and 93.8% of its EBITDA was recognised in euros.

Operational 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;
- purchases of some machinery, essentially in connection with the construction of new power plants.

These transactions, which give rise to instantaneous payments, are hedged through the purchase of the relevant currency prior to the completion of the transaction, and the Group is therefore never exposed to currency risk in the event of a significant change in the price of the currencies concerned.

Financial currency risk

This currency risk results from:

- 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 translated into euros, and this will make it more difficult to compare performances from one year to the next. For example, if the euro appreciates against the Brazilian real, this will reduce the contribution to the consolidated results made by subsidiaries that prepare their financial statements in the Brazilian currency. As regards long-term assets, the Group has put in place a hedging policy aimed at reducing currency risks associated with financing in the Brazilian currency;

- the activity of companies in which Albioma holds non-controlling interests in Mauritius and whose financial statements are prepared in Mauritian rupees. Currency risk arises mainly from the impact of the movement in the exchange rate on the overall amounts recognised using equity accounting (recognised directly in equity), the revaluation of financial debt, denominated in certain cases in euros, and the partial indexation to the euro of electricity sale agreements. Also, the Group has recognised embedded currency derivatives (Euro/Mauritian rupee) relating to electricity sale contracts.

At 31 December 2018, the currency risk related to investments in foreign subsidiaries breaks down as follows:

Value in euros of assets in Brazilian reals

<i>In thousands of euros</i>	31/12/2018	31/12/2017	31/12/2016
Assets	102,156	87,225	104,332
Liabilities	(31,745)	(28,220)	(36,954)
Net position before hedging	70,411	59,005	67,378
of which, Group share	53,607	47,937	55,977
of which, non-controlling shareholders	16,804	11,068	11,401
Off-balance sheet position, Group share	3,739	4,092	4,603
Net position after hedging, Group share	57,346	52,029	60,580

Value in euros of assets in Mauritian rupees

<i>In thousands of euros</i>	31/12/2018	31/12/2017	31/12/2016
Assets	23,292	22,794	23,761
Liabilities	-	-	-
Net position before hedging, Group share	23,292	22,794	23,761
Off-balance sheet position, Group share	-	-	-
Net position after hedging, Group share	23,292	22,794	23,761

Sensitivity to currency risk related to investments in foreign subsidiaries in 2018 – Euro/Brazilian real

Brazilian real	Impact on net income		Impact on shareholders' equity	
	5% increase	5% decrease	5% increase	5% decrease
	(0.6%)	0.6%	0.8%	(0.7%)

Sensitivity to currency risk related to investments in foreign subsidiaries in 2018 – Euro/Mauritian rupee

These net positions in Mauritian rupees are subject to a hedge of a net investment in a foreign operation (see additional information in Note 17 to the consolidated financial statements for the 2018 financial year, in chapter 4 on pages 195 *et seq.* of this Registration Document). As such, a movement in the euro / Mauritian rupee exchange rate would have no material impact on shareholders' equity.

Equity risk

Equity risk is limited due to the nature of the Group's cash investments (money market mutual funds benefiting from good ratings and subscribed with recognised institutions). As at the date of filing of this Registration Document, there are no treasury shares (see additional information in section 6.3.6.2 on pages 271 *et seq.* of this Registration Document).

Risk relating to significant off-balance sheets commitments

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

See additional information in Note 34 to the consolidated financial statements for the 2018 financial year in chapter 4 on pages 203 *et seq.* of this Registration Document.

1.8.2. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

1.8.2.1. Definition and objectives of internal control and risk management

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

- the implementation of the strategy defined by the Board of Directors, translated into economic and financial objectives and measures aimed at operational efficiency, is carried out in accordance with applicable laws and regulations;

- the strategic orientations defined by the Board of Directors are converted by General Management into effectively implemented action plans;
- the internal processes, in particular those that help to safeguard the Group's assets, operate in a satisfactory manner;
- the Group's financial and accounting information is accurate, reliable and fairly presented.

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

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

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

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

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

1.8.2.2. Group structure

The structure introduced in 2016, when the roles of Chairman of the Board of Directors and Chief Executive Officer were separated, is described in section 1.5.3 on pages 24 *et seq.* of this Registration Document. This change in governance entailed a number of changes to the organisation of the internal control function, in particular as a result of the definition by the Board of Directors of the respective powers

of the Chairman of the Board of Directors and the Chief Executive Officer (see additional information in section 2.3.3.1 on pages 95 *et seq.* of this Registration Document). The merging, following the General Meeting of 27 May 2019, of the roles of Chairman of the Board of Directors and Chief Executive Officer, will result in the vesting of all powers in a single person, the Chairman and Chief Executive Officer (see additional information in section 2.2.1 on pages 72 *et seq.* of this Registration Document).

The Group's structure in 2018 was based on operating divisions, created by combining its two businesses (Thermal Biomass and Solar Power) and the regions in which it operates:

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

At head office, the central departments formed a separate operating division, providing central support services. During the financial year, these central departments were:

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

1.8.2.3. Responsibility for internal control

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

The following bodies responsible for internal control procedures are:

the Board of Directors (and, within it, the Chairman of the Board of Directors) and its specialised Committees, whose operating methods and main tasks are described in section 2.3.3 on pages 94 *et seq.* of this Registration Document;

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

Throughout 2018, the Group continued to reinforce its system for delegating powers, which enables the duties and responsibilities of all the relevant parties to be defined clearly and precisely.

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. It is assisted by the work of its specialised Committees. By authorising structuring projects, it ensures the continuity of its strategy in a manner that is consistent with the levels of risk and profitability that it, together with General Management, has deemed to be acceptable.

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

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

Lastly, the Audit, Accounts and Risks Committee has a key role to play in the internal audit function (see additional information in section 2.3.3.1 on pages 103 *et seq.* of this Registration Document).

The Chairman of the Board of Directors

The separation of the roles of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016 (see additional information in section 2.2.1 on pages 72 *et seq.* of this Registration Document) resulted in a number of changes to the internal control structure due, in particular, to the definition by the Board of Directors of the respective powers of the Chairman of the Board of Directors and the Chief Executive Officer.

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

The merging, following the General Meeting of 27 May 2019, of the roles of Chairman of the Board of Directors and Chief Executive Officer, will result in the transfer of these responsibilities to the Chief Executive Officer who is also the Chairman of the Board of Directors (see additional information in section 2.2.1 on pages 72 *et seq.* of this Registration Document).

General Management

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

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

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

Executive Committee

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

The Administrative and Finance Division and the other functional departments

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

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

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

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

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

- the Company Secretariat, which is responsible for the Secretariat of the Board of Directors and the specialised Committees and for monitoring matters associated with company law, stock market laws, compliance and ethics, assists the Administrative and Finance Division in the financial communication control process and oversees institutional and regulatory communication.

The internal audit function

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

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

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

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

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

1.8.2.4. The risk management process

In the performance of its activities, the Group is exposed to a variety of risks. The main risk factors the Group faces are described in section 1.8.1 on pages 29 *et seq.* of this Registration Document.

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

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

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

The process for mapping risks and monitoring the Group's risk mapping and its insurance policy are closely linked. Said policy is reviewed in close collaboration with risk mapping, to ensure that the level of coverage the Group has is constantly being amended in line with the risks it has identified (see additional information in section 1.8.3 on pages 46 *et seq.* of this Registration Document).

1.8.2.5. Control activities and procedures

Business management procedures

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

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

- as regards technical or operating information (daily and monthly reports submitted by the heads of the production units, special reports analysing incidents, regular reports on the maintenance and servicing of production equipment, reports on construction projects and reports on accidents in the workplace);
- as regards financial information, in line with the procedures for producing accounting and financial information (see below), but also to ensure the monitoring of budget performance, the Group's commitments, debt and cash;
- as regards non-financial information, in line with the procedures for producing non-financial information, verified by an Independent Third-party Body (see the additional information in section 1.9 on pages 48 *et seq.* of this Registration Document), which is obtained using an integrated data compilation and analysis tool for non-financial information, which will be gradually adapted for use by the Management Control Department to compile and analyse production data.

Medium-term 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 Finance Division on the basis of the strategic orientations proposed by General Management are approved by the Board of Directors. The budget is adjusted when the half-yearly financial statements are prepared, and the Board of Directors is kept informed.

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

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

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

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

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

The procurement policy focuses, in particular, on applying in practice the combined principles of looking for quality offers, choosing the best offers in the Group's interest, and making an equitable selection of suppliers. Particular attention is paid to the ethical reputation of suppliers and the compliance of their practices with the Group's corporate social responsibility commitments. 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 introduced a standard framework agreement for use by its suppliers.

A Procurement Operations Guide 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.

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

Procedures applicable to the operation of the production units

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

In 2016, Albioma became France's first producer of photovoltaic electricity to obtain triple Quality-Safety-Environment (QSE) certification: triple certification was obtained for the Group's entire Solar business.

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

In addition to certifications, the Group continued to make improvements in 2018 with the implementation of the staff safety oversight process, with the implementation of a safety plan by 2020 led by the Safety Division, which saw a significant improvement in the occupational accident frequency and severity rates.

Procedures applicable to the production of the accounting and financial information

Organisation of the Administrative and Finance Division

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

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

Accounting standards

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

Management tools

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

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

Processes used in the preparation of the accounting and financial information

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

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

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

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

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

Audit, Accounts and Risks Committee

The role of the Audit, Accounts and Risks Committee is described in detail in section 2.3.3.1 on pages 103 *et seq.* of this Registration Document. In particular, this Committee reviews the Company's parent company and consolidated financial statements prepared on an annual and half-yearly basis prior to their approval by the Board of Directors by verifying the effectiveness of the financial information preparation process.

Role of the Statutory Auditors

The accounting and financial information produced by the subsidiaries included in the consolidation scope and used to prepare the consolidated financial statements is the subject of a limited review at the half-yearly closing and a full audit at the year-end closing, carried out by a team of two independent Statutory Auditors. In this regard, the Chief Financial Officer and the legal representatives of all Group entities give a formal undertaking to the Statutory Auditors as to the accuracy, reliability and fair presentation of the accounting and financial information for which they are responsible.

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

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

1.8.3. INSURANCE POLICY

1.8.3.1. General remarks

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

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

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

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

The premiums paid by the Group for its various insurance policies in 2019 totalled €4.9 million euros, sharply up on 2018 due to the new coverage for the Galion 2 plant and the Saint-Pierre combustion turbine and the incorporation within the scope of the Albioma Solaire France programme.

1.8.3.2. Summary of main policies

Damage and operating losses policies

Thermal Biomass

As at 1 January 2019, the Group's thermal power plants in France and Mauritius¹ were covered by the following insurance policies:

- First-line policy with an insured amount of €1,483 million for direct loss and damage and €525 million for operating losses, with a variable excess depending on the plant and the type of loss or damage (minimum of between €400,000 and €800,000 million for direct loss and damage, and between 30 and 45 days for operating losses), with an aggregate pay-out limit per plant (€250 million, limited to two plants) or a specific limit per event (i.e., storms, hurricanes and machine breakage);
- Second-line policy with an insured amount of €923 million for direct loss and damage and €318 million for operating losses, with an excess of €250 million and an aggregate pay-out limit per plant of €150 million.

As at 1 January 2019, the Group's thermal power plants in Brazil were covered by the following insurance policies:

- policy providing 174 million real for direct losses and damage and 49 million real for operating losses for each of the Albioma Rio Pardo Termoeletrica and Albioma Codora Energia plants;
- policy providing 107 million real for direct losses and damage for the Albioma Esplanada Energia plant;
- combined policy providing 250 million real for direct losses and damage and 63 million real for operating losses for the future Vale do Paran  Albioma plant and the Vale do Paran  sugar refinery;

Solar power

As at 1 January 2019, the Group's photovoltaic installations were covered by several insurance policies for a total amount of €179.9 million for direct loss and damage and €44.5 million for operating losses.

Operational civil liability

As at 1 January 2019, the Group's Solar and Thermal Biomass activities in French overseas departments and territories were covered by operational civil liability policies for €40 million per claim, and also have civil liability after delivery coverage/professional civil liability coverage of €40 million per claim and per annum.

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

Civil liability for environmental damage

As at 1 January 2019, the Thermal Biomass business (excluding Brazil) was insured for €30 million over three years (€20 million per claim) against environmental damage (including clean-up costs, which are covered for up to €5 million).

The Thermal Biomass business in Brazil had 66 million real in insurance for environmental damage.

Civil liability of corporate officers

As at 1 January 2019, the managers of Albioma and its subsidiaries were covered for an amount of €50 million per annum (two lines of €25 million each) against civil liability.

Albioma's Brazilian subsidiaries were covered for 66 million Brazilian.

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

1.9. Corporate social responsibility information

1.9.1. REPORTING SCOPE AND METHODOLOGY

Following the transposition of Directive 2014/95/EU of 22 October 2014 as regards the disclosure of non-financial and diversity information into French law, Article L. 225-102-1 of the French Commercial Code replaced the corporate social responsibility disclosures to be incorporated into the Management Report via the non-financial performance declaration. This transposition also reviewed the scope of application of the non-financial reporting obligations, excluding Albioma for the 2018 financial year given that it was under the threshold of 500 permanent employees. Nevertheless, the Group opted to voluntarily publish certain corporate social responsibility information, verified by an Independent Third-party Body (see the limited assurance report relating to the 2018 financial year presented in section 1.9.5 on pages 68 *et seq.* of this Registration Document).

Subject to the clarifications set out below, the following information concerns Albioma subsidiaries (as defined in Article L. 233-1 of the French Commercial Code) and the companies it controls (as defined in Article L. 233-3 of the French Commercial Code), in other words, fully consolidated companies (see further information in Note 39 to the consolidated financial statements in chapter 4 on pages 209 *et seq.* of this Registration Document). As the entities in Mauritius are consolidated using the equity method, they are not included in the reporting and consolidation scope with regard to corporate social responsibility information.

The employment and social information concerns all operational entities (excluding Mauritius) and the head office. However, the environmental information only concerns the operational entities (excluding Mauritius), given the small contribution by head office to Group data. In 2018, the scope of consolidation of corporate responsibility information was broadened to Albioma Solaire France following the acquisition of Eneco France. The environmental indicators for this business will, however, be incorporated in the next financial year due to the fact that they aren't representative for a part-year. With the industrial commissioning of the Albioma Galion 2 thermal plant taking place on 29 September 2018, only corporate social information minus environmental data was included for this operating entity this financial year. The environmental data for the Albioma Saint-Pierre plant will be incorporated in the coming financial year. In Brazil, Albioma Esplanada Energia, incorporated following the acquisition of a second bagasse cogeneration unit from Jalles Machado Group, could not be consolidated seeing that the industrial unit was taken over and hence management transferred in 2019. Lastly, the disposal of Methaneo before 31 December 2018 precludes the inclusion of non-financial data from this subsidiary's three units for this financial year.

The information collected in 2018 was defined so as to enable comparison with the data published in 2016 and 2017. The related responsibilities, scope, controls and reporting calendar are governed by an annually-reviewed protocol, which is available upon request to the Corporate Social Responsibility and Environment Department. Information is collected and consolidated under the responsibility of the Group's Corporate Social Responsibility and Environment division. Information is subjected to internal consistency tests prior to consolidation and publication before verification by the Independent Third-party Body.

1.9.2. EMPLOYMENT INFORMATION

The implementation of Albioma's corporate responsibility policy began for the 2018 financial year on the basis of goals set in 2017 via an internal roadmap. Split into three pillars – social, environmental and corporate, the commitments in this CSR 2018-2023 roadmap meet the Group's material challenges. With respect to the social component, Albioma made three commitments:

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

1.9.2.1. Employment

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

Between 2017 and 2018, Albioma saw a year-on-year increase in headcount (+5%) and full-time equivalent payroll (+3%). According to the definition in Article R. 2323-17 of the French Labour Code, there were 448 permanent employees for the 2018 financial year.

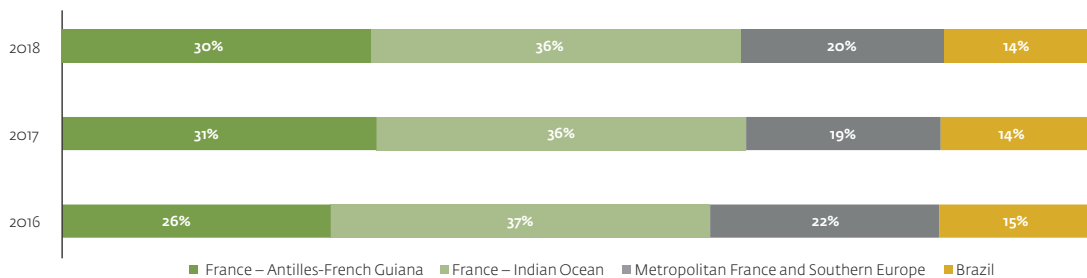
	2018	2017	2016
Total workforce as at 31 December	506	483	448
Annual full-time equivalent (FTE) workforce	476.3	463.9	453.6

Most Albioma employees are located in French overseas departments and territories. The Thermal Biomass business thus accounted for three quarters of Group employees in 2018, ahead of the Holding company and the Solar business. The latter saw its share of employees rise by 55% between 2017 and 2018. This follows the incorporation of the Eneco France teams within Albioma Solaire France in mainland France, but also new hires in the historical regions (Indian Ocean and West Indies-French Guiana). This increased headcount in the Solar business is partly offset by the exit of the employees of the Anaerobic Digestion business following the disposal of Methaneo in 2018.

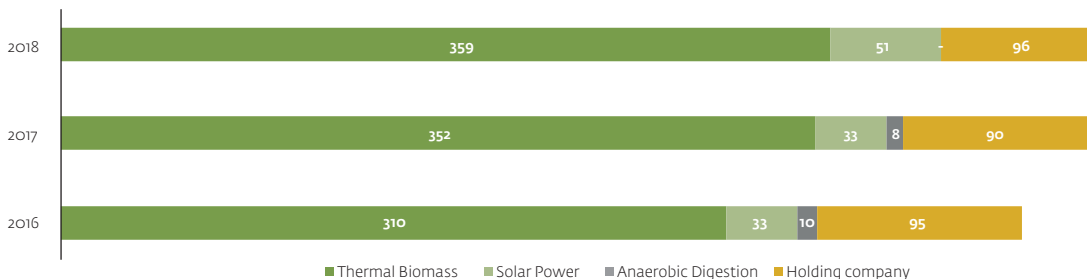
The number of female employees increased to 83 in 2018 (from 79 in 2017). The higher headcount underpinning this trend, the percentage of women in the workforce nevertheless remained stable between 2017 and 2018.

Albioma has a target of having 5% of its workforce made up of trainees and people in volunteering and work-study programmes. At 31 December 2018, the actual percentage stood at 4.7% and was unchanged on the previous two years.

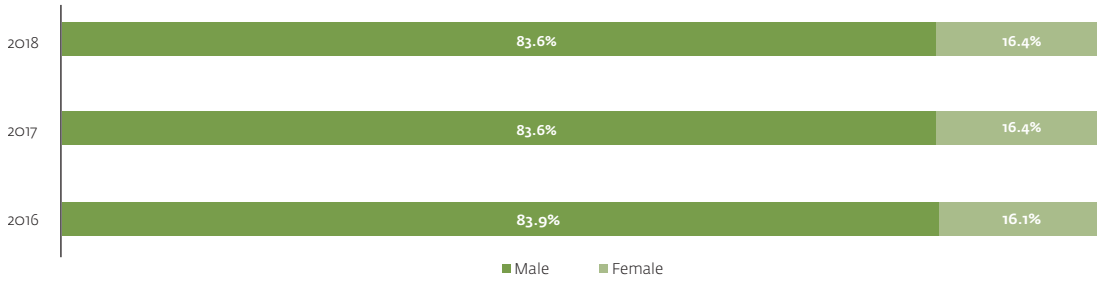
Breakdown of workforce by geographic location, as at 31 December



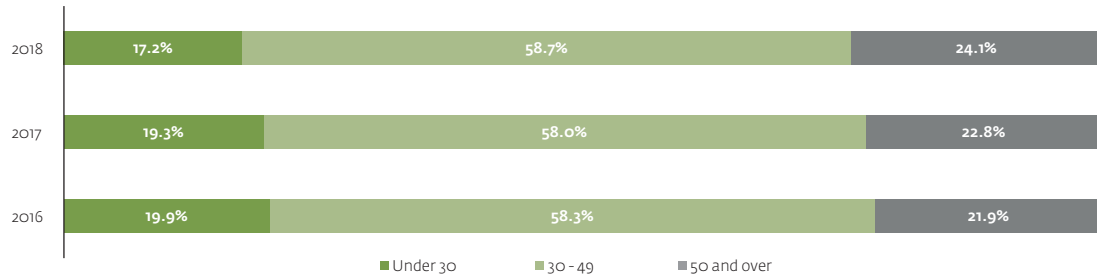
Breakdown of workforce by business sector, as at 31 December



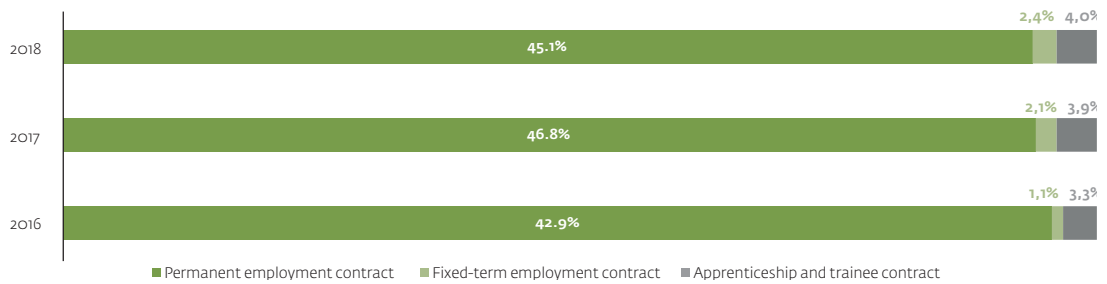
Breakdown of workforce by gender, as at 31 December



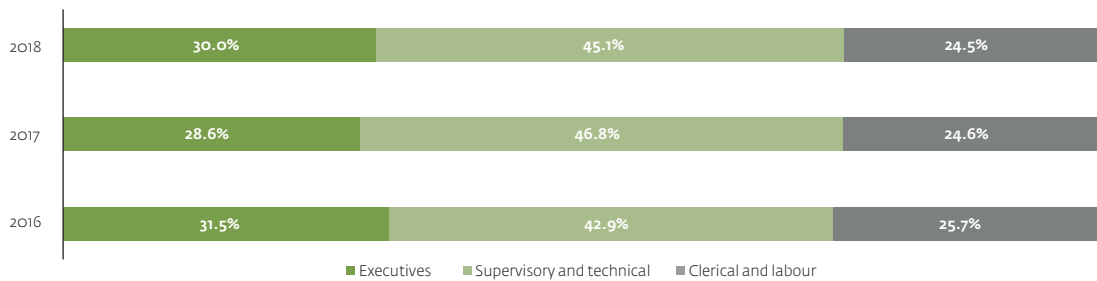
Breakdown of workforce by age, as at 31 December



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



Breakdown of workforce by employee category, as at 31 December



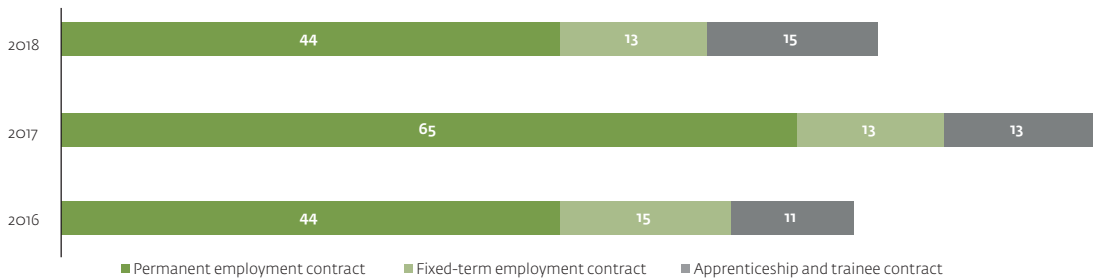
Hires and dismissals

In 2018, Albioma brought in 72 new hires compared with 91 in 2017, a year that saw the hiring of the teams for the Galion 2 plant in Martinique. The majority of the new hires in 2018 were for the Holding company (21), Albioma Le Gol on Reunion Island with the establishment of an additional team to operate new fume treatment systems (12) and Albioma Codora Energia in Brazil (12). The number of workers hired on apprenticeship and trainee contracts increased by 15% from 2017 to 2018, accounting for 21% of all hires in 2018.

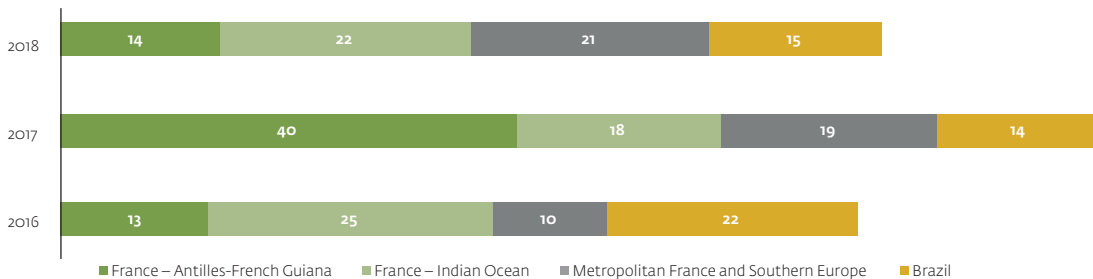
A total of 52 employees left the Group in 2018 (compared with 57 in 2017), of whom 18 resigned, 10 departed upon completing a vocational training contract, five retired and three were dismissed.

The staff turnover rate fell from 16.5% in 2017 to 13.8% in 2018. The turnover rate represents the average Group hires and departures over the year, as a share of the total workforce on 31 December of the previous year.

Breakdown of recruitment by type of contract



Breakdown of recruitment by geographic location



Remuneration

Remuneration policy

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

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

Changes in gross average monthly salaries

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

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

In 2018, the average gross monthly salary in France fell by 0.39%. This fall was due to changes in the profile of the workforce (hiring of younger and less experienced workers and retirements). This calculation does not include Albioma Galion and Albioma Saint-Pierre, in order to maintain a constant scope enabling comparison between 2017 and 2018 (sharp increase in workforce in 2017 in these two companies).

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

Profit-sharing, incentive and employee savings plans

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

Albioma

Company savings plan

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

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

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

Incentive scheme

The Company has introduced a succession of incentive schemes since 2006. The most recent covers the 2018-2020 period and entitles employees who have worked for the Company for more than three months to an incentive bonus linked to the Company's profitability and growth.

Profit-sharing plan

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

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

Operating companies

The following special provisions apply to the operating companies:

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

Albioma Bois-Rouge and Albioma Le Gol operate an inter-company savings plan and an inter-company retirement savings plan set up pursuant to the collective bargaining agreements introduced in 2008. These plans are funded by voluntary payments from employees, re-investment of incentive payments and company contributions.

A series of three-year incentive schemes have been signed in these companies since 2009. New negotiations took place in 2018.

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

Albioma Le Moule

On 31 July 2018, Albioma Le Moule and Albioma Caraïbes merged. The employee representative bodies of the former "Thermique Guadeloupe" economic and employment unit (UES) were dissolved. A Social and Economic Committee was established in the acquiring company, Albioma Le Moule. Albioma Le Moule operates an inter-company savings plan and an inter-company retirement savings plan set up under the terms of collective bargaining agreements introduced in 2008. In 2012, the company introduced an incentive scheme covering the 2012-2014 period, subsequently extended by tacit renewal to cover 2015, 2016, 2017 and 2018. 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 was set up under the terms of collective bargaining agreements introduced in 2008. The incentive scheme introduced in 2012, initially covering the 2012-2014 period and subsequently extended by tacit renewal to cover 2015, 2016, 2017 and 2018, was in force in this company until 31 July 2018. With the merger of these two companies for accounting and tax purposes from 31 July 2018 with retroactive effect to 1 January 2018, the statutory profit-sharing agreement in place in Albioma Le Moule applied throughout the year.

Albioma Solaire Antilles - Albioma Solaire Guyane

A company savings plan was set up for these two companies in 2013. It offers employees of these companies 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 this plan.

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

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

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

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

Albioma Galion

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

Brazil

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

Share subscription and purchase option and bonus performance share plans

The Company's policy on share subscription or purchase options and the allotment of bonus performance shares is described in section 6.4.1 on page 275 of this Registration Document, together with the main features of the plans in place as at the date of filing of this Registration Document.

Retirement plans

Mandatory supplementary retirement plans for Group employees in France have been operated for a number of years. This was a voluntary decision for Albioma, while for the thermal power plants it is consistent with the policy applicable to the Electricity and Gas Industries branch, which concern thermal power plant employees in France. 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 covered by a system built on two collective bargaining agreements:
 - a directly applicable agreement executed in 2004 specifically concerning employees residing in French overseas departments and territories, setting up a defined contribution supplementary retirement plan and, for certain employees, a defined benefit supplementary retirement plan;
 - a national agreement executed in 2008 setting up a defined contribution supplementary retirement plan for special status employees, with effect from 1 January 2009, which is operated in each of the relevant Group companies.

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

1.9.2.2. Organisation of work

Organisation of working time

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

Working hours

In hours	2018	2017	2016
Number of hours worked	862,939	825,984	786,770
of which hours of overtime	54,653	47,944	42,859
Overtime / hours worked	6.3%	5.8%	5.4%

The increase in the number of hours worked (+4%) between 2017 and 2018 is correlated with the higher headcount at 31 December. The commissioning of the Galion 2 plant in Martinique as well as the work undertaken to install a third turbine generator group at the Codora Energia plant in Brazil were behind the higher overtime (+14%) between 2017 and 2018. A comparison of the amount of overtime relative to hours worked nevertheless showed reasonably similar proportions over the past three years.

Breakdown of working hours

	2018	2017	2016
Percentage of employees working split shifts (fixed day hours)	66.4%	64.0%	66.1%
Percentage of employees working continuous shifts (alternating hours)	33.6%	36.0%	33.9%

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

In 2018, the proportion of employees working split shifts (fixed daily hours) rose in particular on the back of the increased hiring of people working fixed daily hours.

Absenteeism

The rate of absenteeism fell 37% between 2017 and 2018, primarily due to the lower level of sick leave resulting from occupational accidents.

	2018	2017	2016
Absenteeism rate ¹	2.7%	4.3%	4.2%

1. Ratio between hours of absence and theoretical working hours (excluding overtime). The calculation is based on absences measured in working days, with the exception of absences relating to occupational accidents, which are measured in calendar days.

1.9.2.3. Employee relations

Organisation of employee-management dialogue

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

France

For the Company, a single representative body (délégation unique du personnel) was set up in 2009. Terms were extended to July 2019.

For thermal plants in French overseas departments and territories:

- 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, the "UES Thermique Guadeloupe Albioma" comprising Albioma Le Moule and Albioma Caraïbes, in place since 31 January 2014, ended on 31 July 2018 following the merger of the two companies. Up to 31 July 2018, there had been a Central Works Council, a Single Representative Body within each of the two companies. Following the merger, an Economic and Social Committee was elected within Albioma Le Moule.

A Group Committee has been set up, supplementing the bodies established at plant level and in the regional economic and employment units. The purpose of this committee is to enhance employee-management dialogue. The Group Committee met twice in 2018.

Brazil

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

Review of collective bargaining agreements

In 2018, all Group employees in France were covered by a collective bargaining agreement or had special IEG status.

Albioma's employee-management dialogue policy facilitates the signing of a number of collective bargaining agreements every year. 13 agreements were signed in 2018 (eight agreements in 2017) including five on health and safety.

1.9.2.4. Health and safety

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

Following the establishment of a Safety Division in 2017, Albioma continues to implement its policy on the matter. It takes the form of a safety plan containing six formal commitments:

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

One of the priorities for 2018 was to explain the six requirements in the field through a dedicated communications plan and raising awareness in each entity including head office. Awareness is also raised through the sharing of information

throughout the Group whenever an accident occurs. The taking of ownership by the operating entities of the Group's general environmental protection and safety rules was also one of the priorities for 2018. Other actions such as improving the risk prevention process, securing periodic controls and improving accident analysis started in 2018 and will continue throughout 2019.

Health and safety conditions in the workplace

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

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

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

The two plants successfully passed the audit to retain their certification in 2018.

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

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

Albioma's ten golden safety rules continue to be disseminated and brought to the attention of new hires and current employees. Based on real-life examples, the golden rules form a practical guide to appropriate behaviour in situations involving a risk of accident. The golden rules are also explained to all subcontractors as part of the safety induction briefing.

A QHSE (Quality, Hygiene, Safety and Environment) manager or safety technician has been appointed at each Group facility to enforce applicable standards. In 2018, the network of QHSE-CSR managers was restructured to ensure better sharing of best practices across the entities.

Review of occupational health and safety-related collective bargaining agreements

Five collective agreements relating to health and safety were concluded in 2018. Three of them relate to the Guadeloupe-based Albioma Le Moule, in addition to Albioma Le Gol and Albioma Codora Energia in Brazil.

The safety plan involves all occupational health and safety stakeholders across all Group companies and businesses (Thermal Biomass or Solar, construction or operation).

In accordance with legal and regulatory requirements, Health, Safety and Working Conditions Committees (CHSCT) meet quarterly in each eligible Group company. An extraordinary meeting of this Committee was held in 2018 for Albioma Bois-Rouge. In France, the establishment in 2019 of the Social and Economic Committee incorporating the former Occupational Health and Safety Committee (Comité d'Hygiène, de Sécurité et des Conditions de Travail - CHSCT) will be underpinned by new modes of dialogue on occupational health and safety. This dialogue, in addition to being a regulatory requirement, is intended to improve accident prevention by respecting the roadmap set out in the safety plan.

Accident analysis and occupational illnesses

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

The eight occupational accidents that took place in 2018 resulted in 259 days lost in 2018. These numbers are sharply down on previous years. In fact, Albioma cut the number of accidents in half between 2017 and 2018, thereby improving the frequency rate by 55%. During the year, accidents were half as serious, improving the severity rate by 73%.

	2018	2017	2016
Occupational accident frequency rate	9.27	20.58	16.58
Occupational accident severity rate	0.30	1.10	0.80
Number of occupational illnesses	-	-	-
Number of fatal accidents	-	-	-

Even if this situation is still not fully satisfactory, it is one of the Group's best performances over the past eight years with a workforce that has doubled over this period.

In 2018, as in previous years, there were no fatalities. A request for an investigation into a declaration of occupational illness pertaining to the Holding company is ongoing.

1.9.2.5. Training

Training policy

Albioma treats the career development of Group employees as key to its good performance. Accordingly, the CSR roadmap includes a specific commitment relating to training.

Accordingly, over the past number of years, the Group has set itself the ambitious goal of achieving an average of 35 hours of training per employee per year.

Total training hours

The total number of training hours fell in 2018 from an exceptionally high base in 2017 (-59%) and 2016 (-42%). These two years saw the teams preparing for the takeover of the Albioma Codora Energia plant in Brazil and the commissioning of Albioma Galion 2 in Martinique. The average number of hours of training per employee follows the same trend, underpinned by the higher headcount.

In hours	2018	2017	2016
Total training hours	13,064	31,779	22,466
Average number of training hours per employee	26	66	50
of which, safety training	12	29	31

1.9.2.6. Equal opportunities

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

Measures to promote gender equality

25 women were hired out of a total of 72 new hires, raising the proportion of female recruits to 35% in 2018, namely 14 points up on 2017. Women accounted for more than half of new employees at head office in 2018 (52%).

	2018	2017	2016
Women as a percentage of total workforce	16%	16%	16%
Women as a percentage of executives	21%	20%	19%
Women as a percentage of newly recruited employees	35%	21%	27%

Measures to promote the employment and inclusion of people with disabilities

As the proportion of employees with disabilities is an indicator specific to French employment law, it has been calculated for the France scope (excluding Brazil). For the past three years, the Group has had three employees with disabilities, all based in France, with a French workforce that is steadily growing. Total purchases from the sheltered employment sector remains relatively stable.

	2018	2017	2016
Percentage of employees with disabilities ¹	1.1%	1.2%	1.4%

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

Anti-discrimination policy

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

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

Upholding freedom of association and the right to collective bargaining

As explained in section 1.9.2.3 on pages 54 *et seq.* of this Registration Document, the Group is organised such that the freedom of association and the right to collective bargaining are protected.

Elimination of discrimination in respect of employment

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

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

Elimination of compulsory or forced labour

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

Effective abolition of child labour

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

1.9.3. ENVIRONMENTAL INFORMATION

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

Much of the Group's environmental protection efforts focus on the Thermal Biomass business, which accounted for 86 % of total installed capacity in 2018.

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

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

1.9.3.1. General environmental policy

Albioma's environmental policy is an integral part of the Group's internal CSR roadmap. It is organised around three commitments, each expressed as a series of objectives.

1. Support the energy transition
 - Decrease our carbon footprint
 - Continue reducing our gaseous emissions
 - Harness the digital transformation to enhance our industrial performance
2. Use resources sustainably
 - Use energy resources more efficiently
 - Decrease, recycle and recover our waste
 - Optimise our use of water resources
3. Protect biodiversity
 - Promote sustainable use of agricultural and forestry resources for fuel
 - Help to protect wildlife and minimise our impacts at our plants and in surrounding areas.

Organisational response to environmental issues and environmental certification processes

At corporate level, environmental matters are the responsibility of the Corporate Social Responsibility and Environment department, which steers, leads and coordinates all such initiatives. This department oversees collection of environmental data and consolidates it at Group level. The Corporate Social Responsibility Committee, which reports to the Board of Directors, is consulted regarding all strategic matters relating to implementation of the Group's environmental policy, ahead of deliberations by the Board of Directors on such matters (see notes in section 2.3.3.1 on pages 105 *et seq.* of this Registration Document).

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

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

The whole Solar Power business in France, as well as the Albioma Bois-Rouge and Albioma Le Gol thermal power plants on Reunion Island, are covered by ISO 14001, ISO 9001 and ILO-OSH 2001 triple certification. In 2018, 49% of the Group's production was covered by triple certification.

Environmental protection-related employee training and information initiatives

Albioma makes its environmental preservation requirements clear to all employees.

Furthermore, 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.

The Sustainable Development report, published annually, also helps to spread information within the Group. In 2018, a company newsletter was launched; each issue includes a CSR and environmental section helping to raise awareness among all employees regarding Albioma's corporate social responsibility.

Resources allocated to environmental risk prevention and anti-pollution measures

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

The amount allocated to environmental risk prevention and pollution reduction was relatively stable in 2018, reflecting the continuation of the investment programme initiated in 2017 to bring plants into compliance with the atmospheric emission caps stipulated in the EU Industrial Emissions Directive (IED - 2010/75/EU).

<i>In thousand of euros</i>	2018	2017	2016
Expenditures on pollution and environmental risk prevention	42,334	48,886	18,469

This compliance programme will be completed in 2019 at all French thermal power plants, in order to meet the application deadline of 1 January 2020 stipulated in the IED for facilities located in non-interconnected areas.

Provisions and guarantees relating to environmental risks

As in previous years, the Group was not concerned by any environmental disputes in 2018.

Albioma is required to provide financial guarantees under the terms of the regulations applicable to environmentally-classified facilities (*Installations Classées pour la Protection de l'Environnement - ICPE*) and in accordance with the Order of 31 May 2012, which stipulates the list of classified facilities subject to the obligation to provide financial guarantees in application of Point (5°) of Section R. 516-1 of the Environmental Code. The total cost of safely decommissioning Group facilities is currently assessed to be €1,245,742. As of 31 December 2018, the Group had provided financial guarantees representing 73% of the estimated cost, with 10% of the outstanding amount to be paid in each year for the next four years.

1.9.3.2. Pollution

Measures to prevent and mitigate air, water and ground pollution

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

The Group has committed to a major investment programme to combat atmospheric emissions with the aim of ensuring that its thermal power plants comply with the atmospheric emissions limits stipulated in the IED directive. Work began in 2016, continued at the Albioma Le Gol, Albioma Bois-Rouge and Albioma Le Moule plants in 2018, and will be completed in 2019. The main purpose of the flue gas treatment systems being installed at these plants is to cut emissions of sulphur oxides, nitrous oxides and particulate matter.

Atmospheric emissions

In tonnes	2018	2017	2016
Sulphur dioxide (SO ₂) emissions ¹	5,169	5,446	6,822
Nitrous oxide (NO _x) emissions	4,995	5,369	5,430
Carbon monoxide (CO) emissions ¹	1,049	1,298	1,442
Particulate emissions	584	677	812

18. Scope: France.

In 2018, sulphur oxide emissions were slightly lower (-5%) than in 2017. This was mainly due to lower production at the French power plants as a result of extended outages for the compliance works and a lower duty rate in France.

These two factors were also responsible for decreases in emissions of nitrous oxides (-7%) and carbon monoxide (-19%). Particulate matter emissions continued to decline in 2018 (-14%). In addition to the lower duty rate in France and the extended outages, this reduction is primarily accounted for by improved performance at the Brazilian plants, particularly as a result of the improvements delivered by the Albioma Codora Energia scrubber.

Consideration for noise pollution

The prefectural orders applicable to the Group's thermal plants 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.

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

1.9.3.3. Circular economy

Waste prevention and management

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

Albioma works closely with its agribusiness partners, recovering co-products from their activities and supplying them with energy in return. Albioma's Thermal Biomass business model is based on a process for recovering energy from bagasse, a sugar cane by-product.

As part of its internal CSR roadmap, Albioma set a goal of increasing the recovered share of combustion by-products from its Thermal Biomass business. This waste-to-energy and waste reuse effort also applies to the Solar Power business. In addition to complying with its obligation to recycle its own used panels, the Solar Power business has agreed to allow private citizens and landowners to dispose of their used panels at Albioma storage depots. This commitment is reflected in a partnership agreed with PV Cycle, a French

environmental organisation responsible for collecting panels and routing them to a recycling centre. The circular economy is central to Albioma's business model, with the Group's activities also driving a virtuous waste recovery cycle.

Combustion by-products

Biomass and coal combustion by-products, in the form of ash and slag, account for most of the solid waste released by the Group's activities. Accordingly, particular focus is given to these substances, with the twin aims of limiting their environmental impact and developing waste recovery solutions.

<i>In tonnes</i>	2018	2017	2016
Ash	196,131	225,198	197,564
of wich, biomass ash	88,934	114,039	88,227
of wich, coal ash	107,198	111,160	109,337
Coal slag	40,124	40,811	42,848
Gypsum	3,430	3,244	3,535

In France, most of the ash produced by burning bagasse is recovered by spreading it on farmland. This practice improves the physicochemical properties of the soil and provides essential elements to spur crop growth. The agronomic benefit of bagasse ash is officially recognised: in 2015, the French national food health, safety, environment and work agency (Agence Nationale de Sécurité Sanitaire de l'Alimentation, de l'Environnement et du Travail - ANSES) granted a license authorising Albioma to market bagasse ash from its French power plants. In Brazil, all biomass ash is also recovered by spreading it on agricultural land. In 2018, the volume of biomass ash decreased (-22%) as a result of decreased bagasse consumption in France, due to a shorter sugar harvest than in 2017. Ash levels remained relatively similar to those reported in 2016.

For several years, the Group has also been studying the options for recovering ash and slag generated by burning coal. In particular, Albioma is assessing the possibility of recovering coal combustion by-products for use as raw materials in the construction and roads industries. This process continued in 2018, in cooperation with research institutions and private-sector partners. A testing phase began in early 2018, focussing on recovering coal combustion by-products from the Albioma Caraïbes power plant for use in concrete manufacturing. Alternative disposal routes to burial at landfill sites are also being studied. Note that coal ash and slag from the Albioma Bois-Rouge power plant are mixed when

removed and stored; this mixture is recorded as coal ash only. A combustion by-product characterisation programme was launched in 2018, at the all-biomass Galion 2 plant in Martinique, with the aim of identifying and developing local recovery processes. This programme is intended to serve as a pilot in preparation for the conversion to biomass of the next plants in Overseas France.

The special wet-process sulphur scrubbing system installed at the Albioma Le Gol and Albioma Caraïbes plants generates gypsum, as the product of a reaction between dissolved lime and sulphur oxides. One means of recovering this gypsum is to use it in the cement production process. Albioma Le Gol has been working hand in hand with a cement manufacturer since 2007; as a result of this partnership, all gypsum produced by the plant in 2017 was successfully recovered. In early 2018, tests relating to the recovery of this by-product also began with an industrial partner of the Albioma Caraïbes power plant.

Recovering bagasse ash for agronomic purposes and seeking recovery solutions for coal combustion by-products are prime examples of Albioma's commitment to the circular economy. The share of by-products recovered was 36% in 2018.

Industrial waste

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

<i>In tonnes</i>	2018	2017	2016
Non-hazardous industrial waste	2,987	5,483	5,156
Hazardous industrial waste	1,668	317	248

The total quantity of industrial waste decreased by nearly 20% between 2017 and 2018. However, the share of hazardous industrial waste increased from 5% of the waste generated in 2017 to 36% in 2018. This was mainly attributable to the IED compliance works at the Albioma Le Moule plant.

The quantity of non-hazardous industrial waste generated by the Group's activities decreased sharply in 2018 (-46%). The lower occasional quantities of sludge from tank clearing and sewage works concern the Albioma Bois-Rouge and Albioma Le Moule plants. In 2018, sludge from tank clearing and sewage works accounted for approximately 43% of all discharged non-hazardous industrial waste, compared with 68% in 2017.

Food waste prevention initiatives

In view of the nature of Albioma's activities and the Group's business model (see notes in section 1.3.1 on pages 8 et seq. of this Registration Document), information relating to food waste prevention initiatives was not considered relevant for the purpose of this Registration Document.

Sustainable use of resources

Water consumption

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

Water consumption is measured continuously at local level and the Group's total consumption is tracked in a monthly indicator. Efforts to reduce water consumption were largely masked in 2018 by increased water use associated with the commissioning of a third turbogenerator unit at the Codora Energia plant in Brazil. Total water consumption remained on a favourable trend, however, decreasing slightly year-on-year. The water intensity of produced energy increased by 10% year-on-year, due to lower energy production (-11%) resulting from the extended outages for the plant compliance works and the lower duty rate in Overseas France.

Recycled water as a share of total extracted raw water was stable between 2017 and 2018. Reviewing its aqueous discharges, Albioma is committed to more effectively recovering them. As a preliminary to implementing the necessary means, a performance indicator was introduced to monitor changes in discharges relative to energy produced. In 2018, the aqueous discharge intensity was 0.69 in France.

	2018	2017	2016
Raw water extraction (thousands of cu. m ³)	7,866	7,972	7,974
Water intensity of power generation activity (cu m ³ /MWh)	2.10	1.91	1.96
Recycled water as a share of total raw water extraction	9.9%	9.7%	6.5%

Fuel consumption and fuel efficiency measures

In 2018, the quantity of recovered biomass fell (-13%), not least as a result of a poor sugar harvest in France and Brazil, resulting in a 10% decrease in bagasse consumption. Coal and heating oil consumption also decreased (-4% and -17%, respectively) as a result of a lower duty rate at the Group's plants in 2018 and the extended outages for plant compliance works.

Non-bagasse biomass categories include several sources of residues, which were only consumed at the Brazilian plants in 2018. These include sugar cane, sawdust, wood chips and rice husks. Consumption of these categories increased by 16%, year-on-year. However, the disposal of Methaneo in 2018 resulted in an overall decrease in biomass-to-energy processing of these other categories (-34%).

In thousands of tonnes	2018	2017	2016
Total biomass consumption	1,461	1,673	1,570
of wich, bagasse consumption	1,338	1,489	1,442
of wich, consumption of other biomass	122	184	127
Coal consumption	815	848	868
Heating oil consumption	25	30	30

Energy consumption and energy efficiency measures

The power required by the Group's production facilities is generally produced onsite. Electricity is therefore only purchased from the grid during plant startup phases. Onsite consumption is measured by a manager at each site, and consumption data is monitored monthly by head office. Engineers with the Industry department are specifically assigned to monitor and improve plant performance. Energy performance is also monitored closely by the Corporate Social Responsibility and Environment department, with the aim of improving the Group's use of energy resources. In 2018, consumption of energy purchased from a supplier fell by 53%.

At the thermal power plants, the performance indicator used to measure energy efficiency during sugar harvests is the electricity yield per tonne of cane crushed. In 2018, this indicator increased (+3%), primarily due to improved operating efficiency at the Albioma Le Moule plant.

In kWh produced per tonne of cane crushed	2018	2017	2016
Electricity yield per tonne of sugarcane	121	118	113

Land use

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

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

Soil protection is also a focus of attention by the Group's thermal power plants. For every new project, Albioma conducts an initial soil condition survey in accordance with the regulatory framework applicable to environmentally-classified facilities (ICPE). This soil survey includes an assessment of the environmental impacts of building on

or surfacing land (in terms of soil erosion, pollution, runoff water, etc.).

Energy production by the Group's thermal power plants is also closely linked to the corresponding agricultural production cycles. By recovering bagasse and spreading the resulting by-products on agricultural land, this business contributes to a virtuous cycle that helps to enrich the soil.

1.9.3.4. Climate change

Greenhouse gas emissions

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

	2018	2017	2016
Direct greenhouse gas emissions (thousands of tonnes CO ₂)	2 041	2 145	2 229
of which carbon dioxide (CO ₂) emissions	2 010	2 116	2 193
of which nitrous oxide (N ₂ O) emissions	22	22	24
of which methane (CH ₄) emissions	9	8	12
Greenhouse gas intensity of energy production (in equivalent grams CO ₂ /kWh)	545	513	548

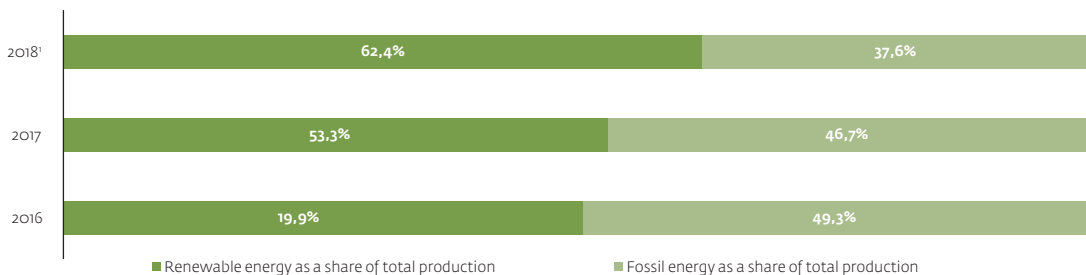
In 2018, direct greenhouse gas emissions declined again (-5%), mainly due to the decrease in coal consumption, correlated with a lower duty rate over the financial year and the extended outages caused by the plant compliance works. This positive effect was insufficient, however, relative to the lower energy production, allowing the greenhouse gas intensity of the Group's energy production to increase (+6%).

Fighting climate change and adapting to its consequences

The Albioma Group energy transition strategy features a target of deriving 80% of energy production from renewable sources by 2023, intrinsically supporting the fight against climate change. In 2018, renewable energy accounted for 50.4% of all energy produced by the Group, across the non-financial reporting scope. This decrease was attributable to the poor sugar harvest in France. However, the Group's strategy to achieve an energy mix featuring at least 80%

renewables by 2023 saw the acquisition in 2018 of the solar power business of Eneco France and a third, all-biomass plant in Brazil, as well as the commissioning of the Galion 2 plant in Martinique, which will operate using a bagasse/biomass fuel model. When these activities are included, the share of renewables in the energy mix produced by Albioma can be evaluated pro forma at 62%. Converting the existing bagasse/coal plants in Overseas France is a longer process, but will in time also contribute to greening the mix.

Energy mix¹



¹ Pro forma for Albioma Solaire France (formerly Eneco France) and Albioma Esplanada Energia (Jalles Machado) over 12 months (excluding Methaneo, which was disposed of in 2018), representative of the Group's fully consolidated companies.

Forecasts by the Intergovernmental Panel on Climate Change (IPCC) point to climate changes in the Caribbean and Indian Ocean regions¹:

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

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

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

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

¹ Intergovernmental Panel on Climate Change, *Climate Change 2014: Impacts, Adaptation, and Vulnerability, Part B: Regional Aspects – Working Group II Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, 2014.

1.9.3.5. Biodiversity protection

Measures to preserve or enhance biodiversity

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

One of the levers of action defined in the Group's energy transition strategy involves replacing coal with biomass at its bagasse/coal thermal power plants and commissioning new plants fuelled exclusively with biomass. Although priority is given to using local biomass resources, the operational rollout of this strategy requires some biomass to be imported in the form of wood pellets.

Conscious of the risks to biodiversity and ecosystem balance potentially created by non-sustainable forest management, Albioma proactively introduced contract provisions requiring all biomass suppliers to obtain forestry certification, thereby ensuring that forests are managed sustainably and appropriate biodiversity protection measures implemented. Furthermore, the procedures adopted by Albioma in order to comply with the requirements of the European Union Timber Regulation (995/2010/EU) include assessing the risk of biomass suppliers delivering protected species¹. Where applicable, risk mitigation procedures must be implemented.

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

Building on the dynamic in support of biodiversity, this year Albioma became an active member of the Foundation for Research on Biodiversity, via an action club devoted to Overseas France.

1.9.4. SOCIAL INFORMATION

The final pillar in the Group's internal CSR roadmap - Society - features two commitments by Albioma:

1. Expand our responsible purchasing practices
 - Ensure that our biomass procurement is traceable and sustainable
 - Enhance our inclusion of CSR considerations in purchasing procedures
2. Work more closely with local communities
 - Foster dialogue with third-party stakeholders
 - Play a part in driving local socioeconomic development
 - Conduct public interest initiatives that are consistent with our business

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

...in terms of employment and local development

Albioma is the partner of choice for the agribusiness sector. The Group's business model is based on long-term partnerships with local stakeholders in the sector. This local presence contributes to the protection of thousands of jobs upstream of the Group's activities, in particular via the 'bagasse premium'. This mechanism passes on a fraction of revenues from bagasse recovery-based electricity production to sugarcane growers and refineries. The sugarcane sector represents 18,300 jobs on Reunion Island² and 10,000 jobs in Guadeloupe³.

Wherever the Group operates, its subsidiaries:

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

The share of local purchasing, based on orders for parts and services placed during the year, decreased from 2017 to 2018, although the total amount was slightly higher. Owing to the insular nature of the various territories in Overseas France, it can sometimes be difficult to source specific expertise or advance industrial facilities locally. Consequently, when

¹ Species listed in Appendices I and II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and species on the International Union for Conservation of Nature's "Red List".

² Source: Sugar industry newsletter: Lettre de l'Industrie du Sucre de La Réunion (April 2014).

³ Source: Prefecture of the Guadeloupe region (June 2015).

power plants undergo major works, such as the projects to make the French plants compliant with the atmospheric emissions caps stipulated by the Industrial Emissions Directive (for more information, refer to section 1.3.2.1 on page 11 of this Registration Document), the share of local purchases decreases. In 2018, the orders placed for the compliance works at the Albioma Le Moule plant in particular, but also orders issued in connection with the construction of the new Galion 2 plant, resulted in an increase in outside purchasing, including from metropolitan France.

	2018	2017	2016
Proportion of local purchases ¹	29%	46%	45%
Amount of taxes paid to local authorities (in thousands of euros) ²	10,116	11,238	8,662

1. As a percentage of the Thermal Biomass business' total purchases in France, excluding fuel, for the Thermal business.

1. Scope: France.

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

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

	2018	2017	2016
Steam sent to sugar refineries (in thousands of tonnes)	1,813	2,220	2,063
Estimated savings for sugar refineries (in thousands of euros) ¹	16,317	19,978	18,569

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

The quantity of steam sent to sugar-refining partners decreased proportionately to the duration of the sugar harvest, which was shorter in 2018. At the outset, sugar refiners delivered less bagasse to Albioma plants, which were dependent on the success of the harvest in France for this financial year.

...on local populations and residents

Albioma's power generation activity directly helps to provide an essential service to local populations. Albioma produces a substantial proportion of the electricity consumed on Reunion Island and in Guadeloupe (see details in section 1.3.3.1 on page 15 of this Registration Document). Net electricity production by thermal plants in Overseas France decreased (at 1,836 GWh compared with 2,043 GWh in 2017), mainly due to the extended shutdowns carried out for the plant compliance works and to lower duty rates across all the Group's base-load thermal plants.

	2018	2017	2016
Net electricity produced and sold (in GWh) ¹	2,237	2,404	2,408
thermal	2,145	2,290	2,291
photovoltaic	92	95	98
anaerobic digestion	-	19	20
Number of households whose electricity is supplied by Albioma ²	699,143	751,195	752,638
Number of people whose electricity is supplied by Albioma ³	1,538,114	1,652,628	1,655,804

1. Group's total net production sold, excluding Mauritius.

2. This value is calculated based on the average annual electricity consumption of French households, excluding heating and hot water (3,200 kWh, according to the French energy agency ADEME, 2015).

3. It is calculated based on the average number of individuals per household in France (2.2 according to the French statistics office, INSEE, 2011).

As a base-load electricity producer, Albioma supplies electricity continuously, which helps to stabilise the local electrical network. This stability is particularly important for electrical networks in non-interconnected regions. Maintaining high availability at its thermal power plants is therefore crucial for the Group. In 2018, the Group's French power plants had an availability rate of 88%, lower than in 2017, primarily due to technical incidents affecting the Bois-Rouge plant.

	2018	2017	2016
Thermal plant availability rate ¹	88%	90%	89%

1.1. Average availability rate of French thermal power plants weighted according to their net power output. The availability rate is the ratio between the maximum energy produced by the plant and the maximum demand for energy.

1.9.4.2. Relationships with partners

Dialogue with partners

An assessment of possible interactions with partners was launched in 2014, overseen in particular by the Corporate Social Responsibility Committee. This initiative was rolled out to several facilities in operation, and consulting with local partners has been a systematic requirement for all new projects since 2015. In the past, dialogue with external stakeholders was led by the Regional Departments, in close cooperation with the Corporate Social Responsibility and Environment department. Preparing for the projects to convert the bagasse/coal plants in Overseas France implies expanding dialogue with outside stakeholders to different levels of the Group's organisation, to provide a comprehensively meshed interface. Efforts to broaden dialogue began in 2018, in particular by including the teams responsible for the project, and are set to continue in 2019 with training and awareness-raising sessions aimed at developing more structured, systematised, formal and regular communications over the medium term.

Also, each year since 2014 in French Guiana, the 12 MWP Kourou solar power plant hosts tours for technology institute undergraduates studying for vocational degrees in energy management, electricity and sustainable development, with the aim of giving them an insight into the technical disciplines associated with Albioma's Solar Power business. The Albioma Le Gol and Albioma Le Moule thermal power plants also hold annual open day events, hosting school trips and student tours, to share the Group's industrial culture and demonstrate its openness to the younger generations.

Partnerships and sponsorships

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

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

Anticipating the need to secure local biomass supplies for the Galion 2 power plant, the Group has been consulting with the Office National des Forêts since 2015, with the aim of developing a biomass production industry supplied by public and privately-owned Martinican forests. This initiative yielded

a framework agreement relating to a programme of joint actions to develop a wood-for-energy industry in Martinique. In particular, this agreement provides for studies relating to the qualification and mobilisation of wood resources from private forests, establishing a technical and regulatory framework for the wood-for-energy industry and engaging with partners to promote its emergence.

Sponsorship and corporate philanthropy

Albioma subsidiaries organise local sponsorship and corporate philanthropy actions every year. A company policy on this subject was established in late 2017, setting out four priority focus areas: energy savings; education and promoting trades; plant and wildlife conservation; and culture and traditions. In 2018, these contributions remained stable relative to 2017, and were spread across several initiatives, including sponsoring three beehives on Reunion Island via Crazybee. Through its support for Crazybee, Albioma is helping to safeguard biodiversity on Reunion Island and supporting the fight against the varroa mite that has decimated bee populations. This sponsorship is also helping to make organic beekeeping sustainable on Reunion Island. Albioma has also sponsored the Atmo-Guyane observatory, which has been providing the public with air quality information for the past 20 years. A 20 m-long mural was painted by local artists at the Georges-Chaumet stadium in Cayenne. As part of its effort to support education, Albioma provided its backing to Guadeloupe education authority's "Olympiades de la chimie" programme for the second consecutive year. This initiative gave Albioma an opportunity to boost chemistry teaching and spark vocations in the field. During the 2018 edition, 31 school students competed for a place in the finals in Paris. Lastly, the partnership with the "You share, you shine" non-profit organisation focuses on re-purposing items. Thanks to this non-profit, travel kits received by airlines but not used by their employees when they travel are collected and distributed to those in need.

In thousands of euros	2018	2017	2016
Financial contributions for sponsorship initiatives	35.4	36.6	17.3

1.9.4.3. Subcontracting and suppliers

Inclusion of social and environmental considerations in purchasing policy

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

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

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

Albioma has also included biomass certification requirements in its imported biomass procurement contracts. These requirements were defined following an internal assessment of the level of assurance provided by the various forestry certification systems, and were approved by the Corporate Social Responsibility Committee. By this means, the Group upholds environmental, employment-related and social criteria at each stage in its biomass supply chain. Lastly, the certified thermal plants conduct annual assessments of their strategic suppliers, which include health, safety and environmental criteria.

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

Importance of subcontracting

Albioma works with subcontractors when the necessary expertise is not available in-house, and during busy periods due to maintenance shutdowns. The Group uses local subcontractors whenever possible, and supports upskilling initiatives as necessary. The amount allocated to subcontracting decreased by a modest 11% in 2018.

	2018	2017	2016
Subcontracting costs (in thousands of euros) ¹	34,617	39,045	39,536
Subcontracting costs as a percentage of operating costs ¹	11%	14%	14%

1. Scope: France.

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

As for the Group's own employees, Albioma is attentive to the health and safety of subcontractors working at its plants and worksites. Accidents involving subcontractors are monitored by the Safety department. Encouraging and supporting subcontractors' efforts to comply with our safety requirements is one of the six commitments in the Safety Master Plan (see details in section 1.9.2.4 on pages 55 *et seq.* of this Registration Document).

1.9.4.4. Fair practice

Anti-corruption efforts

Albioma's business practices are designed to prevent corruption-related risks. In 2018, as in previous years, the Group did not encounter any corruption-related incidents.

In 2016, a fraud risk audit was conducted by an independent analyst, with the aim of assessing the Group's exposure to such risks. With effect from 2017, all internal audits now systematically include a section relating to fraud, both in France and in Brazil. Anticipating the entry into effect of the "Sapin II" Law no. 2016-1691 of 9 December 2016, relating to the fight against corruption and influence-peddling more generally, in 2018 Albioma began a review of the necessary processes to prevent these risks. Moving into 2019, rollout of the resulting measures has already begun.

Measures in favour of health and safety among local residents

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

1.9.4.5. Other actions to uphold human rights

Albioma complies with the Fundamental Conventions of the International Labour Organization, particularly those relating to human rights (see details in section 1.9.2.7 on page 57 of this Registration Document).

1.9.5. LIMITED ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS REGARDING A SELECTION OF LABOUR, ENVIRONMENTAL AND SOCIAL DATA PUBLISHED 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.

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

To the Chairman of the Board of Directors of Albioma

As requested, in our capacity as Statutory Auditors of Albioma, we conducted work intended to enable us to express limited assurance regarding a selection of labour, environmental and social data (hereafter "CSR Information") published in the 2018 Albioma management report.

Albioma has selected the following CSR Information:

■ Labour:

- Total workforce and breakdown by gender (quantitative);
- Breakdown of recruitments by type of contract (quantitative);
- Percentage of interns, trainees and apprentices (quantitative);
- Number of departures (quantitative);
- Gross average monthly salary (quantitative);
- Number of hours worked (quantitative);
- Number of hours of overtime (quantitative);
- Absenteeism rate (quantitative);
- Review of collective bargaining agreements (quantitative);
- Labour-management dialogue policy (qualitative);
- Accident frequency rate (quantitative);
- Accident severity rate (quantitative);
- Number of hours of training (quantitative);
- Number of hours of safety-related training (quantitative).

■ Environmental:

- General environmental policy (qualitative);
- SO_x, NO_x and particulate emissions (quantitative);
- Volumes of combustion by-products generated (quantitative);
- Consumption of energy raw materials (coal, bagasse and oil) (quantitative);
- Electricity yield per tonne of sugarcane (quantitative);
- Renewable energy as a percentage of total energy produced (quantitative);
- Water intensity of energy produced (quantitative);
- Carbon intensity of electricity and steam production (quantitative).

■ Social:

- Impact on local employment (qualitative);
- Consideration for subcontractors in health and safety policy (qualitative).

This CSR Information was prepared under the responsibility of the Albioma CSR Department in accordance with the Guidelines available on request from the Group's registered office.

On the basis of our work, it is our responsibility to express limited assurance regarding the selected CSR Information. The following conclusions relate to the selected CSR Information, not the totality of the CSR information contained in the management report.

NATURE AND SCOPE OF OUR WORK

We performed our work in accordance with the relevant professional policy of the Compagnie Nationale des Commissaires aux Comptes, and with the international standard ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We applied the following prudential measures in order to provide limited assurance that nothing has come to our attention that causes us to believe that the CSR Information selected by Albioma is not presented fairly, in all material aspects, in accordance with the Guidelines.

- We assessed the suitability, at Group level, of the reporting procedures established by Albioma, considering their relevance, exhaustiveness, reliability, impartiality and ease of comprehension.
- We verified the implementation of a data-collection, compilation, processing and control procedure intended to yield CSR Information that is exhaustive and consistent, and familiarised ourselves with the internal control and risk management procedures involved in preparing the CSR Information.
- We performed analytical procedures and, on the basis of samples, verified that data was accurately calculated and consolidated. This work was informed by interviews with Albioma Human Resources and CSR Department personnel responsible for development and application of the relevant procedures and for data consolidation.
- We selected a sample of entities:
 - the Le Gol and Bois-Rouge plants on Reunion Island;
 - the Solar Power business in the Antilles and French Guiana;
 - the Codora plant in Brazil.
- For the selected entities:
 - We conducted interviews with the individuals responsible for data preparation to verify that procedures were correctly understood and applied;
 - We performed spot tests, based on samples, to check the calculations performed and reconcile data with supporting documents.

The above entities represent 55% of Group headcount and between 49% and 77% of the selected environmental information. We were assisted in this work by our specialists in corporate social responsibility.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information selected by Albioma, as published in its 2018 management report, is not presented fairly, in all material respects, in accordance with the Albioma Guidelines applicable to the 2018 financial year.

Neuilly-sur-Seine, on 26 April 2019
One of the Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Sylvain Lambert
Partner with the Sustainable Development department

CORPORATE GOVERNANCE

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2.1. General remarks

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

Pursuant to the decisions of the meeting of the Board of Directors 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 2018. The Company also applies the principles defined in the AFEP-MEDEF Code's implementation guidelines, published by the High Committee on Corporate Governance and most recently updated in January 2019.

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

In accordance with the recommendations of the French securities regulator (Autorité des Marchés Financiers) and Article L. 225-37-4 of the French Commercial Code (*Code de commerce*), the provisions of the AFEP-MEDEF Code that the Company has not applied are summarised in a table (section 2.6 on page 136 of this Registration Document) setting out the reasons for this choice.

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

The information that follows, together with the information in section 8.6.5 on page 134 of this Registration Document, constitutes the special report of the Board of Directors on corporate governance referred to in Article L. 225-37 of the French Commercial Code, as amended by ordinance no. 2017-1162 of 12 July 2017.

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

2.2.1. ORGANISATION OF GENERAL MANAGEMENT

At its meeting of 1 March 2016, the Board of Directors decided, as proposed by the Chairman and Chief Executive Officer, to separate the roles of Chairman of the Board of Directors and of Chief Executive Officer with effect from 1 June 2016. The Board consequently decided to appoint Frédéric Moyné - until then Chief Operating Officer Brazil - as Chief Executive Officer, with Jacques Pétry continuing to serve as Chairman of the Board of Directors.

This decision was in line with the succession plan reviewed annually by the Board of Directors on the basis of the work

carried out by the Nomination and Remuneration Committee (now called Nomination, Remuneration and Governance Committee). It reflects the shared desire of the Board of Directors and Jacques Pétry to ensure that the succession of the Chief Executive Officer is organised in as efficient a manner as possible, in the interests of both the Company and its shareholders.

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

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

The effectiveness of this new organisation is guaranteed by the close collaboration between the Chief Executive Officer and the Chairman of the Board of Directors, based on the following principles (see additional information in section 2.3.3.1 on pages 95 *et seq.* of this Registration Document on the powers and status of the Chairman of the Board of Directors):

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

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

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

2.2.2. STATUS OF THE CHIEF EXECUTIVE OFFICER

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

Pursuant to the Articles of Association, the Chief Executive Officer must be under 70 years of age. 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 appointed.

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

The Chief Executive Officer is bound by the same obligations as the Directors with regard to stock-market ethics (see additional information in section 2.3.1.2 on page 80 of this Registration Document).

He is also bound by the same obligations as the Directors with regard to integrity. Accordingly, at the time of his appointment as Chief Executive Officer and, lastly, during the review of the position of corporate officers for the 2018 financial year (meeting of the Board of Directors of 23 April 2019), Frédéric Moyne made the same declarations as each of the Directors, as required by Annex 1 of Commission (EC) Regulation no. 809/2004 of 29 April 2004. He formally confirmed that he:

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

2.2.3. POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of the Company. He shall exercise these powers within the limits of the Company's objects and subject to any powers expressly reserved by law for the General Meeting 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 Articles of Association is not sufficient proof thereof.

2 • CORPORATE GOVERNANCE

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

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

- Barring special authorisations from the Board of Directors, the Chief Executive Officer was, during 2018, authorised to furnish sureties, pledges and guarantees under the following conditions:
 - to any tax and customs authorities, for an unlimited amount;
 - for the purchase of biomass fuels by any of the Company's subsidiaries and holdings, for a maximum aggregate value of €40 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €2.5 million (or its equivalent value in any other currency);
 - for the purchase of other fuels by any of the Company's subsidiaries and holdings, for a maximum aggregate value of €30 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €10 million (or its equivalent value in any other currency);
 - for any other reason, and to any other beneficiary, for a maximum aggregate value of €30 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €30 million (or its equivalent value in any other currency), provided that such sureties, pledges and guarantees are furnished in connection with commitments entered into by a Group subsidiary.
- Modifications were made to this authorisation when it was renewed for the 2019 financial year at the 5 December 2018 meeting of the Board of Directors. As a result, barring special authorisations from the Board of Directors, the Chief Executive Officer is now authorised, for the 2019 financial year, to furnish sureties, pledges and guarantees under the following conditions:
 - to any tax and customs authorities, for an unlimited amount;
 - for the purchase of biomass fuels by any of the Company's subsidiaries and holdings, for a maximum aggregate value of €40 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €2.5 million (or its equivalent value in any other currency);
 - for the purchase of other fuels by any of the Company's subsidiaries and holdings, for a maximum aggregate value of €60 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €10 million (or its equivalent value in any other currency);
 - for any other reason, and to any other beneficiary, for a maximum aggregate value of €30 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €30 million (or its equivalent value in any other currency), provided that such sureties, pledges and guarantees are furnished in connection with commitments entered into by a Group subsidiary.
- Pursuant to the Internal Regulations of the Board of Directors, last updated on 7 March 2019, the Board of Directors must authorise:
 - all major investments, with the exception of capital expenditure for maintenance work, necessary for industrial or external growth projects during the year and, if applicable, the financing thereof;
 - all capital expenditure for maintenance work that entails immediate or future commitments that significantly exceed the amounts budgeted therefor, as stated in the budget approved by the Board of Directors;
 - all significant sales or contributions of assets;
 - and any significant transaction that is not part of the strategy approved by the Board of Directors or that entails immediate or future commitments that significantly exceed the budget approved by the Board of Directors.

2.2.4. LIST OF THE MAIN OFFICES AND POSITIONS HELD BY THE CHIEF EXECUTIVE OFFICER DURING THE 2018 FINANCIAL YEAR AND THE FIVE PREVIOUS YEARS

Frédéric Moyne, Director and Chief Executive Officer

- Born on 15 October 1975, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): none
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 20,743 Albioma shares and 110,650 BSAAR warrants as at 31 December 2018

Frédéric Moyne's biography is provided in section 1.5.3.2 on page 25 of this Registration Document.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Quant 2008 A SRL (Italy)	Director
Quant Energia Italia SRL (Italy)	Director
Albioma Solaire France SAS	Representative of Albioma in its capacity as Chairman
Albioma Solar Assets France 1 SAS	Representative of Albioma Solaire France in its capacity as Chairman
Albioma Solar Assets France 2 SAS	Representative of Albioma Solaire France in its capacity as Chairman
Éco Énergie Habitation SAS	Representative of Albioma Solaire France in its capacity as Chairman
Société Énergétique de Cazaux de Larboust SAS	Representative of Albioma Solaire France in its capacity as Chairman

OUTSIDE ALBIOMA GROUP

Not applicable

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Quantum Caraïbes SAS	Member of the Commitments Committee	2017
Albioma Participações do Brasil LTDA (Brazil)	Chief Executive Officer	2016
Albioma Rio Pardo Termoeletrica LTDA (Brazil)	Chief Executive Officer	2016
Albioma Codora Energia SA (Brazil)	Chief Executive Officer	2016
Albioma Codora Participações LTDA (Brazil)	Officer	2015
Albioma Rio Pardo Participações SA (Brazil)	Chief Executive Officer	2015
Methaneo SAS	Member of the Supervisory Board	2014
Éoliennes des Quatre-Vents SAS	Chairman	2014

OUTSIDE ALBIOMA GROUP

Not applicable

1. See additional information in section 6.2.2.2 on pages 266 et seq. of this Registration Document.

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

2.3.1. MEMBERSHIP OF THE BOARD OF DIRECTORS

2.3.1.1. Membership of the Board of Directors at 31 December 2018

The table below summarises the membership of the Board of Directors at 31 December 2018. Additional information on the current corporate officers on this date is provided in section 2.3.2.1 on pages 82 *et seq.* of this Registration Document. Information on changes to the membership of the Board of Directors since the beginning of the 2018 financial year and on changes to the membership of the Board of Directors that the General Meeting held on 27 May 2019 will be asked to approve or flowing therefrom is also provided in sections 2.3.1.5 and 2.3.1.6 on pages 81 *et seq.* of this Registration Document.

At 31 December 2018, the Company's Board of Directors had eight members:

- Chairman of the Board of Directors;
- Chief Executive Officer;
- Five independent Directors;
- Bpifrance Investissement, acting on behalf of the ETI2020 fund which it manages, a Company shareholder, which held 5.03% of the share capital as at 31 December 2018.

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

- any Directors appointed by the employees (Article L. 225-27 of the French Commercial Code) ;
- any Directors representing 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 2018 was under 3% (see the information provided in section 6.3.4 on page 270 of this Registration Document).

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

1. Furthermore, given its size, the Company was not subject to the provisions of Article L. 225-27-1 of the French Commercial Code, and was therefore not required to take, in 2018, any measures that would result in the appointment of salaried Directors.

Identity	Offices held within the Company	Date of first appointment	Last renewal date ¹	Expiry date ²
Jacques Pétry	Director Chairman of the Board of Directors	29/10/2011 ¹ 29/10/2011	31/05/2017 01/03/2016 ⁴	2021 GM 2020 GM
Frédéric Moyne	Director Chief Executive Officer	31/05/2017 01/03/2016 ⁴	n/a n/a	2021 GM 2020 GM
Jean-Carlos Angulo	Director indépendant Président du Comité d'Audit, des Comptes et des Risques Membre du Comité de la Responsabilité Sociétale de l'Entreprise	30/05/2013 13/04/2016 ⁵ 30/05/2013	31/05/2017 31/05/2018 31/05/2018	2021 GM 2021 GM 2021 GM
Pierre Bouchut	Independent Director Chairman of the Commitments Committee Member of the Corporate Social Responsibility Committee	30/05/2018 30/05/2018 30/05/2018	n/a n/a n/a	2022 GM 2022 GM 2022 GM
Bpifrance Investissement	Director Member of the Commitments Committee Member of the Audit, Accounts and Risks Committee Member of the Nomination, Remuneration and Governance Committee	31/05/2017 31/05/2017 31/05/2017 31/05/2018	n/a 30/05/2018 30/05/2018 n/a	2021 GM 2021 GM 2021 GM 2021 GM
Sébastien Moynot	Permanent representative of Bpifrance Investissement in its capacity as Director, member of the Commitments Committee, member of the Audit, Accounts and Risks Committee and member of the Nomination, Remuneration and Governance Committee	29/01/2019	n/a	n/a
Marie-Claire Daveu	Independent Director Chair of the Corporate Social Responsibility Committee Member of the Nomination, Remuneration and Governance Committee	28/05/2015 28/05/2015 31/05/2017	31/05/2017 30/05/2018 30/05/2018	2019 GM 2019 GM 2019 GM
Valérie Landon	Independent Director Member of the Commitments Committee Member of the Audit, Accounts and Risks Committee	13/04/2016 ⁶ 13/04/2016 13/04/2016	n/a 30/05/2018 30/05/2018	2019 GM 2019 GM 2019 GM
Ulrike Steinhorst	Independent Director Chair of the Nomination, Remuneration and Governance Committee Member of the Corporate Social Responsibility Committee	19/09/2017 ⁷ 19/09/2017 30/05/2018	n/a 30/05/2018 n/a	2021 GM 2021 GM 2021 GM

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

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

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

4. Effective from 1 June 2016.

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

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

7. Provisional appointment by the Board of Directors to replace Michèle Remillieux, for the remainder of the latter's term of office as Director, ratified by the General Meeting of 30 May 2018.

2.3.1.2. Status of Directors

Appointment of Directors

The Board of Directors has between three and 12 members, appointed by the General Meeting. Their term of office lasts four years and expires at the close of the General Meeting called to vote on the financial statements for 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 General Meeting, although the lack of ratification does not invalidate decisions 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 served or does not serve as Chairman of the Board of Directors, or who has not served as Chief Executive Officer of the Company, shall stand down at the next General Meeting, unless the aforementioned proportion has been re-established as a result of a decision of the Board of Directors.

At 31 December 2018, no Director was aged over 70 and the average age of Board members was 57.3 years, compared to 58.3 years 12 months earlier.

Pursuant to the 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 2018, all the Directors held the minimum number of shares required by the Articles of Association; all such shares are registered shares, held directly or via an intermediary.

Independence of Directors

At least once every financial year, the Board of Directors reviews the position of each of its members with regard to the independence criteria set out by the AFEP-MEDEF Code. Pursuant to this Code and in accordance with the Internal Regulations of the Board of Directors, 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 2017 financial year, undertaken at the meeting of the Board of Directors of 5 March 2018, the following Directors were deemed to qualify as independent Directors:

- Jean-Carlos Angulo;
- Michel Bleitrach;
- Marie-Claire Daveu;
- Valérie Landon;
- Ulrike Steinhorst.

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

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

- Jacques Pétry, given that he served as the Company's Chief Executive Officer until 1 June 2016;
- Frédéric Moyne, who has served as the Company's Chief Executive Officer since 1 June 2016;
- Bpifrance Investissement (then represented in its capacity as Director by Émilie Brunet), which, through the ETI 2020 fund which it manages, holds a material interest in the company (see additional information in section 6.3.2.2 on page 269 of this Registration Document);
- Financière Hélios (represented in its capacity as Director by Maurice Tchenio), given its status as the Company's main shareholder, along with Apax Partners Group to which it was affiliated.

At its 24 April 2018 meeting, the Board of Directors also found that Pierre Bouchut, then a candidate for the position of Director and having been picked on the back of a favourable vote by the General Meeting of 30 May 2018, should also be classified as Independent in the event of a positive vote at the General Meeting. Pierre Bouchut did not have any direct or indirect business relationship with the Company or its Group.

These findings were confirmed at the time of the annual review of the position of the Directors for the 2018 financial year, carried out at the meeting of the Board of Directors of 23 April 2019. The proportion of independent Directors, namely 62.5% taking into account Financière Hélios' resignation from its term of office as Director on 5 June 2018, was therefore higher than the 50% minimum recommended by the AFEP-MEDEF Code for uncontrolled companies at that date.

Management of conflicts of interest

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

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

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

None of the declarations made by the Directors during the review of their position (meetings of the Board of Directors of 5 March 2018, 24 April 2018 and, most recently, 23 April 2019) revealed the existence of any known conflict-of-interest situation.

Multiple offices

At its meeting of 1 March 2016, in line with its decision to separate the roles of Chief Executive Officer and of Chairman of the Board of Directors with effect from 1 June 2016, the Board of Directors amended the Directors' Charter, in order to make the rules on the number of offices held in non-Group companies more flexible for the Chairman of the Board of Directors. The rules applying to the Directors and the Chairman of the Board of Directors as set out in the updated Directors' Charter are listed below (see additional information on the rules applicable to the Chief Executive Officer with effect from the separation of the roles since 1 June 2016 in section 2.2.2 on page 73 of this Registration Document):

- the Directors, including the Chairman of the Board of Directors, cannot hold more than four other offices in listed non-Group companies, including foreign companies;
- the Chairman of the Board of Directors must inform the Board of Directors before accepting any office in any listed or unlisted non-Group company;
- the Chairman of the Board of Directors must obtain the consent of the Board of Directors before accepting any office in a listed non-Group company;
- the Directors, including the Chairman of the Board of Directors, must keep the Board of Directors informed of all significant positions and offices they hold in listed or unlisted non-Group companies, including membership of specialised committees set up by boards of directors.

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

On the date of filing of this Registration Document, all Directors of the Company, including the Chairman of the Board of Directors, complied with these obligations. The significant offices and positions held by corporate officers during the 2018 financial year are set out in section 2.3.2.1 on pages 82 *et seq.* of this Registration Document.

Stock market ethics

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

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

The Directors are also required to refrain from trading in the Company's securities during the following black-out periods:

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

Lastly, in accordance with the provisions of Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code and Article 223-23 of the AMF General Regulations, the Directors and managers, their families and friends are required to disclose to the AMF all trading in the Company's securities when the amount of such trading exceeds €20,000 in any calendar year.

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

A summary of trading in the Company's securities disclosed during the 2018 financial year is provided in section 2.5 on page 136 of this Registration Document.

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

During the review of the Directors' position (meetings of the Board of Directors of 5 March 2018, 23 April 2018 and, most recently, 23 April 2019), each Director formally confirmed that he/she:

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

2.3.1.3. Gender balance on the Board of Directors

At 31 December 2018, four women sat on the Board of Directors out of a total of eight Directors, representing 50% of the Directors in office, compared to 44.4% as at 31 December 2017. This increase in the proportion of female Directors is the result of changes made to the membership of the Board of Directors during the 2018 financial year (see additional information in section 2.3.1.5 on page 81 of this Registration Document). The number of women on the Board of Directors fell to three from 29 January 2019, following the replacement of Émilie Brunet with Sébastien Moynot as permanent representative of Bpifrance Investissement in its capacity as Director, bringing the percentage of female Directors to 37.5%.

At these two dates, the gender balance on the Board was therefore consistent (for a Board comprised of 8 members or less) with the requirements of Article L. 225-18-1 of the French Commercial Code, arising from law no. 2011-103 of 27 January 2011 on gender balance on boards of directors and supervisory boards and gender equality, Article 5 (II) of the same law, and the recommendations set out in the AFEP-MEDEF Code.

The proposed changes to the membership of the Board of Directors submitted for approval at the General Meeting of 27 May 2019 and flowing therefrom do not affect the compliance of the membership of the Board of Directors with the foregoing laws and Code.

2.3.1.4. Staggering the renewal of Directors' terms of office

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors, supported by the Nomination, Remuneration and Governance 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 2018, whose renewal was spread over three financial years (2019, 2021 and 2022, see additional information in section 2.3.1.1 on page 77 of this Registration Document), does not require the implementation of any specific provisions in this regard.

2.3.1.5. Changes made to the membership of the Board of Directors during the 2018 financial year and up to the date of filing of the Registration Document

The General Meeting of 30 May 2018:

- ratified the provisional appointment of Ulrike Steinhorst as Director by the Board of Directors at its 19 September 2017 meeting at which, on the recommendation of the Nomination and Remuneration Committee (renamed the Nomination, Remuneration and Governance Committee), it decided to co-opt Ulrike Steinhorst as Director for the remainder of the term of office of Michèle Remillieux, who resigned, namely until the close of the General Meeting called in 2021 to vote on the financial statements for the 2020 financial year;
- recorded the expiry of the term of office as Director of Michel Bleitrach, who did not wish to stand for office again, and appointed Pierre Bouchut to succeed him for a term of four years to expire at the close of the General Meeting to be held in 2022 to vote on the financial statements for the financial year ending 31 December 2021.

Moreover, on 5 June 2018 Financière Hélios resigned as Director. This decision followed the disposal, on 16 March 2018, by Financière Hélios and Altamir, of 6.54% of the share capital, and the disposal, on 6 April 2018, by Amboise, acting in concert with the latter, of 350,920 shares, bringing the interest held by the aforementioned concert to 5.72% of the share capital as at 20 April 2018. On 12 December 2018, Financière Hélios disposed of the remainder of its interest in the share capital (see additional information in section 6.3.2.2 on page 269 of this Registration Document).

Lastly, on 29 January 2019, Bpifrance Investissement appointed Sébastien Moynot as permanent representative of Bpifrance Investissement in its capacity as Director, to succeed Émilie Brunet who left Bpifrance Group.

These changes led the Board of Directors to review the membership of its specialised Committees at its meeting on 30 May 2018. The Board of Directors thus:

- made Pierre Bouchut Chairman of the Audit, Accounts and Risks Committee and a member of the Nomination, Remuneration and Governance Committee;
- made Bpifrance Investissement a member of the Nomination, Remuneration and Governance Committee, Bpifrance Investissement having at that point resigned as member of the Corporate Social Responsibility Committee;
- made Ulrike Steinhorst, also Chair of the Nomination, Remuneration and Governance Committee, a member of the Corporate Social Responsibility Committee.

2.3.1.6. Expiring terms of office and changes in membership within the Board of Directors submitted for the approval of the General Meeting of 27 May 2019 and subsequent to it

With the term of office as Director of Marie-Claire Daveu expiring at the close of the General Meeting of 27 May 2019, the Board of Directors decided, at its meetings of 7 March 2019 and 2 April 2019, as recommended by the Nomination, Remuneration and Governance Committee, to ask the General Meeting of 27 May 2019 to reappoint her as Director for a four-year term to expire at the close of the General Meeting held in 2023 to vote on the financial statements for the 2022 financial year.

Moreover, as Valérie Landon had informed the Board of Directors that she did not wish to be re-elected as Director when her term of office expires at the close of the General Meeting of 27 May 2019, the Board of Directors decided, at its meeting of 2 April 2019, as recommended by the Nomination, Remuneration and Governance Committee, to ask the General Meeting to appoint Florence Lambert as Director for a four-year term of office to expire at the close of the General Meeting held in 2023 to vote on the financial statements

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

for the 2022 financial year. At its 2 April 2019 meeting, the Board of Directors reviewed Florence Lambert's position in terms of her independence, and found that she would qualify as an independent Director. Additional information on this candidate is provided in section 7.2.1.8 on pages 300 *et seq.* of this Registration Document.

Lastly, in line with the decisions of the Board of Directors on 30 March 2018 to merge, as from the close of the General Meeting of 27 May 2019, the roles of Chairman of the Board of Directors and of Chief Executive Officer and to appoint Frédéric Moyne, as from the same date, as Chairman of the Board of Directors to succeed Jacques Pétry, who will resign all positions, the Board of Directors, at its 2 April 2019 meeting, decided to provisionally appoint Frank Lacroix as Director for the remainder of the term of office of Jacques Pétry, namely until the close of the General Meeting called in 2021 to vote on the financial statements for the 2020 financial year. At its 2 April 2019 meeting, the Board of Directors reviewed Frank Lacroix's position in terms of his independence, and found that he would qualify as an independent Director.

Born on 18 August 1964, Frank Lacroix is an engineer and a graduate from the École Centrale de Marseille. He joined SNCF in 2016 where he is Head of Regional Train Operations at SNCF Mobilités. Following a long career in the energy sector, Frank Lacroix was Chairman and Chief Executive Officer of Dalkia Group from 2011 to 2014, and a member of the Executive Committee of Veolia, where he held the positions of Head of Low Current and Public Lighting, Regional Operations Manager, Chief Operating and Technical Officer for Dalkia Group and CEO France for the same group. In July 2014, upon termination of EDF's and Veolia's strategic partnership with respect to Dalkia, he joined EDF Group and held the positions of Vice-President for R&D and Vice-President Europe in the International Division.

As at 27 May 2019, the Board of Directors had eight members, namely:

- six Independent Directors (i.e., 75% of the Directors, well above the 50% rate recommended by the AFEP-MEDEF Code in uncontrolled companies);
 - three female Directors (i.e., 37.5% of women on the Board, which is in line, given that the Board of Directors has eight
- members, with the requirements of Article L. 225-18-1 of the French Commercial Code, resulting from law no. 2011-103 of 27 January 2011 on gender balance on boards of directors and supervisory boards and gender equality, Article 5 (II) of the same law, and the recommendations set out in the AFEP-MEDEF Code);
 - and one Director aged over 70¹ (i.e., 12.5%, with the average age falling sharply to 55.2).

2.3.2. LIST OF THE MAIN OFFICES AND POSITIONS HELD BY THE DIRECTORS DURING THE 2018 FINANCIAL YEAR AND THE FIVE PREVIOUS YEARS

2.3.2.1. Directors in office as at the date of filing of the Registration Document

Jacques Pétry, Chairman of the Board of Directors

- Born on 16 October 1954, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): none
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 75,000 Albioma shares as at 31 December 2018²

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

¹ Jean-Carlos Angulo.

² See additional information in section 6.4.31 on pages 276 *et seq.* of this Registration Document on shares held following their vesting under bonus performance share plans.

Other offices and positions held at 31/12/2018**WITHIN ALBIOMA GROUP**

Not applicable

OUTSIDE ALBIOMA GROUP

Jacques Pétry Strategic Services EURL	Manager
Renewi Plc ¹	Senior Independent Director
Renewi Plc ¹	Non-Executive Director
Renewi Plc ¹	Member of the Audit Committee
Renewi Plc ¹	Member of the Remuneration Committee
Renewi Plc ¹	Member of the Nomination Committee

Other offices and positions held during the last five years, expired at 31/12/2018**Expiry****WITHIN ALBIOMA GROUP**

Albioma SAS	Chief Executive Officer	2016
Methaneo SAS	Permanent representative of Albioma SA in its capacity as Chairman	2016
Methaneo SAS	Permanent representative of Albioma SA in its capacity as member of the Supervisory Board	2016
Methaneo SAS	Member of the Supervisory Board	2014

OUTSIDE ALBIOMA GROUP

Not applicable

1. Listed company.

2 • CORPORATE GOVERNANCE

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

Frédéric Moyne, Director and Chief Executive Officer

See additional information in section 2.2.4 on page 75 of this Registration Document.

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

- Born on 13 April 1949, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): none
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 741 Albioma shares as at 31 December 2018

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

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Armacell International SA (Luxembourg)	Member of the Supervisory Board
Netafim Ltd (Israel)	Director
Netafim Ltd (Israel)	Chairman of the Audit Committee

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

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

Cemento Polpaico (Chile)	Director	2018
Lafarge Africa Plc (Nigeria) ¹	Director	2017
ELC Tenedora Cementos SAPI (Mexico)	Director	2014
Lafarge India Ltd (India)	Director	2014

1. Listed company.

Pierre Bouchut, independent Director, Chairman of the Audit, Accounts and Risks Committee, member of the Nomination, Remuneration and Governance Committee

- Born on 22 August 1955, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): Director and Chair of the Audit Committee of Hammerson PLC, Firmenich SA, Geopost SA and GVC Holdings PLC
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 929141 La Défense Cedex
- Held 400 Albioma shares as at 31 December 2018

A graduate of HEC, Pierre Bouchut holds a master's degree in Applied Economy from Paris Dauphine University, and is a French Navy reserve officer. He has extensive professional experience in various sectors, particularly in finance, retail and industry. After starting his career at Citibank and McKinsey, he was notably Chief Financial Officer, then Director and Chief Executive Officer of the Casino group, Chief Financial Officer and Member of the Executive Board of Schneider Electric, Chief Financial Officer of the Carrefour group, Chief Financial Officer of Delhaize group and Member of the Executive Board and Chief Operating Officer of the European activities of Ahold Delhaize. He is now a Director and Chair of the Audit Committees of Geopost, Hammerson, Firmenich and GVC Holdings. He joined Albioma as a Director in 2017.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Firmenich SA (Switzerland) ¹	Director
Firmenich SA (Switzerland) ¹	Chairman of the Audit Committee
Geopost SA	Director
Geopost SA	Chairman of the Audit Committee
Groupement Forestier de Meymac-Villemaumy	Manager
GVC Holdings PLC (Isle of Man) ¹	Director
GVC Holdings PLC (Isle of Man) ¹	Chairman of the Audit Committee
Hammerson PLC (UK) ¹	Director
Hammerson PLC (UK) ¹	Chairman of the Audit Committee
Qualium Investissement SAS	Member of the Orientation Committee

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Ahold Delhaize NV (Netherlands) ¹	Member of the Management Board	2017
La Rinascente Spa (Italy)	Director	2017
Lombard Odier Asset Management SA (Switzerland)	Member of the Advisory Board	2017

1. Listed company.

2 • CORPORATE GOVERNANCE

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

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

- French simplified limited company (société par actions simplifiée) with a share capital of €20,000,000.00, registered in the Créteil Trade and Companies Register under number 433 975 224
- Registered office: 27/31 avenue du Général Leclerc, 94710 Maisons Alfort Cedex
- Held 1,556,231 Albioma shares as at 31 December 2018

Bpifrance, whose capital is owned by la Caisse des Dépôts and the French State, invests in companies as a minority shareholder in order to support their development. The professional private equity fund ETI 2020, which is managed by Bpifrance Investissement (a subsidiary of Bpifrance), has received €3 billion from Bpifrance which it invests in medium-sized French companies with the aim of helping them to accelerate their innovation and development projects, and more specifically their international projects. Bpifrance Investissement joined Albioma's Board of Directors in 2017.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

ADE Holding SAS	Member of the Supervisory Board
Altrad Investment Authority SAS	Director
Attis 2 SAS	Member of the Supervisory Board
Beneteau SA ¹	Director
Canosque Holding SAS	Director
Cosmeur SAS	Chairman of the Board of Directors
DR Holding SAS	Member of the Supervisory Board
Eren Renewable Energy SA	Director
Finaero SA	Advisory member of the Strategic Committee
Sulo Group SAS	Member of the Supervisory Board
Grandir SAS	Member of the Supervisory Board
Green Yellow SAS	Member of the Supervisory Board
Groupe GPS SAS	Member of the Strategic Committee
Insignis SAS	Director
Kelenn Participations SAS	Director
Neoen SA	Director
Neoxco SAS	Member of the Supervisory Board
Oberthur Technologies Group SAS	Member of the Supervisory Board
PN VII Investment S.C.Sp. (Luxembourg)	Director
Sandaya Holding SAS	Advisory member of the Supervisory Board
SSCP Aero TOPCO SAS	Member of the Supervisory Board
Total Eren SA	Director

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Albioma SA ¹	Member of the Corporate Social Responsibility Committee
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OUTSIDE ALBIOMA GROUP

Sarenza SAS	Director	2018
Neoen SAS	Member of the Supervisory Board	2018
Neoen SAS	Advisory member of the Supervisory Board	2018
Algonquin Management Partners SAS	Director	2018
Lucia Holding SAS	Director	2017

1. Listed company.

Sébastien Moynot, permanent representative of Bpifrance Investissement in its capacity as Director, member of the Commitments Committee, member of the Audit, Accounts and Risks Committee and member of the Nomination, Remuneration and Governance Committee

- Born on 29 February 1972, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): member of the Growth Capital Management Committee of Bpifrance Investissement
- Business address: Bpifrance, 6-8 boulevard Haussmann, 75009 Paris
- Did not hold any Albioma shares as at 31 December 2018

Sébastien Moynot is an alumnus of the École Normale Supérieure de Paris and holds a degree in probabilities. He also qualified as a teacher of mathematics and is a graduate of the École Nationale de la Statistique et de l'Administration Économique. Since 2013, he has been a member of the Growth Capital Management Committee of Bpifrance Investissement, more specifically responsible for equity investments in mid and large corporates. He joined Fonds Stratégique d'Investissement as Chief Investment Officer when it was established in 2009. Prior to this, Sébastien Moynot had spent a decade in the Treasury Department at the Finance Ministry where he held a number of positions. He was in particular responsible for the transport sector at Agence des Participations de l'État and before that Head of Strategy and Capital Markets at Agence France Trésor. He has held and continues to hold various offices in unlisted companies. Since 29 January 2019, he has represented Bpifrance Investissement in its capacity as Director of Albioma.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Beneteau SA ¹	Advisory member of the Board of Directors
Cosmeur SAS	Chairman of the Board of Directors
Altrad Investment Authority SAS	Director
Horizon Holdings SAS	Director
Green Yellow SAS	Member of the Supervisory Board
NTL Holding SAS	Director
Vivescia Industries SCA ¹	Advisory member of the Supervisory Board
Vivescia Industries SCA ¹	Member of the Audit Committee

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Farinia SA	Director	2018
AD Industries SAS	Advisory member of the Board of Directors	2016

1. Listed company.

2 • CORPORATE GOVERNANCE

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

Marie-Claire Daveu, Independent Director, Chair of the Corporate Social Responsibility Committee, member of the Nomination, Remuneration and Governance Committee

- Born on 5 April 1971, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): Chief Sustainability Officer and Head of International Institutional Affairs, member of the Executive Committee of Kering Group
- Business address: Kering, 40 rue de Sèvres, 75007 Paris
- Held 400 Albioma shares as at 31 December 2018

She is a graduate of the Institut National Agronomique Paris-Grignon (INA PG), and of the École Nationale du Génie Rural, des Eaux et des Forêts (ENGREF). She also holds a Masters (DESS) in public administration from Paris-Dauphine University. After embarking on a career as a senior civil servant in the field of agriculture and the environment, Marie-Claire Daveu was Technical Advisor to the Office of Prime Minister Jean-Pierre Raffarin, before being appointed Principal Private Secretary to Serge Lepeltier, Minister of Ecology and Sustainable Development in 2004. In 2005, Marie-Claire Daveu joined Sanofi-Aventis as Head of Sustainable Development. Between 2007 and 2012 she served as Principal Private Secretary to Nathalie Kosciusko-Morizet, who was initially Secretary of State for Ecology before becoming Secretary of State for Forward Planning and the Digital Economy and then Minister for Ecology, Sustainable Development, Transport and Housing. In September 2012 she took up her current position as Chief Sustainability Officer and Head of International Institutional Affairs for Kering Group. She is also a member of Kering Group's Executive Committee. She joined Albioma's Board of Directors in 2015.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Crédit Agricole Corporate and Investment Banking (CACIB) SA	Director
Crédit Agricole Corporate and Investment Banking (CACIB) SA	Chair of the Risks Committee
Kering SA ¹	Chief Sustainability Officer and Head of International Institutional Affairs
Kering SA ¹	Member of the Executive Committee

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Saft Groupe SA ¹	Director	2018
Crédit Agricole Corporate and Investment Banking (CACIB) SA	Chair of the Nomination Committee	2017
Saft Groupe SA ¹	Member of the Supervisory Board	2016
Ile-de-France Regional Council	Regional Councillor	2015

1. Listed company.

Valérie Landon, independent Director, member of the Commitments Committee, member of the Audit, Accounts and Risks Committee

- Born on 17 August 1962, of French nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): Vice-Chairman Investment Banking & Capital Markets, Credit Suisse group
- Business address: Crédit Suisse, 86 boulevard Haussmann, 75008 Paris
- Held 407 Albioma shares as at 31 December 2018

Valérie Landon graduated from Ecole Centrale de Paris and began her career as an engineer with Air France in 1985. She joined Credit Suisse in 1990 as an Investment Banker. After having worked mainly in Paris and Tokyo, she became Managing Director in 2000 and, in 2003, Co-Head and then Head of Investment Banking France, Belgium and Luxembourg. She has held the office of Vice-Chairman Investment Banking & Capital Markets in Credit Suisse Group since 2015. Valérie Landon joined Albioma's Board of Directors in 2016.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Faurecia SA ¹	Director	
Faurecia SA ¹	Member of the Audit Committee	

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Fondation Catalyst	Member of the European Advisory Board	2016
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1. Listed company.

2 • CORPORATE GOVERNANCE

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

Ulrike Steinhorst, independent Director, Chair of the Nomination, remuneration and Governance Committee

- Born on 2 December 1951, of German nationality
- Main position held outside the Group at 31 December 2018 (when the position held within the Group is not the main position): Director and Chair of the Governance and Remuneration Committee of Mersen, Director and Chair of the Strategy Committee of Valeo
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 404 Albioma shares as at 31 December 2018

Ulrike Steinhorst is a qualified German lawyer, and is also a graduate of the international section of Ecole Nationale d'Administration, holds a DEA degree in public law (Paris II Pantheon University) and an MBA from CPA/HEC. She began her career in France as technical advisor to the French Minister of European Affairs. She joined EDF Group in 1990, holding various functional and operational responsibilities. She was Head of International Energy Production Subsidiaries from 1996 to 1999. In 1999 she joined Degussa Group, number three in the chemicals sector in Germany. She held the position of Human Resources Director for one of the group's three divisions (food additives, 4,000 people, sites in the USA, Latin America, Asia and Europe). In 2001, she was asked to oversee development of the group's senior executives during a period of intense M&A activity. In 2003, she became responsible for its subsidiaries in France while also heading the group's representation office in Brussels. She joined EADS in 2007, serving as Chief of Staff to the Executive Chairman of EADS until he stepped down in 2012. She then moved to the Group's Corporate Technical Office as Head of Strategy, Planning and Finance, until she was appointed Senior Advisor to the Corporate Technical Officer and member of the Executive Committee of the Airbus group at the end of 2015. She held this position for two years. She is currently an independent Director of two listed companies in addition to Albioma: Valeo and Mersen. She chairs Valeo's Strategy Committee and Mersen's Governance and Remuneration Committee. She joined Albioma's Board as an independent Director in 2017.

Other offices and positions held at 31/12/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Mersen SA ¹	Director
Mersen SA ¹	Chair of the Governance and Remuneration Committee
Valeo SA ¹	Director
Valeo SA ¹	Chair of the Strategy Committee
Valeo SA ¹	Member of the Governance, Nomination and Corporate Social Responsibility Committee
Valeo SA ¹	Member of the Remuneration Committee
École des Mines – Paritech	Member of the Board of Directors
Chamber of Commerce and Industry (Germany)	Member of the Board of Directors
Fabrique de l'Industrie	Member of the Policy Committee

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Fonds d'Innovation dans l'Industrie (F2I, UIMM)	Member of the Board of Directors	2017
Institut Imagine	Member of the Board of Directors	2016
Airbus SE	Head of Strategy, Planning, Finance, Corporate Technical Office	2016

1. Listed company.

2.3.2.2. Directors who ceased to hold office in the 2018 financial year

Michel Bleitrach, independent Director, Deputy Chairman of the Board of Directors, Chairman of the Audit, Accounts and Risks Committee, member of the Commitments Committee and member of the Nomination and Remuneration Committee (to 30 May 2018)

- Born on 9 July 1945, of French nationality
- Main position held outside the Group at 30 May 2018 (when the position held within the Group is not the main position): Chair of the Supervisory Board of Indigo Infra, member of the Supervisory Board of JC Decaux, Director and Chair of the Remuneration Committee of Spie
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 435 Albioma shares as at 30 May 2018

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 in Elf Aquitaine Group (production-exploration, chemicals and industrial development). Between 1989 and 2003 he held several key positions with Lyonnaise des Eaux and then in Suez Group (Chairman and Chief Executive Officer of Elyo and Suez Industrial Solutions). Michel Bleitrach has advised industrial and service groups as a consultant since 2004. From 2005 to 2012 he was Chairman and Chief Executive Officer of Keolis then, in 2012, Chairman of the parent company of the Saur group. He was appointed Chairman of the Supervisory Board of Indigo Infra (formerly Vincipark) in 2014. In 2006 he joined the Board of Directors of Albioma (then called Séchilienne-Sidec). He was appointed Deputy Chairman of the Board of Directors in 2011.

Other offices and positions held at 30/05/2018

WITHIN ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

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

Other offices and positions held during the last five years, expired at 30/05/2018

Expiry

WITHIN ALBIOMA GROUP

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

OUTSIDE ALBIOMA GROUP

Holding d'Infrastructure des Métiers de l'Environnement (HIME) SAS	Director	2016
Effia SA	Director	2014
Keolis SA	Director	2014

1. Listed company.

2 • CORPORATE GOVERNANCE

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

Financière Hélios, Director, member of the Commitments Committee (to 5 June 2018)

- French simplified limited company (*société par actions simplifiée*) with a share capital of €8,163,483.58, registered in the Paris Trade and Companies Register under number 483 039 806
- Registered office: 1 Rue Paul Cézanne, 75008 Paris
- Held 1,684,820 Albioma shares as at 5 June 2018¹

Other offices and positions held at 31/12/2018

WITHIN THE ALBIOMA GROUP

Not applicable

OUTSIDE ALBIOMA GROUP

Not applicable

Other offices and positions held during the last five years, expired at 31/12/2018

Expiry

WITHIN ALBIOMA GROUP

Albioma SA ¹	Member of the Commitments and Monitoring Committee	2016
Albioma SA ¹	Member of the Nomination and Remuneration Committee	2015

OUTSIDE ALBIOMA GROUP

Not applicable

1. Listed company.

Maurice Tchenio, permanent representative of Financière Hélios in its capacity as Director and member of the Commitments Committee (to 5 June 2018)

- Born on 19 January 1943, of French nationality
- Main position held outside the Group at 5 June 2018 (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)
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Held 2 Albioma shares as at 5 June 2018²

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 was one of the founders of France Invest (formerly AFIC) and director of the European Venture Capital Association. In 1995 he founded Altamir, and has served as its Chairman and Chief Executive Officer since that date. In 2010, he set up a foundation with public charity status called AlphaOmega. Maurice Tchenio had joined Albioma (then called Séchilienne-Sidec) as Director in 2011. He was the permanent representative of Financière Hélios in its capacity as Director from 2015.

1. See additional information in section 6.3.2.2 on page 269 of this Registration Document.

2. See additional information in section 6.3.2.2 on page 269 of this Registration Document. In addition, Maurice Tchenio declared in 2014 that he held a unit-linked life-insurance policy invested inter alia in Albioma shares, but was neither the legal owner nor the beneficiary of said shares. 130,000 shares were indirectly held under this policy as at the date of the disclosure.

Other offices and positions held at 05/06/2018**WITHIN ALBIOMA GROUP**

Not applicable

OUTSIDE ALBIOMA GROUP

AlphaOmega SC	Managing Partner
Altamir Gérance SA	Director
Altamir Gérance SA	Chairman of the Board of Directors
Altamir Gérance SA	Chief Executive Officer
Altran Technologies SA	Permanent representative of Apax Partners SA in its capacity as Director
Amboise SAS	Chairman
Apax Partners SA	Director
Apax Partners SA	Chairman of the Board of Directors
Apax Partners SA	Chief Executive Officer
Étoile II SC	Manager
Financière de l'Echiquier SA	Director
Fondation AlphaOmega	Director
Fondation AlphaOmega	Chairman of the Board of Directors
Team Invest SC	Permanent representative of Apax Partners SA in its capacity as Manager
Thom Europe SAS	Member of the Supervisory Board
Toupargel Groupe SA ¹	Director

Other offices and positions held during the last five years, expired at 05/06/2018**Expiry****WITHIN ALBIOMA GROUP**

Albioma SA ¹	Permanent representative of Financière Hélios in its capacity as a member of the Commitments and Monitoring Committee	2016
Albioma SA ¹	Director	2015

OUTSIDE ALBIOMA GROUP

Firoki SC	Permanent representative of Amboise Partners SA in its capacity as Manager	2018
Immobilière Mauryland SC	Co-Manager	2018
Capri SC	Permanent representative of Amboise Partners SA in its capacity as Manager	2017
Címarosa II SC	Manager	2017
Címarosa SC	Manager	2017
Fac&In SC	Manager	2017
SE Wagram SC	Manager	2017
Toupargel SAS	Vice-Chairman	2017
Vizasat SC	Manager	2017
Copernic Partenaires SC	Manager	2016
Financière Hélios SAS	Chairman	2016
Lion/Seneca France I SAS	Advisory member of the Board	2016
Moussecarrie SC	Manager	2014

1. Listed company.

2 • CORPORATE GOVERNANCE

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

2.3.3. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

2.3.3.1. Conditions for the preparation and organisation of the work of the Board of Directors and of the specialised Committees during the 2018 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 law, the Company's Articles of Association and the Internal Regulations of the Board of Directors.

The main purpose of the Internal Regulations of the Board of Directors is to supplement the applicable rules laid down by laws, regulations and the Articles of Association, which bind all Directors and the Board of Directors as a whole. The Internal Regulations stipulate the remit and operating procedures of the Board of Directors, as well as those of the four specialised Committees, composed of Directors, which, at its request or that of the Chairman of the Board of Directors, draw up recommendations for its attention.

The Internal Regulations of the Board of Directors were amended at the meeting of the Board of Directors of 30 May 2018, following on from the proceedings of the Board of Directors at its 30 March 2018 meeting, when it decided to merge the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019. Said amendments to the Internal Regulations of the Board of Directors included:

- slightly changing the manner in which information is provided to Directors, by systematically adding a general introduction from the Chief Executive Officer at the outset of each meeting of the Board of Directors that encompasses employee safety and business performance, reviewing the main events since the previous meeting of the Board of Directors plus Group strategy and the main risks to which it is or may be exposed;
- deleting references to the Deputy Chairman of the Board of Directors, which the Board of Directors had decided to eliminate at the General Meeting of 30 May 2018;
- changing the remit of the Nomination and Remuneration Committee, now renamed the Nomination, Remuneration and Governance Committee;
- setting out the remit of the Commitments Committee, specifically with respect to the division of responsibilities between it and the Board of Directors as regards reviewing planned commitments that are outside the scope of the strategy approved by the Board of Directors;

- reviewing the remit of the Corporate Social Responsibility Committee.

The Internal Regulations were further amended at the meeting of the Board of Directors of 7 March 2019, on the back of the same work by the Board of Directors, to specify the powers of the Lead Independent Director as from the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019.

The Directors' Charter lays down a number of rules, in particular relating to ethics, applicable to Directors in the performance of their duties. The Directors' Charter was not amended in the 2018 financial year.

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

Preparation and organisation of meetings

In accordance with the provisions of the Company's Articles of Association, the Board of Directors meets as often as required by the Company's interests and, in any event, at least four times a year.

For each meeting, a briefing dossier is prepared that contains the information and documents necessary to review the items of business on the agenda. The Directors receive the dossier no later than 48 hours prior to the meeting, via a secure electronic system.

During the meeting, a detailed presentation on the topics appearing on the agenda is made by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Operating Officers or the Company Secretary (also Secretary to 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 Lead Independent Director 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 parent company or consolidated financial statements, on the basis of which the Statutory Auditors will prepare a report.

The Works Council representative systematically receives notices of all meetings of the Board of Directors 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 proceedings of meetings of the Board of Directors are prepared by the Secretary of the Board of Directors and are approved by the Board of Directors, usually at the next meeting.

The Internal Regulations of the Board of Directors authorise it to deliberate using any means of telecommunications, subject to the conditions and restrictions laid down in applicable laws and regulations.

Outside meetings, the Board of Directors regularly receives all important information concerning the Company. The Directors are alerted of any events or developments that have a material impact on activities or information previously communicated to the Board of Directors.

Powers and status of the Chairman of the Board of Directors

The Chairman of the Board of Directors, who must be a member of the Board of Directors, is appointed by the Board of Directors for the term of office set by it.

If the Chairman of the Board of Directors reaches the age of 65 when in office, he will remain in office until the end of his term of office; he may then be re-appointed once or more than once by the Board of Directors, but only for a total period of time that does not exceed a Director's term of office.

The Chairman of the Board of Directors organises and oversees the work of the Board of Directors, calls meetings of the Board of Directors and chairs them. He draws up agendas for meetings and ensures that the documentation supplied to the Directors prior to the meeting enables them to express opinions on the matters put to them in full knowledge of the facts. He also coordinates the work of the Board of Directors and its specialised Committees.

The Chairman of the Board of Directors also ensures the Company is governed efficiently and effectively, namely by ensuring that the Company's practices comply with the recommendations set out in the AFEP-MEDEF Code and, more generally, best corporate governance practices.

Lastly, in addition to organising and coordinating the work of the Board of Directors and its specialised Committees and ensuring the Company is effectively governed, the Chairman of the Board of Directors is also tasked, when the roles of Chairman of the Board of Directors and of Chief Executive Officer are split, with the following:

- representing the Company with regard to national and international professional organisations, in conjunction with the Chief Executive Officer;
- representing the Company in its dealings with public authorities, supervisory and regulatory authorities and the Group's main partners and shareholders, in conjunction with the Chief Executive Officer;
- speaking in the name and on behalf of the Board of Directors, in particular to the shareholders;
- ensuring that the strategic policies defined by the Board of Directors are correctly implemented;
- ensuring, in conjunction with the Audit, Accounts and Risks Committee, the effectiveness of the internal control system and, more specifically, the internal audit function; to that effect the Chairman of the Board of Directors shall be entitled to access internal audit reports at any time and shall be entitled to order internal audits, provided he first informs the Chief Executive Officer.

Role of the Lead Independent Director

In line with its decision to separate the roles of Chairman of the Board of Directors and of Chief Executive Officer with effect from 1 June 2016, the Board of Directors decided at its meeting of 1 March 2016 to create the role of Lead Independent Director within the Board of Directors and to appoint the Deputy Chairman as Lead Independent Director. The Internal Regulations of the Board of Directors were thus amended accordingly to clearly define the powers associated with each role.

Nevertheless, following on from the proceedings of the Board of Directors at its 5 March 2018 meeting, the Board of Directors decided to eliminate the role of Deputy Chairman of the Board of Directors as from the General Meeting of 30 May 2018, at which time the term of office as Director of Michel Bleitrach ended without him asking to be reappointed. The Board of Directors had, at the same meeting, decided to retain the position of Lead Independent Director, a decision confirmed at its meeting on 30 March 2018, when it decided to merge the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019. The Board of Directors had nevertheless deferred the appointment of a successor to Michel Bleitrach in this position. The role of Lead Independent Director was entrusted to Pierre Bouchut by the meeting of the Board of

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Directors of 24 October 2018, to take effect from the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019.

Under the most recent version of the Internal Regulations of the Board of Directors, amended 7 March 2019, the Lead Independent Director has the following main duties.

- With respect to monitoring the proper functioning of the Board of Directors, the Lead Independent Director tracks the proper functioning of the Company's governance bodies and is free to make any proposal or recommendations he sees fits. He ensures that Directors receive the information they need to carry out their duties in the best possible manner. He assists the Board of Directors and the Nomination, Remuneration and Governance Committee with the evaluation of the work of the Board of Directors, where necessary retaining an outside consultant.
- With respect to the organisation of the work of the Board of Directors and relations with Directors, the Lead Independent Director can ask the Chairman of the Board of Directors to call a meeting of the Board of Directors with a specific agenda. He may also ask the Chairman of the Board of Directors to add items to the agenda of any meeting of the Board of Directors. Where applicable, the Lead Independent Director shall:
 - coordinate the work of the independent Directors and, more broadly, where necessary, all work by Directors done in the absence of corporate officers;
 - represent, insofar as necessary, the Board of Directors, particularly vis-à-vis shareholders, on matters pertaining to his duties.

The Lead Independent Director may participate in any meeting of any Board committee. He can access their work to the extent strictly necessary to carry out his duties, in agreement with the Chair of the Committee in question.

He is closely involved in the selection of Board members.

- Lastly, with respect to the prevention and management of conflicts of interest, the Lead Independent Director takes preventive measures, together with the Chairman of the Board of Directors, to raise awareness amongst corporate officers and other Board members regarding situations likely to give rise to conflicts of interest. He notifies the Board of Directors regarding any potential conflicts of interest involving Directors that were brought to his attention or of which he became aware and helps manage them.

Role of the Secretary of the Board of Directors

At its meeting of 1 March 2016 the Board of Directors decided to formalise the role of Secretary of the Board of Directors and include principles in the Internal Regulations of the Board of Directors governing the organisation of the role. At the same meeting it appointed Mickaël Renaudeau, the Company Secretary, as Secretary of the Board of Directors.

The Secretary of the Board of Directors, who may but need not be a member of the Board of Directors, performs all those tasks necessary for the smooth running of the Board of Directors, including the organisation of relations between the Company, the Directors and the Chairman of the Board of Directors. He ensures that resolutions adopted by the Board of Directors are valid and that it operates in compliance with applicable laws and regulations and the Articles of Association. He reports to the Chairman of the Board of Directors with regard to the performance of his duties.

Unless the various specialised Committees decide otherwise, the Secretary of the Board of Directors shall also act as secretary for all specialised Committees created by the Board of Directors. He is responsible for drawing up minutes of meetings of the Board of Directors and minutes of meetings of its specialised Committees.

The Secretary of the Board of Directors assists the Chairman of the Board of Directors and the Chairmen of the specialised Committees in the organisation of the work of the Board of Directors and the specialised Committees, and in this connection:

- helps prepare the agendas and send notices of meetings to the members of the Board or its Committees;
- helps determine the timetable for meetings of the Board of Directors and specialised Committees;
- prepare and send preparatory files for meetings of the Board of Directors and the specialised Committees, liaising with the Group's internal departments, verifying their quality and ensuring they are sent out in a timely manner;
- helps organise proceedings at meetings of the Board of Directors and specialised Committees;
- organises remote participation and facilitates the representation of absent members;
- manages payment of directors' fees.

Directors may seek the assistance of the Secretary of the Board of Directors for the performance of their duties, including their reporting obligations, in particular with regard to the market authorities, and to obtain clarifications concerning their obligations and duties.

The Secretary of the Board of Directors shall be authorised to certify all documents issued by the Board of Directors, including all minutes or excerpts from minutes of the meetings of the Board of Directors and any reports produced by the Board of Directors.

Principles of collegiality and confidentiality

The Board of Directors is a collegial body. Its decisions have always resulted from a consensus, reached among its members following in-depth discussions on the topics submitted to it. Since 2012, all decisions of the Board of Directors have been adopted unanimously by the voting Directors.

Pursuant to the Internal Regulations of the Board of Directors, the Directors have a duty of confidentiality and non-disclosure. In this respect, Directors undertake not to speak in an individual capacity, other than during the Board's proceedings, on matters discussed at meetings of the Board of Directors.

Over and above this duty of confidentiality and non-disclosure, which applies to all individuals attending meetings of the Board of Directors, 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.

Remit of the Board of Directors

The remit of the Board of Directors is determined by applicable laws and regulations, supplemented by the provisions

of the Company's Articles of Association and the Internal Regulations of the Board of Directors.

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 duties. 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.

Meetings of the Board of Directors and work in 2018

Pursuant to the Internal Regulations of the Board of Directors, the Directors undertake to devote the necessary time and attention to their duties. When accepting a new office, they must ensure that they continue to be able to fulfil this commitment.

The Board of Directors met 9 times in 2018, compared with 12 times in 2017. The average attendance rate of Directors at meetings of the Board of Directors was 92% during the financial year, unchanged on 2017. The table below presents individual attendance rates for each Director at meetings of the Board of Directors and specialised Committees during the 2018 financial year:

	Board of Directors	Commitments Committee	Nomination, Remuneration and Governance Committee	Audit, Accounts and Risks Committee	Corporate Social Responsibility Committee
DIRECTORS IN OFFICE AS AT 31/12/2018					
Jacques Pétry	100.00%	n/a	n/a	n/a	n/a
Frédéric Moyne	100.00%	n/a	n/a	n/a	n/a
Jean-Carlos Angulo	100.00%	100.00%	n/a	n/a	100.00%
Pierre Bouchut	100.00%	n/a	100.00%	100.00%	n/a
Bpifrance Investissement	66.67%	83.33%	100.00%	100.00%	100.00%
Marie-Claire Daveu	100.00%	n/a	100.00%	n/a	100.00%
Valérie Landon	100.00%	100.00%	n/a	100.00%	n/a
Ulrike Steinhorst	100.00%	n/a	100.00%	n/a	100.00%
DIRECTORS WHO CEASED TO HOLD OFFICE IN THE 2018 FINANCIAL YEAR					
Michel Bleitrach	100.00%	50.00%	100.00%	100.00%	n/a
Financière Hélios	50.00%	100.00%	n/a	n/a	n/a
Total	91.67%	86.67%	100.00%	100.00%	100.00%

1. 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.

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The directors' fees, paid only to independent Directors, include a substantial variable component linked to the Directors' effective attendance at meetings of the Board of Directors (see additional information in section 2.4.2.5 on pages 127 *et seq.* of this Registration Document).

Strategic orientations and monitoring of implementation

At the 2018 annual seminar, at which the Board of Directors reviews implementation of strategy and adjusts medium- and long-term strategic options, the Board confirmed the strategy implemented and validated:

- the Group's positioning, built around the development, construction and operation of medium power renewable energy production units that supply high-quality power underpinning the security and stability of the power grids and the organisation and improvement of the competitiveness of upstream agricultural sectors, and split into two business activities, biomass conversion and solar energy production as part of strategic complementarity;
- the three cornerstones of the strategy:
 - contribution to the energy transition in the French overseas departments and territories, which continues to see significant investment;
 - the rolling out of the model internationally with at all times the goal of expanding the Group's footprint to new regions and developing new offerings;
 - the acceleration of the development of the photovoltaic sector.

The Board's work in 2018 therefore specifically focused on development, complementing the work of the Commitments Committee. More specifically, the Board worked on the following:

- monitoring the programme to bring French thermal power plants into compliance with the new standards resulting from the transposition into French law of the Industrial Emissions Directive (IED);
- involvement in the programme to convert to biomass the coal tranches of the thermal power plants operated in the French overseas regions and departments with, in particular, the signing, at the end of the financial year, of the rider to the electricity sales agreement with EDF for the Albioma Caraïbes plant (now the ALM-3 unit at the Albioma Le Moule plant) with a view to converting it to biomass;
- reviewing the possibility of relaunching a biomass plant in Mayotte;

- the continued development of the Marie-Galante biomass plant project, which gave rise to the signing of a memorandum of understanding between the main project stakeholders;
- the Group's ongoing expansion in Brazil, with the completion during the financial year of the acquisition of 60% of Jalles Machado Group's second cogeneration unit in Brazil (see additional information in section 3.2.5.2 on pages 147 *et seq.* of this Registration Document) and the examination of possible new acquisitions;
- speeding up of the development of the Solar Power business, with approved capital expenditure for the 2018-2020 period for the construction, in France, of photovoltaic installations generating at least 100 kWp each qualifying for the purchase obligation scheme, in addition to overseeing the construction of projects for plants with storage won by the Group in the most recent calls for tenders launched by the French Energy Regulation Board. In connection with this, the Board of Directors spent a lot of time defining the expected returns from the development of the solar power business in order to take account of the increased competition in the sector;
- examining various possible acquisitions in the Solar Power business, with, in particular, the acquisition, at the end of the 2018 financial year, of Eneco France (see additional information in section 3.2.2 on page 146 of this Registration Document);
- examining development opportunities in the geothermal sector;
- the disposal of the anaerobic digestion business to Evergaz (see additional information in section 3.2.3 on page 147 of this Registration Document).

Monitoring of operating performances

The Board of Directors is kept regularly informed of ongoing operations, namely through a monthly reporting package sent to the Directors, and the systematic review of matters affecting business performance at the start of each meeting.

In this respect, the Board of Directors specifically focussed on the following in the 2018 financial year:

- the delay in and process for the industrial commissioning of the Galion 2 100% bagasse / biomass plant in Martinique, which took place on 26 September 2018;
- the delay in and process for the industrial commissioning of the Saint-Pierre combustion turbine in Reunion Island, which took place on 25 February 2019;
- the operational performance of the Albioma Rio Pardo Termoelétrica plant in Brazil, affected by the low level of biomass inputs from its sugar partner, as a result of

the latter being placed under the local judicial recovery protective regime (see additional information on this in section 3.3.1.3 on page 151 of this Registration Document on asset impairment recognised by the Group during the financial year).

The Group's financial position, cash position and monitoring of commitments

The Board of Directors was kept regularly informed of the Group's financial position, namely in conjunction with the work of the Audit, Accounts and Risks Committee and via the monthly reporting package provided for Directors.

In 2018, the Board of Directors examined and approved the 2017 parent company and consolidated financial statements with a view to their presentation to the General Meeting of 30 May 2018. It also reviewed and approved the consolidated financial statements for the first half of the 2018 financial year, and reviewed the results for the first and third quarters of the year, prior to the publication of quarterly financial information.

Alongside its work on strategic matters, the Board of Directors reviewed and approved the 2018 budget and the business plan for 2018-2022. It also reviewed and approved the objectives for EBITDA and net income, Group share, presented to the market for the 2018 financial year.

The Board of Directors was also kept regularly informed of the Group's cash position and funding needs. The Group's ongoing capital programme led the Board of Directors to review various financing issues (financing of the biomass conversion capital expenditure for the Albioma Caraïbes plant, refinancing of the Solar Power business in the Indian Ocean region, financing of the Eneco France acquisition, etc.) and to authorise various related parent company guarantees.

The Board of Directors also kept a close eye on the authorised investment budgets, given the high level of current commitments.

Risk management and internal control

Alongside the work of the Audit, Accounts and Risks Committee, one of the tasks of the Board of Directors each year is to review the Group's risk mapping and its insurance cover. It may need to look at new risks identified by General Management, and define with it the appropriate action plans to ensure they are properly managed.

In addition to its general review of risks, the Board carefully monitored developments in a number of situations in terms of risk management, namely:

- monitoring the committed capital expenditure budgets, in connection for example with the delay in commissioning the Galion 2 plant in Martinique and of the Saint-Pierre combustion turbine in Reunion Island;
- a deterioration in labour relations in the French overseas thermal plants;
- the position of the sugar partner of the Albioma Rio Pardo Termoelétrica plant in Brazil as a result of it being placed under the local judicial recovery protective regime, which resulted in a significant drop in biomass inputs for the plant (see additional information on this in section 3.3.1.3 on page 151 of this Registration Document on asset impairment recognised by the Group during the financial year).

Sustainable development

In conjunction with the work of the Corporate Social Responsibility Committee, in 2018 the Board of Directors regularly monitored the implementation of the Group's sustainable development policy.

The Board of Directors reviewed and approved the employment, environmental and social information published in the Registration Document for the 2017 financial year, as required by applicable laws and regulations.

In addition, the Board of Directors and the Corporate Social Responsibility Committee devoted much time and energy throughout 2018 to:

- employee safety, 2018 seeing, after a marked deterioration in 2017, a sharp improvement in workplace accident frequency and severity rates, in line with the implementation of the safety master plan;
- the monitoring of commitments made by Group in its corporate social responsibility roadmap;
- the results of the Vigeo Eiris audit undertaken by the Group in 2017;
- the sustainable development challenges surrounding biomass conversion at the thermal power plants in the French overseas departments and territories.

Corporate governance

2018 saw much sustained effort by the Board of Directors on corporate governance with, firstly, a series of changes in the Board of Directors that led the latter to examine various candidates for Director. This work resulted in the General Meeting of 30 May 2018 being asked to appoint Pierre Bouchut as Director to succeed Michel Bleitrach,

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whose term of office expired at the close of said General Meeting and who did not express a desire to be reappointed. The Board of Directors had also asked the General Meeting of 30 May 2018 to ratify the provisional appointment at the 19 September 2017 meeting of Ulrike Steinhorst as Director, succeeding Michèle Remillieux, who resigned. Both proposals were approved by a large majority at the General Meeting. In tandem with these changes, the Board of Directors did significant work on the organisation of the Company's governance. The Board of Directors thus found that the transfer of the duties of Chief Executive Officer to Frédéric Moyne went very smoothly and that it could be considered complete following the General Meeting of 27 May 2019, and that, while the splitting of the roles of Chairman of the Board of Directors and of Chief Executive Officer had successfully supported this transfer, it made less sense, primarily given the Company's size, from completion of this transfer. The Board of Directors thus decided, at its 30 March 2018 meeting, to merge, following the General Meeting of 27 May 2019, the roles of Chairman of the Board of Directors and of Chief Executive Officer, in the belief that this governance model no longer suited the Group's strategic challenges. In this respect, the Board of Directors decided that the role of Chairman of the Board of Directors would, from that date, be entrusted to Frédéric Moyne, Jacques Pétry having declared that he would then tender his resignation as Chairman of the Board of Directors and Director to the Board of Directors.

This upcoming change in the Company's governance led the Board of Directors to undertake significant work on its membership and on the organisation of its meetings, notably reflected in the amendments to the Internal Regulations of the Board of Directors (see additional information in section 2.3.3.1 on page 94 of this Registration Document) and the taking of steps to improve its operation decided following its annual review (see additional information in section 2.3.3.2 on pages 106 *et seq.* of this Registration Document). More specifically, the Board's work in this respect focused on:

- the elimination of the position of Deputy Chairman of the Board of Directors (see additional information in section 2.3.3.1 on page 94 of this Registration Document);
- the appointment of a Lead Independent Director as from the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019 (see additional information in section 2.3.3.1 on pages 95 *et seq.* of this Registration Document);

- a significant change in how directors' fees are split between Directors (see additional information in section 2.4.2.5 on pages 127 *et seq.* of this Registration Document);
- the broadening of the remit of the Nomination and Remuneration Committee, renamed the Nomination, Remuneration and Governance Committee (see additional information in section 2.3.3.1 on pages 104 *et seq.* of this Document);
- the identification of candidates for Director to succeed Jacques Pétry following the General Meeting of 27 May 2019 and, at said same meeting, the succession of Valérie Landon, who did not ask to be reappointed, whose term of office ends following the aforementioned General Meeting (for additional information see section 2.3.1.5 on page 81 of this Registration Document);
- review of the membership of the specialised Committees (see additional information in section 2.3.3.1 on pages 102 *et seq.* of this Registration Document).

Early in 2018, the Board of Directors carried out its annual review of the position of Directors in office as at 31 December 2018, looking at their independence and potential conflicts of interest that may arise during performance of their duties. A similar review was done prior to the appointment of Pierre Bouchut as Director.

Lastly, as required by applicable laws and regulations, the Board of Directors specifically approved the content of the report of the Board of Directors on corporate governance and internal control for the 2017 financial year.

Remuneration of corporate officers and long-term incentive schemes for employees

In 2018, the Board of Directors assessed the Chief Executive Officer's performance in respect of the 2017 financial year, mainly for the purpose of determining the amount of the variable component of his remuneration in respect of said financial year, on the basis of the recommendations made by the Nomination and Remuneration Committee (renamed the Nomination, Remuneration and Governance Committee). The Board of Directors verified that the AFEP-MEDEF Code's recommendation that shareholders are consulted concerning the remuneration owed or awarded to corporate officers for the past financial year was correctly applied. At the General Meeting of 30 May 2018, the shareholders voted by a considerable majority in favour of the remuneration, as presented (see additional information in section 2.4.4 on page 135 of this Registration Document).

The Board of Directors devoted a great deal of time to the question of the remuneration to be paid to the two corporate officers for the 2018 financial year and subsequent years. It approved a number of changes to their remuneration policy, following an analysis that took account of market practices and a comparison of the Company's policy with a panel of comparable companies (see additional information in section 2.4.2.1 on page 121 of this Registration Document). This primarily resulted in:

- the fixed remuneration of the Chairman of the Board of Directors being reduced to €100,000, in tandem with the decisions of the Board of Directors on the completion of the change in governance model and the merging, following the General Meeting of 27 May 2019, of the roles of Chairman of the Board of Directors and of Chief Executive Officer;
- the introduction, in the variable remuneration package of the Chief Executive Officer, of a mechanism to remunerate out-performance, allowing for the target remuneration pertaining to each of the financial objectives assigned to the Chief Executive Officer to be exceeded, up to 110% of the target amount of the portion of variable remuneration associated with each of said objectives (see additional information in section 2.4.2.4 on pages 125 *et seq.* of this Registration Document).

The principles in the remuneration policy for corporate officers for 2018 and subsequent financial years as approved by the Board of Directors were put to the General Meeting of 30 May 2018, as required by applicable laws and regulations, and were approved by a large majority (see additional information in section 2.4.4 on page 135 of this Registration Document).

Aside from thresholds for corporate officers, the Board of Directors also worked on establishing a long-term incentive scheme for the 2018-2020 period. This resulted in the submission to the General Meeting of 27 May 2019 of a proposal to approve the awarding of bonus share grants, approved by a large majority, and by the implementation of the first phase of this scheme following the General Meeting (see additional information in section 6.4.3.1 on pages 276 *et seq.* of this Registration Document). In this respect, the Board of Directors also implemented the authorisation granted by the General Meeting of 30 May 2018 allowing Company shares to be bought back for the purposes of this new scheme (see additional information in section 6.4.3.1 on pages 276 *et seq.* of this Registration Document).

Issue of redeemable share subscription and/or purchase warrants

2018 saw the Board of Directors do significant work on the implementation, at the end of the financial year, of a plan for redeemable share subscription and/or purchase warrants (BSAAR warrants) for 42 employees and the Chief Executive Officer, primarily designed to enable key Group managers to share in the Group's development and performance over the medium-term, in response to their desire to indirectly invest, without the Company's support, a significant portion of their personal savings in Albioma stock to underpin the implementation of the strategy, by means of a financial product that aligns the interests of the Group's management teams with those of shareholders (see additional information in section 6.2.2.2 on pages 266 *et seq.* of this Registration Document).

The Board of Directors had, in this respect, set up an ad hoc Committee tasked with preparing for the proceedings of the Board of Directors on the structuring of the transaction, and with overseeing the work of the expert retained by the Board of Directors to give an independent opinion on the unit issuance price of the warrants.

Shareholder governance, relations with the financial community and share performance

The Board of Directors was regularly informed of changes to the shareholder structure (crossing of reporting thresholds, results of the initiatives to identify bearer shareholders) and the share's performance on the market. It received all the documents drawn up by financial analysts concerning the Company. It was also consulted with regard to the key financial information disclosed to the market and the main events disclosed more specifically for financial analysts and investors.

2018 thus saw the disposal, by Financière Hélios and Altamir, of their remaining interest in the share capital. This ultimately allowed Impala SAS, an investment vehicle owned by Jacques Veyrat, to acquire an interest, which now stands at 6.01% of the share capital (see additional information in section 6.3.2.2 on page 269 of this Registration Document).

The Board of Directors was also closely involved in the preparation of the General Meeting of 30 May 2018 in addition to its preparation of the draft resolutions and associated report. The Board Directors reviewed the documents prepared for the discussions held with providers of voting recommendations services and institutional shareholders, who explained their positions regarding the more sensitive resolutions with the Board, prior to the General Meeting.

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Work of the specialised Committees

The Commitments Committee

Remit

The remit of the Commitments Committee is determined by the Internal Regulations of the Board of Directors. The Commitments Committee is responsible for examining investments and, more generally, all current and future commitments that are material in terms of their amount, the level of associated risk or their coherence in view of the strategy approved by the Board of Directors, prior to authorisation by the Board. The Committee may also be asked to assess the advisability of strategic options, such as the penetration of new markets, withdrawal from a market or business sector, a divestment or a material disposal of assets.

When the Committee is asked to examine a project, it looks at the project's coherence in view of the strategy approved by the Board of Directors, its short- and medium-term profitability, potential risks if the project does (or does not) go ahead, sensitivity to said risks, the resulting commitments for the Group, financing terms and, more generally, any other facts it considers to be of relevance.

Membership and operating procedures

As at 31 December 2018, the Commitments Committee had three Directors, of whom two were independent, including the Chairman of the Committee:

- Jean-Carlos Angulo, independent Director, Committee Chairman;
- Bpifrance Investissement, Director, represented in that capacity by Sébastien Moynot, Committee member;
- Valérie Landon, independent Director, Committee member.

In 2018, Michel Bleitrach, who did not ask to be re-elected Director, whose term of office expired following the General Meeting of 30 May 2018, and Financière Hélios, which resigned as Director on 5 June 2018, also resigned from the Commitments Committee.

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. The Committee may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all

other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group. The dossiers are generally presented by the Chief Executive Officer and the Chief Operating Officers, assisted, where applicable, by members of their teams responsible for the dossiers in question. The Secretary of the Board of Directors acts as Committee Secretary.

Meetings and work in 2018

In 2018, the Commitments Committee met six times, thus similar to 2017. The attendance rate of members at Committee meetings was 87% in 2018, as in 2017¹.

The Committee's work primarily consisted of reviewing various commitments and investments prior to their authorisation by the Board of Directors. Topics they reviewed included:

- the continued development of the Marie-Galante biomass plant project, which gave rise to the signing of a memorandum of understanding between the main project stakeholders;
- the Group's ongoing expansion in Brazil, with the completion during the financial year of the acquisition of 60% of Jalles Machado Group's second cogeneration unit in Brazil (see additional information in section 3.2.5.2 on pages 147 et seq. of this Registration Document and the examination of possible new acquisitions;
- speeding up of the development of the Solar Power business, with approved capital expenditure for the 2018-2020 period for the construction, in France, of photovoltaic installations generating at least 100 kWp each qualifying for the purchase obligation scheme, in addition to overseeing the construction of projects for plants with storage won by the Group in the most recent calls for tenders launched by the French Energy Regulation Board and defining the expected returns from the development of the solar power business in order to take account of the increased competition in the sector;
- examining various possible acquisitions in the Solar Power business, with, in particular, the acquisition, at the end of the 2018 financial year, of Eneco France (see additional information in section 3.2.2 on page 146 of this Registration Document).

The Commitments Committee reported to the Board of Directors on all its work during 2018.

¹ 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.

Audit, Accounts and Risks Committee

Remit

The remit of the Audit, Accounts and Risks Committee is determined by the Internal Regulations of the Board of Directors. 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 powers of the Board of Directors, regarding:

- the process for preparing 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 preparing the Group's financial statements and assessing 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.

Membership and operating procedures

At 31 December 2018, the Audit, Accounts and Risks Committee had three Directors, two of whom were independent Directors, including the Committee Chairman:

- Pierre Bouchut, Independent Director, Committee Chair;
- Bpifrance Investissement, Director, represented in that capacity by Sébastien Moynot, Committee member;
- Valérie Landon, independent Director, Committee member.

Pierre Bouchut was appointed Chair of the Audit, Accounts and Risks Committee by the Board of Directors at its 30 May 2018 meeting, upon his appointment as Director by the General Meeting on the same date, to succeed Michel Bleitrach, whose term of office as Director was expiring at the end of said General Meeting (and resigning as Chair of the Audit, Accounts and Risks Committee) and who did not express a desire to be reappointed.

Given their professional experience, all members of the Audit, Accounts and Risks Committee in office as at 31 December 2018 have proven specific capability in accounting and financial matters (see additional information in section 2.3.2.1 on pages 82 *et seq.* of this Registration Document).

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. It may also interview Directors, Chief Operating Officers, the heads of internal control and internal audit, and the external auditors of the Company and its subsidiaries, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. It may also interview senior managers in the Group, subject to authorisation from the Chief Executive Officer.

The dossiers are generally presented by the Chief Financial Officer or the Chief Executive Officer, assisted, where applicable, by members of their teams responsible for the dossiers presented (and in particular by members of the internal audit function). The Statutory Auditors are invited to attend each Committee meeting, except for those that consider the renewal of their appointment and those that review the conditions under which they exercise their external audit duties and, more specifically, review their independence. The Secretary of the Board of Directors acts as Committee Secretary.

When the Committee examines the financial statements, it has a minimum period of 48 hours prior to the meeting to perform its review. During the meeting, the Statutory Auditors present their conclusions and observations on the findings of their audit or review and the accounting options used. The review of the financial statements is also preceded by a presentation by the Chief Financial Officer on the key points from the past period, significant risks and off-balance sheet commitments of the Company.

Committee meetings generally start with a discussion between Committee members and the Statutory Auditors, before the arrival of those key figures from within the Company who have been invited to attend.

Meetings and work in 2018

In 2018, the Audit, Accounts and Risks Committee met four times, i.e., the same as in 2017. The attendance rate of members at Committee meetings was 100% in 2018, compared to 83% in 2017¹.

In anticipation of the approval of the parent company and consolidated financial statements for the 2017 financial year and the approval of the condensed consolidated financial statements for the first half of the 2018 financial year, the Committee reviewed significant events over the period, the main closing points, the key figures appearing in the financial statements, the cash position and the Group's level of debt. It paid particular attention to the main accounting options used by General Management, the results of the goodwill impairment tests and the provisions for liabilities and impairment. In this regard, the Committee heard the Statutory Auditors, who presented the findings of their audit or, as applicable, their limited review. The Committee also reviewed the objectives

¹. 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.

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for EBITDA and net income, Group share, proposed by General Management, with a view to their presentation to the market. The Committee also reviewed the quarterly results (Q1 and Q3 2018) prior to publication of the corresponding quarterly financial information.

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

- conducted a detailed review of the Group's risk mapping, the main changes to its risk profile and associated risk management action plans, as well as the Group's insurance programme;
- monitored the internal audit function, the Committee's work mainly consisting of ensuring the proper implementation of the action plans defined on the back of previous audits it had commissioned. It also examined the audit reports produced in connection with the 2018 audit plan (audit of the central invoicing processes at Albioma Caraïbes and Albioma Le Gol, audit of the purchasing and expense claims process in the Indian Ocean Solar segment, audit of the project to install a third turbine generator unit at the Albioma Codora Energia plant and post-construction audit of the project to build the Galion 2 plant), for which it had approved corrective action plans in conjunction with General Management, and, lastly, drew up the 2019 internal audit plan.

The Audit, Accounts and Risks Committee reported to the Board of Directors on all its work during 2018.

The Nomination, Remuneration and Governance Committee

Remit

The remit of the Nomination, Remuneration and Governance Committee is determined by the Internal Regulations of the Board of Directors. The Nomination and Remuneration Committee plays a key role in preparing the proceedings of the Board of Directors on governance and remuneration of executive and non-executive corporate officers.

The remit of the Nomination, Remuneration and Governance Committee was clarified by the Board of Directors at its 30 May 2018 meeting in particular to formalise its corporate governance role. As a result, the Committee's name was adjusted.

Its work calls for it to consider all matters affecting the membership of the Board of Directors and the position of Directors (selection of candidates, balance on the Board of Directors in terms of independence, skills and gender parity). The Committee also considers the remuneration of corporate officers and 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, Remuneration and Governance Committee also reviews a range of problems impacting the Group's human resources. As such, it is notably required to express an opinion on the Group's remuneration policy and on changes in the remuneration of the main senior managers, whose succession plans it also reviews. The Committee's remit also encompasses employee savings schemes and long-term incentive schemes for employees (bonus performance share plans).

Membership and operating procedures

At 31 December 2018, the Nomination and Remuneration Committee had four Directors, three of whom were independent Directors, including the Committee Chairwoman:

- Ulrike Steinhorst, independent Director, Committee Chair;
- Pierre Bouchut, Independent Director, Committee member;
- Bpifrance Investissement, Director, Committee member, represented in this capacity by Sébastien Moynet;
- Marie-Claire Daveu, independent Director, Committee member.

Pierre Bouchut was appointed to the Nomination, Remuneration and Governance Committee by the Board of Directors at its 30 May 2018 meeting, upon his appointment as Director by the General Meeting on the same date, to succeed Michel Bleitrach, whose term of office as Director was expiring at the end of said General Meeting (and resigning as member of the Nomination, Remuneration and Governance Committee) and who did not express a desire to be reappointed. Bpifrance Investissement was appointed to the Committee at the same meeting of the Board of Directors.

1. 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.

As no employees are Board members, the Nomination, Remuneration and Governance Committee did not include any employee Directors as at 31 December 2018 (see additional information in section 6.3.4 on page 270 of this Registration Document).

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. However, they are not present when the Committee discusses their personal situations. The Committee may also interview Directors, Chief Operating Officers and the Human Resources Director, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group. The Secretary of the Board of Directors acts as Committee Secretary.

Meetings and work in 2018

In 2018, the Nomination and Remuneration Committee met four times, as compared to five in 2017. The attendance rate of members at Committee meetings was 100%, as in 2017¹.

The Committee's key areas of work in 2018 included:

- the corporate officers' remuneration packages (review of performance and components of the variable remuneration payable to the Chairman and Chief Executive Officer and then the Chief Executive Officer for the 2017 financial year, remuneration policy for corporate officers for the 2018 financial year, terms of the Chief Executive Officer's variable remuneration for the 2018 financial year and definition of his targets);
- the process for merging, following the General Meeting of 27 May 2019, the roles of Chairman of the Board of Directors and of Chief Executive Officer;
- identifying candidates for Director to succeed Michel Bleitrach at the General Meeting of 30 May 2018, Valérie Landon at the General Meeting of 27 May 2019 and Jacques Pétry following the latter General Meeting;
- membership of the specialised Committees of the Board of Directors, given the changes in the Board's membership in 2018;
- the allocation of directors' fees between the Directors;
- the appointment of Pierre Bouchut as Lead Independent Director with effect from the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer;
- reviewing succession plans for the Group's corporate officers and key managers;
- structuring the employee long-term incentive scheme put to the General Meeting of 30 May 2018 and the implementation of the first phase of this scheme in 2018 (see additional information in sections 6.4.1 on page 275 and 6.4.3.1 on page 280 of this Registration Document).

The Nomination, Remuneration and Governance Committee reported to the Board of Directors on all its work during 2018.

Corporate Social Responsibility Committee

Remit

The remit of the Corporate Social Responsibility Committee is determined by the Internal Regulations of the Board of Directors. The remit of the Corporate Social Responsibility Committee was clarified by the Board of Directors at its 30 May 2018 meeting to refocus its work on reviewing strategic issues from a sustainable development perspective, in addition to monitoring the Group's non-financial performance. The Committee is thus tasked with evaluating the Group's corporate social responsibility strategy and policy, monitoring the programmes implemented and the priority actions taken in this respect and reviewing the results, examining key opportunities and the Group's main social and environmental risks with respect to issues inherent to its strategy and activities, examining the Group's non-financial performance and reviewing the information published by the Group in this respect, and finally monitoring the application of the ethics rules defined by the Group.

Membership and operating procedures

As at 31 December 2018, the Corporate Social Responsibility Committee had three Directors, all of whom are independent:

- Marie-Claire Daveu, independent Director, Committee Chair;
- Jean-Carlos Angulo, independent Director, Committee member;
- Ulrike Steinhorst, independent Director, Committee Member;

¹ 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.

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Ulrike Steinhorst was appointed to the Corporate Social Responsibility Committee by the Board of Directors at its 30 May 2018 meeting to succeed Bpifrance Investissement, then appointed to the Nomination, Remuneration and Governance Committee.

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. The Committee may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. It may also interview senior managers in the Group, subject to authorisation from the Chief Executive Officer. The Secretary of the Board of Directors acts as Committee Secretary.

Meetings and work in 2018

In 2018, the Corporate Social Responsibility Committee met four times, i.e., the same as in 2017. The attendance rate of members at Committee meetings was 100% in 2018, as in 2017¹.

In 2018, the Committee's work mainly involved:

- reviewing the Group's non-financial performance in 2017, prior to the publication of the employment, environmental and social information in the 2017 Registration Document;
- rolling out the 2018-2023 CSR road map;
- employee safety, the Committee having paid close attention to the implementation of the safety master plan presented by General Management in response to the under-performance in 2017 with respect to the workplace accident frequency and severity rates;
- in conjunction with the Nomination, Remuneration and Governance Committee, defining quantitative non-financial indicators applying to the Chief Executive Officer to determine his variable remuneration for the 2018 financial year;
- the Vigeo Eiris audit undertaken by the Group in 2017;
- issues measuring levels of gas emissions from plants in Brazil and Mauritius;
- monitoring environmental regulatory compliance;
- sustainable development challenges surrounding biomass conversion at the thermal power plants in the French overseas departments and territories.

The Corporate Social Responsibility Committee reported to the Board of Directors on all its work during 2018.

2.3.3.2. Assessment of the operation of the Board of Directors

Assessment frequency and methods

In accordance with the recommendations of the AFEP-MEDEF Code and the Internal Regulations of the Board of Directors, the Board of Directors performs an annual review of its operation, in particular with a view to:

- reviewing its operating procedures;
- verifying that important matters are suitably prepared and debated;
- assessing each Director's effective contribution to the Board's work as a result of his/her skills and involvement in discussions.

This approach takes the form of a self-assessment by the Board of Directors, carried out by means of questionnaires, whose results are analysed by the Board of Directors. In accordance with the recommendations of the AFEP-MEDEF Code, a documented assessment is performed at least once every three years with the help of an external consultant.

Following a proposal by the Chairman of the Board of Directors, the assessment of the 2017 financial year conducted at the start of 2018 was entrusted to an external consultant (HS Conseil), to allow the Board of Directors to carry out an in-depth assessment of its functioning at the end of the transitional period following the switch from a singular to a separated governance method. The action plans drawn up by the Board of Directors at that time are still being implemented. Given the recent and upcoming changes in Group governance, the next evaluation of the operation of the Board of Directors will thus only take place in the second half of 2019.

Consideration of the findings of the assessment carried out by an external consultant in 2018

The assessment carried out by an external consultant in 2018 once again highlighted the excellent quality of the Company's governance practices and the continued commitment of both the members of the Board of Directors and its Chairman to a Board that operates effectively. Alongside the external assessment, the Board of Directors, working in close collaboration with General Management, looked closely at how to further improve the efficiency of the Board and its specialised Committees. Various areas for improvement were identified, and are now the subject of an action plan implemented under the supervision of the Board of Directors. The main areas for improvement identified were as follows.

- An in-depth review of the respective roles of the Commitments Committee, the Nomination and Remuneration Committee (renamed the Nomination, Remuneration and Governance Committee) and the Corporate Social Responsibility Committee, and their interaction with the Board of Directors, was carried out. The following action was taken in 2018:
 - agendas of Commitments Committee meetings focussed on material commitments key to the strategy approved by the Board of Directors, with strategic opportunities and new strategic priorities being initially reviewed by the Board. It was decided that they should first be examined by the full Board, which could then refer specific projects corresponding to strategic priorities approved by the Board to the Commitments Committee for a more detailed review;
 - the role of the Nomination and Remuneration Committee (now called Nomination, Remuneration and Governance Committee) as regards governance was clearly defined in writing, and certain tasks clarified;
 - the role of the Corporate Social Responsibility Committee was clarified. It will henceforth focus more specifically on reviewing strategic issues from a sustainable development angle (in addition to reviewing the Group's non-financial performance).
- To facilitate this work, the Secretary of the Board of Directors has produced a management chart detailing the agendas of the various meetings planned throughout the year, which is now sent to Board members. This serves as a work programme for the Board of Directors and its specialised Committees, and is also used to monitor implementation of their decisions and recommendations. As requested by the Board of Directors and the Chairs of the specialised Committees, minutes of meetings now indicate exact timings. Other work (creation of standard summary documents, earlier deadlines for circulation of preparatory documents prior to meetings) was also carried out during the financial year to improve planning on the work of the Board of Directors and the effectiveness of its decision-making processes.
- Lastly, the Board of Directors and General Management have agreed that, in addition to the Board's annual strategic seminar, time will be set aside to review strategy, risks and the allocation of resources over the medium and long-term, with the aim of freeing up meetings of the Board of Directors so that members can focus on defining strategic orientations, authorising major external growth projects, internal transactions and development projects, and reviewing market trends, the state of competition and the main challenges facing the Group.

2.3.3.3. Full text of the Internal Regulations of the Board of Directors updated on 7 March 2019

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 laws, regulations and the Articles of Association and clarify 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.

In the absence of details, the provisions applicable to the Chairman of the Board of Directors and the Chief Executive Officer when these roles are split apply in exactly the same way when these roles are merged to Chairman and Chief Executive Officer.

The Internal Regulations are for internal use and do not replace the Company’s Articles of Association, but implement them in a practical manner. This means that they are not binding on third parties. Shareholders will be informed of the existence of the Internal Regulations in the Company’s Registration Document report and on the Company’s website. It may be amended by a decision of the Board of Directors.

1. Membership of the Board of Directors

The Board of Directors shall have at least three members and no more than twelve members, subject to laws governing mergers. To the extent possible, a majority of the members of the Board of Directors should be independent Directors.

A Director is considered to be independent if he/she has no relationship of any type with the Company, its Group or its management that could compromise his/her ability to freely

exercise his/her judgement. Thus, an independent Director is not simply a ‘non-executive’ director (i.e. a Director who does not hold a management position with the Company or its Group), but must also not have any specific ties to them (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 membership. Once a year, it shall assess its operation, assisted by an external consultant if need be. The findings of this assessment shall be recorded in writing at least every three years.

It shall meet once a year without the Company’s internal Directors (i.e. those who are employees or corporate officers of the Company or in the Group) to assess the performance of the Chairman and Chief Executive Officer, if the roles of Chairman of the Board of Directors and of Chief Executive Officer are merged, or the performance of both the Chairman and the Chief Executive Officer, if these roles 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, exercised subject to the powers reserved for the General Meeting, include:

- determining the strategic business policies of the Company and its Group, and ensuring they are carried out;
- authorising the furnishing of sureties, pledges and guarantees;
- authorising so-called ‘related-party’ agreements and undertakings before they are concluded, in accordance with applicable laws and regulations and the Articles of Association;
- preparing and approving the parent company and consolidated financial statements, as well as half-yearly financial statements;
- reviewing interim management documents;
- authorising all major investments, with the exception of capital expenditure for maintenance work, necessary for industrial or external growth projects during the year and, if applicable, the financing thereof;
- authorising all capital expenditure for maintenance work that entails immediate or future commitments that significantly exceed the amounts budgeted therefor, as stated in the budget approved by the Board of Directors;
- authorising all significant sales or contributions of assets;

- more generally, authorising any significant transaction that is not part of the strategy approved by the Board of Directors or that entails immediate or future commitments that significantly exceed the budget approved by the Board of Directors;
- studying all proposed merger, spin-off or contribution transactions;
- setting the remuneration of the Chairman and Chief Executive Officer;
- creating Committees charged with studying issues that the Board itself or its Chairman submits for their review and opinion.

As a general rule, the Board of Directors shall consider all matters necessary for the smooth running of the Company and its Group and shall carry out any controls and checks it considers necessary.

The Board of Directors shall review and approve the information published in the Company's Registration Document 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 per year, at the registered office or any other place specified in the notice of meeting. Once every financial year, the Directors shall meet prior to the approval of the annual budget and the medium-term business plan in order to review the strategic business policies.

Meetings are called by the Chairman or, in the event of the temporary or permanent incapacity of the latter, by the Lead Independent Director.

In any event, meetings of the Board of Directors may be called by half of its members.

Notices of meetings are given by any means, including orally, in principle at least 48 hours before the meeting of the Board of Directors, except in the event of an emergency.

3.2. Information provided to Directors

The Chairman, or the Chief Executive Officer if requested by the Chairman, shall provide each Director with all documents and information necessary for him/her to perform his/her duties.

Directors may obtain all documents they deem necessary. Requests for additional information shall be made to the Chairman of the Board of Directors, who will assess whether the documents requested are necessary.

Before each meeting of the Board of Directors, 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.

At the start of each meeting of the Board of Directors, the Chief Executive Officer makes a general comment about employee safety and business performance, reviewing the main events that have occurred since the previous meeting of the Board of Directors in light of the Group's strategy and the main risks to which it is or may be exposed.

Between meetings of the Board of Directors, the Board Secretary shall provide the Directors with monthly reports prepared by the Administrative and Finance Department under the responsibility of the Chief Executive Officer.

Directors shall also regularly receive all important information concerning the Company and its Group, and shall be informed of any event or change that significantly affects the transactions or information previously reported to the Board. In addition, 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 main managers, if appropriate without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, provided they submit a request for such meeting to the Chairman of the Board of Directors, who will inform the Chief Executive Officer thereof.

3.3. Proxies

All Directors may be represented by another Director at a specific meeting. Proxies must be appointed in writing, which may include by e-mail. Each Director may only represent one other Director at any given meeting.

The foregoing provisions apply to the permanent representative of a legal entity that is a Director.

3.4. Proceedings

Proceedings of the Board of Directors shall be valid only if at least half its members are present.

Decisions shall be adopted by a majority of the members present or represented. A Director who has been appointed as a proxy by a fellow Board member shall hold two votes.

Meetings are chaired by the Chairman of the Board of Directors, except in the following scenarios when the Lead Independent Director is tasked with this responsibility:

- proceedings for which the Chairman is absent;
- proceedings in which the Chairman does not participate and does not vote;
- the Chairman's absence;
- the Chairman is temporarily or permanently precluded.

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Should the Lead Independent Director be in one of the above situations, the meeting will be chaired by a Director specially appointed to this end by Board members attending the meeting.

In the event of a tied vote, the chairman of the meeting shall have the casting vote.

3.5. Participation at meetings by video-conferencing or other means of telecommunication

For the purposes of calculating the quorum and majority, Directors who participate in meetings of the Board of Directors by video-conferencing or other means of telecommunication that allow them to be identified and enable them to participate effectively, in accordance with the conditions below, shall be deemed present.

- Video-conferencing systems or other means of telecommunication may be used at all meetings of the Board of Directors. However, in accordance with the provisions of Article L. 225-37 (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 proceedings commence, it must be ensured there are no third parties, microphones or any other item that would impinge on the confidential nature of proceedings.
- Each participant must be able to speak and to hear what is said.
- The video-conferencing system or other means of telecommunication used must have technical features enabling them to continuously and simultaneously retransmit the proceedings so as to enable Directors to actually take part in the Board's proceedings.

In the event the chairman of the meeting notes a malfunction of the video-conferencing system or 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 sheets

An attendance sheet shall be kept, which shall be signed by the Directors who attended the meeting of the Board of Directors in person, and which, if applicable, shall state the names of Directors who took part in the proceedings by video-conferencing or other means of telecommunication (on their own behalf and on behalf of the Directors they represent).

3.7. Minutes

Proceedings of the Board of Directors shall be recorded in minutes kept in a special register maintained in accordance with laws and regulations in force, and shall be signed by the chairman of the meeting and at least one Director. If the

chairman of the meeting is unable to sign the minutes, they shall be signed by at least two Directors.

The minutes shall be approved at the next meeting. For such purpose, the draft minutes shall be sent in advance to each Director.

Minutes of meetings shall state the names of the Directors who are present or deemed present, those who sent their apologies and those who are absent. The minutes shall record the presence or absence of any other persons who were given notice of the meeting of the Board of Directors and the presence of any other person who attended all or part of the meeting.

The minutes shall mention any video-conferencing system or means of telecommunication used, the name of each Director who participated in the meeting of the Board of Directors using such means and, if applicable, any technical incident that disrupted the conduct of the meeting, including the interruption and re-establishment of remote participation.

If applicable, the minutes shall record any dissenting opinions expressed by the Directors.

Copies or extracts of minutes may be validly certified true by the Chairman of the Board of Directors, the Chief Executive Officer, the Director temporarily appointed to chair the meeting, the secretary of the Board of Directors or an agent appointed for such purpose by the Board.

4. Chairman of the Board of Directors

The Chairman of the Board of Directors shall organise and oversee the work of the Board of Directors. When he calls a meeting of the Board of Directors, he shall draw up the agenda for the meeting with the assistance of the Chief Executive Officer. He shall ensure that the documentation supplied to the Directors prior to the meeting enables them to express opinions on the matters put to them in full knowledge of the facts.

The Chairman of the Board of Directors shall coordinate the work of the Board of Directors and that of its Committees.

The Chairman of the Board of Directors shall ensure the Company is governed efficiently and effectively, and shall more specifically ensure that the Company's practices comply with the recommendations set out in the AFEP-MEDEF Code and, more generally, best corporate governance practices.

Moreover, when the roles of Chairman of the Board of Directors and of Chief Executive Officer are split, the Chairman of the Board of Directors is tasked with:

- representing the Company with regard to national and international professional organisations, in conjunction with the Chief Executive Officer;

- representing the Company in its dealings with public authorities, supervisory and regulatory authorities and the Group's main partners and shareholders, in conjunction with the Chief Executive Officer;
- speaking in the name and on behalf of the Board of Directors, in particular to the shareholders;
- ensuring that the strategic policies defined by the Board of Directors are correctly implemented;
- ensuring, in conjunction with the Audit, Accounts and Risks Committee, the effectiveness of the internal control system and, more specifically, the internal audit function; to that effect the Chairman of the Board of Directors shall be entitled to access internal audit reports at any time and shall be entitled to order internal audits, provided he first informs the Chief Executive Officer.

For the purpose of the above duties:

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

5. Lead Independent Director

5.1. Appointment of the Lead Independent Director

In the absence of the splitting of the roles of Chairman of the Board of Directors and of Chief Executive Officer, the Board of Directors appoints a Lead Independent Director from amongst the independent Directors. The Lead Independent Director is appointed for the term of office as Director. He may be re-elected. The Chairman of the Board of Directors may not be the Lead Independent Director.

5.2. Duties of the Lead Independent Director

5.2.1. Monitoring the proper functioning of the Board of Directors

The Lead Independent Director tracks the proper functioning of the Company's governance bodies and is free to make any proposal or recommendations he sees fits.

He ensures that Directors receive the information they need to carry out their duties in the best possible manner.

He assists the Board of Directors and the Nomination, Remuneration and Governance Committee with the evaluation of the work of the Board of Directors, where necessary retaining an outside consultant.

5.2.2. Organisation of the work of the Board of Directors and relations with Directors

The Lead Independent Director may ask the Chairman of the Board of Directors to call a meeting of the Board of Directors with a specific agenda.

He may also ask the Chairman of the Board of Directors to add items to the agenda of any meeting of the Board of Directors.

Where applicable, the Lead Independent Director shall:

- coordinate the work of the independent Directors and, more broadly, where necessary, all work by Directors done in the absence of corporate officers;
- represent, insofar as necessary, the Board of Directors, particularly vis-à-vis shareholders, on matters pertaining to his duties.

The Lead Independent Director may participate in any meeting of any Board committee. He can access their work to the extent strictly necessary to carry out his duties, in agreement with the Chair of the Committee in question.

He is closely involved in the selection of Board members.

5.2.3. Prevention and management of conflicts of interests

The Lead Independent Director takes preventive measures, together with the Chairman of the Board of Directors, to raise awareness amongst corporate officers and other Board members regarding situations likely to give rise to conflicts of interest.

He notifies the Board of Directors regarding any potential conflicts of interest involving Directors that were brought to his attention or of which he became aware and helps manage them.

6. The Secretary of the Board of Directors

The Secretary of the Board of Directors, who may but need not be a member of the Board of Directors, shall perform all those tasks necessary for the smooth running of the Board of Directors, including the organisation of relations between the Company, the Directors and the Chairman of the Board of Directors. He shall ensure that resolutions adopted by the Board of Directors are valid and that it operates in compliance with applicable laws and regulations and the Articles of Association. In the performance of his duties, he shall report to the Chairman of the Board of Directors.

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Unless the various specialised Committees decide otherwise, the Secretary of the Board of Directors shall also act as secretary for all specialised Committees created by the Board of Directors. He shall be responsible for drawing up minutes of meetings of the Board of Directors and minutes of meetings of the specialised Committees.

The Secretary of the Board of Directors shall assist the Chairman of the Board of Directors and the chairmen of the specialised Committees in the organisation of the work of the Board of Directors and the specialised Committees, and in this respect the Secretary shall:

- help prepare the agendas and send notices of meetings to the members of the Board or specialised Committees;
- help determine the timetable for meetings of the Board of Directors and specialised Committees;
- prepare and send preparatory files for meetings of the Board of Directors and the specialised Committees, liaising with the Group's internal departments, verifying their quality and ensuring they are sent out in a timely manner;
- help organise proceedings at meetings of the Board of Directors and specialised Committees;
- organise remote participation and facilitate the representation of absent members;
- manage payment of directors' fees.

Directors may seek the assistance of the Secretary of the Board of Directors for the performance of their duties, including their reporting obligations, in particular with regard to the market authorities, and to obtain clarifications concerning their obligations and duties.

The Secretary of the Board of Directors shall be authorised to certify all documents issued by the Board of Directors, including all minutes or excerpts from minutes of the meetings of the Board of Directors and any reports produced by the Board of Directors.

7. Committees of the Board of Directors

The Board of Directors may set up Committees comprised of Directors, or managers, or of both Directors and managers of the Company. Committee members, who shall be appointed by the Board of Directors, shall be tasked with studying the matters that the Board or its Chairman submit for their review.

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

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

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

The Committees have a purely consultative role. The Board of Directors shall have full discretion to decide on any action to be taken on the proposals or recommendations submitted by the Committees. Each Director shall remain free to vote as he/she sees fit, and is not bound by the studies, investigations or reports of the Committees or any recommendations they may make.

The membership of these Committees may be modified at any time by a decision of the Board.

8. Audit, Accounts and Risks Committee

8.1. Membership

The Audit, Accounts and Risks Committee shall have at least two Directors. At least two-thirds of the Committee's members must be independent Directors.

Based on their training and/or professional experience, the Committee members shall have accounting and financial expertise.

The Committee shall not include any corporate officers of the Company.

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

8.2. Operating procedures

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

The agenda for Committee meetings shall be prepared under the responsibility of its chairman, in collaboration with the Chairman of the Board of Directors and the Chief Executive Officer.

The Committee shall receive all items, documents and information necessary for the performance of its duties.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and its chairman may invite them to its meetings. It may also interview, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, the Directors, the Chief Operating Officers, the heads of internal control and internal audit, and the external auditors of the Company and its subsidiaries. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external experts, in which case the Company must provide it with the corresponding financial resources.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through the briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by its members.

8.3. 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 proceedings of the Board of Directors by monitoring the matters listed below.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

8.3.1. Monitoring the process for preparing financial information

The Audit, Accounts and Risks Committee monitors the process for preparing financial information. To that end, it receives all relevant information on the financial position, financial policy and financial strategy of the Company and its subsidiaries, and on the procedures used to prepare, collect, analyse and verify accounting and financial information; it also reviews communications of the Company and its subsidiaries on accounting and financial matters.

It shall review 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. In particular, it shall review the compliance of the accounting measurements and choices made by General Management with applicable accounting standards and rules as regards, in particular, the fair presentation, transparency, clarity and consistency over time of financial information.

8.3.2. Monitoring the effectiveness of internal control and risk management systems

The Audit, Accounts and Risks Committee shall review the organisation of the internal control systems and ensure the application of the internal control procedures in force within the Company and its subsidiaries. It shall review the work and analyses carried out in this respect and, in particular, the reports issued by the internal audit function.

It shall review the procedures used to identify and monitor risks and, more generally, monitor the risks identified, their classification and the prevention and action plans drawn up by General Management with the aim of managing said risks.

It shall review the content of the report of the Board of Directors on corporate governance drawn up in accordance with Article L. 225-37 of the French Commercial Code on the internal control and risk management procedures implemented within the Company.

8.3.3. Monitoring the annual and half-yearly financial statements and quarterly financial information

For the purposes of preparing the Company's annual and consolidated financial statements and the quarterly financial information, the Audit, Accounts and Risks Committee receives all relevant information on the consolidation scope, and the accounting methods and control procedures used.

It reviews these financial statements and, in particular, analyses provisions, risks and significant off-balance sheet commitments. It shall receive all relevant information on the accounting positions taken in recording significant transactions and shall review the major transactions that may have resulted in a conflict of interests.

In this context, it shall carry out a preliminary review of the draft accounting documents presented to the Board of Directors and issue for its attention recommendations as to whether said documents should be approved.

8.3.4. Monitoring the conditions for exercise of the duties of the external auditors

The Audit, Accounts and Risks Committee supervises the procedure for selecting or reappointing Statutory Auditors; it determines whether there is a need to call for tenders, in accordance with applicable laws and regulations.

It reviews the manner in which they perform their audit duties and monitors their audit or review of the Company's financial statements.

It verifies the independence of the Statutory Auditors; to that end, it receives all relevant information on fees paid to them and the members of their networks, and also receives the Statutory Auditors' updated declarations of independence. It shall be responsible, in accordance with the terms laid down by the Board of Directors and with applicable laws and regulations, for giving prior approval in respect of any services provided other than the certification of the financial statements by the statutory auditors and the members of their networks, following an analysis of the risks to their independence in the event such services are provided.

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

9. The Nomination, Remuneration and Governance Committee

9.1. Membership

The Nomination, Remuneration and Governance Committee shall have at least two and not more than five Directors. At least half of the members must be independent Directors.

No executive director may sit on the Committee. However, the Chairman of the Board of Directors and the Chief Executive Officer shall collaborate closely with it.

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

9.2. Operating procedures

The Nomination, Remuneration and Governance Committee shall meet before each meeting of the Board of Directors at which matters falling within its remit are to be discussed, and in any event at least three times a year, including once before meetings of the Board of Directors at which the performance of corporate officers over the previous financial year is to be reviewed and their remuneration for the current financial year is to be determined.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman, in collaboration with the Chairman of the Board of Directors and the Chief Executive Officer.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and its chairman may invite them to its meetings. They shall not attend meetings at which their personal situations will be discussed. It may also interview, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, the Directors, the Chief Operating Officers and the Human Resources Director. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external experts, in which case the Company must provide it with the corresponding financial resources.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through 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 and record any dissenting opinions expressed by its members. A summary of the Committee's findings and recommendations shall be presented by its chairman for discussion and decision-making at the next meeting of the Board of Directors.

9.3. Powers

9.3.1. As regards remuneration

The Committee's duties are to:

- review the performance and all the components of remuneration, including the allotment of options to subscribe and/or purchase shares and the allotment of bonus shares or any other means of deferred remuneration, pension benefits, benefits in kind and, in general, the employment conditions, of the Chairman of the Board of Directors and the Chief Executive Officer, as well as any other corporate officer, and make recommendations on such matters to the Board of Directors;
- review the remuneration and pension policy applicable to senior managers and, in particular, to the Executive Committee;
- review the proposals of General Management regarding allotments of bonus shares and other share-based incentive schemes benefiting the Group's employees and propose their allotment to the Board;
- propose to the Board rules for distributing directors' fees and the individual amounts to be paid to the Directors in this respect, based on their duties and actual attendance at Board and Committee meetings;
- propose to the Board a total amount of directors' fees, which will be proposed to the Company's General Meeting;
- review proposed capital increases reserved for employees;
- review the documents intended for shareholders as part of the procedures for approval by the General Meeting of the components of remuneration due or awarded to corporate officers and the remuneration policy;
- review any matter submitted to it by the Chairman of the Board of Directors relating to the above matters.

9.3.2. As regards nominations and governance

The Committee's duties are to:

- concerning the Board of Directors:
 - make proposals to the Board regarding the reappointment or nomination of Directors. The Committee shall look for new members based on its needs assessment and the assessment made by the Board, and taking into account the principle of balanced representation on the Board, such as gender balance, nationality, international experience, market or business expertise, working or retired, etc.;

- nominate a Lead Independent Director to the Board in the scenarios provided for in the Internal Regulations;
- make proposals to the Board regarding the creation and membership of the Board's Committees;
- periodically assess the structure, size and membership of the Board and submit recommendations to it regarding possible changes;
- periodically review the criteria applied by the Board to classify a Director as independent; once a year, it shall review each Director's situation on a case-by-case basis according to the criteria applied, and make proposals to the Board;
- concerning the Chairman of the Board of Directors and the Chief Executive Officer:
 - consider, as necessary and particularly at the end of the term of office, the advisability of renewing the term of office of the Chairman and the Chief Executive Officer;
 - review changes in their duties and, where applicable, provide for renewal solutions;
 - review the succession plan for corporate officers (including any Chief Operating Officers) applicable, in particular, in case of an unforeseen vacancy;
 - more generally, be kept informed by the Chief Executive Officer of anticipated changes in management resources (particularly the Executive Committee);
- concerning governance:
 - review, at the time of reappointment of the Chairman and the Chief Executive Officer or when a request along these lines is made by Directors, whether it is appropriate to keep the roles separate or merge them;
 - review changes in the corporate governance rules, particularly within the framework of the corporate governance guidelines applied by the Company, and inform the Board of its findings;
 - monitor the application of the corporate governance rules defined by the Board and ensure that information is given to shareholders in this regard;
 - prepare for the assessment of the Board's operation as provided in the Internal Regulations.

10. Commitments Committee

10.1. Membership

The Commitments Committee shall have at least two Directors. No executive director may sit on the Committee.

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

10.2. Operating procedures

The Commitments Committee shall meet before every meeting of the Board of Directors at which matters falling within its remit are to be discussed. The Commitments Committee may meet at any other time to make recommendations to General Management concerning any matters falling within its remit.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman, in collaboration with the Chairman of the Board of Directors and the Chief Executive Officer.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and its chairman may invite them to its meetings. It may also interview, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, the Directors and the Chief Operating Officers. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external experts, in which case the Company must provide it with the corresponding financial resources.

10.3. Powers

The Commitments Committee shall be responsible for reviewing immediate or future commitments of a material nature for the Group in view of their amount, the associated risks or their compatibility with the strategy approved by the Board of Directors, prior to authorisation by the Board. Matters are referred to the Committee only when the above commitments are in line with the strategy approved by the Board of Directors or result from a strategic opportunity that was previously approved in principle by the Board of Directors.

Whenever a project is referred to the Committee, it shall consider its compatibility with the strategy approved by the Board of Directors, its short- and medium-term profitability, the associated risks if the project goes ahead (or does not go ahead), sensitivity to such risks, the level of resulting commitments for the Group, the terms of financing and, more generally, any other facts it considers relevant.

It shall make observations, give opinions and make recommendations to the Board of Directors on all matters referred to it.

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

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

11. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall have at least two Directors. At least half of its members must be independent Directors.

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

The agenda for Committee meetings shall be prepared under the responsibility of its chairman, in collaboration with the Chairman of the Board of Directors and the Chief Executive Officer.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and its chairman may invite them to its meetings. It may also interview, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, the Directors and the Chief Operating Officers. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external experts, in which case the Company must provide it with the corresponding financial resources.

The Committee shall meet to consider any matters referred to it by General Management and, in any event, before any meeting of the Board of Directors at which matters falling within its remit are to be discussed.

Its duties are to:

- assess the Group's corporate responsibility strategy and policy;
- monitor the programs implemented and the priority actions taken in this area and assess the results thereof;
- review the Group's principal opportunities and risks in social and environmental matters in light of the issues specific to its strategy and businesses;
- review the Group's non-financial performance and the information published by the Group in this regard;
- monitor application of the ethical rules adopted by the Group.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

12. 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 General Meeting. The Board of Directors shall have full discretion to decide the allocation of such Directors' fees, in light of the recommendations or proposals of the Nomination, Remuneration and Governance Committee.

2.3.3.4 Full text of the Directors' Charter updated on 28 February 2017

This Charter sets out the rights and duties of Directors.

Each Director and, if applicable, each permanent representative of a legal entity that is a Director, shall comply with this Charter.

1. Representation of shareholders

The Board of Directors collectively represents all the shareholders and acts in the Company's interests in all circumstances. All the Directors, regardless of the manner in which they were appointed, shall represent all the shareholders.

2. Knowledge of duties and obligations

Before accepting office, Directors must become familiar with laws and regulations relevant to their position, the Company's Articles of Association, this Charter and the Internal Regulations of the Board of Directors.

Directors may consult the Secretary of the Board of Directors at any time regarding the scope of such rules and the rights and obligations attached to their office.

3. Holding a minimum number of shares in the Company

Each Director must hold 400 shares in the Company, in registered form, throughout his/her term of office.

4. Information

Directors must ensure that they receive in a timely manner all information necessary to perform their duties. They must, at the appropriate times, apply to the Chairman of the Board of Directors and request the information they deem necessary to perform their duties and to speak on matters on the agenda of meetings of the Board of Directors.

5. Regular attendance

Directors must devote the necessary time and attention to their office and, when they accept another office, must consider whether they will still be able to meet this duty. Save where physically impossible, they must attend all meetings of the Board of Directors and of any committees on which they sit, as well as the General Meetings.

6. Conflicts of interest

Directors must inform the Board of Directors of any conflict of interest situation or potential conflict of interest as of the time they become aware thereof, and, when a conflict of interest situation exists, must refrain from participating in the discussion and voting on the corresponding resolution. Any Director in a permanent conflict of interest must resign.

7. Number of offices held by Directors

Directors, including the Chairman of the Board of Directors, may hold no more than four other offices in listed companies outside the Group, including abroad.

The Chairman of the Board of Directors must inform the Board of Directors before accepting any office in any listed or unlisted non-Group company.

The Chairman of the Board of Directors must obtain the consent of the Board of Directors before accepting any office in a listed non-Group company.

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

8. Duty of confidentiality and non-disclosure

Directors undertake not to speak in an individual capacity, other than during the Board's proceedings, on matters discussed at meetings of the Board of Directors.

With respect to non-public information of which they become aware in the performance of their duties, Directors should consider themselves bound by an obligation of professional secrecy that goes beyond the mere duty of discretion (*obligation de discrétion*) provided for by Article L. 225-37 (5) of the French Commercial Code.

This duty of non-disclosure applies to all persons who are invited to attend meetings of the Board of Directors with respect to information of a confidential nature that is presented as such by the Chairman of the Board.

9. Stock market ethics

9.1. Inside information

Inside information is any information of a precise nature that has not been made public, relating directly or indirectly to one or more issuers of financial instruments, or to one or more financial instruments, and which, if made public, would be likely to have a significant effect on the prices of the relevant financial instruments or on the prices of related financial instruments.

Information is deemed to be of a precise nature if it indicates a set of circumstances or an event that exists or has occurred or may reasonably be expected to come into existence or occur and if it is specific enough to enable a conclusion to be drawn as to the possible effect of such circumstances or event on the prices of the relevant financial instruments or related financial instruments.

Information which, if it were made public, would be likely to have a significant effect on the prices of the relevant financial instruments or related financial instruments is information that a reasonable investor would be likely to use as part of the basis of his investment decisions.

Information is deemed to be public if it has been communicated to all investors, in particular in the form of a press release issued by the Company.

9.2. Principles

Directors must only use inside information concerning the Group in the performance of their duties. Such information must never be communicated to third parties outside the scope of the performance of the Director's duties, or for any purpose or activity other than that for which the information is held.

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

Any Director who holds inside information concerning the Group is considered to be an 'insider' and must refrain from trading, directly or through an intermediary, on his/her own behalf or on behalf of a third party, in the Company's securities, until such time as the information is made public. Such prohibited trading includes not only the buying and selling of financial instruments but also the amendment or cancellation of an order concerning a financial instrument to which the inside information relates.

Any Director who holds inside information concerning the Group must refrain from recommending and/or encouraging any other person to buy or sell the Company's securities, on his/her own behalf or on behalf of a third party, directly or indirectly, until such time as the information is made public.

Directors shall be personally responsible for determining whether information they hold is inside information and, in consequence thereof, deciding whether or not they are entitled to use or disclose such information and whether or not they are entitled to carry out any trading in the Company's securities.

9.3. Blackout periods

In addition to the period prior to the publication of any inside information of which they are aware, during which, in accordance with the law, insiders must refrain from trading in the Company's securities, it is recommended that Directors refrain from trading in the Company's securities during the following periods:

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

9.4. The criminal offence and administrative breach of insider dealing

Each Director acknowledges that he/she has been informed of laws and regulations governing the prevention and punishment of the criminal offence and administrative breach of insider dealing (including in particular Articles 7 to 11 of EU Regulation no. 596/2014 of 16 April 2014 on market abuse and Article L. 465 1 *et seq.* of the French Monetary and Financial Code) and lay down the rules applying to the possession and use of inside information, as well as the resulting blackout obligations.

9.5. Obligation to disclose trading in the Company's securities

In accordance with Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code, Articles 223-23 to 223-26 of the General Regulation of the Autorité des Marchés Financiers and Instruction no. 2016-06 of the Autorité des Marchés Financiers of 26 October 2016 on transactions in a company's securities by senior managers and the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code, Directors and persons with close ties to them are required to disclose to the Autorité des Marchés Financiers, within three business days following the transaction date, all purchases, sales, subscriptions and exchanges of the Company's financial instruments, as well as transactions involving related instruments, if the total amount of such transactions exceeds €20,000 in any calendar year.

Directors and persons with close ties to them are required to disclose transactions to the Autorité des Marchés Financiers using its secure on-line platform (ONDE). They must create an access account if they do not already have one.

If disclosure is made to the Autorité des Marchés Financiers, the person disclosing a transaction must provide the Secretary of the Company's Board of Directors with a copy of the disclosed information. By virtue of a written document, which may be an e-mail, Directors may authorise the Secretary of the Board of Directors to make any necessary disclosures on their behalf. For that purpose, the Director must provide the Secretary of the Board of Directors with details of the transactions to be disclosed as and when they are executed. The Secretary of the Board of Directors will use his own access account to log onto the ONDE platform and disclose the transactions.

The Autorité des Marchés Financiers displays disclosed transactions on its website, and a yearly summary is included in the Company's Registration Document.

2.3.4. SPECIFIC PROCEDURES RELATING TO TAKING PART IN GENERAL MEETINGS

The procedures for taking part in General Meetings are specified in Article 32 of the Company's Articles of Association.

The Company's Articles of Association are available on its website www.albioma.com and the principal provisions (including those of Article 32) are described in section 6.1.2 on pages 254 *et seq.* of this Registration Document.

2.4. Remuneration of corporate officers

For the purposes of the following section, the term corporate officer means the Chief Executive Officer, the Chief Operating Officers, if any, and the Chairman of the Board of Directors. The term executive corporate officer means the Chief Executive Officer and the Chief Operating Officers, if any, the Chairman of the Board of Directors classified as non-executive corporate officer. All the other Directors are non-executive corporate officers.

2.4.1. CORPORATE OFFICER REMUNERATION POLICY

2.4.1.1. Corporate officers

General remarks

Only the Board of Directors has the authority to determine, based on the recommendations of the Nomination, Remuneration and Governance Committee, the remuneration and all benefits awarded to the corporate officers.

The remuneration and all benefits received by the corporate officers are determined on the basis of the following principles:

- competitiveness and loyalty;
- fairness and performance;
- comprehensiveness and global assessment;
- balance between the various components of the remuneration;
- use of comparative data reflecting both market standards and practices in comparable companies;
- consistency, transparency, stability and clarity of rules applied;
- consistency with the Company's strategy and context, compliance with the interests of the Company;
- consideration of the importance of responsibilities actually assumed.

Fixed and variable annual remuneration

The corporate officers' annual remuneration is comprised of a fixed component and, for the executive corporate officers only, a variable component based on the achievement of demanding quantitative and qualitative financial and non-financial objectives, determined at the start of the year in line with the strategy approved by the Board of Directors. Non-executive corporate officers do not receive any variable remuneration.

The fixed remuneration payable to corporate officers and the methods used to determine the variable remuneration payable to executive corporate officers (in particular the financial and non-financial quantitative and qualitative objectives they will be required to achieve) are determined by the Board of Directors on the basis of recommendations by the Nomination, Remuneration and Governance Committee, developed on the basis of an analysis of a panel of comparable companies and the performance of the senior executives.

The fixed remuneration received by corporate officers is only reviewed every two or three years.

Directors' fees

Only independent directors receive directors' fees. This means that the Chief Executive Officer and, on the date of filing of this Registration Document, the Chairman of the Board of Directors, do not receive directors' fees.

Exceptional remuneration

The Company's remuneration policy does not provide for the payment of exceptional remuneration to corporate officers.

Variable multi-year remuneration

The Company's remuneration policy does not provide for the payment of variable multi-year remuneration to corporate officers.

Bonus performance share plans and options to subscribe or purchase shares

The Company's remuneration policy does not provide for any future long-term incentive programmes of any type whatsoever for the non-executive corporate officers.

The long-term incentive programme for executive corporate officers takes the form of the award of bonus performance

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2.4. Remuneration received by corporate officers for the 2018 financial year

shares or options to subscribe or purchase shares, depending inter alia on the tax and employment rules that apply at the time they are awarded. The aim of this long-term incentive programme is to ensure that the interests of the executive corporate officers remain in line with those of the shareholders. Vesting of the performance shares awarded, or exercise of options to subscribe or purchase shares, as the case may be, is subject to exacting performance conditions, combining internal criteria and external criteria which, as far as is possible, are measured while taking into consideration the performance of the Company and its Group compared to its market environment. The existing plans cover performance over at least three years.

Based on the recommendations of the Nomination, Remuneration and Governance Committee, the Board of Directors determines the bonus performance shares and options to subscribe or purchase shares to be awarded to the executive corporate officers, ensuring, in particular, that these awards, valued in accordance with IFRS 2, do not represent a disproportionate share of the total remuneration of corporate officers and that the share of the awards reserved for executive corporate officers within a plan is in accordance with market practices.

If a corporate officer stands down or is removed from office before the end of the vesting period for the performance shares or the options, the award will be cancelled, other than in those cases when the special rules relating to death or disability apply.

Welcome packages

The Company's remuneration policy does not provide for the payment of a welcome package to corporate officers.

Remuneration and commitments on departure

Executive corporate officers may benefit from certain commitments when they cease to hold office, such as severance pay and/or compensation paid under a covenant not to compete. The terms, conditions and amounts comply with the recommendations set out in the AFEP-MEDEF Corporate Governance Code.

Remuneration under agreements concluded with the Company or its Group

The Company's remuneration policy does not provide for the payment of remuneration to corporate officers under any agreement concluded with the Company or its Group.

If a corporate officer held an employment contract prior to his or her appointment, the contract is terminated or, if justified by special circumstances, suspended.

Benefits in kind, occupational insurance and retirement benefits

The benefits in kind received by corporate officers are limited to use of a company car and the payment by the Company of the contributions in respect of the insurance cover for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* - GSC). This includes the reintegration of contributions to occupational insurance plans available to them within the Group (covering healthcare, incapacity, disability and death).

If their personal circumstances permit this, corporate officers are registered with the occupational insurance plan (covering healthcare, incapacity, disability and death) and the mandatory defined contribution supplementary pension plan, like all the Company's employees.

Other remuneration

The Company's remuneration policy does not provide for the payment of any other type of remuneration to corporate officers. More specifically, they do not receive any remuneration in any form whatsoever from the Company's subsidiaries or any companies that control it.

2.4.1.2. Non-executive corporate officers

Non-executive corporate officers receive remuneration in the form of directors' fees only. The maximum amount to be allocated between the Directors as directors' fees is set by the General Meeting, and the actual apportionment of the fees between Directors is decided by the Board of Directors alone, in view of recommendations by the Nomination, Remuneration and Governance Committee. Amounts allocated may reflect specific tasks assigned to certain Directors, in which case the Directors may not all receive the same amount. Only independent Directors receive directors' fees. A majority of the fees constitutes variable remuneration, paid to award actual attendance of meetings of the Board of Directors.

2.4.2. REMUNERATION RECEIVED BY CORPORATE OFFICERS FOR THE 2018 FINANCIAL YEAR

Information concerning the remuneration received by corporate officers is presented in accordance with the provisions of the AFEP-MEDEF Code, AMF recommendation no. 2012-02 of 9 February 2012 on corporate government and remuneration of officers in companies that refer to the AFEP-MEDEF Code, most recently amended on 22 December 2015, and AMF position/recommendation no. 2009-16 of 10 December 2009 on the preparation of registration documents, most recently amended on 13 April 2015.

The information referred to in Articles L. 225-184 and L. 225-197-4 of the French Commercial Code relating to, respectively, stock options awarded during the financial year to the Company's employees and stock options exercised by said employees, and to bonus performance shares awarded during the financial year to the Company's employees and shares vesting for said employees, is presented in sections 6.4.2 and 6.4.3 on pages 275 *et seq.* of this Registration Document.

No remuneration was due to the Company's corporate officers by companies controlled by Albioma in respect of the 2017 and 2018 financial years, nor was any paid to these corporate officers by these companies during said financial years.

2.4.2.1. General remarks

On the basis of recommendations by the Nomination, Remuneration and Governance Committee¹, the Board of Directors decided to make a number of modifications to the existing terms of remuneration for corporate officers, to apply from the 2018 financial year.

■ In line with the Board's work on the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019 and the proposal by the Chairman of the Board of Directors, the Board of Directors cut the fixed remuneration of the Chairman of the Board of Directors to €100,000 as from 1 June 2018, a 56% reduction on 2017 (€229,000).

- The Board of Directors wished to introduce a mechanism to remunerate out-performance of the financial objectives set for the Chief Executive Officer, as part of his variable remuneration package. The Board of Directors verified that the envisaged mechanism was consistent with market practices and its impact would not be disproportionate, while also ensuring that it resulted in a closer correlation between remuneration paid and effective performance. The Board of Directors accordingly decided to eliminate the cap placed on the Chief Executive Officer's variable remuneration based on his financial objectives, corresponding to 66% of the amount of his target variable remuneration (which could amount to 100% of his fixed remuneration) irrespective of the performance levels achieved for each of the financial objectives, which had meant that out-performance of one of the financial indicators could be set off against underperformance of one of the other financial indicators, within this maximum percentage. The mechanism introduced by the Board of Directors accordingly allows the target variable remuneration for each of the financial objectives set for the Chief Executive Officer to be exceeded, within a limit of 110% of the target amount of the variable remuneration payable for each objective.
- Lastly, in view of the deterioration in the workplace accident frequency and severity rate indicators in 2017 (see additional information in section 1.9.2.4 on page 58 of this Registration Document), the Board of Directors decided to increase the weighting of the quantitative non-financial indicators (essentially safety-related) set for the Chief Executive Officer. The weighting of these quantitative non-financial indicators has therefore been raised to 12% of his target variable remuneration (which may amount to 100% of his fixed remuneration), compared with 8% in 2017. At the same time, the Board of Directors reduced the weighting of the qualitative non-financial indicators set for the Chief Executive Officer to 22% of his target variable remuneration, compared with 26% in 2017.

1. The Nomination, Remuneration and Governance Committee used a comparative analysis of a panel of 16 companies operating in the same industry sector and included in the SBF 120 or CAC Small 90 indexes which have similar features to Albioma in terms of revenue (the median revenue for the panel is €600 million) and market capitalisation (the median market capitalisation for the panel is €600 million). The panel used is the same as the panel used in 2017 (see additional information in section 2.4.2.1 on page 122 of this Registration Document), with the exception of Faiveley Transport and Saft Groupe, which were removed from the 2018 panel following their delisting. The composition of the panel used in 2018: Actia Group, Bénêteau, Boiron, Exel Industries, Gaztransport & Technigaz, Groupe Gorgé, Guerbet, Manutan International, Mersen, PCAS, PSB Industries, Soitec, Somfy, Thermador Group, Trigano and Virbac.

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2.4. Remuneration received by corporate officers for the 2018 financial year

2.4.2.2. Summary of remuneration received by each executive director

Summary of Jacques Pétry's remuneration as Chairman and Chief Executive Officer (up to 31 May 2016) and then as Chairman of the Board of Directors (from 1 June 2016)

<i>In thousands of euros¹</i>	2018	2017
JACQUES PÉTRY		
Chairman & Chief Executive Officer, and then Chairman of the Board of Directors²		
Remuneration for the financial year ³	-	-
Value of multi-year variable remuneration awarded during the financial year ⁴	-	-
Value of stock options awarded during the financial year ⁵	-	-
Value of bonus performance shares awarded during the financial year ⁶	-	-
Total	158.37	237.77

1. Remuneration components are presented on a gross, pre-tax basis.
2. Jacques Pétry served as Chairman and Chief Executive Officer up to 31 May 2016, and then as Chairman of the Board of Directors from 1 June 2016.
3. The total amount of the annual fixed and variable remuneration due in respect of the performance of the duties of Chairman of the Board of Directors from 1 January to 31 December of the financial year concerned. See additional information in section 2.4.2.3 on pages 123 et seq. of this Registration Document.
4. No variable multi-annual remuneration mechanism was in place in respect of the 2017 and 2018 financial years.
5. Value, on their award date, of the options to subscribe or purchase shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.6 on page 128 of this Registration Document.
6. Value, on their award date, of the bonus performance shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.7 on pages 128 et seq. of this Registration Document.

Summary of Frédéric Moyne's remuneration as Chief Executive Officer (from 1 June 2016)

<i>In thousands of euros¹</i>	2018	2017
FRÉDÉRIC MOYNE		
Chief Executive Officer²		
Remuneration for the financial year ³	543.23	551.13
Value of multi-year variable remuneration awarded during the financial year ⁴	-	-
Value of stock options awarded during the financial year ⁵	-	-
Value of bonus performance shares awarded during the financial year ⁶	224.00	-
Total⁷	767.23	551.13

1. Remuneration components are presented on a gross, pre-tax basis.
2. Frédéric Moyne served as Chief Executive Officer from 1 June 2016.
3. The total amount of the annual fixed and variable remuneration due in respect of the performance of the duties of Chief Executive Officer from 1 January to 31 December of the financial year concerned. See additional information in section 2.4.2.4 on pages 124 et seq. of this Registration Document.
4. No variable multi-annual remuneration mechanism was in place in respect of the 2017 and 2018 financial years.
5. Value, on their award date, of the options to subscribe or purchase shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.6 on page 128 of this Registration Document.
6. Value, on their award date, of the bonus performance shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.7 on pages 128 et seq. of this Registration Document.
7. Frédéric Moyne's gross variable remuneration for the period from 1 January to 31 December 2017 under his employment contract, which was suspended from 1 June 2016 to 31 May 2017 and then terminated, was €69,900, essentially corresponding to the payment of his variable remuneration under his employment contract for 2016 and payment of the corresponding expatriation allowance.

2.4.2.3. Summary of Jacques Pétry's remuneration as Chairman and Chief Executive Officer (up to 31 May 2016) and then as Chairman of the Board of Directors (from 1 June 2016)

In thousands of euros ¹	2018		2017	
	Amounts due ²	Amounts paid ³	Amounts due ²	Amounts paid ³
JACQUES PÉTRY				
Chairman and Chief Executive Officer⁴				
Fixed remuneration ⁵	-	-	-	-
Annual variable remuneration ⁶	-	-	-	173.08
Multi-annual variable remuneration ⁷	-	-	-	-
Exceptional remuneration ⁸	-	-	-	-
Directors' fees ⁹	-	-	-	-
Benefits in kind ¹⁰	-	-	-	-
Sub-total remuneration as Chairman & Chief Executive Officer	-	-	-	173.08
JACQUES PÉTRY				
Chairman of the Board of Directors⁴				
Fixed remuneration ⁵	153.75	153.75	229.00	229.00
Annual variable remuneration ⁶	-	-	-	-
Multi-annual variable remuneration ⁷	-	-	-	-
Exceptional remuneration ⁸	-	-	-	-
Directors' fees ⁹	-	-	-	-
Benefits in kind ¹⁰	4.62	4.62	8.77	8.77
Sub-total remuneration as Chairman of the Board of Directors	158.37	158.37	237.77	237.77
Total	158.37	158.37	237.77	410.84

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 and then of Chairman of the Board of Directors between 1 January and 31 December of the financial year concerned.

3. Remuneration effectively paid between 1 January and 31 December of the financial year concerned. The fixed remuneration due in respect of a financial year is paid in 12 equal instalments during said year. The variable remuneration due in respect of a financial year is paid during the following financial year.

4. Jacques Pétry served as Chairman and Chief Executive Officer up to 31 May 2016, and then as Chairman of the Board of Directors from 1 June 2016.

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

6. Additional information is provided in the rest of this section of this Registration Document.

7. No variable multi-annual remuneration mechanism was in place in respect of the 2017 and 2018 financial years.

8. No exceptional remuneration was due in respect of the 2017 and 2018 financial years, nor was any paid during these financial years.

9. See additional information in section 2.4.2.5 on pages 127 et seq. of this Registration Document.

10. Additional information is provided in the rest of this section of this Registration Document.

2 • CORPORATE GOVERNANCE

2.4. Remuneration received by corporate officers for the 2018 financial year

The principles and rules applied for the 2018 financial year by the Board of Directors to determine the remuneration and benefits of any kind received by the Chairman of the Board of Directors are described in section 2.4.1 on pages 119 *et seq.* of this Registration Document.

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

Fixed remuneration

In 2018, Jacques Pétry received the following as Chairman of the Board of Directors:

- for the period from 1 January to 31 May 2018, fixed gross annual remuneration of €229,000, payable in twelve instalments (namely, for the period in question, fixed gross remuneration of €95,416.67);
- for the period from 1 June to 31 December 2018, fixed gross annual remuneration of €100,000, 54% down on 2017 (namely, for the period in question, fixed gross remuneration of €58,333.33);

The amount of this remuneration was determined by the Board of Directors for the 2018 financial year at its meetings of 5 March 2018 and 30 March 2018.

Variable remuneration

None¹.

Benefits in kind, occupational insurance and retirement benefits

The benefits in kind to which Jacques Pétry was entitled in 2018 for his work as Chairman of the Board of Directors corresponded to:

- the value of the provision of a company car;
- the payment by the Company of the contributions to the occupational insurance plan (covering healthcare and death).

In accordance with applicable laws and regulations, Jacques Pétry, who has claimed his rights to pension benefits under the general old-age pension scheme, remains a member of the AGIRC-ARRCO mandatory group supplementary pension plan open to all Company employees categorised as executive staff, although the contributions paid in this regard cannot entitle him to additional benefits.

1. The variable remuneration received by Jacques Pétry in 2017 corresponds to his time in office as Chairman and Chief Executive Officer between 1 January and 31 May 2016.

2.4.2.4. Summary of Frédéric Moyne's remuneration as Chief Executive Officer (from 1 June 2016)

In thousands of euros ¹	2018		2017	
	Amounts due ²	Amounts paid ³	Amounts due ²	Amounts paid ³
FRÉDÉRIC MOYNE				
Chief Executive Officer⁴				
Fixed remuneration ⁵	285.00	285.00	285.00	285.00
Annual variable remuneration ⁶	217.82	239.97	239.97	120.45
Multi-annual variable remuneration ⁷	-	-	-	-
Exceptional remuneration ⁸	-	-	-	-
Directors' fees ⁹	-	-	-	-
Benefits in kind ¹⁰	40.41	40.41	26.16	8.81
Total¹¹	543.23	565.38	551.13	414.26

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

2. Remuneration components due in respect of the performance of the duties of Chief Executive Officer from 1 January to 31 December of the financial year concerned.

3. Remuneration effectively paid between 1 January and 31 December of the financial year concerned. The fixed remuneration due in respect of a financial year is paid in 12 equal instalments during said year. The variable remuneration due in respect of a financial year is paid during the following financial year.

4. Frédéric Moyne served as Chief Executive Officer from 1 June 2016.

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

6. Additional information is provided in the rest of this section of this Registration Document.

7. No variable multi-annual remuneration mechanism was in place in respect of the 2017 and 2018 financial years.

8. No exceptional remuneration was due in respect of the 2017 and 2018 financial years, nor was any paid during these financial years.

9. See additional information in section 2.4.2.5 on pages 127 et seq. of this Registration Document.

10. Additional information is provided in the rest of this section of this Registration Document.

11. Frédéric Moyne's gross variable remuneration for the period from 1 January to 31 December 2017 under his employment contract, which was suspended from 1 June 2016 to 31 May 2017 and then terminated, was €69,900, essentially corresponding to the payment of his variable remuneration under his employment contract for 2016 and payment of the corresponding expatriation allowance.

The principles and rules applied for the 2018 financial year by the Board of Directors to determine the remuneration and benefits of any kind received by the Chief Executive Officer are described in section 2.4.1 on pages 119 et seq. of this Registration Document.

Frédéric Moyne had an employment contract with the Company until 1 June 2017. The effects of this employment contract were suspended by the Board of Directors at the time he was appointed Chief Executive Officer for a limited one-year period, at the end of which period the employment contract was terminated as Frédéric Moyne had informed the Company of his decision to resign from his salaried position with effect from 1 June 2017 subject to the condition precedent that he still serve as Chief Executive Officer on that date (see additional information in section 2.4.2.8 on pages 130 et seq. of this Registration Document).

Fixed remuneration

Frédéric Moyne received all-inclusive gross annual fixed remuneration of €285,000 in 2018, payable in 12 instalments, in his capacity as Chief Executive Officer. The amount of this remuneration was determined by the Board of Directors for the 2017 financial year at its meeting of 5 March 2018. It was not increased in the 2018 financial year.

Variable remuneration

The fixed remuneration payable to Frédéric Moyne in his capacity of Chief Executive Officer for the 2018 financial year was accompanied by variable remuneration of up to 106.6% of his fixed remuneration, namely €303,810, linked to the achievement of non-financial quantitative and qualitative objectives and financial objectives set Frédéric Moyne by the Board of Directors for the 2018 financial year.

At its meeting on 7 March 2019, the Board of Directors, deciding on the basis of the recommendations of the Nomination, Remuneration and Governance Committee, conducted an assessment of Frédéric Moyne's overall performance in view of the objectives set him in respect of the 2018 financial year. In accordance with the principles adopted by the Board of Directors at its meeting of 5 March 2018, the variable component of Frédéric Moyne's remuneration for the 2018 financial year was set at €217,821.43 i.e., 76% of the fixed component of his remuneration for the same period. It was calculated as shown below:

2 • CORPORATE GOVERNANCE

2.4. Remuneration received by corporate officers for the 2018 financial year

	Weighting (% of target amount)	Target amount (in euros)	Interpolation grid				Actual performance		Variable remuneration incurred	
			0% of target amount	50% of target amount	100% of target amount	110% of target amount	In absolute terms	% of target	% of target amount of the portion related to the indicator	In euros
FINANCIAL INDICATORS¹										
2018 consolidated EBITDA (millions of euros)	22%	62,700	< 158	158	165	≥ 170	162,6	99%	83%	51,951
2018 consolidated net income, Group share (in millions of euros)	22%	62,700	< 37	37	40	≥ 43	44,2	111%	110%	68,970
2018 consolidated free cash-flow from operating activities (in millions of euros)	22%	62,700	< 118	118	125	≥ 130	97,2	78%	-	-
Sub-total financial indicators	66%	188,100							64%	120,921
QUANTITATIVE NON-FINANCIAL INDICATORS										
Fall in workplace accident frequency rate in 2018 compared to 2017 (%) ²	6%	17,100	≤ 0%		≥ (20%)	n/a	(43%)	215%	100%	17,000
Fall in workplace accident severity rate in 2018 compared to 2017 (%) ³	6%	17,100	≤ 0%		≥ (20%)	n/a	(55%)	275%	100%	17,100
Sub-total quantitative non-financial indicators	12%	34,200							100%	34,200
QUALITATIVE NON-FINANCIAL INDICATORS										
Qualitative targets ⁴	22%	62,700							100%	62,700
Sub-total qualitative non-financial indicators	22%	62,700							100%	62,700
Total	100%	285,000							76%	217,821

1. Should the target set for the Chief Executive Officer for each of the three financial objectives exceed 103% of the 2018 consolidated EBITDA target, 107% of the 2018 consolidated net income, Group share target, and 104% of the 2018 consolidated free cash flow from operating activities target, the portion of his variable remuneration for each of the financial objectives will be capped at 110% of the target amount of variable remuneration corresponding to each of these targets.

2. Number of workplace accidents involving Group staff resulting in over 24 hours lost time per million hours worked (all businesses and all geographic areas).

3. Number of days' sick leave (lost-time >24 h) due to workplace accidents involving Group staff per thousand hours worked (all businesses and all geographic areas).

4. The non-financial qualitative objectives set for Frédéric Moyné for 2018 were linked to the implementation of the safety initiative (5.5% weighting), human resources (5.5% weighting) and development (two objectives given a 5.5% weighting). On the basis of the assessment by the Board of Directors of Frédéric Moyné's performance in view of these objectives, and as recommended by the Nomination, Remuneration and Governance Committee, the Board determined that he achieved 100% of the qualitative non-financial objectives set for him for the 2018 financial year. In the course of this analysis, the Board of Directors in particular recorded strong performances with respect to employee safety (including the qualitative initiative to roll out the safety master plan), the very significant strengthening of the critical teams the weakness of which had been identified by the Board of Directors, major progress on the energy transition in the French Overseas departments and territories with, in particular, the signing with EDF of the rider to the agreement to sell electricity from the ALM-3 unit (formerly Albioma Caraïbes) with a view to converting it to biomass, and major successes developing the Solar Power business with, in particular, the acquisition of Eneco France and a marked pick-up in the development of new projects, as well as internationally with the completion of the acquisition of 60% of Jalles Machado Group's second co-generation unit in Brazil.

Benefits in kind, occupational insurance and retirement benefits

The benefits in kind to which Frédéric Moyné was entitled in his capacity as Chief Executive Officer for the 2018 financial year corresponded to:

- the value of the provision of a company car;
- the payment by the Company of the contributions in respect of the insurance cover for loss of employment for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* - GSC);

- the reintegration of contributions to the occupational insurance plan over and above the maximum amounts set in applicable laws and regulations.

Frédéric Moyné remained a member of the occupational insurance plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory group supplementary pension plan open to all the Company's employees categorised as executive staff. His membership of the mandatory group supplementary defined contribution pension plan open to all Company employees was maintained.

2.4.2.5. Directors' fees and other remuneration received by non-executive corporate officers

In thousands of euros ¹	2018		2017	
	Amount due ²	Amounts paid ³	Amount due ²	Amounts paid ³
JEAN-CARLOS ANGULO	37.19	27.50	27.50	25.95
Directors' fees	37.19	27.50	27.50	25.95
Other remuneration	-	-	-	-
MICHEL BLEITRACH⁴	24.21	55.00	55.00	53.45
Directors' fees	24.21	55.00	55.00	53.45
Other remuneration	-	-	-	-
FRÉDÉRIC MOYNE	23.38	-	-	-
Directors' fees	23.38	-	-	-
Other remuneration	-	-	-	-
PIERRE BOUCHUT⁵	-	-	-	-
Directors' fees	-	-	-	-
Other remuneration	-	-	-	-
BPIFRANCE INVESTISSEMENT	34.64	27.50	27.50	25.95
Directors' fees	34.64	27.50	27.50	25.95
Other remuneration	-	-	-	-
MARIE-CLAIRE DAVEU	-	-	-	-
Directors' fees	-	-	-	-
Other remuneration	-	-	-	-
FINANCIÈRE HÉLIOS	33.64	27.50	27.50	19.44
Directors' fees	33.64	27.50	27.50	19.44
Other remuneration	-	-	-	-
VALÉRIE LANDON⁶	-	17.66	17.66	27.50
Directors' fees	-	17.66	17.66	27.50
Other remuneration	-	-	-	-
MICHÈLE REMILLIEUX⁷	34.64	7.29	7.29	-
Directors' fees	34.64	7.29	7.29	-
Other remuneration	-	-	-	-
ULRIKE STEINHORST⁸	-	-	-	8.06
Directors' fees	-	-	-	8.06
Other remuneration	-	-	-	-
DANIEL VALOT⁹	-	-	-	8.06
Directors' fees	-	-	-	8.06
Other remuneration	-	-	-	-
Sous-total jetons de présence	187.71	162.45	162.45	160.35
Sous-total autres rémunérations	-	-	-	-
Total	187.71	162.45	162.45	160.35

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 in question. Unless a Director leaves office mid-year, the directors' fees owed for a given financial year are paid during the next financial year.

4. Michel Bleitrach only served as Director in 2018 up to 30 May when his term of office expired. He did not ask to be reappointed.

5. Pierre Bouchut only served as Director in 2018 as from his appointment by the General Meeting of 30 May 2018.

6. Valérie Landon served as Director in 2016 only as from her provisional appointment by the Board of Directors on 13 April 2016.

7. Michèle Remillieux served as Director in 2017 only until 19 September 2017, on which date she resigned.

8. Ulrike Steinhorst served as Director in 2017 only as from her provisional appointment by the Board of Directors on 19 September 2017.

9. Daniel Valot served as Director in 2016 only until 13 April 2016, on which date he resigned.

2 • CORPORATE GOVERNANCE

2.4. Remuneration received by corporate officers for the 2018 financial year

Additional 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 General Meeting of 24 May 2016 at €192,500 for the 2016 financial year and all subsequent years, compared to €165,000 for the 2015 financial year. Shareholders accordingly approved the proposal by the Board of Directors to increase the total amount to be allocated between the Directors as directors' fees, to permit the remuneration of a sixth independent Director, which is consistent with the work carried out by the Board of Directors to change its membership, which is likely to result in a lasting increase in the number of independent Directors, who are the only Directors who receive directors' fees. This proposal, which was approved by the General Meeting by a large majority, did not require any changes to the individual terms of remuneration of the independent Directors currently in office.

For the period from 1 January to 31 May 2018, the Board of Directors continued to apply the rules for allocating directors' fees approved at its 4 March 2014 meeting:

- as was previously the case, only the independent Directors were entitled to receive directors' fees;
- independent Directors were entitled to a fixed lump-sum directors' fee, calculated on a pro rata 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 specialised Committees of the Board of Directors;
 - €39,500 per financial year for the Deputy Chairman of the Board of Directors, who is also Lead Independent Director, Chairman of the Audit, Accounts and Risks Committee, member of the Commitments Committee and a member of the Nomination and Remuneration Committee (now called the Nomination, Remuneration and Governance Committee);
- independent Directors were 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 meetings of the Board of Directors held during the said financial year.

For the period from 1 June to 31 December 2018, the Board of Directors applied the new rules approved at its 5 March 2018 meeting to allocate the aforementioned directors' fees:

- as was previously the case, only the independent Directors receive directors' fees;
- independent Directors are entitled to a fixed lump-sum directors' fee, calculated on a pro rata basis if their appointment relates to part of a financial year only, of €12,000 per financial year plus, for independent Directors chairing a specialised Committee, an additional fixed entitlement of €6,000 per financial year and per Committee chaired;
- independent Directors also receive a variable payment of €1,700 per meeting of the Board of Directors (provided they actually participate in these meetings), up to a maximum of €11,900 per Director per annum, and of €850 euros per meeting of a specialised Committee (provided they actually participate in these meetings), up to a maximum of €5,950 per Director per annum for the Commitments Committee and of €3,400 per Director per annum for the other Committees.

2.4.2.6. Options to subscribe or purchase shares

None (see additional information in section 6.4.2 on page 275 of this Registration Document).

2.4.2.7. Bonus performance share awards

The information that follows, together with the information in section 6.4.3 on pages 275 *et seq.* of this Registration Document, constitutes the report of the Board of Directors referred to in Article L. 225-197-4 of the French Commercial Code.

The table below shows only data relating to the bonus performance share plans still in effect as at 31 December 2018 or those expired during the 2018 financial year, and that are/ were open to corporate officers, i.e.:

- the plan set up as a result of the resolutions adopted by the General Meeting of 24 May 2016 for managers and administrative staff of the Company and certain subsidiaries ("2016 managers and administrative staff" plan), under which 494,808 performance shares were awarded, corresponding to 1.60% of the share capital as at 31 December 2018, out of the 596,000 performance shares that could be awarded under the authorisation granted by the General Meeting, corresponding to 1.93% of the share capital as at 31 December 2018⁽¹⁾;
- the plan approved by the General Meeting of 30 May 2018 for Company employees and certain employees of its subsidiaries ("2018" plan), under which 309,600 performance shares were awarded, representing 1.00% of the share capital at 31 December 2018, out of the 919,000 performance shares that could be awarded under the authorisation granted by the General Meeting, representing 2.97% of the share capital at 31 December 2018, this plan representing the

1. See additional information in section 6.4.3.1 on pages 276 *et seq.* of this Registration Document on the bonus performance share plans for other Group employees, set up under the same authorisation granted by the General Meeting.

first phase of a three-plan ensemble staggered from 2018 to 2020, each of which involving around 1.00% of the share capital¹.

The main terms and conditions of each of the bonus performance share plans existing as at 31 December 2018 are described in section 6.4.3.1 on pages 276 *et seq.* of this Registration Document. The following provisions apply in particular to the awards made to the corporate officers:

- the number of bonus performance shares that may be awarded to the corporate officers was limited to 119,200, i.e. 20% of the total number of bonus performance shares that could be awarded under the plan set up as a result of the resolutions adopted at the General Meeting of 24 May 2016; and 91,900, i.e. 10% of the total number of bonus rights that could be awarded under the plan set up as a result of the resolutions adopted at the General Meeting;

- vesting of the bonus performance shares awarded to the corporate officers is not subject to an obligation to acquire a pre-determined number of the Company's shares in the market (see additional information in section 6.4.3.1 on pages 276 *et seq.* of this Registration Document);
- the corporate officers are required, in the event of the vesting of bonus performance shares, to comply with an obligation to retain in registered form 25% of the number of performance shares vested until the expiry of their terms of office; this obligation applies, as the case may be, in addition to the general lock-in obligation for all vested performance shares;

Plans still in effect were not in any way hedged at 31 December 2018.

Bonus performance shares awarded during the 2018 financial year to each corporate officer

	Date of the General Meeting	Date of the Board of Directors' meeting	Number of shares awarded during the financial year	Value of shares awarded during the financial year (in thousands of euros) ²	Vesting date	Availability date	Performance conditions
JACQUES PÉTRY Chairman of the Board of Directors	n/a	n/a	-	-	n/a	n/a	n/a
FRÉDÉRIC MOYNE Chief Executive Officer	30/05/2018	30/05/2018 ³	30,620	224.03	30/05/2021	See note 3	See note 4
Total			30,620	224.03			

1. Allotments under the "2018" plan for staff of the Company and certain staff members of its subsidiaries.

2. Value, on their allotment date, of the shares allotted, determined in accordance with IFRS 2.

3. Vesting shares are subject to a general one-year lock-in commitment from their vesting date. The Chief Executive Officer is moreover bound by an obligation to retain in registered form 25% of the number of vested performance shares until he ceases to hold office.

4. See additional information in section 6.4.3.1 on page 280 of this Registration Document.

Bonus performance shares vesting during the 2018 financial year for each corporate officer

None.

History of bonus performance shares awarded

See additional information in section 6.4.3.1 on pages 275 *et seq.* of this Registration Document.

1. See additional information in section 6.4.3.1 on page 281 of this Registration Document on the bonus performance share plan set up in 2019 under the same authorisation granted by the General Meeting.

2 • CORPORATE GOVERNANCE

2.4. Remuneration received by corporate officers for the 2018 financial year

2.4.2.8. Contracts of employment, supplementary pension plans and remuneration payable on departure

	Employment contract		Supplementary retirement plan		Compensation or benefits owed or likely to be owed due to expiry, termination or change of position/office		Compensation under a no-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
JACQUES PÉTRY Chairman of the Board of Directors ¹		x		x ²		x ³		x ⁴
FRÉDÉRIC MOYNE Chief Executive Officer ⁵		x ⁶		x ⁷		x ⁸		x ⁹

1. Jacques Pétry was appointed Chairman of the Board of Directors on 1 March 2016, with effect from 1 June 2016, for a four-year term of office to expire at the close of the General Meeting to be held in 2020 to vote on the financial statements for the 2019 financial year.

2. Jacques Pétry does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1⁽⁶⁾ of the French Commercial Code.

3. Since 1 June 2016, in accordance with the decisions adopted by the Board of Directors at its meeting of 1 March 2016, Jacques Pétry will not receive severance pay in the event he is removed from office as Chairman of the Board of Directors or his appointment is not renewed.

4. Since 1 June 2016, in accordance with the decisions adopted by the Board of Directors at its meeting of 1 March 2016, Jacques Pétry will no longer be bound by a covenant not to compete when he ceases to serve as Chairman of the Board of Directors.

5. Frédéric Moyne was appointed Chief Executive Officer on 1 March 2016, with effect from 1 June 2016, for a four-year term of office to expire at the close of the General Meeting to be held in 2020 to vote on the financial statements for the 2019 financial year.

6. At its meeting of 1 March 2016, the Board of Directors had decided to maintain Frédéric Moyne's employment contract for a limited period of one year from the effective date of his appointment as Chief Executive Officer, and recorded its automatic suspension. See the additional information below.

7. Frédéric Moyne does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1⁽⁶⁾ of the French Commercial Code.

8. Since 1 June 2016, Frédéric Moyne is entitled to severance pay from 1 June 2017 in the event he is removed from office as Chief Executive Officer, the terms and conditions of which are described in this section of this Registration Document.

9. Since 1 June 2016, Frédéric Moyne is bound by a covenant not to compete in the event he is removed from office as Chief Executive Officer, the terms and conditions of which are described in this section of the Registration Document.

Additional information on the effective termination of Frédéric Moyne's employment contract in 2017

At its meeting of 1 March 2016, the Board of Directors reviewed the position of Frédéric Moyne with regard to his employment contract with the Company. In this regard, the Board of Directors noted that:

- by 1 June 2016, Frédéric Moyne would have completed more than 17 years' service within the Group;
- under the loss of employment insurance taken out on his behalf as from 1 June 2016, he would only become entitled to compensation if he were removed from office on or after 1 June 2017;
- the contractual provisions applicable to the termination of Frédéric Moyne's employment contract would guarantee him, in the event of termination of said contract for just cause (excluding serious or gross misconduct), compensation of around 8.4 months' remuneration;
- it would have been inequitable to suddenly deprive Frédéric Moyne of the protection mechanisms from which he could benefit in the event of the termination of his employment contract (severance pay and the benefit of unemployment insurance).

In view whereof, the Board of Directors, ruling on the basis of the recommendations of the Nomination and Remuneration Committee (now called the Nomination, Remuneration and

Governance Committee), had decided to approve the principle of maintaining Frédéric Moyne's employment contract for a period of one year as from 1 June 2016, although the effects of said contract are suspended during that period.

As Frédéric Moyne resigned from his salaried duties with deferred effect from 1 June 2017 subject to the sole condition precedent that he was still the Company's Chief Executive Officer on that date, his resignation became effective on 1 June 2017, on which date his employment contract was terminated.

Additional information on the severance payment and covenant not to compete in the event Frédéric Moyne is removed from office as Chief Executive Officer

Severance pay

Principles

At its meeting of 1 March 2016, the Board of Directors put in place, for the benefit of Frédéric Moyne in his capacity as Chief Executive Officer, all-inclusive severance pay which would be implemented as from the first day of the second year following the date on which his appointment as the Company's Chief Executive Officer came into effect (i.e., 1 June 2017). The terms and conditions of this severance pay are set out below. The terms of payment of such severance pay were approved by the General Meeting of 24 May 2016, voting on the special report by the Statutory Auditors in accordance with Article L. 225-42-1 of the French Commercial Code (6th resolution).

Assumptions concerning termination of office that are eligible for the payment of the all-inclusive severance pay

The all-inclusive severance pay will be due and paid in the event Frédéric Moyne is removed from his office as Chief Executive Officer or his term of office is not renewed, unless said removal or non-renewal is due to:

- any wrongdoing or misconduct characterised under employment law as:
 - serious misconduct (*faute grave*), wherein the degree of seriousness derives from the deliberate nature of the misconduct and the seriousness – assessed in view of the size of the Group and its business activities – of the resulting consequences, or
 - gross misconduct (*faute lourde*), i.e., misconduct committed with the intention of harming the Company or its Group, including in particular the intentional or repeated breach of limitations placed on his powers (statutory or extra-statutory) or by resolutions adopted by the General Meeting, or any action constituting a criminal offence perpetrated personally when a Group company is the victim or this could harm the Group's reputation;
- Frédéric Moyne's failure to comply with his exclusivity, non-compete and loyalty obligations incumbent upon him in connection with his corporate office.

The all-inclusive severance pay is not paid in the event the termination of office is due to resignation.

Maximum amount of severance payment

The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding that date (the "Reference Remuneration").

In the absence of a sufficiently long reference period, the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

Performance conditions

The all-inclusive severance payment will be due and paid only if the amounts received by Frédéric Moyne or owed to him in connection with the variable component of his remuneration in respect of the two financial years preceding the date on which his term of office ends represent, on average, a percentage equal to or greater than 50% of the maximum possible variable component that could be awarded in respect of said financial years.

By exception, if the available reference period only allows one financial year to be taken into account, Frédéric Moyne will be assumed to have satisfied the aforementioned performance conditions, unless the Board of Directors demonstrates that his actual performance during the period preceding the date on which he ceases to hold office would not have qualified him to receive variable remuneration at least equal to 50% of the maximum amount that could be awarded to him in respect of said financial year.

Non-compete covenant

Principles

At its meeting of 1 March 2016, the Board of Directors put in place, for the benefit of Frédéric Moyne, in his capacity as Chief Executive Officer, a mechanism for the payment of compensation under a covenant not to compete which could be implemented as from the date on which his appointment as the Company's Chief Executive Officer comes into effect (i.e., 1 June 2016). The terms and conditions of this mechanism are set out below. The terms were approved by the General Meeting of 24 May 2016, voting on the special report by the Statutory Auditors in accordance with Article L. 225-42-1 of the French Commercial Code (7th resolution).

Covenant not to compete: implementation procedures

In the event Frédéric Moyne ceases to serve as Chief Executive Officer, the Board of Directors shall meet in the following month to decide, at its discretion, whether it wishes to waive the covenant not to compete.

Nature and duration of Frédéric Moyne's obligations

If the covenant not to compete is implemented, Frédéric Moyne will not be permitted, for 12 months after he ceases to serve as the Company's Chief Executive Officer, for whatever reason, to:

- work, in any form whatsoever (employment contract, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (material in terms of revenue) compete with the business activities of the Company and its Group on the date on which he ceases to hold office and is communicated to the market (as of 1 March 2016, these activities are thermal biomass, anaerobic digestion and solar power), this prohibition applying only:
 - in those countries in which at least one of said activities of the Company and its Group represents installed capacity of at least 40 MW on the date on which he effectively ceases to hold office; and
 - to the sole activity or activities of the Company and its Group that have, in said country, achieved or exceeded this threshold on the date on which he effectively ceases to hold office;

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2.4. Remuneration received by corporate officers for the 2018 financial year

- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the share capital or voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Company or its Group, on the date on which he effectively ceases to hold office;
- incite any customer, supplier or partner of the Company or its Group to break off or curtail its business relationships with the Company or its Group, or incite any prospective customer not to enter into a business relationship with the Company or its Group;
- hire any officer, senior manager or employee of the Company or its Group, or incite any such officer, senior manager or employee to terminate his/her employment contract or leave the Company or its Group.

Financial compensation

If the covenant not to compete is implemented, the execution of the obligations described above will result in the payment of compensation equal to six months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the date on which he ceases to hold office (the "Reference Remuneration").

In the absence of a sufficiently long reference period:

- the fixed remuneration used to calculate the Reference Remuneration will be equal to the gross annual fixed remuneration due in respect of the financial year during which he ceases to hold office;
- the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

2.4.2.9. Service agreements entered into with the corporate officers

None.

2.4.3. REMUNERATION RECEIVED BY CORPORATE OFFICERS FOR THE 2019 FINANCIAL YEAR

On the basis of recommendations by the Nomination, Remuneration and Governance Committee, the Board of Directors decided to make a number of amendments to the existing terms of remuneration for corporate officers. These amendments were linked to the decision of the Board of Directors to merge, following the General Meeting of 27 May 2019, the roles of Chairman of the Board of Directors and of Chief Executive Officer, and to appoint Frédéric Moyne Chairman of the Board of Directors, succeeding Jacques Pétry who will then tender his resignation from all his offices to the Board of Directors.

- The Board of Directors wanted to reflect the significant changes to the duties of the Chief Executive Officer following his appointment, at the General Meeting of 27 May 2019, as Chairman of the Board of Directors. As a result, the Board of Directors decided to increase the fixed remuneration of the Chief Executive Officer, following and subject to the merging of the roles of Chairman of the Board of Directors and of the Chief Executive Officer, by 22.8% to a fixed gross amount of €350,000 per annum, positioned at the median of the panel used by the Nomination, Remuneration and Governance Committee.
- The Board of Directors moreover wished to introduce into the variable remuneration package of the Chief Executive Officer a more effective mechanism for remunerating out-performance, while limiting this mechanism to his financial objectives. The Board of Directors verified that the envisaged mechanism was consistent with market practices and its impact would not be disproportionate, while also ensuring that it resulted in a closer correlation between remuneration paid and effective performance. The Board of Directors thus decided, where there is a particularly marked out-performance of each of the financial objectives assigned to the Chief Executive Officer, to allow the target remuneration pertaining to each of these objectives to rise to 150% (from 110% in 2018) of the target amount of the portion of the variable remuneration allocated to each of said objectives.

1. The Nomination, Remuneration and Governance Committee used a comparative analysis of a panel of 17 companies operating in the same industry sector and included in the SBF 120 or CAC Small 90 indexes which have similar features to Albioma in terms of revenue (the median revenue for the panel is €290 million) and market capitalisation (the median market capitalisation for the panel is €1,000 million). The chosen panel is unchanged from the panel used in 2018 (see additional information in section 2.4.2.1 on page 121 of this Registration Document, except for Neoen, which was added to the panel in 2019 following its listing, and the replacement on the panel of Actia Group for Voltalia, given the stronger correlation of the latter's activities with the Group's. Composition of the panel used in 2019: Bénéteau, Boiron, Exel Industries, Gaztransport et Technigaz, Groupe Gorgé, Guerbet, Manutan International, Mersen, Neoen, PCAS, PSB Industries, Soitec, Somfy, Thermador Group, Trigano, Virbac and Voltalia.

- Lastly, the Board of Directors wished to add, as part of the quantitative non-financial objectives assigned to the Chief Executive Officer, to the objectives pertaining to the improvement in workplace accident frequency and severity rates an objective to improve the Group's non-financial rating from Vigeo Eiris, following the evaluation process undertaken by the Group in 2017. Following the introduction of this new objective, which makes it possible to more broadly evaluate the Group's non-financial performance, the Board of Directors revised the weighting assigned each quantitative non-financial objective, these nevertheless continuing to be weighted at 12% of the target variable portion of the Chief Executive Officer's remuneration.

2.4.3.1. Remuneration payable to Jacques Pétry, Chairman of the Board of Directors

Fixed remuneration

In his capacity as Chairman of the Board of Directors, and until the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer, Jacques Pétry will receive, for the 2019 financial year, all-inclusive gross annual fixed remuneration of €100,000 payable in 12 instalments, which is the same as in 2018.

Variable remuneration

None.

Bonus performance share plans and options to subscribe or purchase shares

None.

Benefits in kind, occupational insurance and retirement benefits

The benefits in kind to which Jacques Pétry will be entitled in his capacity as Chairman of the Board of Directors for the 2019 financial year will correspond exclusively to:

- the value of the provision of a company car;
- the payment by the Company of the contributions to the occupational insurance plan (covering healthcare and death).

In accordance with applicable laws and regulations, Jacques Pétry, who has claimed his rights to pension benefits under the general old-age pension scheme, will remain a member of the AGIRC-ARRCO mandatory group supplementary pension plan for executive staff, although the contributions paid in this regard cannot entitle him to additional benefits.

2.4.3.2. Remuneration payable to Frédéric Moyne, Chief Executive Officer

Fixed remuneration

In his capacity as Chief Executive Officer, Frédéric Moyne will receive the following in respect of the 2019 financial year:

- up to the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019, fixed gross annual remuneration of €285,000, at the same level as in 2018, payable in twelve instalments;
- as from the merging of the roles of Chairman of the Board of Directors and of Chief Executive Officer following the General Meeting of 27 May 2019, fixed gross annual remuneration of €350,000, 22.8% up on 2018 (see additional information in section 2.2.1 on pages 72 *et seq.* of this Registration Document).

Variable remuneration

In addition to the fixed remuneration payable to Frédéric Moyne in his capacity as Chief Executive Officer in respect of the 2018 financial year, he will also receive variable remuneration capped at 133% of his fixed remuneration, i.e., €465,550 (based on fixed annual remuneration of €350,000). The target amount of this variable remuneration is set at 100% of the fixed remuneration, i.e., €350,000. Payment of this variable remuneration will be subject to the shareholders voting, at the General Meeting held in 2020 to vote on the financial statements for the 2019 financial year, in favour of the remuneration allocated to the Chief Executive Officer for the 2019 financial year (see additional information in section 2.4.4 on page 135 of this Registration Document).

The actual amount of this variable remuneration will be calculated as shown below, depending on the degree to which Frédéric Moyne achieves the non-financial quantitative and qualitative objectives set for him by the Board of Directors for the 2019 financial year.

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2.4. Remuneration received by corporate officers for the 2018 financial year

	Pondération (en % du montant cible)	Grille d'interpolation			
		0 % du montant cible	50 % du montant cible	100 % du montant cible	150 % du montant cible
FINANCIAL INDICATORS¹					
2019 consolidated EBITDA (millions of euros)	22%	< 97% of target	97% of target	100% of target	≥ 105% of target
2019 consolidated net income, Group share (in millions of euros)	22%	< 95% of target	95% of target	100% of target	≥ 110% of target
2019 consolidated free cash-flow from operating activities (in millions of euros)	22%	< 90% of target	90% of target	100% of target	≥ 130% of target
Sub-total financial indicators	66%				
QUANTITATIVE NON-FINANCIAL INDICATORS					
Fall in workplace accident frequency rate in 2019 vs. 2018 (absolute terms) ²	3%	≥ 12.50		≤ 10.25	
2019 workplace accident severity rate under the Group target of 0.5 and improvement on 2018 (absolute terms) ³	3%	≥ 0.50		≤ 0.41	
Improvement in the Group's Vigeo Eiris rating in 2019 compared with 2017 (in points) ⁴	6%	< 50.0	50.0	≥ 53.0	
Sub-total quantitative non-financial indicators	12%				
QUALITATIVE NON-FINANCIAL INDICATORS					
Qualitative targets ⁵	22%				
Sub-total qualitative non-financial indicators	22%				
Total	100%				

1. Should the target set for the Chief Executive Officer for each of the three financial objectives exceed 105% of the 2019 consolidated EBITDA target, 110% of the 2019 consolidated net income, Group share target, and 130% of the 2019 consolidated free cash flow from operating activities target, the portion of his variable remuneration for each of the financial objectives will be capped at 150% of the target amount of variable remuneration corresponding to each of these targets.

2. Number of workplace accidents involving Group staff resulting in over 24 hours lost time per million hours worked (all businesses and all geographic areas).

3. Number of days' sick leave (lost-time >24 h) due to workplace accidents involving Group staff per thousand hours worked (all businesses and all geographic areas).

4. Rating obtained by the Group following an assessment by Vigeo Eiris, a non-financial rating agency.

5. The qualitative non-financial objectives set Frédéric Moyne for the 2019 financial year are linked to the improvement in the Group's non-financial performance (5.5% weighting), human resources and talent management (5.5% weighting), expected progress on projects tied to the energy transition in the Thermal Biomass business in French overseas departments and territories (5.5% weighting) and expected progress on other development projects, particularly in Solar Power and internationally (5.5% weighting).

Bonus performance share plans and options to subscribe or purchase shares

Under the remuneration policy for corporate officers put to the General Meeting of 30 May 2018 and approved by a large majority, Frédéric Moyne was awarded 30,620 performance shares under a "2019 plan" established by the Board of Directors on 7 March 2019 on the basis of the authorisation granted by the General Meeting of 30 May 2018. The plan established, under which 305,420 performance shares were awarded, representing 0.99% of the share capital at 31 December 2018, out of the 919,000 performance shares that could be awarded under the authorisation granted by the General Meeting, representing 2.97% of the share capital at 31 December 2018, this plan representing the second phase of a three-plan ensemble staggered from 2018 to 2020, each of which involving around 1.00% of the share capital¹.

1. See additional information in sections 6.4.1 on page 275 and 6.4.3.1 on page 280 of this Registration Document on the bonus performance share plan set up in 2018 under the same authorisation granted by the General Meeting.

Benefits in kind, occupational insurance and retirement benefits

The benefits in kind to which Frédéric Moyne will be entitled in his capacity as Chief Executive Officer for the 2019 financial year will correspond to:

- the value of the provision of a company car;
- the payment by the Company of the contributions in respect of the insurance cover for loss of employment for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC*);
- the reintegration of contributions to the occupational insurance plan over and above the maximum amounts set in applicable laws and regulations.

Frédéric Moyne will remain a member of the occupational insurance plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory group supplementary pension plan open to all the Company's employees categorised as executive staff. His membership of the mandatory group supplementary defined contribution pension plan open to all Company employees will be maintained.

Remuneration and commitments on departure

In 2019, Frédéric Moyne will benefit from the commitments described in section 2.4.2.8 on pages 130 *et seq.* of this Registration Document.

2.4.4. SHAREHOLDERS' VOTE ON THE REMUNERATION OF CORPORATE OFFICERS

At the General Meeting of 30 May 2018, a large majority approved the remuneration package owed or awarded to the Chairman of the Board of Directors and the Chief Executive Officer (approved by 98.93% and 99.70%, respectively, compared with 99.29% and 99.67% at the General Meeting of 31 May 2017), as presented to them.

Furthermore, at the General Meeting of 30 May 2018, the shareholders also voted by a large majority in favour of the remuneration policy proposed by the Board of Directors with effect from 1 January 2018 for non-executive corporate officers (adopted by 99.74%) and executive corporate officers (adopted by 97.88%).

At the General Meeting of 27 May 2019, the shareholders will once again be asked to vote, in the form of a binding vote, in favour of the remuneration due or paid to the Chairman of the Board of Directors and the Chief Executive Officer for the 2018 financial year. The Chief Executive Officer's variable remuneration will only be paid for that financial year provided the shareholders vote in favour thereof at the General Meeting. A summary of the remuneration components to be voted on is provided in section 7.2.1.3 on pages 293 *et seq.* of this Registration Document.

The General Meeting of 27 May 2019 will also be asked to vote on the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of remuneration and benefits payable to the Chairman of the Board of Directors and the Chief Executive Officer for the 2019 financial year. Summary information on the remuneration components to be voted on is provided in section 7.2.1.4 on pages 296 *et seq.* of this Registration Document.

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2.5. Summary of trading in 2018 in the Company's shares by the corporate officers, their family and friends

2.5. Summary of trading in 2018 in the Company's shares by the corporate officers, their family and friends

Pursuant to Article 223-26 of the AMF's General Regulations, the table below shows the transactions reported during the 2018 financial year by the corporate officers, their families 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
Financière Hélios	Shares	Cession	15/03/2018	OTC	18.70	37,400,000.00	2,000,000	2018DD542010
Amboise SNC ¹	Shares	Cession	06/04/2018	Euronext Paris	19.50	571,681.50	29,317	2018DD544892
Amboise SNC ¹	Shares	Cession	09/04/2018	Euronext Paris	19.54	195,614.94	10,011	2018DD545092
Amboise SNC ¹	Shares	Cession	10/04/2018	Euronext Paris	19.59	412,741.71	21,069	2018DD059242
Jacques Pêtry	Shares	Cession	18/09/2018	Euronext Paris	19.42	21,841.88	1,125	2018DD578999
Jacques Pêtry	Shares	Cession	18/09/2018	Euronext Paris	19.42	17,942.32	924	2018DD579001
Frédéric Moyné	Warrants ²	Souscription	04/12/2018	OTC	0.90	99,585.00	110,650	2018DD587242

1. Company tied to Maurice Tchenio, permanent representative of Financière Hélios in its capacity as Director of Albioma.

2. "BSAAR" warrants (see additional information in section 6.2.2.2 on pages 266 et seq. of this Registration Document).

2.6. AFEP/MEDEF Code recommendations not applied by the Company

AFEP/MEDEF Code recommendations	Company's explanations
<p>Requirement to retain shares</p> <p>§ 22 of the AFEP-MEDEF Code: "The Board of Directors sets a minimum number of shares that corporate officers are required to keep in registered form throughout their term of office. This decision is reviewed at least each time a term of office is renewed. [...] Until this minimum is achieved, corporate officers are required to allocate to this end a portion determined by the Board of the option exercises or performance shares they receive. This information can be found in the corporate governance report."</p>	<p>Corporate officers are only formally required to keep in registered form, until the end of their terms of office, 25% of the performance shares vesting under the bonus performance share plans for which they are eligible, as the Board of Directors has not introduced any separate rule that would require them to hold an increasing number of shares throughout their terms of office.</p> <p>However, the very large number of shares held by the Chairman of the Board of Directors and by the Chief Executive Officer as at 31 December 2018 is sufficient to act as an incentive for them to take a long-term approach and exposes them to a significant level of risk that ensures their interests are aligned with those of the shareholders. The subscription by the Chief Executive Officer of a significant number of warrants under the Group's investment plan for key managers launched by the Board of Directors in 2018 improves this alignment.</p> <p>See additional information in sections 2.4.2.7 on pages 128 et seq. and 6.4.3.1 on page 276 et seq. of this Registration Document.</p>

2.7. Related-party agreements and commitments, information on related parties

2.7.1. SPECIAL REPORT BY THE STATUTORY AUDITORS ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

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

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company, we are pleased to present our report on the related-party agreements and commitments.

We are required to present to you, on the basis of information provided to us, the features and main terms and conditions of the agreements and commitments we have been informed of or that we have identified in the course of our audit work, and the reasons why they are in the interest of the Company. We are not required to comment as to whether they are beneficial or appropriate, or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code, 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 French Commercial Code concerning the continued performance during the last financial year of the agreements previously approved by the General Meeting.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of assignment. These procedures consisted in verifying that the information provided to us is consistent with the original documentation from which it was extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

Agreements and commitments approved and entered into during the past financial year

We have not been advised of any agreement or commitment authorised and entered into during the past financial year and submitted for approval by the General Meeting in accordance with Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in previous financial years and performed during the past financial year

Pursuant to Article R. 225-30 of the French 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 General Meeting in the previous financial year.

Severance payment in the event Frédéric Moyne ceases to serve as Chief Executive Officer (effective from 1 June 2016)

Officer concerned

Frédéric Moyne, Chief Executive Officer of the Company (appointment on 1 March 2016, effective on 1 June 2016)

Date of authorisation by the Board of Directors

1 March 2016

Date of approval by the General Meeting

24 May 2016

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2.7. Related-party agreements and commitments, information on related parties

Reason for continued performance of the commitment

On 7 March 2019, the Board of Directors reviewed the above-mentioned commitment in accordance with Article L. 225-40-1 of the French Commercial Code:

- reiterated the reasons that had led it to authorise this commitment, and noted in this respect that the items of remuneration payable if Frédéric Moyne ceases to hold office (severance payment and compensation under the covenant not to compete) were justified, in particular in view of:
 - the number of years Frédéric Moyne has worked for the Group as at 1 June 2016, date on which he took up office (over 17 years);
 - the loss by Frédéric Moyne of the protection afforded in the event of termination of his employment contract for a genuine and serious cause (other than gross or serious negligence) after 1 June 2017;
 - the imperative need, in view of Frédéric Moyne's experience, skills and number of years with the Group, to enable the Company to compel him to comply with a covenant not to compete if he leaves the Group;
 - the aggregate compensation payable following the combined implementation of the severance payment and the covenant not to compete (21 months' remuneration), which is less than the maximum amounts recommended by the AFEP-MEDEF Code and the amounts paid in comparable companies (24 months' remuneration);
- noted that as Frédéric Moyne's legal situation has not changed since 1 June 2016, as he has continued to serve as Chief Executive Officer, the continued maintenance of this commitment, as approved by the General Meeting of 24 May 2016, for the period between 1 January 2017 and 31 December 2017, was fully justifiable.

Description

Principles

In his capacity as Chief Executive Officer, Frédéric Moyne's terms of remuneration include a severance payment in the event of his departure, payable from the first day of the second year after his effective appointment as the Company's Chief Executive Officer, the terms and conditions of which are described below.

Assumptions concerning termination of office that are eligible for the payment of the all-inclusive severance pay

The all-inclusive severance pay will be due and paid in the event Frédéric Moyne is removed from his office as Chief Executive Officer or his term of office is not renewed, unless said removal or non-renewal is due to:

- any wrongdoing or misconduct characterised under employment law as:
 - serious misconduct (*faute grave*), wherein the degree of seriousness derives from the deliberate nature of the misconduct and the seriousness – assessed in view of the size of the Group and its business activities – of the resulting consequences, or
 - gross misconduct (*faute lourde*), i.e., misconduct committed with the intention of harming the Company or its Group, including in particular the intentional or repeated breach of limitations placed on his powers (statutory or extra-statutory) or by resolutions adopted by the General Meeting, or any action constituting a criminal offence perpetrated personally when a Group company is the victim or this could harm the Group's reputation;
- Frédéric Moyne's failure to comply with his exclusivity, non-compete and loyalty obligations incumbent upon him in connection with his corporate office.

The all-inclusive severance pay is not paid in the event the termination of office is due to resignation.

Maximum amount of severance payment

The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding that date (the "Reference Remuneration").

In the absence of a sufficiently long reference period, the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

Performance conditions

The all-inclusive severance payment will be due and paid only if the amounts received by Frédéric Moyne or owed to him in connection with the variable component of his remuneration in respect of the two financial years preceding the date on which his term of office ends represent, on average, a percentage equal to or greater than 50% of the maximum possible variable component that could be awarded in respect of said financial years.

By exception, if the available reference period only allows one financial year to be taken into account, Frédéric Moyne will be assumed to have satisfied the aforementioned performance conditions, unless the Board of Directors demonstrates that his actual performance during the period preceding the date on which he ceases to hold office would not have qualified him to receive variable remuneration at least equal to 50% of the maximum amount that could be awarded to him in respect of said financial year.

Covenant not to compete applicable in the event Frédéric Moyne ceases to serve as Chief Executive Officer (effective from 1 June 2016)**Officer concerned**

Frédéric Moyne, Chief Executive Officer of the Company (appointment on 1 March 2016, effective on 1 June 2016)

Date of authorisation by the Board of Directors

1 March 2016

Date of approval by the General Meeting

24 May 2016

Reason for continued performance of the commitment

On 7 March 2019, the Board of Directors reviewed the above-mentioned commitment in accordance with Article L. 225-40-1 of the French Commercial Code, and:

- reiterated the reasons that had led it to authorise this commitment, and noted in this respect that the items of remuneration payable if Frédéric Moyne ceases to hold office (severance payment and compensation under the covenant not to compete) were justified, in particular in view of:
 - the number of years Frédéric Moyne has worked for the Group as at 1 June 2016, date on which he took up office (over 17 years);
 - the loss by Frédéric Moyne of the protection afforded in the event of termination of his employment contract for a genuine and serious cause (other than gross or serious negligence) after 1 June 2017;
 - the imperative need, in view of Frédéric Moyne's experience, skills and number of years with the Group, to enable the Company to compel him to comply with a covenant not to compete if he leaves the Group;
 - the aggregate compensation payable following the combined implementation of the severance payment and the covenant not to compete (21 months' remuneration), which is less than the maximum amounts recommended by the AFEP-MEDEF Code and the amounts paid in comparable companies (24 months' remuneration);
- noted that as Frédéric Moyne's legal situation has not changed since 1 June 2016, as he has continued to serve as Chief Executive Officer, the continued maintenance of this commitment, as approved by the General Meeting of 24 May 2016, for the period between 1 January 2017 and 31 December 2017, was fully justifiable.

Description**Principles**

The Board of Directors put in place, for the benefit of Frédéric Moyne, a mechanism for the payment of compensation under a covenant not to compete, payable as from the effective date of his appointment as the Company's Chief Executive Officer, the terms and conditions of which are described below.

Covenant not to compete: implementation procedures

In the event Frédéric Moyne ceases to serve as Chief Executive Officer, the Board of Directors shall meet in the following month to decide, at its discretion, whether it wishes to waive the covenant not to compete.

2 • CORPORATE GOVERNANCE

2.7. Related-party agreements and commitments, information on related parties

Nature and duration of Frédéric Moyne's commitments

If the covenant not to compete is implemented, Frédéric Moyne will not be permitted, for 12 months after he ceases to serve as the Company's Chief Executive Officer, for whatever reason, to:

- work, in any form whatsoever (employment contract, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (material in terms of revenue) compete with the business activities of the Company and its Group on the date on which the termination of the term of office takes effect and is communicated to the market (as of 1 March 2016, these activities are thermal biomass, anaerobic digestion and solar power), this prohibition applying only:
 - in those countries in which at least one of said activities of the Company and its Group represents installed capacity of at least 40 MW on the date on which he effectively ceases to hold office; and
 - to the sole activity or activities of the Company and its Group that have, in said country, achieved or exceeded this threshold on the date on which he effectively ceases to hold office;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the share capital or voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Company or its Group, as at the effective date of his departure;
- incite any customer, supplier or partner of the Company or its Group to break off or curtail its business relationships with the Company or its Group, or incite any prospective customer not to enter into a business relationship with the Company or its Group;
- hire any officer, senior manager or employee of the Company or its Group, or incite any such officer, senior manager or employee to terminate his/her employment contract or leave the Company or its Group.

Financial compensation

If the covenant not to compete is implemented, the execution of the commitments described above will result in the payment of compensation equal to six months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the date on which he ceases to hold office (the "Reference Remuneration").

In the absence of a sufficiently long reference period:

- the fixed remuneration used to calculate the Reference Remuneration will be equal to the gross annual fixed remuneration due in respect of the financial year during which he ceases to hold office;
- the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

Neuilly-sur-Seine and Courbevoie, on 26 April 2019.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Mazars

Daniel Escudeiro
Partner

2.7.2. AGREEMENTS GOVERNED BY ARTICLE
L. 225-37-4 (2) OF THE FRENCH COMMERCIAL CODE

None.

2.7.3. INFORMATION ON RELATED PARTIES

Additional information about related parties is disclosed in note 35 to the consolidated financial statements for the 2018 financial year, in section 4 on page 206 of this Registration Document.

3

ACTIVITIES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

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3 • REGISTRATION DOCUMENT 2018 FINANCIAL YEAR

3.1. Activities and results for the year ended 31 December 2018

3.1. Activities and results for the year ended 31 December 2018

3.1.1. KEY FIGURES

<i>In millions of euros</i>	2018	2017 reported	Change
Revenue	428.3	403.2	6%
EBITDA	162.6	138.3	18%
Net income, Group share	44.2	37.4	18%

3.1.2. INSTALLED CAPACITY AND PRODUCTION

	Operated capacity (in gross MW)			Production (in GWh)		
	2018	2017	Change	2018	2017	Change
Albioma Bois-Rouge	108	108	-	581	657	(76)
Albioma Le Gol	122	122	-	678	741	(62)
Albioma Le Moule ¹	102	102	-	503	549	(46)
Albioma Galion ²	80	40	40	111	96	16
France – Thermal Biomass	412	372	40	1,874	2,043	(169)
OTEO La Baraque	90	90	-	443	512	(69)
Terragen	70	70	-	414	420	(6)
OTEO Saint-Aubin	35	35	-	227	233	(6)
Mauritius	195	195	-	1,084	1,173	(89)
Albioma Rio Pardo Termoelectrica	60	60	-	79	107	(28)
Albioma Codora Energia ³	68	48	20	159	141	18
Albioma Esplanada Energia ⁴	40	-	40	-	-	-
Brazil	168	108	60	238	248	(10)
Thermal Biomass	775	675	100	3,196	3,463	(267)
French overseas departments and regions	62	61	1	77	79	(2)
Outside France	4	4	-	6	7	-
Metropolitan France ⁵	26	8	18	10	10	(1)
Solar and Hydroelectric Power⁵	92	74	18	92	95	(3)
Anaerobic Digestion⁶	-	3	(3)	18	19	(1)
Group Total	867	752	115	3,306	3,577	(271)

1. Including Albioma Caraïbes.

2. Including the Galion 2 power plant, commissioned on 26 September 2018.

3. A third 20 MW turbine was commissioned in the 2018 financial year.

4. Entity consolidated as from 21 December 2018.

5. Including a 0.5 MW hydroelectric power plant - Albioma Solaire France (formerly Eneco France), consolidated as from 12 December 2018.

6. Anaerobic Digestion business sold on 10 December 2018.

3.1.3. AVAILABILITY RATE

	2018	2017
Albioma Bois-Rouge	80.5%	86.1%
Albioma Le Gol	88.2%	88.2%
Albioma Le Moule ¹	94.0%	93.6%
Albioma Galion ²	90.7%	92.6%
French overseas departments and regions	87.9%	89.6%
Terragen	93.1%	95.7%
OTEO Saint-Aubin	89.8%	92.4%
OTEO La Baraque	77.6%	93.0%
Mauritius Total	85.4%	93.8%
Group Total	87.2%	90.9%

1. Including Albioma Caraïbes.

2. Including the Galion 2 power plant, commissioned on 26 September 2018.

3.2. Highlights of the Year

3.2.1. FRANCE – THERMAL BIOMASS BUSINESS

3.2.1.1. Commissioning of the 100% bagasse/ biomass Galion 2 power plant in Martinique, continuation of programme to bring plants into compliance with current standards and signing of a new rider for the biomass conversion of the Albioma Caraïbes plants

At 31 December 2018, total installed thermal capacity in Overseas France was higher than in 2017, at 412 MW, following the commissioning of new capacities.

On 26 September 2018, the 100% bagasse/biomass Galion 2 plant in Martinique was commissioned. Testing of the power plant began in January 2018 and the facilities were able to provide the Galion sugar refinery with the steam it needed during the sugar harvest. The tests to ensure compliance with the EDF standard were carried out during the summer and validation of this final stage enabled the launch of the 30-year contract entered into with EDF. With an installed capacity of 40 MW, this plant, which is dedicated to the production of renewable energy, will provide electricity all year round for the Martinique grid from the combustion of bagasse, a fibrous residue of sugar cane, other local forms of biomass of plant origin and timber residues from sustainably managed forests. Galion 2 will also supply the steam required by the Galion sugar refinery, Albioma's historic partner, as part of a virtuous exchange. Like all the Group's thermal plants located in Overseas France, Mauritius and Brazil, Galion 2 combines state-of-the-art technology and innovation by implementing the principle of circular economy: the power plant provides the site's sugar refinery with a solution that improves its energy supply by optimising the recovery of

sugar cane residue, bagasse. More generally, Galion 2 allows the creation of more than 40 direct jobs and contributes to sustaining the agricultural, economic, industrial and social fabric of Martinique. The Galion 2 power plant will triple renewable electricity production on the island (from 7% to 22%) and will contribute to the shift towards a lower-carbon energy mix in Martinique, in compliance with the strictest environmental standards.

Annual maintenance outages, during which the Bois-Rouge and Le Gol plants continued the programme of works to make their fume treatment systems compliant with the European Industrial Emissions Directive (IED), took place under good conditions despite the late start on one of the tranches.

The availability rate in 2018 was 87.9%, compared with 89.6% in 2017. Availability was impacted by shutdowns for compliance work on the final tranche of the Le Gol power plant and the second tranche of the Bois-Rouge plant. In accordance with the terms of riders to the power purchase agreements entered into in 2015 and 2016, respectively, EDF compensated Albioma for the effects of these shutdowns for a six-week period. All the power plants ran smoothly, with the exception of the Bois-Rouge plant: its activity was affected by several technical incidents and the duration of its maintenance shutdown was extended due to various issues affecting the project.

In Martinique, the EDF duty rate of the Galion combustion turbine fell to 22% (30% in 2017). This rate is expected to continue to fall following commissioning of the Galion 2 plant. Power generation totalled 1,874 GWh, lower than in 2017 (2,043 GWh), due mainly to the long-term shutdowns carried out as part of the upgrading of facilities and a decrease in the call rates across all the Group's plants.

Following the deliberation of the French Energy Regulatory Commission of 15 November 2018, on 18 December the Albioma Caraïbes power plant in Guadeloupe, now called ALM-3, signed a rider to its electricity sales agreement with EDF, allowing the conversion of this 100% coal plant to biomass. Conversion work will begin in 2019 so that the plant can operate exclusively on biomass before the end of 2020. This work will reduce emissions by more than 265,000 tonnes of CO₂ equivalent, and will thereby increase the renewable portion of Guadeloupe's energy mix from 20% to 35%.

3.2.1.2 Changes in the economic and regulatory context

Coal prices continued to rise in 2018. Prices averaged €102/tonne, compared with €95/tonne in 2017. Average fuel-oil prices were also higher than in 2017. These price movements had a positive impact (+€9.8 million) on the Group's revenue but did not significantly affect profit margins, as electricity sale prices are contractually indexed to fuel costs.

Concerning CO₂ emissions, the contracts between all of the Group's thermal power plants in the French overseas departments and regions and EDF now enable the cost of purchasing quotas on the market to be passed on to EDF via monthly invoices, excluding any transaction fees and after transferring any free quotas allocated in respect of their cogeneration activity. In accordance with the ministerial order issued on 24 January 2014, the Bois-Rouge, Le Gol and Le Moule power plants received 133,716 tonnes of free quotas in respect of 2018 in recognition of their cogeneration activity.

The Group continued to execute its compliance works investment programme, enabling its thermal power plants to conform to the Industrial Emissions Directive (IED).

3.2.1.3. Project development

Despite delays on the project, the construction work on the combustion turbine plant in Saint Pierre on Reunion Island is now complete and EDF approved its commissioning in late February 2019 following final testing. This investment, totalling around €60 million, is financed by a 22-year, €45 million loan taken out in July 2016, the balance being financed by equity: 51% by Albioma and 49% by its traditional sugar refining partners, Compagnie Financière Européenne de Prises de Participation (COFEPP) and the Tereos group. This 41 MW plant is the first French peaking plant to operate essentially using bioethanol produced by distilling sugar cane molasses.

3.2.2. FRANCE AND SOUTHERN EUROPE – SOLAR POWER BUSINESS

Albioma now operates photovoltaic power plants with a total capacity of 91 MWp. Capacity increased significantly following the acquisition on 12 December 2018 of the portfolio of Eneco France (now renamed Albioma Solaire France). Created in 2008 and with an innovative positioning in power

generation for onsite consumption, Eneco France develops, builds and operates photovoltaic plants on rooftops and agricultural facilities at private or industrial sites in the South of France. The group owns photovoltaic plants with a capacity of 17 MWp and has an extensive portfolio of projects under development. In addition, Eneco France operates a 0.5 MW hydroelectric plant. These assets are partially or fully owned by Eneco. This acquisition will enable Albioma to strengthen its position in metropolitan France and demonstrate the importance given to solar power in Albioma's energy mix.

Excluding consolidation scope effects, photovoltaic power generation was down 3% on the 2017 figure following the intense rainfall that hit Reunion Island during the first months of the year and unfavourable sunshine conditions in the other regions, notably in metropolitan France.

On 15 May 2018, Albioma carried out the refinancing of its portfolio of photovoltaic projects in the Indian Ocean and established a credit facility to finance the Group's new projects in the same area for the next 18 months. The financing, amounting to €110 million, will enable the Group to optimise the financing of its existing projects and extend the maturity of the current debt while securing the future financing of projects won under recent invitations to tender launched by the French Energy Regulatory Commission or under a purchasing obligation. This innovative financing package, for a portfolio that combines several distinct projects, secures the Group's growth for the coming years in its Indian Ocean photovoltaic activities, under very attractive conditions.

3.2.2.1. Changes in the economic and regulatory context

None.

3.2.2.2. Project development

Delays were experienced in the testing phase of the Grand Port Maritime power plant on Reunion Island and commissioning is now scheduled for the first quarter of 2019. This 1.3 MWp rooftop project with storage, which was awarded the contract following the invitation to tender initiated by the French Energy Regulatory Commission in 2015, represents an investment in the order of €3 million, financed by a €2.7 million 20-year loan taken out in May 2017.

Construction work is continuing on the Sainte-Rose plant in Guadeloupe (3.3 MWp, on the ground at a non-hazardous waste storage facility). This contract was also awarded following an invitation to tender initiated by the French Energy Regulatory Commission in 2016. A €5.3 million financing agreement was entered into during the first half of 2018. Commissioning is still scheduled for early 2019.

Albioma entered into a strategic partnership with the SHLMR (low-income housing rental company on Reunion Island), to build 51 photovoltaic power plants on the roofs of residences, across all municipalities of Reunion. The construction works

will begin in the second half of 2019, with full commissioning at the end of 2019, for a capacity of 4.8 MWp, i.e. production of 6.9 GWh per year, equivalent to the annual consumption of 2,320 households on Reunion Island. The new facilities will enable 5,520 tonnes of carbon dioxide emissions to be avoided annually.

3.2.3. FRANCE – ANAEROBIC DIGESTION BUSINESS

On 10 December 2018, Albioma sold all of its anaerobic digestion business to Biométhanisation Partenaires. With a capacity of 3.2 MWe, the three agricultural anaerobic digestion units (Tiper Méthanisation, Cap'ter Méthanisation and Sain'ter Méthanisation) operated by Methaneo are located in the French regions of Nouvelle-Aquitaine and the Loire. These three units represent an annual output of some 20 GWh.

3.2.4. MAURITIUS

The Group's plants in Mauritius had a combined thermal capacity of 195 MW at 31 December 2018, unchanged from 2018. The Mauritian plants are booked using the equity method.

The Terragen and OTEO Saint-Aubin power plants achieved good performances over the period. Following the annual maintenance shutdown of the OTEO La Baraque power plant, a breakdown affecting one of the alternator rotors resulted in one of the tranches being unavailable. Repair work was completed on 23 June 2018 and the three plants were fully operational in the second half of the year. This breakdown caused a deterioration in the average annual availability rate, which was 85.4% in 2018, compared with 93.8% in 2017, and a decrease in production to 1,084 GWh, compared with 1,173 GWh in 2017.

3.2.5. BRAZIL

3.2.5.1. Good operational performance by two plants despite the Albioma Rio Pardo Termoelétrica plant's lower cane volumes

In a relatively stable macro-economic environment, the Brazilian thermal power plants posted strong operational performances despite a volume of crushed cane that was nearly 13% lower than in 2017.

The Albioma Rio Pardo Termoelétrica power plant performed satisfactorily despite the fragile financial situation of its sugar-producing partner Usina Rio Pardo, which has been placed under "recuperação judicial" (the local judicial recovery protective regime) and the lower cane volumes produced. The Albioma Codora Energia power plant's production was up by 13% due to a good sugar harvest. Overall, energy production totalled 238 GWh, only 4% lower than in 2017, sustained by the purchase of additional biomass, which enabled the Group to benefit from the high electricity prices between May and October 2018.

Compared to 2017, sales prices were slightly higher, mainly due to high spot prices from May to October and the indexation of medium- and long-term contracts. In order to limit its exposure to volatile spot prices, the Group has secured around 75% of its sales for the 2018-2019 period via long-term power purchase agreements under the terms of requests for proposals organised by the regulator or short-term contracts negotiated with industrial customers.

3.2.5.2. Project development

In accordance with the initial plan, a new 20 MW turbine was added to the Albioma Codora Energia power plant. Work finished on 15 December 2018 and the turbine will be fully operational during 2019.

Albioma signed the final contract with the Jalles Machado group for the acquisition of 60% of the bagasse cogeneration plant (now called Albioma Esplanada Energia) adjacent to the sugar refinery and distillery of the same name in Goianésia (state of Goiás). Its annual crushing capacity totals 2.8 million tonnes of sugar cane. As a reminder, Albioma signed an agreement with Jalles Machado on 18 December 2017 providing for, in particular, the renovation of the existing boilers as well as the installation of a new 25 MW turbine, bringing the site's total capacity to 65 MW. By improving cogeneration yields and reducing the refinery's steam consumption, it should be possible to export 145 GWh of energy to the distribution network annually with effect from the 2019 harvest, almost doubling the current output. More than 80% of energy sales have now been secured in the regulated market: the request for proposals issued on 18 December 2017 (leilão de energia nova A-4) resulted in long-term cogeneration contracts, under the terms of which 75 GWh per year, starting in 2021, is sold at an inflation-linked BRL 258/MWh.

The acquisition of 40% of Vale Do Paraná's shares was also finalised in late October 2018 following the completion of the financing arrangements. This project, which represents capital expenditure totalling around BRL 100 million, aims to increase the generating capacity of an existing cogeneration plant to 48 MW by 2021. Work is underway.

3.2.6. HOLDING COMPANY

3.2.6.1. Changes in shareholder structure

On 11 December 2018, Altamir sold its remaining stake in Albioma, approximately 5.5% of the capital, to the Impala Group, an investment structure owned by Jacques Veyrat. Following this transaction and after several purchases made on the market, Impala SAS now holds a 6.01% stake in Albioma's capital and has thereby become one of the Group's largest shareholders.

3.2.6.2. 2017 dividend

The option for payment in new shares of the dividend in respect of the 2017 financial year resulted in the subscription of 309,734 new shares, giving a reinvestment rate of 60.68%.

The option could be exercised from 8 to 28 June 2018. It offered the possibility of having 50% of the dividend for the 2017 financial year (set at €0.60 per share) paid in the form of new shares, issued at a price of €17.78 per share.

3.2.6.3. Issue of BSAAR warrants

Launched on 9 November 2018, the issue of redeemable share subscription and/or purchase warrants (the "BSAAR warrants") to 42 employees of the Company and its subsidiaries and the Company's Chief Executive Officer, without preferential subscription rights for the shareholders, was a huge success. With a subscription rate of over 140%, the transaction resulted in the issue of 1,071,731 BSAAR warrants of €0.90 each (giving issue proceeds of €964,557.90), allocated to 31 subscribers including the Chief Executive Officer, who subscribed for 110,650 BSAAR warrants.

The exercise of all of the BSAAR warrants would result in the creation, between 6 December 2021 and 4 December 2024, of a number of new shares representing around 3.46% of the share capital as at 30 November 2018 (3.35% of the share capital post exercise of the BSAAR warrants). The exercise price of the BSAAR warrants was set at €20.90, i.e. a price equal to 120% of the average closing prices quoted for the Company's shares over a period of 20 consecutive trading days preceding 8 November 2018. Albioma was accompanied by Europe Offering as advisor to the issuer, and Banque Transatlantique as centralising agent of the transaction.

3.3. Comments on the consolidated financial statements

3.3.1. INCOME STATEMENT

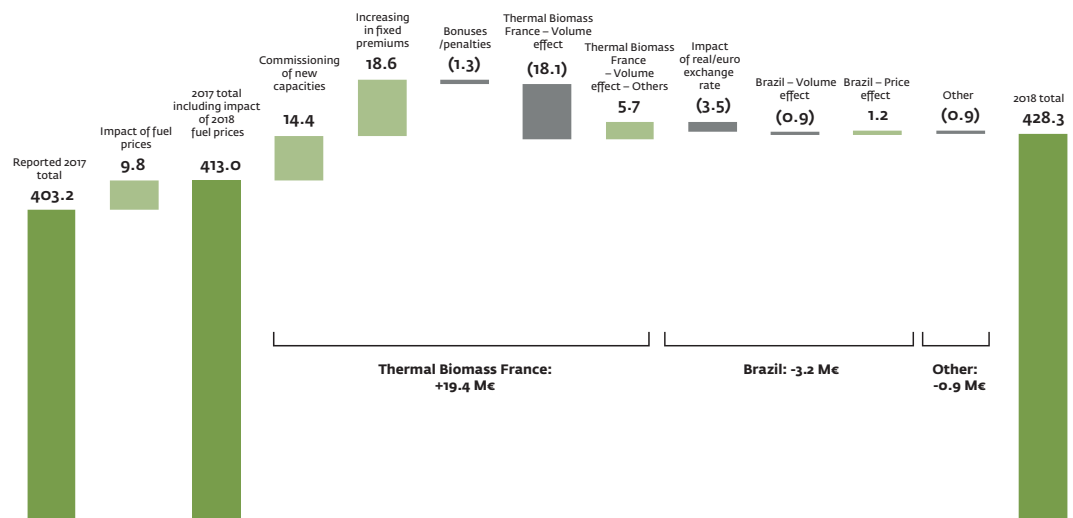
3.3.1.1. Revenue

<i>In millions of euros</i>	2018	2017 reported	Change
France – Thermal Biomass	363.4	334.2	9%
France and Southern Europe – Solar Power	41.5	42.4	(2%)
Brazil	17.6	20.8	(15%)
Holding company, Anaerobic Digestion and Other	5.8	5.8	-
Revenue	428.3	403.2	6%

Revenue for 2018 was up 6% compared with 2017.

The change can be analysed as follows:

In millions of euros



Stripping out the impact of changes in fuel prices of €9.8 million linked to the increase in the average prices of coal and fuel oil between 2018 and 2017 (although this had no direct effect on the profit margin due to electricity sales prices being contractually indexed to fuel costs), revenue increased by 4%. This increase was due to the combined effects of:

- the commissioning of additional thermal capacity during the year;
- the increase in the fixed premiums and the variable remuneration as a result of the indexation provided for by the power purchase agreements of the thermal power plants in the French overseas departments and regions and the additional fixed premiums received in respect of the investments to bring the plants into compliance with the new IED standards;
- the contractual reduction in the basic fixed premium of the Bois-Rouge plant as from 1 January 2018;

- technical shutdowns being carried out smoothly despite the unplanned shutdowns of certain tranches of the power plants on Reunion Island as a result of technical incidents;
- a negative volume effect, production at the thermal power plants in the French overseas departments having decreased from 2,043 GWh in 2017 to 1,836 GWh in 2018 due to an erosion of the EDF call rates which added to the fall in availability resulting from the scheduled shutdowns carried out as part of the plan to bring the plants into compliance with the IED standards;
- the fall in revenue in Brazil due to the deterioration in the average real/euro exchange rate and the fall in production;
- the increase in the holding company's revenue related to billings, to a project entity under joint control, for the development of a solar power project in Guadeloupe;
- the deconsolidation of the Anaerobic Digestion business.

3 • REGISTRATION DOCUMENT 2018 FINANCIAL YEAR

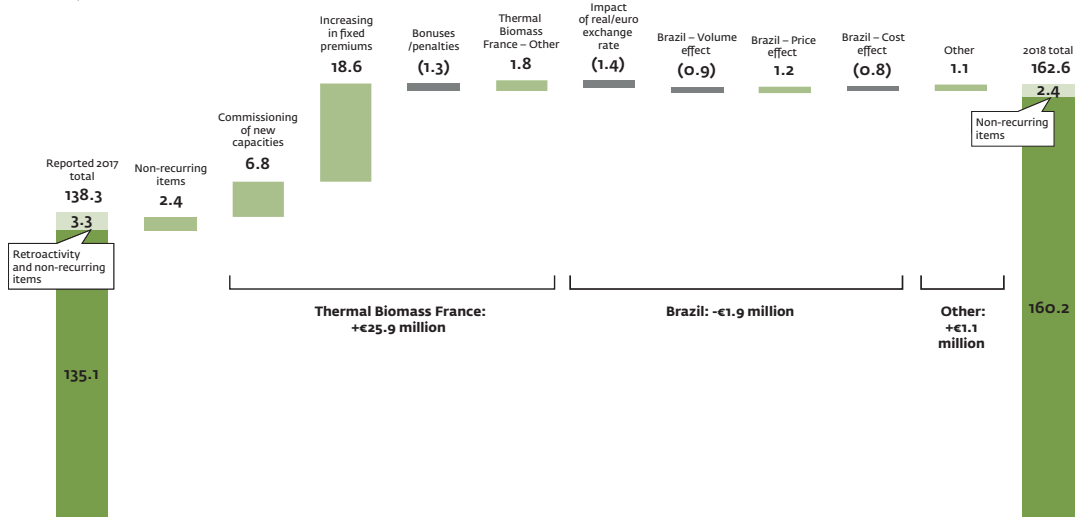
3.3. Comments on the consolidated financial statements

3.3.1.2. EBITDA

<i>In millions of euros</i>	2018	2017 reported	Change
France – Thermal Biomass	123.6	102.1	21%
France and Southern Europe – Solar Power	30.1	32.0	(6%)
Mauritius	3.1	3.5	(10%)
Brazil	6.5	7.7	(15%)
Holding company, Anaerobic Digestion and other	(0.7)	(6.9)	89%
EBITDA	162.6	138.3	18%

EBITDA came to €162.6 million, a 18% increase compared with 2017. In 2017, it included non-recurring items totalling €3.3 million resulting, in particular, from the signing of a new rider to contracts between EDF and the Albioma Caraïbes power plant (the plant received retroactive pricing compensation as a result of EDF agreeing to bear the costs of processing the combustion by-products in previous years). In 2018, EBITDA included €2.4 million of non-recurring items in respect of the repayment of contributions related to former bonus performance share plans, whose contribution principle was invalidated by the French Constitutional Council, and compensation received in respect of previous financial years from one of the Group’s partners in Brazil.

In millions of euros



EBITDA for the Thermal Biomass France business was up 21% compared with 2017. This improvement was due mainly to the commissioning of new capacities and rate revisions to compensate it for the cost of the work to make the facilities for processing liquid and gaseous waste compliant with current standards, which largely offset the contractual reduction in the basic fixed premium recognised since 1 January in respect of Albioma Bois-Rouge.

EBITDA for the Brazil business was down by €1.9 million compared with 2017 due mainly to the unfavourable movement in the average exchange rate between 2017 and 2018.

EBITDA for the other businesses was up by €1.1 million.

3.3.1.3. Charges for depreciation, amortisation and provisions and other non-cash items

The increase in charges for power plant depreciation to €49.7 million compared with €44.7 million in 2017 (including the Anaerobic Digestion business) was due mainly to the additional commissioning of equipment for processing liquid and gaseous waste from the Le Gol and Bois-Rouge power plants, and the commissioning of the Galion 2 power plant in Martinique.

The charges for amortisation of electricity and steam supply agreements were down slightly at €5.9 million compared with €6.2 million in 2017.

As regards the “Charges to provisions net of reversals” heading, including the Anaerobic Digestion business, there were net charges of €7.5 million in 2017, which decreased to net charges of €3.7 million in 2018. This included charges of €1.6 million in respect of employee benefits and reversals of provisions due to the liabilities concerned ceasing to exist, the recognition of provisions for liabilities and the recognition of an asset impairment provision in respect of Albioma Rio Pardo Termoelétrica related to the downward revision of the assumptions concerning the volume of cane produced as a result of the power plant’s sugar-producing partner being placed under “*recuperação judicial*” (the local judicial recovery protective regime).

3.3.1.4. Net financial income (expense)

Cost of financial debt fell slightly to €23.4 million. This change was due mainly to the decrease in interest rates and in the outstanding debt in Brazil, and the improved terms obtained for refinancing the Indian Ocean Solar Power business.

Other financial income essentially comprised income from cash investments and income from deposits.

In addition, as a result of the improved refinancing terms for the photovoltaic plants in the Indian Ocean region, the Group accounted for exceptional financial income in accordance with IFRS 9, which will be recognised as income in the income statement over the term of the new financing arrangements.

3.3.1.5. Tax charge

The tax charge came to €29.9 million, compared with a charge of €11.9 million in 2017. It comprised the tax charge payable in respect of the period and the deferred tax. In 2017, it included the impacts of the withdrawal of the 3% tax on dividend payments and of the reduction in the tax rate provided for by the 2018 Finance Act on the deferred tax for the period.

The restated normalised effective tax rate¹ for the year ended 31 December 2018 came to 33.7% compared with 34.4% in 2017.

1. Restated normalised tax rate: tax rate restated for the effects of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term, excluding Brazil and excluding the effect of the change in the tax rate as from 2019. For the year ended 31 December 2017, the restated normalised tax rate did not include the effect of the withdrawal of the 3% tax on dividend payments.

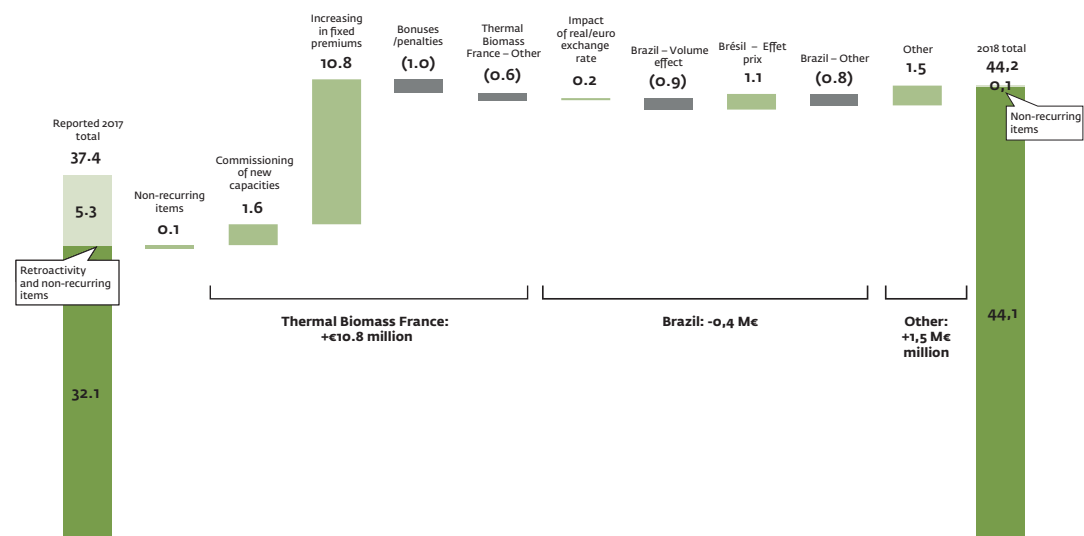
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3.3. Comments on the consolidated financial statements

3.3.1.6. Net income, Group share

For the year ended 31 December 2018, net income, Group share, came to €44.2 million, an 18% increase compared with 2017.

In millions of euros



3.3.2. STATEMENT OF CASH FLOWS

In millions of euros	2018	2017 reported
Cash flow from operations	164.1	139.4
Change in the working capital requirement	(25.8)	(1.9)
Tax paid	(26.9)	(17.0)
Cash flow from operating activities	111.4	120.6
Operating capex	(14.2)	(12.4)
Free cash flow from operating activities	97.2	108.1
Development capex	(128.7)	(146.9)
Other/acquisitions/disposals	(49.1)	2.5
Net cash flow from investing activities	(177.8)	(144.4)
Dividends paid to Albioma shareholders	(12.8)	(10.6)
Borrowings (increases)	178.8	105.6
Borrowings (repayments)	(41.5)	(41.4)
Cost of financial debt	(23.6)	(24.3)
Other	(16.0)	4.0
Net cash flow from financing activities	84.8	33.3
Currency effect on cash and cash equivalents and other changes	(1.0)	(0.9)
Net change in cash and cash equivalents	3.2	(3.9)
Opening net cash and cash equivalents	92.1	96.0
Closing net cash and cash equivalents	95.3	92.1

3.3.2.1. Cash flow from operating activities

Despite a significant increase in cash flow from operations to €164.1 million, related to the commissioning of new capacities and the increase in the remuneration of the thermal power plants, cash flow from operating activities came to €111.4 million in 2018 compared with €120.6 million in 2017. This decrease was due mainly to the deterioration of the working capital requirement (€25.8 million), due mainly to the delay in part of the payment of trade receivables due from EDF until early in January, and the increase in stocks, related to the establishment of a stock of biomass to operate the new Galion 2 power plant.

3.3.2.2. Cash flow from investing activities

This item breaks down as follows:

- operating investment expenses: these comprised investment expenses for power plants in operation, primarily in connection with the servicing, maintenance, repair, optimisation and modernisation work and investment programmes for the thermal power plants. These expenses totalled €14.2 million, compared with €12.4 million in 2017;
- development investment expenses: these totalled €177.8 million, compared with €144.4 million in 2017. In addition to the acquisition of Eneco France and the Albioma Esplanada Energia power plant in Brazil, they included the last of the construction expenses in respect of the Galion 2 bagasse/biomass power plant and the combustion turbine in Saint Pierre on Reunion Island, as well as those related to the continuation of the programme to bring the thermal power plants in the French overseas departments and regions into compliance with the Industrial Emissions Directive (IED) and the construction of new photovoltaic facilities.

3.3.2.3. Cash flow from financing activities

This item amounted to €84.8 million compared with €33.3 million in 2017.

€178.8 million of new borrowings were drawn down, mainly to finance the final construction work on the Saint-Pierre power plant on Reunion Island, as well as work to make the tranches of the power plants on Reunion Island compliant with the Industrial Emissions Directive (IED) and the construction of solar power projects. Borrowings were also drawn down in connection with the acquisition of Eneco France in late 2018. Cost of financial debt fell slightly to €23.6 million. Interest expenses related to the new plants were offset by the reduction in financial expenses in Brazil connected to the decrease in rates and in the power plants' outstanding debt, as well as the improved financing terms obtained, notably as regards the refinancing of the Solar Power business in the Indian Ocean.

3.3.3. FINANCIAL STRUCTURE

At 31 December 2018, the Group's equity totalled €408 million. Equity attributable to non-controlling interests was €84 million.

Gross borrowings stood at €846 million at 31 December 2018, up compared with €707 million at 31 December 2017, following drawdowns of borrowings to finance the completion of construction work on the new installations and the acquisition of new power plants. They consisted of project debt of €708 million, corporate debt of €85 million and short-term corporate debt to finance the acquisition of Eneco France. Most of the project debt is without recourse to shareholders with the exception of the Brazilian debt and the debt in respect of projects in the construction phase for which Albioma has granted parent company guarantees.

Consolidated net borrowings came to €747 million after taking into account net cash and cash equivalents of €95 million and security deposits (€3.2 million of deposits at 31 December 2018), an increase compared to the position at 31 December 2017 (€613 million).

At 31 December 2018, Albioma had consolidated cash and cash equivalents of €99 million (including €3.2 million of security deposits), and still had sufficient resources to pursue its development.

3.4. Significant changes in the financial or commercial position

None.

3.5. Key events since 1 January 2019 and outlook

3.5.1. EVENTS AFTER THE REPORTING PERIOD

None.

3.5.2. OUTLOOK

3.5.2.1. Long-term outlook

The Group confirms its objective of sustained expansion. Over the 2013-2023 period, its investment programme, the budget for which totals around €1.5 billion, will focus mainly on new renewable energy production projects in France, Mauritius and Brazil. Opportunities for development in new countries and new businesses are also being examined.

3.5.2.2. 2019 objectives

En millions d'euros

	2018		2019
	Reported	Excluding non-recurring items	
EBITDA	163	160	168-178
Résultat net part du Groupe	44	44	38-44

3.6. Company financial statements

The Company reported net income of €27.9 million, compared with €31.0 million in 2017.

3.6.1. INCOME STATEMENT

At €3.5 million, the operating loss was lower than the previous year (€5.6 million), due mainly to the increase in revenue. Services billed increased in line with the projects in the construction phase and the commissioning of new facilities.

Net financial income increased from €31.5 million to €34.9 million, due mainly to the provisions reversed as a result of the disposal of the Anaerobic Digestion business on 10 December 2018. It also included a provision for impairment of the shares in Albioma Participações do Brasil in line with the deterioration in the real/euro exchange rate and with the partial impairment of a Brazilian power plant, recognised as a result of the downward revision of the assumptions concerning the volume of cane produced, which was caused by the power plant's sugar-producing partner being placed under "recuperação judicial" (the local judicial recovery protective regime).

Net non-recurring income/(expense) consisted mainly of income and expenses related to the disposal of equity investments and the change in the provision for liabilities corresponding to the emergence and resolution of disputes during the year. In addition to the disposal of its investment in Methano to Biométhanisation Partenaires on 10 December 2018, the Company transferred to its subsidiary Albioma Solaire Réunion its investments in Plexus Sol, Albioma Power Alliance and Albioma Solaire Bethléem in connection with the refinancing of its Indian Ocean Solar Power business.

The tax consolidation scope changed in 2018. 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, Albioma Solaire Fabrègues and Albioma Solaire Réunion.

3.6.2. STATEMENT OF FINANCIAL POSITION

3.6.2.1. Main items

Equity investments represented €297 million. This amount was higher than at 31 December 2017, due mainly to the acquisition of Eneco France on 12 December 2018 and the capital increase carried out by Albioma Participações do Brasil.

Receivables increased by €28.4 million, due mainly to the changes in the intra-Group current accounts and, in particular, the current account contributions from shareholders in Albioma Galion and Albioma Saint-Pierre, which own, respectively, the projects concerning the Galion 2 bagasse/ biomass power plant in Martinique and the combustion turbine on Reunion Island.

Equity totalled €185.6 million.

Borrowings from financial institutions rose to €137.7 million as a result of the debt drawn down for the acquisition of Eneco France in December.

3.6.2.2. Payment times: payments made to suppliers and received from customers

The tables below show the positions concerning trade payables and trade receivables overdue at 31 December 2018.

Trade payables overdue at 31 December 2018

<i>In thousands of euros</i>	Invoices received, unpaid and overdue at the reporting date (Article D. 441-4 (I) (1°) of the French Commercial Code)				Total (1 or more days)
	1 to 30 days	31 to 60 days	61 to 90 days	91 or more days	
Overdue payment categories (A)					
Number of invoices concerned					98
Total amount of invoices concerned (including taxes)	266	16	216	614	1,112
Percentage of total purchases for the year (including taxes)	1%	n/s	1%	3%	5%
Invoices excluded from (A) relating to payables and receivables in dispute or not recognised					
Number of excluded invoices	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-
Benchmark payment terms used to calculate overdue payments	Contractual payment terms				

Trade receivables overdue at 31 December 2018

<i>In thousands of euros</i>	Invoices issued, unpaid and overdue at the reporting date (Article D. 441-4 (I) (1°) of the French Commercial Code)				Total (1 or more days)
	1 to 30 days	31 to 60 days	61 to 90 days	91 or more days	
Overdue payment categories (A)					
Number of invoices concerned					100
Total amount of invoices concerned (including taxes)	620	(3)	208	2,854	3,680
Percentage of revenue for the year (including taxes)	2%	n/s	1%	8%	-
Invoices excluded from (A) relating to payables and receivables in dispute or not recognised					
Number of excluded invoices	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-
Benchmark payment terms used to calculate overdue payments	Contractual payment terms				

3.6.3. DIVIDENDS

Given the growth prospects, the Board of Directors will ask the General Meeting of shareholders to approve the payment of a dividend of €0.65 per share, with an option for 50% of this dividend to be paid in new shares.

Appropriation of 2018 net income

<i>In euros</i>	
SOURCE OF AMOUNTS TO BE APPROPRIATED	
Net income for the year	27,872,189.68
Retained earnings brought forward	90,898,786.66
Total	118,770,976.34
APPROPRIATION	
To the legal reserve	1,192.48
To the payment of a dividend of €0.65 per share ¹	19,577,623.65
To retained earnings	99,192,160.21
Total	118,770,976.34

1. Based on the number of shares entitled to dividends at 31 December 2018 and excluding the effect of the extra 10% dividend payable on eligible shares.

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3.6. Company financial statements

3.6.4. FIVE YEAR FINANCIAL SUMMARY FOR THE COMPANY

<i>In thousands of euros</i>	2018	2017	2016	2015	2014
Closing share capital					
Share capital	1,191	1,179	1,163	1,147	1,145
Number of shares in issue	30,930.644	30,620.910	30,217.232	29,783.757	29,734.932
Of which treasury shares	811,223	371,983	368,823	261,092	116,499
Operations and results for the year					
Revenue excluding taxes	34,459	28,228	26,660	21,664	21,781
Income before tax, depreciation, amortisation and provisions	30,770	37,336	4,670	16,820	23,033
Tax charge (income)	(367)	(3,386)	(7,472)	(1,856)	(1,539)
Income after tax, depreciation, amortisation and provisions	27,872	31,019	12,568	18,222	12,488
Distributions	19,578 ^{1,2}	18,149 ¹	17,014 ¹	16,828 ¹	18,942 ¹
Earnings per share (in euros)					
Income after tax but before depreciation, amortisation and provisions	1,01	1,33	0,40	0,63	0,83
Income after tax, depreciation, amortisation and provisions	0,90	1,01	0,42	0,61	0,42
Dividend paid	0,65 ^{1,2}	0,60 ¹	0,57 ¹	0,57 ¹	0,64 ¹
Headcount	89⁴	86⁴	92⁴	94³	80³

1. With option for 50% of the dividend to be paid in new shares.

2. Proposed dividend submitted for approval by the shareholders at the General Meeting to be held on 27 May 2019.

3. Including one corporate officer.

4. Including two corporate officers.

4

CONSOLIDATED FINANCIAL STATEMENTS FOR THE **2018** **FINANCIAL YEAR**

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4.1. Consolidated income statement

4.1. Consolidated income statement

In thousands of euros

	Note	2018	2017 restated ¹
Revenue	6	428,311	399,148
Purchases (including change in stocks)	7	(139,115)	(130,272)
Logistics costs	8	(9,911)	(10,809)
Staff costs	9	(45,700)	(43,919)
Other operating expenses	8	(76,779)	(82,623)
Amortisation of electricity and steam supply agreements		(5,946)	(6,154)
Charges to depreciation, amortisation and provisions	37	(51,327)	(46,278)
Share of net income of equity-accounted companies	18	3,294	3,632
Current operating income		102,827	82,725
Other operating income and expenses	10	425	(1,583)
Operating income		103,252	81,142
Cost of financial debt	11	(23,367)	(24,283)
Other financial income	12	4,203	1,886
Other financial expenses	12	(592)	(672)
Profit before tax		83,496	58,072
Tax charge	13	(29,945)	(11,875)
Net income for the year from continuing operations		53,551	46,197
Net income from activities held for sale		2	(1,926)
Net income		53,553	44,271
Net income attributable to:			
shareholders of Albioma	23	44,151	37,439
non-controlling interests	23	9,402	6,832
Basic earnings per share	23	1,455	1,238
Diluted earnings per share	23	1,437	1,238
Net income from continuing operations attributable to:			
shareholders of Albioma	23	44,151	39,069
non-controlling interests	23	9,402	7,128
Basic earnings per share	23	1,455	1,292
Diluted earnings per share	23	1,437	1,292

1. Financial statements restated to include the presentation of the Anaerobic Digestion business, sold in 2018, on the "Net income from activities held for sale" line in the income statement (see further information in note 4 to the consolidated financial statements).

The notes form an integral part of the consolidated financial statements.

4.2. Statement of comprehensive income

The statement of comprehensive income presents the net income for the period as well as income and expenses for the period recognised directly in equity, in accordance with IFRS.

<i>In thousands of euros</i>	2018	2017 restated ¹
Net income	53,553	44,271
Actuarial gains and losses on employee benefits	1,390	(1,437)
Deferred tax on actuarial gains and losses	(479)	495
Items not available for recycling through profit or loss	911	(942)
Translation adjustments ²	(7,045)	(10,739)
Cash flow hedges (interest rate swaps)	(2,775)	8,402
Deferred tax relating to cash flow hedges	896	(2,926)
Items available for recycling through profit or loss	(8,924)	(5,263)
Comprehensive income	45,540	38,066
Comprehensive income attributable to:		
shareholders of Albioma	38,008	32,476
non-controlling interests	7,532	5,590
Comprehensive income from continuing operations attributable to:		
shareholders of Albioma	38,008	34,106
non-controlling interests	7,532	5,886

1. Financial statements restated to include the presentation of the Anaerobic Digestion business, sold in 2018, on the "Net income from activities held for sale" line in the income statement (see further information in note 4 to the consolidated financial statements).

2. Translation adjustments are presented after taking account of the effect of hedges of a net investment in a foreign operation, which amounted to €0.5 million in 2018 compared with €0.1 million in 2017.

The notes form an integral part of the consolidated financial statements.

The change in comprehensive income mainly reflects the impact of the change in the exchange rate of the Brazilian real against the euro, the effect of the change in interest rates on the measurement at fair value of cash flow hedges (interest rate swaps), the recognition in profit or loss of swap interest paid during the period, as well as the effect of the modification of the actuarial assumptions used to measure employee benefits.

For the year ended 31 December 2018, of the deferred tax for the period, €0.1 million (€0.4 million in 2017) represented the effect of the decrease in the corporation tax rate on the deferred tax in respect of other comprehensive income. This reduced rate, which was provided for by the 2018 Finance Bill and then the 2019 Finance Bill, applies to the Group's French companies as from the 2018 financial year.

4.3. Consolidated statement of financial position

ASSETS

<i>In thousands of euros</i>	Notes	31/12/2018	31/12/2017
NON-CURRENT ASSETS			
Goodwill	14	24,226	11,713
Intangible assets	15	101,182	98,120
Property, plant and equipment	16	1,161,887	1,042,385
Non-current financial assets	18	4,901	4,210
Investments in associates	17	23,950	23,380
Deferred tax assets	28	713	6,619
Total non-current assets		1,316,859	1,186,427
CURRENT ASSETS			
Stocks and assets in progress	21	62,237	54,547
Trade receivables	20	74,488	44,533
Other current operating assets	22	51,733	40,953
Cash and cash equivalents	19	95,297	92,053
Total current assets		283,755	232,086
Total assets		1,600,614	1,418,512

The notes form an integral part of the consolidated financial statements.

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Notes	31/12/2018	31/12/2017
SHAREHOLDERS' EQUITY, GROUP SHARE			
Share capital	23	1,191	1,179
Additional paid-in capital		48,659	42,199
Reserves		336,766	324,531
Translation reserves		(22,310)	(16,562)
Net income for the year		44,151	37,439
Total shareholders' equity, Group share		408,457	388,787
Non-controlling interests		84,325	78,493
Total equity		492,782	467,281
NON-CURRENT LIABILITIES			
Employee benefits	26	34,267	33,025
Provisions for liabilities	27	7,274	12,518
Deferred tax liabilities	28	32,893	39,074
Non-current financial debt	24	722,240	647,700
Non-current derivatives	25	36,392	34,279
Total non-current liabilities		833,066	766,596
CURRENT LIABILITIES			
Trade payables	29	66,378	62,700
Tax and social security liabilities	30	35,896	30,469
Current financial debt	24	123,458	59,577
Other current operating liabilities	31	49,034	31,889
Total current liabilities		274,765	184,635
Total equity and liabilities		1,600,614	1,418,512

The notes form an integral part of the consolidated financial statements.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

4.4. Statement of changes in shareholders' equity

4.4. Statement of changes in shareholders' equity

<i>In thousands of euros</i>	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2016	1,163	35,752	362,730	(27,526)	(7,373)	364,746	73,509	438,255
Dividends paid	16	6,447	(17,014)	-	-	(10,551)	(4,524)	(15,075)
Stock options/performance shares	-	-	2,391	-	-	2,391	-	2,391
Transactions between shareholders	-	-	(244)	-	-	(244)	244	-
Treasury shares	-	-	(31)	-	-	(31)	-	(31)
Capital increases	-	-	-	-	-	-	3,051	3,051
Impact of changes in the consolidation scope	-	-	-	-	-	-	623	623
Total transactions with shareholders	16	6,447	(14,898)	-	-	(8,435)	(606)	(9,041)
Change in translation adjustment	-	-	-	-	(9,189)	(9,189)	(1,550)	(10,739)
Change in actuarial gains and losses	-	-	(807)	-	-	(807)	(135)	(942)
Change in fair value of hedging derivatives	-	-	-	5,033	-	5,033	443	5,476
Sub-total of items recognised in equity	-	-	(807)	5,033	(9,189)	(4,963)	(1,242)	(6,205)
Net income for the period	-	-	37,439	-	-	37,439	6,832	44,271
Total comprehensive income for the period	-	-	36,632	5,033	(9,189)	32,476	5,590	38,066
Shareholders' equity at 31/12/2017	1,179	42,199	384,464	(22,493)	(16,562)	388,787	78,493	467,280
Dividends paid	12	5,495	(18,321)	-	-	(12,814)	(6,150)	(18,964)
Stock options/performance shares	-	-	1,309	-	-	1,309	-	1,309
Issue of BSAAR warrants	-	965	-	-	-	965	-	965
Transactions between shareholders	-	-	(7,956)	-	-	(7,956)	-	(7,956)
Treasury shares	-	-	-	-	-	-	2,836	2,836
Capital increases	-	-	158	-	-	158	1,614	1,772
Impact of changes in the consolidation scope	12	6,460	(24,810)	-	-	(18,338)	(1,700)	(20,038)
Total transactions with shareholders	-	-	-	-	-	-	-	-
Change in translation adjustment	-	-	-	-	(5,748)	(5,748)	(1,297)	(7,045)
Change in actuarial gains and losses	-	-	859	-	-	859	52	911
Change in fair value of hedging derivatives	-	-	-	(1,254)	-	(1,254)	(625)	(1,879)
Sub-total of items recognised in equity	-	-	859	(1,254)	(5,748)	(6,143)	(1,870)	(8,013)
Net income for the period	-	-	44,151	-	-	44,151	9,402	53,553
Total comprehensive income for the period	-	-	45,010	(1,254)	(5,748)	38,008	7,532	45,540
Shareholders' equity at 31/12/2018	1,191	48,659	404,664	(23,747)	(22,310)	408,457	84,325	492,782

The notes form an integral part of the consolidated financial statements.

4.5. Statement of consolidated cash flows

<i>In thousands of euros</i>	2018	2017
OPERATING ACTIVITIES		
Net income for the year attributable to shareholders of Albioma	44,151	37,439
Non-controlling interests	9,402	6,832
Adjustments		
Charges to depreciation, amortisation and provisions	60,159	56,477
Change in deferred tax	(1,845)	(7,843)
Share of net income of associates net of dividends received	(1,355)	(797)
Gains and losses on disposals	(14)	(412)
Other non-cash items	(3,261)	1,186
Share-based payments	1,510	2,533
Cost of financial debt	23,606	24,298
Current tax charge for the year	31,790	19,731
Cash flow from operations	164,143	139,444
Impact of the change in the working capital requirement	(25,778)	(1,865)
Tax paid	(26,937)	(17,011)
Net cash from operating activities	111,428	120,568
INVESTING ACTIVITIES		
Acquisitions of non-current assets	(142,935)	(159,322)
Increase in financial assets	(576)	-
Sales proceeds from non-current assets	-	1,844
Sales proceeds from and reductions in financial assets	70	1,252
Acquisitions and disposals of subsidiaries less any cash acquired or sold	(48,571)	(634)
Net cash from/(used by) investing activities	(192,012)	(156,860)
FINANCING ACTIVITIES		
Transactions between shareholders	-	-
Capital increases subscribed by non-Group shareholders	2,836	1,013
Change in treasury shares	(7,989)	(118)
Dividends paid to shareholders of Albioma	(12,818)	(10,552)
Dividends paid to non-controlling interests	(6,151)	(4,582)
Borrowings and financial debt issued or subscribed	178,762	105,599
Cost of financial debt	(23,606)	(24,298)
Borrowings and financial debt repaid	(41,500)	(41,428)
Other items	(4,705)	7,666
Net cash from/(used by) financing activities	84,829	33,300
Impact of currency movements on cash and cash equivalents and other changes	(1,001)	(944)
Net change in cash and cash equivalents	3,244	(3,936)
Opening cash and cash equivalents	92,053	95,989
Closing cash and cash equivalents	95,297	92,053
Change in cash and cash equivalents	3,244	(3,936)
CASH AND CASH EQUIVALENTS		
Cash	76,559	74,440
Cash equivalents	18,738	17,613
Total cash and cash equivalents	95,297	92,053
Bank overdrafts	-	-
Net cash and cash equivalents	95,297	92,053

The notes form an integral part of the consolidated financial statements.

4.6. Notes to the consolidated financial statements

NOTE 1. HIGHLIGHTS OF THE YEAR

- On 26 September 2018, the 100% bagasse/biomass Galion 2 plant in Martinique was commissioned. The proceedings initiated by Assaupamar before the Conseil d'État were declared inadmissible, bringing to an end the dispute relating to the authorisation to operate this power plant.
- Annual maintenance outages, during which the Bois-Rouge and Le Gol plants continued the programme of works to make their fume treatment systems compliant with the European Industrial Emissions Directive (IED), were carried out smoothly despite the late start on one of the tranches.
- Coal prices continued to rise in 2018. Prices averaged €102/tonne, compared with €95/tonne in 2017. Average fuel-oil prices were also higher than in 2017.
- On 10 December 2018, Albioma sold its anaerobic digestion business in France to Evergaz. With a capacity of 3.2 MWe, the three agricultural anaerobic digestion units (Tiper Méthanisation, Cap'ter Méthanisation and Sain'ter Méthanisation) operated by Methaneo are located in the French regions of Nouvelle-Aquitaine and the Loire. These three units represented an annual output of some 20 GWh.
- On 12 December 2018, Albioma acquired the shares of Eneco France. Eneco France develops, builds and operates photovoltaic plants on rooftops and agricultural facilities at private or industrial sites in the South of France. The Group owns photovoltaic plants with an installed capacity of 17 MWp and has an extensive portfolio of projects under development. In addition, Eneco France operates a 0.5 MW hydroelectric plant.
- On 28 December 2018, Albioma signed the final contract with the Jalles Machado group for the acquisition of 60% of the bagasse cogeneration plant adjacent to the sugar refinery and distillery of the same name in Goianésia (state of Goiás). Its annual crushing capacity totals 2.8 million tonnes of sugar cane.
- On 15 May 2018, Albioma carried out the refinancing of the portfolio of photovoltaic projects in the Indian Ocean and established credit facilities to finance the Group's new projects in the same area for the next 18 months.
- Albioma took note of the announcement, on 11 December 2018, of the sale by Altamir of its remaining stake in Albioma (approximately 5.5% of the capital) to the Impala Group, an investment structure owned by Jacques Veyrat. Following this transaction and after several purchases made on the market, Impala now holds a 6.01% stake in Albioma's capital and has thereby become one of the Group's largest shareholders.

NOTE 2. ACCOUNTING POLICIES

2.1. Changes to the accounting framework in 2018

The Group's consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with the framework of International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2018, available on the following website: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm.

The financial statements are presented in thousands of euros and were approved by the Board of Directors at its meeting of 7 March 2019.

The accounting principles used for the preparation of the consolidated financial statements for the year ended 31 December 2018 are identical to those used by the Group for the preparation of the consolidated financial statements for the year ended 31 December 2017, with the exception of the following standards that are now applicable.

- IFRS 15 "Revenue from Contracts with Customers". Implementation of this new standard did not result in any changes to the revenue recognition method previously used by the Group.
- IFRS 9 "Financial Instruments". IFRS 9, which replaces IAS 39 on financial instruments, comprises three sections: classification and measurement, impairment and hedge accounting. IFRS 9 has been applied retrospectively with effect from 1 January 2018. The comparative figures for 2017 have not been restated, as authorised by IFRS 9.
 - Classification and measurement section

The main implication of the application of IFRS 9 has been the withdrawal of the available-for-sale financial asset category: under IAS 39, entities were permitted to recognise securities at fair value through other comprehensive income, with recycling to profit or loss on disposal (or in the event of significant or long-term impairment). Under IFRS 9, all financial assets whose cash flows are not solely payments of principal and interest (SPPI) must be recognised at fair value through profit or loss. However, IFRS 9 introduces an irrevocable election at initial recognition, enabling investments in equity instruments to be recognised at fair value through other comprehensive income, with no subsequent recycling of fair value changes to profit or loss, even in the event of disposal. Only dividends are recognized in profit or loss.

The accounting treatment under IFRS 9 of debt renegotiations not giving rise to derecognition was clarified in the amendment entitled "Prepayment Features with Negative Compensation" published by the IASB in October 2017.

Modifications of financial liabilities not resulting in derecognition always result in an adjustment of the amortised

cost on the modification date; said adjustment must be recognised in full in profit or loss.

This resulted in a change to the Group's previous practice, which involved the expected saving (or additional expense) being spread over the residual term of the renegotiated debt by a prospective adjustment to the debt's effective interest rate.

The impact of retrospective application at 1 January 2018 of this clarification of the standard to all modifications of debts that do not result in their derecognition (because the modifications are non-substantial) is not material for the Group.

As regards the refinancing transactions that took place in 2018 and pursuant to IFRS 9, the following criteria are applied to determine whether the Group is involved in the modification of a financial liability and not its extinguishment:

- Firstly, the Group ensures that there are no substantial modifications to the counterparties to the financing arrangement;
- Secondly, the Group ensures that the difference between the present value of the cash flows before the renegotiation and their present value after the refinancing (discounted on the basis of the original effective interest rate) does not exceed 10%.

If the results of these two tests are conclusive and there is no modification in the debt's characteristics that is deemed significant, the Group takes the view that the change constitutes a modification of the existing debt.

– Impairment section

IFRS 9 introduces a financial asset impairment model based on expected credit losses, whereas IAS 39 used a model based on incurred losses (an impairment loss is recognised only following the occurrence of a credit event: late payment, significant deterioration in credit quality, etc.). Application of the IFRS 9 impairment model requires entities to bring forward the timing of impairment to be recognised against financial assets carried on the balance sheet at amortised cost.

The impacts of the first-time application of the IFRS 9 impairment provisions are not material given the nature of the Group's receivables.

– Hedging section

Changes to hedge accounting introduced by IFRS 9 are designed to align accounting methods with companies' risk management procedures. The application of the IFRS 9 hedge accounting provisions does not have a significant impact on the consolidated financial statements in view of the type of derivatives used by the Group.

In 2018, the Group decided not to apply in advance any standards, interpretations or amendments.

The following standards, interpretations and amendments, which have been published and whose application is mandatory as from 2018, could have an impact on the Group's financial statements:

- IFRS 16 "Leases";
- IFRS 9 amendment "Prepayment Features with Negative Compensation";
- IFRS 10/IAS 28 amendments "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture";
- IAS 28 amendments "Long-term Interests in Associates and Joint Ventures";
- IAS 19 amendments "Plan Amendment, Curtailment or Settlement";
- IFRS 3 amendment "Definition of a business";
- IAS 1 and IAS 8 amendments "Definition of Material";
- Amendments to References to the Conceptual Framework in IFRS Standards;
- Annual Improvements to IFRS Standards, 2015-2017 Cycle;
- IFRIC 23 "Uncertainty over Income Tax Treatments".

IFRS 16 "Leases"

IFRS 16 will come into force for financial statements covering accounting periods beginning on or after 1 January 2019. This standard, which will replace IAS 17 and the associated IFRIC and SIC interpretations, will result in the recognition in lessees' balance sheets of most leases in accordance with a single model, in the form of a right-of-use asset and a lease liability. This standard removes for lessees the previous distinction between operating leases and finance leases.

Progress on the implementation of IFRS 16

The Group has almost finished its work to determine the standard's impacts on its financial statements under the various transition methods specified by the standard. The Group has already begun implementation of the operational management processes and an information system specifically tailored to the new provisions. These new processes and tools will be fully operational for the preparation of the next half-yearly financial statements.

Estimated financial impacts

The main impacts on the consolidated financial statements of the implementation of this new standard relate mainly to leases of land and rooftops in the Solar Power activity. Since the durations of these leases are generally the same as those of the electricity sale agreements of the plants concerned, they do not require specific renewal assumptions

to be taken into account (future lease payments are close to the minimum payments). Lease payments are subject to indexation and depend, in part, on the revenue generated by the power plants (variable lease payments).

Based on the simulations carried out, the transition method the Group envisages using is the simplified "retrospective approach with retrospective calculation of the right-of-use asset", as specified by IFRS 16. The estimated impacts of the application of this method for the Solar Power scope, excluding the acquisitions during 2018, are as follows: a €19 million increase in financial debt, a €16 million increase in the Group's non-current (right-of-use) assets, and a €3 million decrease in equity, before taking into account deferred taxation. For this simulation scope, the positive impact on the Group's EBITDA would be less than €2 million.

2.2. Consolidation methods

Exclusively-controlled subsidiaries are fully consolidated. Control by the Group derives from its ability to direct activities with a significant impact on returns, its exposure or rights to variable returns and its ability to affect those returns. Control is presumed to exist when the Group owns, directly or indirectly, the majority of the voting rights in the company.

The equity method is applied to associates over which the Group has significant influence (usually more than 20%) but does not have control, as well as entities under joint control that meet the definition of a joint venture pursuant to IFRS 11 "Joint Arrangements". Under the equity method, the company's net assets and net income are consolidated in proportion to the participating interest held by the parent company in the share capital, as well as, where applicable, related goodwill.

The financial statements of all consolidated companies are drawn up to 31 December of each year shown.

Inter-company receivables and payables as well as inter-company income and expenses relating to fully-consolidated companies are eliminated in full. Internal margins generated between such companies are also eliminated. Internal results generated between companies that are equity-accounted or fully consolidated are eliminated to the extent of the percentage interest held by the Group in the share capital of the equity-accounted company.

2.3. Income from ordinary activities

Income from ordinary activities of the Group comes from:

- sales of electricity and steam under energy supply agreements for terms ranging from 15 to 35 years, mainly entered into with EDF but also with sugar refineries for the power plants fuelled by bagasse and coal;
- sales of electricity to various distributor and industrial customers by Albioma Rio Pardo Termoeletrica and Albioma Codora Energia in Brazil as well as compensation due by sugar refineries related mainly to the quantity of biomass delivered;
- services provided by the parent company to companies not under its control.

In the case of the thermal power plants located in the French overseas departments and regions, the remuneration stipulated in the electricity and steam sale agreements entered into with EDF comprise an annual fixed portion and a variable portion.

Compensation for additional costs as well as remuneration for supplementary capital expenditure related to regulatory changes are the subject of negotiations and riders to the electricity sale agreements with EDF. These two revenue components are measured on the basis of tariffs revised by the riders and recognised when they have been agreed in principle and their amounts can be reliably estimated.

Each agreement and rider constitutes a single contract within the meaning of IFRS 15.

In the case of the thermal power plants, the Group is bound by the following performance obligations from which the client can benefit separately, each obligation being separately identifiable in the contract:

- operation and maintenance services aimed at providing power availability;
- services involving the production and sale of electricity, with the aim of delivering electricity or steam to the network according to its requirements.

The agreement specifies a separate price for each performance obligation:

- a price for the fixed premium determined on the basis of the fixed costs incurred to ensure the availability of the asset;
- a proportional price for electricity sales.

Pursuant to IFRS 15, revenue is recognised when each performance obligation is satisfied, i.e. when control of the good or service is transferred to the client.

Revenue is therefore recognised on a monthly basis:

- for fixed premiums, on the basis of the amounts set contractually;
- for the proportional price, on the basis of the electricity supplied to the network;

- for the amount of the bonuses/penalties, on the basis of the actual availability rates.

Contractual riders with EDF, in addition to agreements with sugar refineries, allowed for the operation of the “bagasse premium” established in 2009 by the authorities in favour of sugar cane growers indirectly contributing to the production of electricity from bagasse. Under this mechanism, the premium is collected by the producers of this electricity (therefore the Group’s bagasse/coal power plants) and subsequently paid over to its beneficiaries (the growers) via the sugar refineries to which they deliver their sugar cane. The Group thereby acts as an intermediary and does not bear the risks and rewards associated with this premium. As such, 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.

In the case of the “Solar Power” and “Brazil” businesses, revenue depends exclusively on the energy generated and supplied to the network, which constitutes the only performance obligation. Revenue is recognised in line with the supply of the energy.

2.4. Operating segments

Segment information is presented based on the internal organisation and reporting structures used by Group Management.

The Group uses the following split for operating segments:

- France - Thermal Biomass: this segment comprises the thermal power plants that produce electricity and steam in the French overseas departments;
- France - Solar Power: this segment comprises the various photovoltaic panel farms in France, Spain and Italy, as well as the sale of photovoltaic installations and panels to third parties and joint ventures for the share held by third parties;
- Brazil: this segment comprises the activities conducted in Brazil, including the development activities, the holding company activities and the operation of its thermal power plants;
- Mauritius: this segment comprises the thermal power plants that produce electricity on Mauritius;
- Holding Company, Anaerobic Digestion and Other: this segment comprises the operating activities of Albioma, as well as the activities of Methaneo, which were sold in 2018.

2.5. Classification and presentation principles

Certain one-off transactions for material amounts are classified in “Other operating income” and “Other operating expenses”. In particular, these include:

- disposal gains and losses and significant but unusual impairment of non-current assets, property, plant and equipment and intangible assets;
- other operating income and expenses for material amounts.

Cash and cash equivalents comprise cash, current bank accounts, term deposits (with withdrawal options that can be exercised within three months with no penalty), and marketable securities that can be realised in the very short term, are readily convertible into cash and do not present a significant risk of a change in value. The change in cash and cash equivalents analysed in the statement of consolidated cash flows corresponds to cash and cash equivalents net of bank overdrafts. Short-term loans are included in the change in debt.

2.6. Business combinations

In accordance with the provisions of IFRS 3 revised, business combinations are recognised using the acquisition method. Under this method, the assets acquired and the liabilities and contingent liabilities assumed are measured at fair value. Goodwill corresponds to the difference between the acquisition price paid at the time of the business combination and the fair value of identifiable assets acquired net of any liabilities and contingent liabilities assumed. These are determined on a provisional basis at the time of acquisition and are revised within a period of 12 months with effect from the acquisition date. Goodwill is not amortised and is subject to impairment testing at least once a year.

Pursuant to IFRS 3 (revised):

- acquisition costs are expensed in the period in which they are incurred;
- contingent consideration is estimated at fair value at the date on which control is taken and included in the acquisition price of the shares.

The Group presents acquisition costs in the line “Other operating expenses” in the income statement.

For each business combination, the Group can choose to measure non-controlling interests either at fair value or on the basis of their share of the identifiable net assets of the entity acquired measured at fair value on the acquisition date.

For all transactions carried out, the Group has opted to value the non-controlling interests on the basis of their proportionate share of the identifiable net assets of the entity acquired and not at their fair value.

2.7. Intangible assets

Intangible assets acquired during a business combination are recognised separately when they meet the recognition criteria stipulated in IAS 38.

The fair value of contracts acquired during business combinations is determined by discounting the estimated net cash flows generated by the asset.

Following their initial recognition, contracts are recognised at cost less accumulated amortisation and impairment. Contracts are amortised on a straight-line basis over their residual term, but not exceeding 35 years.

2.8. Property, plant and equipment

Property, plant and equipment mainly comprise installations for the production of steam and electricity. Such items are recognised at cost including all expenses incurred to bring them into service, less any recoverable unpaid VAT, less depreciation and any impairment losses, where applicable. For property, plant and equipment produced internally, the cost includes directly attributable project development costs.

In accordance with IAS 23, the Group capitalises financial charges incurred during the asset construction phase. The interest thus capitalised relates to specific debt assumed to finance the projects in question or pre-financing granted by the lessors during the construction phase.

When the components of an asset have different useful lives, they are recognised separately and depreciated over their specific useful lives when their value is material.

Subsequent expenses incurred for the replacement or improvement of a component of an item of property, plant or equipment are recorded in property, plant and equipment. In the event of replacement, the old component replaced is expensed.

Major spare parts relating to plant safety, so-called strategic parts, are capitalised and depreciated over the useful lives of the plants in question.

Plant maintenance expenditure aimed at maintaining the plants in good working order is expensed as incurred.

Production installations are depreciated on a straight-line basis over their estimated useful lives with effect from the date on which the asset is ready to be brought into service, i.e. as soon as it is in the location and necessary condition to be able to be operated as intended by Management. These installations are depreciated over a period of 40 years for the bagasse/coal thermal power plants, 35 years for the thermal power plants using fuel oil, 20 years for plants in Brazil and 20 years for the photovoltaic installations.

Other property, plant and equipment is depreciated on a straight-line basis over periods ranging from two to ten years. Where applicable, the Group revises the useful lives.

Investment grants received are recognised as a reduction against the cost of property, plant and equipment. They

are recognised in profit or loss over the useful life of the asset they finance.

2.9. Leases

Asset leases for which the Group is lessee and bears substantially all the risks and enjoys the economic benefits incident to ownership are recognised as leases, in particular, agreements relating to the financing of power plants.

To restate finance leases, the Group determines the present value of the minimum lease payments. These are the payments that the lessee is, or may be, required to make during the lease term, excluding any conditional lease payments, cost of services and taxes to be paid or reimbursed to the lessor.

The Group identifies agreements that, although not taking the legal form of a lease, can be regarded as leases in accordance with IFRIC 4. Agreements regarded as leases are then analysed in accordance with IAS 17 "Leases" to determine whether they qualify as operating leases or finance leases. Income from finance lease activities is treated as income from ordinary activities. IAS 17 will be replaced by IFRS 16 as from 1 January 2019, as described in note 2 to the consolidated financial statements.

2.10. Impairment of assets

In accordance with IAS 36, goodwill is tested for impairment every year and the Company regularly looks for indications of impairment of property, plant and equipment and intangible assets. When such an indication exists, the Company performs an impairment test to determine whether the carrying amount of the asset exceeds its recoverable amount, defined as the higher of the fair value less disposal costs and the value in use.

The main indications of impairment used by the Group consist of:

- for the photovoltaic installations, a significant and permanent decrease in the equivalent full-power hours (EFPH);
- for the plants in the Thermal Biomass sector, availability that is permanently and significantly lower than that forecast in the business plans;
- for all installations, operating costs that are permanently and significantly higher than those forecast in the business plans and for which the Group cannot be compensated by virtue of contractual provisions.

An asset's value in use is generally measured by discounting the future cash flows generated by the asset. Assets that do not generate any cash flows that are largely independent of those from other assets are grouped into cash-generating units (CGUs). Each thermal power plant, photovoltaic fleet and anaerobic digestion installation constitutes a CGU of the Group.

The data used to perform the tests using the discounted cash flow method are taken from:

- business plans established at the outset of the project and covering the term of the electricity sale agreements, the underlying assumptions being updated on the test date; or
- Group business plans established annually and covering the term of the agreements (from 15 to 40 years).

These tests are based on the following key assumptions:

- electricity selling prices, which are set contractually;
- for the photovoltaic installations, equivalent full-power hours (EFPH).

2.11. Stocks

Stocks mainly comprise fuels, supplies and non-strategic spare parts needed for operation of the power plants as well as solar panels and inverters. Note that strategic parts are recognised under non-current assets. Stocks are measured at cost price or net realisable value (market price) if this is lower than the purchase cost.

2.12. Financial assets

Financial assets comprise operating receivables, deposits and cash collateral relating to leases, term deposits, loans, non-consolidated investments, short-term investments and cash equivalents and derivatives with a positive value. The measurement methods applied to financial assets are as follows:

- except for term deposits, short-term investments and cash equivalents are measured at fair value, fair value adjustments being recorded in profit or loss;
- operating receivables, security deposits and term deposits are recognised at amortised cost. Impairment losses are recognised if there is an objective indication of impairment.

The methods used for derivatives with a positive market value are explained in note 2.14 to the consolidated financial statements.

2.13. Financial liabilities

Financial liabilities comprise financial debt, operating liabilities and derivatives with a negative market value. The specific case of derivatives with a negative market value is covered in note 2.14 to the consolidated financial statements.

In accordance with IFRS 9, applied since 1 January 2018, financial debt is initially measured at fair value less transaction costs and subsequently according to the amortised cost method using the effective interest rate. This method does not result in material differences compared with their face value.

Financial liabilities are split between current and non-current liabilities. Current liabilities essentially consist of financial liabilities falling due within the 12 months following the reporting date.

2.14. Derivatives

The purpose of the derivatives used by the Group is to hedge interest rate risks on the borrowings and leases entered into at variable interest rates. In accordance with IFRS 9 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 IFRS 9, embedded derivatives are recognised separately from their host contract on the contract start date and are measured at fair value, in the same way as stand-alone derivatives entered into with a bank. These derivatives are recorded in the statement of financial position at their fair value, in assets or liabilities depending on whether this value is positive or negative. Changes in the fair value of such instruments are recorded in profit or loss, except for derivatives that qualify as hedges of a net investment in a foreign operation, for which the change in fair value of the effective portion is recorded in translation reserves (in other comprehensive income). On disposal of a foreign entity covered by a net investment hedge, the currency loss or profit recognised in translation reserves is recognised in profit or loss.

2.15. Employee benefits

Employee benefits comprise defined contribution plans and defined benefit plans.

Defined contribution plans refer to post-employment benefit plans by virtue of which the Group pays defined contributions to various employee welfare bodies. The contributions are paid in exchange for services rendered by the employees in respect of the financial year. They are expensed as incurred.

Defined benefit plans refer to plans that provide employees with guaranteed additional funds. For the Group, this guarantee of additional funds constitutes a future service for which an obligation is calculated. The provision is calculated by estimating the amount of benefits that the employees will have accumulated in exchange for services rendered during the year and previous years.

Changes to an existing plan or the introduction of a new plan for post-employment benefits or other long-term benefits may result in an increase in the present value of the obligation in respect of defined benefits for services rendered during previous years, known as "past service cost". This past service cost is recognised in profit or loss for the period.

Within the Group, defined benefit plans cover post-employment benefits and other long-term benefits.

Post-employment benefits

Post-employment benefits comprise:

- lump-sum retirement payments;
- time banking for pre-retirement leave (*comptes épargnes jours retraite* - CEJR);
- defined benefit plans reserved for certain employees of the parent company in addition to the previous plan;
- specific pensions for the employees of certain subsidiaries in connection with the Electricity and Gas Industries statute and the guarantee to maintain certain specific benefits after their retirement.

In accordance with IAS 19 “Employee benefits”, they are measured annually using the projected unit credit method, with length of service being taken into account on a pro rata basis.

The discount rate used on the reporting date is established based on the yields at the reporting date of high-quality private corporate bonds.

Actuarial gains and losses result from revised assumptions and from differences between the estimated results based on the actuarial assumptions and the actual results. These variances are recognised immediately in other comprehensive income for all actuarial gains and losses in respect of defined benefit plans. The impact of the unwinding of the discount on the provision for employee benefits is recorded in net financial income/(expense) under “Other financial expenses”.

Other long-term benefits

Other long-term benefits mainly comprise additional medical coverage. A provision is calculated using the same methods, assumptions and frequency as those used for the measurement of post-employment benefits.

Actuarial gains and losses arising from the measurement of other long-term benefits are recognised directly in profit or loss in the year in which they occur.

2.16. Provisions for liabilities

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be estimated reliably.

Provisions for dismantling

Dismantling costs are included in the initial cost of installations when the Group has a legal or implied obligation to dismantle. As a rule, the Group has no present, legal or implied obligation to dismantle pursuant to the criteria of IAS 37 “Provisions, Contingent Liabilities and Contingent

Assets”, such an obligation being likely to appear only once the activities of an installation definitively cease. As at 31 December 2018, the Group was not planning to cease the activities of any of its installations currently in operation.

For the Solar Power sector, dismantling costs are considered to be immaterial.

2.17. CO₂ allowances

The Group’s thermal power plants located in the overseas departments are included in operations subject to regulations regarding carbon dioxide (CO₂) emission allowances. The following thermal power plants are concerned: Albioma Bois-Rouge (units 1 and 2), Albioma Le Gol (units A and B), Albioma Le Moule, Albioma Galion and Albioma Caraïbes.

In accordance with contractual terms, the Group signed riders on electricity sale contracts with EDF to take these regulatory changes into account and to cover excess costs relating to shortfalls between allowances allocated and allowances used.

The allowances acquired and used in respect of the shortfalls for the period are presented in “Other operating expenses”, as are the amounts billed to EDF pursuant to the riders.

After taking into account the impact of the riders to the electricity sale agreements, any variance between available allowances and surrender obligations on maturity is covered by provisions calculated on the basis of the market value of the allowances at the reporting date. These provisions appear under “Other current liabilities”. No such provisions existed at the end of the periods presented.

Allowances acquired during the financial year and unused are recognised in stocks. At 31 December 2018 and 31 December 2017, they were valued at below €0.2 million.

2.18. Tax

Corporation tax

The corporation tax charge shown in the income statement comprises tax payable in respect of the current period and deferred tax.

Deferred tax is recognised on all temporary differences between the amounts for accounting and tax purposes of asset and liability items, as well as on tax losses available for carry forward. Deferred tax assets are recognised only when they are likely to be recovered.

The bulk of these deferred taxes stems from temporary differences resulting from:

- for deferred tax liabilities: the revaluation of electricity sale contracts, the neutralisation of accelerated depreciation for tax purposes and the effect of the restatement of finance leases;
- for deferred tax assets: tax losses, the effect of neutralising internal margins relating to installation development, and the recognition of provisions in respect of employee benefits.

Deferred taxes are measured at the tax rate enacted or almost enacted by the relevant body at the reporting date, based on when the temporary differences are expected to reverse. The liability method is applied and the impact of any changes in the tax rate is recognised in the income statement except for changes relating to items recognised directly in equity. Deferred taxes are not discounted.

Territorial Economic Contribution (*Contribution Économique Territoriale – CET*)

The 2010 Finance Act introduced a Territorial Economic Contribution (*Contribution Économique Territoriale – CET*) to replace the business tax (*taxe professionnelle*). The CET incorporates two new contributions: a tax on enterprise land value (*Taxe Foncière des Entreprises – CFE*) and a contribution for enterprise added value (*Cotisation sur la Valeur Ajoutée des Entreprises – CVAE*). For the financial years presented, the Group has recognised these two contributions under operating income in the item “Taxes and duties (other than corporation tax)”.

2.19. Share-based payments

Allotments of stock subscription options and bonus shares subject to performance conditions

In accordance with IFRS 2, the fair value of stock subscription options and bonus shares is determined based on methods suited to their characteristics:

- stock subscription options, not subject to any share price performance conditions, are measured using the Black and Scholes model;

- bonus shares allotted in 2016, 2017 and 2018, subject to share price performance conditions, are measured using the Monte-Carlo model, while shares whose final allotment depends on internal performance (power plant availability rates and EBITDA target) are measured using the Black and Scholes model.

The fair value on the allotment date of the share subscription options is recognised in expenses over the option acquisition period, based on the probability of these options being exercised before their expiry, with a corresponding increase in consolidated reserves.

For allotments of bonus shares and stock subscription options subject to performance conditions, the rights acquisition period corresponds to the most probable time frame for fulfilment of the performance conditions. The parameters used in this model are described in note 23 to the consolidated financial statements.

At each reporting date, the Group assesses the probability of loss of rights to the stock subscription options or bonus shares prior to the end of the acquisition period. Where applicable, the impact of the revision of these estimates is recognised in profit or loss with a corresponding movement in consolidated reserves. Performance conditions are not revised if market conditions are involved (as these are taken into account on the allocation date as part of the fair value measurement of the equity instruments to be issued).

2.20. Currency translation

Transactions denominated in foreign currency are recognised at the exchange rate prevailing on the transaction date. At the year end, receivables and payables in foreign currency are translated at the exchange rate prevailing on this date, with any resulting differences being recognised in profit or loss.

Investments in the Mauritian companies are equity-accounted in the statement of financial position based on the exchange rate prevailing at the end of the accounting period, while the share of profit or loss attributable to the Group is translated at the average rate for the year. Resulting translation differences are recorded directly in equity.

The Brazilian entities’ results and cash flows for the period are translated at the average rate for the period. The statement of financial position is translated at the closing rate of the period concerned. Resulting translation differences are recorded directly in equity.

The following rates were used by the Group to translate Brazilian reals into euros for the periods presented:

Euro/Brazilian real	Opening rate	Average rate	Closing rate
2017	3.43	3.60	3.97
2018	3.97	4.31	4.44

NOTE 3. MANAGEMENT ESTIMATES

Preparation of the financial statements requires the Group to make best estimates and assumptions that affect the carrying amounts of assets and liabilities, information relating to contingent assets and liabilities, and the amount of income and expenses recorded during the period. Actual future results may differ from these estimates.

The main items in the financial statements for which the Group uses material estimates are as follows:

3.1. IAS 17: "Leases" and IFRIC Interpretation 4: "Determining whether an arrangement contains a lease"

The Group may enter into an agreement, including a transaction or a series of related transactions, that does not take the legal form of a lease but which confers the right to use an asset (e.g. a piece of property, plant or equipment) in return for a payment or a series of payments. IFRIC Interpretation 4 indicates the approach to be followed to determine whether agreements of this kind constitute or contain leases to be recognised in accordance with IAS 17. To determine whether an agreement constitutes or contains a lease, one must consider the substance of the agreement and assess if execution of the agreement depends on the use of one or more specific assets and if the agreement confers a right to use the asset. The analysis of these criteria assumes that Management makes use of estimates. Given their characteristics, some of the Group's sale contracts may fall within the scope of IFRIC 4. To classify a contract, Management must exercise its judgement in order to determine whether the agreement results in the transfer to the customer of virtually all the risks and rewards inherent in ownership of the asset by assessing whether execution of the agreement depends on the use of a specific asset and if the agreement confers the right to use the asset.

Group Management believes that there is no transfer of virtually all the risks and rewards attached to the agreements for sale of electricity to EDF and that, as a result, any leases that exist are not treated as finance leases.

When a contract meets the criteria for a finance lease in accounting terms, determining the fair value of the leased asset and the present value of minimum lease payments also implies the formulation of a judgement by Management.

3.2. SIC 27: "Evaluating the substance of transactions with the legal form of a lease"

The Group may enter into a transaction or a structured series of transactions (an agreement) taking the legal form of a lease with one or more investors in order to finance its property, plant and equipment. A series of transactions assuming the legal form of a lease are related and must be recognised for accounting purposes as a single transaction when their overall economic impact cannot be understood without reference to the series of transactions as a whole.

Analysis of the substance of agreements assumes that Management makes estimates and formulates judgements. If the agreement does not meet the conditions to be recognised for accounting purposes as a lease, Management's estimates and judgements concern the facts and circumstances specific to each agreement, so as to determine when a fee received by the Group, where applicable, must be recognised in income. Such a fee is recognised only when it is probable that the economic benefits associated with the transaction will accrue to the entity and the outcome of the transaction can be reliably assessed, which assumes that Management relies on estimates and formulates judgements. This analysis is performed on a case-by-case basis.

3.3. IFRS 3: "Business combinations"

All business combinations are recognised using the acquisition method. As a result, the Group recognises the acquired entity's identifiable assets, liabilities and contingent liabilities at their fair value on the acquisition date, and also recognises the goodwill. The values attributed to the assets acquired and liabilities assumed are subject to Management estimates, e.g. the expected cash flows on the assets and discount rates used.

3.4. IAS 16: "Useful lives of property, plant and equipment and intangible assets"

Property, plant and equipment and intangible assets other than goodwill are recognised at cost and are depreciated or amortised over their economic useful lives based on estimates made by Management. When Management observes that the actual useful lives differ substantially from the estimates used to calculate the depreciation or amortisation, this difference gives rise to adjustments in subsequent periods. Given the significance of the Group's non-current assets, differences between actual useful lives and estimated useful lives could have a material impact, positive or negative, on its operating income.

3.5. IAS 36: "Impairment of assets"

Goodwill is tested for impairment annually, and property, plant and equipment and intangible assets are subject to impairment testing when circumstances indicate that the asset's carrying amount may not be fully recoverable. When such indications exist, the Company performs impairment tests in order to verify that the asset's carrying amount does not exceed its recoverable amount, which is defined as the higher of the fair value less costs to sell and the value in use. An asset's value in use is generally determined by discounting the future cash flows expected to be generated by the asset. To estimate the future cash flows on property, plant and equipment and intangible assets, Management formulates a judgement according to its intended use of the asset, notably as regards future income, expenses, or even discount rates.

The impairment tests are performed on the basis of business plans approved by the Board of Directors.

3.6. IAS 12: "Income taxes"

The Group previously benefited directly from certain tax advantages corresponding to a percentage of eligible direct investments made in the form of capital contributions in assets located in the French overseas departments. These capital contributions were deductible from the taxable profit according to the date on which the tax benefits were approved. Approval from the public authorities was conditional on the continuing operation of the asset and conservation for a period of five years, in all cases, of the shares received in exchange for the capital contributions.

These tax benefits did not fall directly within the scope of application of either IAS 12 "Income Taxes" or IAS 20 "Accounting for Government Grants". Management therefore exercised its judgement to determine the accounting treatment to be applied and concluded that an analogy with IAS 12 was appropriate. The tax benefit was therefore recognised as a reduction of the tax on current income when there was reasonable assurance that the Group would meet all the conditions for grant of the tax relief and the capital contribution became deductible from the taxable income for the current year.

Deferred tax assets are recognised for the amounts of tax on the profit recoverable in future years in respect of deductible temporary differences and the carry forward of unused tax losses and tax credits. To determine if a deferred tax asset is to be recognised in respect of the carry forward of unused tax losses and tax credits, Management examines the probability of these unused tax losses and tax credits being used against a future taxable profit. Management takes into account past and projected results, the future taxable profit and the combination of results and strategies, both existing and realisable, in matters of tax planning.

3.7. IFRS 9: "Fair value of financial derivatives and embedded derivatives"

The best indication of the fair value of a contract is the price that would be agreed between knowledgeable, willing parties in an arm's length transaction. On the transaction date, fair value generally corresponds to the transaction price. Subsequently, fair value is determined based on observable market data, which provide the most reliable indications concerning the change in a contract's fair value.

Market-based measurements, particularly those that are not based on readily available listed prices, include an intrinsic margin of uncertainty. This uncertainty increases with the term of the underlying contracts and when the underlying market is limited due to low transaction volumes. Market-based measurements may also differ substantially from the actual profits and losses realised on maturity of the

contract due to changes in market conditions or specific events such as changes made to the underlying contract. More generally, any changes in the facts and circumstances relating to market conditions and the underlying assumptions used for measurement purposes may have an impact on the Group's net financial income and equity.

Derivatives are traded in OTC markets in which there is no listed price. As a result, they are valued according to models commonly used by operators to evaluate these financial instruments (discounted cash flow models).

3.8. Other estimates

Concerning retrocessions of tax benefits, the Group recognises the impact of tax relief measures only when it is probable that the economic benefits associated with the transaction will accrue to the Group and the outcome of the transaction can be reliably measured. The Group considers the economic benefits associated with the transaction to be probable as soon as it receives the necessary approvals, the installations meet the conditions required, notably regarding grid connection, and investors have committed to the operations.

3.9. Consortium

In connection with its energy production operations in Brazil, the Group may set up a consortium with its sugar-refining partners.

The purpose of such a consortium is to deal solely with transactions between the plant owner/operator and the sugar refiner. The consortium does not therefore own any assets or generate any income.

The obligations of the consortium's stakeholders are as follows:

- the sugar refiner must provide the biomass and water needed for the electricity and steam produced by the consortium, in accordance with the specifications drawn up concerning quantity and quality, as well as a certain number of sites that it currently owns and that are partially occupied by the installations, and the access routes and roadways needed for the plant's operation and maintenance;
- the plant's owner/operator must provide all the cogeneration equipment and contribute to the consortium exclusively at its expense as regards the plant's operation and maintenance, including predictive maintenance.

In the event that either of the parties fails to comply with its obligations, the agreement provides for a compensation mechanism.

All of the consortium's transactions are included in the financial statements of the Group project company, which has virtually all of the voting rights within the consortium and which directs, manages and represents the consortium for all legal purposes.

NOTE 4. CHANGES IN THE CONSOLIDATION SCOPE

4.1. Acquisitions in the period

Lifting of conditions precedent enabling the finalisation of the acquisition of 60% of the Jalles Machado group's second cogeneration plant in Brazil

On 28 December 2018, Albioma signed the final contract with the Jalles Machado group for the acquisition of 60% of the bagasse cogeneration plant adjacent to the sugar refinery and distillery of the same name in Goianésia (state of Goiás). Its annual crushing capacity totals 2.8 million tonnes of sugar cane.

As a reminder, Albioma signed an agreement with Jalles Machado on 18 December 2017 providing for, in particular, the renovation of the existing boilers as well as the installation of a new 25 MW turbine, bringing the site's total capacity to 65 MW.

The allocation of the acquisition price to the identifiable assets and liabilities and the contingent liabilities was carried out on a provisional basis as at 31 December 2018. This allocation will be finalised in the 12 months following the acquisition date.

Acquisition of the shares of Eneco France

On 12 December 2018, Albioma acquired the shares of Eneco France. Eneco France develops, builds and operates photovoltaic plants on rooftops and agricultural facilities at private or industrial sites in the South of France. The group owns photovoltaic plants with an installed capacity of 17 MWp and has an extensive portfolio of projects under development. In addition, Eneco France operates a 0.5 MW hydroelectric plant.

The allocation of the acquisition price to the identifiable assets and liabilities and the contingent liabilities was in progress at 31 December 2018. This allocation will be finalised in the 12 months following the acquisition date.

Summary of the assets and liabilities acquired

The following table provides a breakdown of the assets and liabilities acquired:

<i>In thousands of euros</i>	
Intangible assets	12,540
Property, plant and equipment	41,656
Other non-current assets	910
Current assets	3,912
Cash and cash equivalents	9,531
Deferred tax liabilities	(2,057)
Other non-current liabilities	(7,924)
Current liabilities	(13,527)
Non-controlling interests	(377)
Net assets acquired	44,666
Consideration paid	(57,950)
Goodwill in the process of being allocated	13,284

4.2. Disposal of the Anaerobic Digestion business

On 10 December 2018, Albioma sold its Anaerobic Digestion business in France to Evergaz.

Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the results for the 2018 and 2017 financial years have been restated so as to present on a separate "Discontinued operations" line the income and expenses associated with this business.

The following table provides a reconciliation of the income statement published in 2017 and the income statement including the IFRS 5 restatement in respect of the sale of this business:

<i>In thousands of euros</i>	2017 (published)	Deconsolidation of Anaerobic Digestion business	2017 (restated)
Revenue	403,223	(4,075)	399,148
Purchases (including change in stocks)	(131,690)	1,418	(130,272)
Logistics costs	(10,809)	-	(10,809)
Staff costs	(44,366)	447	(43,919)
Other operating expenses	(84,930)	2,307	(82,623)
Amortisation of electricity and steam supply agreements	(6,154)	-	(6,154)
Charges to depreciation, amortisation and provisions	(46,509)	231	(46,278)
Share of net income of equity-accounted companies	3,632	-	3,632
Current operating income	82,397	328	82,725
Other operating income and expenses	(2,504)	921	(1,583)
Operating income	79,893	1,249	81,142
Cost of financial debt	(24,298)	15	(24,283)
Other financial income	2,953	(1,067)	1,886
Other financial expenses	(2,388)	1,716	(672)
Profit before tax	56,159	1,913	58,072
Tax charge	(11,888)	13	(11,875)
Net income for the year from continuing operations	44,271	1,926	46,197
Net income from activities held for sale	-	(1,926)	(1,926)
Net income	44,271	-	44,271

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4.6. Notes to the consolidated financial statements

NOTE 5. OPERATING SEGMENTS

5.1. Information by operating segment and region

Year ended 31 December 2018

<i>In thousands of euros</i>	France – Thermal Biomass	France – Solar Power ¹	Brazil	Mauritius	Holding company and other	Eliminations	Total
INCOME STATEMENT							
Income from ordinary activities	363,396	41,487	17,647	-	5,781	-	428,311
Inter-segment	-	-	-	-	18,961	(18,961)	-
Income from ordinary activities	363,396	41,487	17,647	-	24,742	(18,961)	428,311
EBITDA²	123,619	30,084	6,501	3,146	(734)	-	162,616
Operating income	91,048	15,353	(4,527)	3,146	(1,769)	-	103,252
Financial expenses and income							(19,756)
Tax charge							(29,945)
Net income for the year							53,551
STATEMENT OF FINANCIAL POSITION							
Goodwill	7,313	14,234	2,679	-	-	-	24,226
Intangible assets	67,724	8,599	25,783	-	(924)	-	101,182
Property, plant and equipment	891,665	212,917	58,833	-	(1,528)	-	1,161,887
Participating interests in equity-accounted companies	618	39	-	23,292	-	-	23,950
Current assets	170,956	56,860	14,569	-	41,371	-	283,755
Other non-current assets (including deferred tax)	9,261	3,483	292	-	(7,422)	-	5,614
Total assets	1,147,537	296,132	102,156	23,292	31,497	-	1,600,614
Equity	258,305	65,047	3,776	10,658	154,996	-	492,782
Non-current financial debt	483,301	134,851	20,973	-	83,115	-	722,240
Other non-current liabilities (including deferred tax)	91,655	26,564	15	-	(7,408)	-	110,826
Current liabilities	159,711	(6,806)	10,757	-	111,103	-	274,765
Inter-segment eliminations ³	154,565	76,476	66,635	12,634	(310,310)	-	-
Total equity and liabilities	1,147,537	296,132	102,156	23,292	31,497	-	1,600,614
OTHER INFORMATION							
Investments in property, plant and equipment and intangible assets	120,358	11,979	9,232	-	(3,240)	-	138,329
Charges to depreciation, amortisation and provisions	(34,417)	(15,792)	(10,316)	-	(1,534)	-	(62,059)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and other non-cash items recognised in other operating income and expenses.

3. Inter-sector eliminations include intra-group payables and receivables, as well as the elimination of consolidated equity investments.

Year ended 31 December 2017

<i>In thousands of euros</i>	France – Thermal Biomass	France – Solar Power ¹	Brazil	Mauritius	Holding company, Anaerobic Digestion and other	Eliminations	Total
INCOME STATEMENT							
Income from ordinary activities	334,238	42,352	20,844	-	5,789	-	403,223
Inter-segment	-	-	-	-	18,870	(18,870)	-
Income from ordinary activities	334,238	42,352	20,844	-	24,659	(18,870)	403,223
EBITDA²	102,090	31,970	7,680	3,485	(6,882)	-	138,343
Operating income	64,441	15,524	2,284	3,485	(5,840)	-	79,893
Financial expenses and income							(23,734)
Tax charge							(11,888)
Net income for the year							44,271
STATEMENT OF FINANCIAL POSITION							
Goodwill	7,313	950	3,450	-	-	-	11,713
Intangible assets	71,841	7,427	18,701	-	151	-	98,120
Property, plant and equipment	801,467	183,237	55,477	-	2,204	-	1,042,385
Participating interests in equity-accounted companies	587	(2)	-	22,794	-	-	23,380
Current assets	155,767	29,891	12,535	-	33,893	-	232,086
Other non-current assets (including deferred tax)	10,910	2,640	255	-	(2,976)	-	10,829
Total assets	1,047,885	224,143	90,418	22,794	33,272	-	1,418,512
Equity	242,327	65,220	12,963	10,658	136,113	-	467,281
Non-current financial debt	418,764	125,548	18,786	-	84,602	-	647,700
Other non-current liabilities (including deferred tax)	96,555	24,046	-	-	(1,705)	-	118,896
Current liabilities	127,638	22,961	9,434	-	24,603	-	184,635
Inter-segment eliminations ³	162,599	(13,620)	49,235	12,136	(210,351)	-	-
Total equity and liabilities	1,047,883	224,155	90,418	22,794	33,262	-	1,418,512
OTHER INFORMATION							
Investments in property, plant and equipment and intangible assets	148,774	2,036	1,706	-	1,057	-	153,573
Charges to depreciation and amortisation	(29,553)	(15,028)	(5,396)	-	(675)	-	(50,652)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and other non-cash items recognised in other operating income and expenses.

3. Inter-sector eliminations include intra-group payables and receivables, as well as the elimination of consolidated equity investments.

Other segment assets comprise stocks, trade receivables and other debtors.

Segment liabilities comprise specific liabilities relating to operating sites, provisions for employee benefits, other provisions for liabilities and charges (excluding provisions for risks relating to non-consolidated entities), trade payables and other creditors.

A reconciliation between operating income and EBITDA is shown below:

<i>In thousands of euros</i>	2018	2017
Operating income	103,252	81,142
Amortisation of contracts	5,946	6,154
Depreciation of non-current assets	49,743	44,537
Charges to/reversals of provisions (including employee benefits)	1,584	1,761
Charges to/reversals of provisions and other non-cash items recognised in other operating income and expenses	2,091	4,852
EBITDA from continuing operations	162,616	138,447

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 Câmara de Comercialização de Energia Elétrica (CCEE) agents by the Agência Nacional de Energia Elétrica (ANEEL) for the Albioma Rio Pardo Termoelétrica and Albioma Codora Energia plants in Brazil and, for the equity-accounted companies, the Central Electricity Board (CEB) in Mauritius.

NOTE 6. INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities can be broken down as follows:

<i>In thousands of euros</i>	2018	2017
Sales of electricity and steam	422,713	397,434
Services	5,598	1,714
Income from ordinary activities	428,311	399,148

The change in revenue was due mainly to the impact of:

- the commissioning of additional thermal capacity during the year;
- the increase in the fixed premiums and the variable remuneration as a result of the indexation provided for by the power purchase agreements of the thermal power plants in the French overseas departments and regions and the additional fixed premiums received in respect of the investments to bring the plants into compliance with the new standards;
- the contractual reduction in the basic fixed premium of the Bois-Rouge plant as from 1 January 2018;
- technical shutdowns being carried out smoothly despite the unplanned shutdowns of certain tranches of the power plants on Reunion Island;
- a negative volume effect, production at the thermal power plants in the French overseas departments having decreased from 2,043 GWh in 2017 to 1,874 GWh in 2018 due to an erosion of the EDF call rates which added to the fall in availability resulting from the scheduled shutdowns carried out as part of the upgrading of facilities;
- the fall in revenue in Brazil due to the deterioration in the average real/euro exchange rate and the fall in production;
- the increase in the holding company's revenue related to billings to a project entity under joint control for the development of a solar power project in Guadeloupe;
- the deconsolidation of the Anaerobic Digestion business.

NOTE 7. PURCHASES (INCLUDING CHANGES IN STOCKS)

Purchases include the cost of raw materials consumed in the production of electricity, notably coal and fuel oil. The change in purchases consumed includes the effects described in note 6 to the consolidated financial statements and, in particular, the impact of the commissioning of additional thermal capacity.

NOTE 8. LOGISTICS COSTS AND OTHER OPERATING INCOME AND EXPENSES

8.1. Logistics costs

The change in logistics expenses was due mainly to the fall in production and the lower costs of processing combustion by-products.

8.2. Other operating expenses

Other operating expenses comprise all expenses other than purchases, logistics costs and staff costs. Other operating expenses also include the expenses and income associated with the CO₂ allowances.

The change during the period was due mainly to the effect caused by a sugar harvest which produced significantly lower volumes than that of the previous year.

NOTE 9. STAFF COSTS

Staff costs break down as follows:

<i>In thousands of euros</i>	2018	2017
Wages and salaries	(27,132)	(24,896)
Social security charges	(12,608)	(13,002)
Profit-sharing and incentive schemes	(4,450)	(3,488)
Share-based payments	(1,510)	(2,533)
Total staff costs	(45,700)	(43,919)
Employee benefits (cost of services rendered net of benefits paid)	(1,983)	(1,557)
Total staff costs including employee benefits	(47,683)	(45,476)

The charges in respect of share-based payments relate to the performance share plans detailed in note 23.2 to the consolidated financial statements. Effective acquisition of these shares is subject to performance conditions, which had not been achieved at the end of the reporting period. No shares were effectively acquired during the period.

Staff costs have risen due mainly to the recruitment of new employees at the thermal power plants on Reunion Island in line with the setting up of the new facilities for processing liquid and gaseous waste (IED), the commissioning of the Galion 2 plant and the strengthening of the development and construction teams.

NOTE 10. OTHER OPERATING INCOME AND EXPENSES

<i>In thousands of euros</i>	2018	2017
Reversals of litigation provisions	5,293	2,420
Reversals of impairment losses	-	621
Other income	3,071	5,567
Other operating income	8,364	8,608
Impairment of projects	(7,387)	
Provisions for litigation and uncertainties concerning projects	(134)	(7,913)
Other expenses	(418)	(2,278)
Other operating expenses	(7,939)	(10,191)
Total other operating income and expenses	425	(1,583)

For the year ended 31 December 2018:

- the main components of other income were the reversals of provisions for risks to which the Group is no longer exposed, the repayments of contributions related to former bonus performance share plans, whose contribution principle was invalidated by the French Constitutional Council, and compensation received in respect of previous financial years from one of the Group's partners;
- the main expenses in this heading were the impairment losses in respect of an asset in Brazil as a result of a sugar-producing partner being placed under the local judicial recovery protective regime.

For the year ended 31 December 2017:

- the main components of other income were the retroactive effect of riders to the Albioma Caraïbes power purchase agreement compensating the plant for the extra costs associated with managing combustion by-products and processing liquid waste, the energy management premium received by Albioma Le Gol in respect of previous periods as well as the favourable finalisation during the period of a conditional earn-out;
- other expenses included the expenses relating to the settlement of disputes and uncertainties concerning projects.

NOTE 11. COST OF FINANCIAL DEBT

Cost of financial debt comprises the following items:

<i>In thousands of euros</i>	2018	2017
Financial expenses on financial debt	(18,841)	(19,494)
Financial expenses on leases	(4,526)	(4,789)
Cost of financial debt	(23,367)	(24,283)

The change in interest expenses was due mainly to:

- the increase in the outstanding debt of the power plants in operation, in line with the investment programme aimed at bringing the Group's plants into compliance with the Industrial Emissions Directive (IED);
- the commissioning of the Galion 2 power plant;
- the favourable change in interest rates in Brazil;
- the beneficial impact of the refinancing of the debt in respect of the Indian Ocean Solar Power business.

For the year ended 31 December 2018, the amount recognised in financial expenses in respect of hedging instruments amounted to €8.1 million, compared with €8.9 million in 2017. 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 €3.6 million in 2018 compared with €3.4 million in 2017.

NOTE 12. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses comprise the following items:

<i>In thousands of euros</i>	2018	2017
Currency gains	32	105
Income from marketable securities disposal	400	506
Other financial income	3,771	1,275
Other financial income	4,203	1,886
Impact of unwinding the discount on the provision for employee benefits	(467)	(467)
Change in the fair value of financial instruments	-	-
Other financial expenses	(125)	(205)
Other financial expenses	(592)	(672)
Total other financial income and expenses	3,612	1,214

Other financial income includes the impact of the refinancing of the Indian Ocean Solar Power sector's debt described in note 24 to the consolidated financial statements, which totalled €3.5 million, as well as income from cash investments and income from deposits.

Other financial expenses comprise the charge relating to the effect of discounting employee benefits in the amount of €0.5 million.

NOTE 13. TAX

The corporation tax charge breaks down as follows:

<i>In thousands of euros</i>	2018	2017
Operating income	103,252	81,142
Share of net income of equity-accounted companies	(3,294)	(3,632)
Cost of financial debt	(23,367)	(24,283)
Other financial income and expenses	3,612	1,213
Income before tax and share in equity-accounted companies (A)	80,202	54,440
Tax charge (B)	(29,945)	(11,875)
Effective tax rate (B)/(A)	37.34%	21.81%

The tax charge for the period comprises the following:

<i>In thousands of euros</i>	2018	2017
Current tax charge	(31,790)	(23,451)
Tax on dividend payments	-	3,733
Deferred tax	1,845	7,843
Total corporation tax	(29,945)	(11,875)

A reconciliation between the actual tax charge and the theoretical tax charge is shown below:

<i>In thousands of euros</i>	2018			2017		
	Base	Rate	Tax	Base	Rate	Tax
Theoretical tax charge	80,202	34.43%	(27,613)	54,440	34.43%	(18,744)
Difference between local tax rate and standard tax rate including LODEOM allowance ¹		2.3%	(1,850)		(0.1%)	60
Impact of the change in the tax rate on deferred tax		0.6%	(500)		(6.0%)	3,280
Non-taxable income		(0.8%)	648		(1.2%)	648
Tax on dividend payments		0.4%	(319)		(6.6%)	3,619
Non-deductible interest		0.9%	(761)		0.9%	(487)
Additional contributions and other permanent differences		(0.6%)	450		0.5%	(251)
Tax charge recognised	80,202	37.34%	(29,945)	52,527	22.63%	(11,875)

1. LODEOM: law no. 2009-594 of 27 May 2009 for the economic development of Overseas France.

The differences in the tax rates between the local rate and the standard tax rate include the difference between the tax rate in Brazil and the standard tax rate applicable in France as well as the effect of the allowance in respect of law no. 2009-594 of 27 May 2009 for the economic development of Overseas France (*Loi pour le développement économique des Outre-mer* - LODEOM).

The “Impact of the change in the tax rate on deferred tax” heading comprises in particular the effect of the decrease in the standard tax rate provided for by the 2018 and 2019 Finance Acts and applicable to the Group in France as from 2019. Thus, in accordance with IAS 12 “Income Taxes”, deferred taxes which are expected to reverse as from 1 January 2019 have been measured on the basis of a standard tax rate

reducing gradually to 25% by 2022 as compared with the 33.1/3% rate previously applied. Deferred taxes were measured at 31 December 2017 taking into account the impact of the 2018 Finance Bill, which provided for a gradual reduction in the tax rate to 25%, and generated tax income of €3.3 million in respect of the 2017 financial year.

For the year ended 31 December 2017, the “Tax on dividend payments” item includes the effect of the withdrawal of the 3% tax on dividends in respect of the financial years 2013 to 2017.

The restated normalised effective tax rate for the year ended 31 December 2018 came to 33.72% compared with 34.43% in 2017.

1. Restated normalised tax rate: tax rate restated for the effects of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term, excluding Brazil and excluding the effect of the change in the tax rate as from 2019. For the year ended 31 December 2017, the restated normalised tax rate did not include the effect of the withdrawal of the 3% tax on dividend payments.

NOTE 14. GOODWILL

<i>In thousands of euros</i>	Net value
At 31/12/2016	11,835
Translation differences	(122)
At 31/12/2017	11,713
Impact of changes in the consolidation scope	13,284
Impairment	(711)
Translation differences	(60)
At 31/12/2018	24,226

The change in the goodwill related mainly to the impact of the acquisition of Eneco France, as described in note 4 to the consolidated financial statements. The acquisition price will be allocated during the 2019 financial year.

The breakdown of goodwill by activity is as follows:

<i>In millions of euros</i>	
Thermal Biomass France	7,3
Thermal Biomass Brazil	2,6
Solar Power	14,3

This goodwill is subject to an impairment test based on the assumptions presented in note 2.10 to the consolidated financial statements.

The Group carried out sensitivity calculations on the value of its assets based on the following assumptions:

- discount rate increased by 50 basis points;
- availability rate of the power plants in the Thermal Biomass sector reduced by 100 basis points;
- equivalent full-power hours for the photovoltaic installations reduced by 100 basis points.

No asset impairment losses would be recognised under any of the above assumptions in respect of any assets other than those for which impairment provisions were recognised during the 2018 financial year.

NOTE 15. INTANGIBLE ASSETS

<i>In thousands of euros</i>	Electricity and steam supply agreements	Other intangible assets	Total intangible assets
GROSS AMOUNTS			
At 31/12/2016	166,124	3,856	169,980
Acquisitions	-	207	208
Impact of changes in the consolidation scope	-	(584)	(584)
Other movements	74	-	74
Translation differences	(3,386)	(13)	(3,399)
At 31/12/2017	162,812	3,467	166,279
Acquisitions	-	1,497	497
Disposals	(18)	-	(18)
Impact of changes in the consolidation scope	11,939	2,043	13,982
Translation differences	(6,134)	(248)	(6,381)
At 31/12/2018	168,599	5,760	174,359
AMORTISATION AND IMPAIRMENT			
At 31/12/2016	(59,592)	(3,343)	(62,935)
Amortisation charge and impairment losses for the period	(6,154)	(185)	(6,339)
Reversals of impairment losses	-	72	72
Impact of changes in the consolidation scope	-	645	645
Translation differences	388	10	398
At 31/12/2017	(65,358)	(2,801)	(68,159)
Amortisation charge and impairment losses for the period	(5,946)	(1,211)	(7,157)
Impact of changes in the consolidation scope and other changes	756	594	1,350
Translation differences	783	7	790
At 31/12/2018	(69,765)	(3,411)	(73,176)
NET AMOUNTS			
At 31/12/2016	106,532	513	107,045
At 31/12/2017	97,454	666	98,120
At 31/12/2018	98,834	2,349	101,183

The change in intangible assets related mainly to:

- the provisional allocation of the acquisition price of the Albioma Esplanada Energia shares to the identifiable assets and liabilities;
- the impairment of the assets located in Brazil, as described in note 10 to the consolidated financial statements, as well as the impairment of projects whose probability of successful completion does not justify their capitalisation at this stage;
- the movements in the Brazilian real exchange rate;
- amortisation of the electricity sale contracts.

The gross amount of intangible assets comprises:

- the fair value of agreements for the delivery of electricity entered into by Albioma Codora Energia and Albioma Esplanada Energia in connection with the acquisition of

control over these entities (see further information in note 3.1 to the consolidated financial statements);

- the fair value of agreements for the delivery of energy entered into by the thermal power plants (Albioma Bois-Rouge, Albioma Le Moule and Albioma Le Gol) with EDF when acquiring control of these entities on 1 October 2004, amortised over the residual lives of said agreements;
- the fair value of agreements entered into by the entities of the ElecSol sub-group, Albioma Solaire Réunion, Plexus Sol and Albioma Power Alliance recognised when allocating the acquisition price of these entities. These agreements are amortised over a period of 20 years.

Impairment of other intangible assets is presented in the "Charges to provisions" line. Reversals of impairment losses are presented in the "Reversals of provisions" line in the income statement.

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of euros</i>	Installations in service	Non-current assets in progress	Total
GROSS AMOUNTS			
At 31/12/2016	1,197,807	156,184	1,353,991
Acquisitions	73,077	80,288	153,366
Asset disposals and derecognition	(750)	3	(747)
Impact of changes in the consolidation scope	(150)	(277)	(427)
Reclassifications	527	109	636
Translation differences	(11,119)	(48)	(11,168)
At 31/12/2017	1,259,392	236,260	1,495,652
Acquisitions	60,714	77,282	137,997
Asset disposals and derecognition	-	-	-
Impact of changes in the consolidation scope	39,673	(560)	39,113
Reclassifications	214,316	(214,483)	(167)
Translation differences	(7,765)	(53)	(7,819)
At 31/12/2018	1,566,330	98,446	1,664,776
DEPRECIATION AND IMPAIRMENT			
At 31/12/2016	(407,947)	(4,874)	(412,821)
Depreciation charge for the period	(44,472)	(91)	(44,563)
Impairment of assets and projects	250	-	250
Asset disposals and derecognition	507	-	507
Impact of changes in the consolidation scope	738	-	738
Translation differences	2,306	-	2,306
Reclassifications	316	-	316
At 31/12/2017	(448,302)	(4,965)	(453,267)
Depreciation charge for the period	(49,217)	-	(49,217)
Impairment of assets and projects	(5,686)	-	(5,686)
Impact of changes in the consolidation scope	2,847	375	3,222
Translation differences	1,892	-	1,892
Reclassifications	167	-	167
At 31/12/2018	(498,298)	(4,590)	(502,888)
NET AMOUNTS			
At 31/12/2016	789,860	151,309	941,170
At 31/12/2017	811,090	231,295	1,042,385
At 31/12/2018	1,068,031	93,856	1,161,887

Increases in property, plant and equipment in 2018 related mainly to expenditure for improvements to thermal power plants and for the development of projects, in particular the Galion 2 and Albioma Saint-Pierre plants.

The impact of changes in the consolidation scope related to the first-time consolidation of companies acquired during the year, details of which are provided in note 4 to the consolidated financial statements.

Expenses capitalised during 2018 in respect of plants in the construction phase totalled €3.6 million, compared with €3.3 million in 2017.

The "Translation differences" heading includes the impact of the change in the euro/Brazilian real exchange rate on the assets located in Brazil.

For the year ended 31 December 2018, with the exception of the circumstances that resulted in impairment losses being recognised in respect of an asset in Brazil, as described in

note 10 to the consolidated financial statements, the Group did not identify any indications of impairment with regard to its other plants.

Finance leases

A significant portion of the Group's industrial equipment is subject to finance leases. At the end of the lease period, the Group can exercise an option to purchase the equipment.

The amount net of depreciation of assets under finance leases was €142.1 million at 31 December 2018, compared with €149.7 million at 31 December 2017.

Financial debt in respect of finance leases is presented in note 24 to the consolidated financial statements.

NOTE 17. PARTICIPATING INTERESTS IN EQUITY-ACCOUNTED COMPANIES

Equity-accounted investments include entities under significant influence, mainly comprising interests in the Mauritian entities and interests under joint control, essentially Quantum Caraïbes, which was sold in 2017. The financial information for the main equity-accounted companies is as follows:

<i>In thousands of euros</i>	2018	2017
MOVEMENTS DURING THE ACCOUNTING PERIOD		
Amount at the start of the period	23,379	25,473
Dividends paid	(1,939)	(2,835)
Share of net income of associates	3,294	3,632
Impact of changes in the consolidation scope – Sale of Quantum Caraïbes	-	(1,171)
Translation differences on the Mauritian interests	(786)	(1,719)
Other changes	1	(1)
Amount at the end of the period	23,949	23,379

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 IFRS 9, 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 IFRS 9 "Financial instruments" and IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", these derivatives have been classified as hedges of a net investment in a foreign operation. As such, changes in the fair value of these derivatives are recognised in equity, within translation reserves, with no impact on profit or loss.

For the period ended 31 December 2018, the effect net of tax of the restatement of embedded derivatives in sale contracts on the value of investments in associates and recognised in translation reserves was €0.8 million, compared with €1.2 million at 31 December 2017. The change in fair value for 2018 was €0.5 million net of tax on the Group share compared with €0.1 million in 2017.

At 31 December 2018

<i>In thousands of euros</i>	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal Biomass	Thermal Biomass	Thermal Biomass		
Percentage interest	25%	25%	27%		
STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	1,793	277	2,299		
Other current assets	13,474	11,808	20,630		
Non-current assets	39,967	18,455	67,114		
Current liabilities	7,711	9,297	17,797		
Non-current liabilities	5,615	4,771	40,135		
Net assets	41,908	16,472	32,110		
Contribution to the Group's investments in equity-accounted companies	10,477	4,118	8,670	685	23,949
Dividends paid to the Group	1,178	302	459	-	1,939
INCOME STATEMENT					
Revenue	36,565	23,417	45,275		
Net income for the year	5,954	2,377	3,940		
Group share of net income	1,488	594	1,064	148	3,294
Net income for the year	5,954	2,377	3,940		
Other comprehensive income (net of tax)	(272)	(109)	(84)		
Total comprehensive income	5,682	2,267	3,856		

At 31 December 2017

<i>In thousands of euros</i>	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal Biomass	Thermal Biomass	Thermal Biomass		
Percentage interest	25%	25%	27%		
STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	299	1,813	4,458		
Other current assets	14,335	9,644	17,008		
Non-current assets	39,639	19,231	70,729		
Current liabilities	7,579	7,141	13,395		
Non-current liabilities	5,445	7,644	47,295		
Net assets	41,249	15,903	31,505		
Contribution to the Group's investments in equity-accounted companies	10,312	3,976	8,506	585	23,379
Dividends paid to the Group	1,250	508	941	136	2,835
INCOME STATEMENT					
Revenue	34,612	22,956	53,113		
Net income for the year	5,565	2,444	5,492		
Group share of net income	1,391	611	1,487	143	3,632
Net income for the year	5,565	2,444	5,492		
Other comprehensive income (net of tax)	(112)	149	90		
Total comprehensive income	5,453	2,593	5,582		

NOTE 18. NON-CURRENT FINANCIAL ASSETS

<i>In thousands of euros</i>	Note	31/12/2018	31/12/2017
Security deposits		3,099	2,529
Non-consolidated investments		66	92
Loans due in more than one year		1,469	660
Financial instruments	25	267	929
Total		4,901	4,210

The deposits and collateral bear interest. These items are repayable on fixed dates or on the call option exercise date. The security deposits also generate interest that is capitalised.

All non-current financial assets are due in more than one year.

NOTE 19. CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Cash equivalents	18,738	17,613
Cash	76,559	74,440
Total	95,297	92,053

Cash equivalents comprise available money market mutual funds and term deposits, for which changes in fair value are recognised in profit or loss. These cash equivalents consist of overnight placements of cash, whose value presents a negligible risk of change over time.

NOTE 20. TRADE RECEIVABLES

At 31 December 2018, trade receivables stood at €74.5 million compared with €44.5 million at 31 December 2017. The increase in trade receivables was due mainly to the slower rate of payment than in 2017.

The Group sells almost all the electricity it produces under agreements with:

- EDF for the thermal and photovoltaic companies in France;
- the Central Electricity Board (CEB) for the equity-accounted companies in Mauritius;
- various distributor or industrial customers authorised as Câmara de Comercialização de Energia Elétrica (CCEE) agents by the Agência Nacional de Energia Elétrica (ANEEL) for the Albioma Rio Pardo Termoelétrica and Albioma Codora Energia plants in Brazil.

Given the high quality of the parties to the electricity sale agreements, in the Group's opinion, the counterparty risk relating to trade receivables is immaterial.

The statement of financial position included no material overdue trade receivables at either 31 December 2018 or 31 December 2017.

NOTE 21. STOCKS

Stocks are analysed as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
STOCKS - GROSS AMOUNT		
Raw materials and fuels	24,709	17,520
Non-strategic spare parts	37,857	37,187
Other stocks in progress	189	140
Total stocks – gross amount	62,755	54,847
IMPAIRMENT OF STOCKS		
Raw materials and fuels	(261)	(43)
Non-strategic spare parts	(257)	(257)
Total impairment of stocks	(518)	(300)
STOCKS - NET AMOUNT		
Raw materials and fuels	24,448	17,477
Non-strategic spare parts	37,600	36,930
Other stocks in progress	189	140
Total stocks – net amount	62,237	54,547

The increase in stocks was due mainly to the Group building up a stock of fuel as a result of the commissioning of the Galion 2 power plant.

NOTE 22. OTHER CURRENT ASSETS

Other current operating assets break down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Tax and social security receivables	25,107	26,831
Current tax receivables	16,863	1,208
Prepayments	2,032	2,892
Other debtors	7,731	10,021
Total	51,733	40,952

For the period ended 31 December 2018, tax receivables included the cash to be received due to the commissioning of the new facilities.

“Other debtors” include, in particular, current account balances due from, and advances paid to, suppliers as well as, for the year ended 31 December 2017, receivables related to claims for the reimbursement of the 3% tax on dividend payments.

NOTE 23. SHARE CAPITAL AND POTENTIAL SHARES

23.1. Share capital

At 31 December 2018, the share capital comprised 30,930,644 shares with a nominal value of €0.0385, fully paid up, including 811,223 treasury shares held in connection with a share buyback programme.

At 31 December 2017, the share capital comprised 30,620,910 shares with a nominal value of €0.0385, fully paid up, including 371,983 treasury shares held in connection with a share buyback programme.

23.2. Stock-option and bonus performance share plans

Description of the plans in operation at 31 December 2018

	2018 performance share plan	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)
Date of the Board of Directors' meeting (allotment)	30/05/2018	17/01/2017	24/05/2016 et 13/09/2016	24/05/2016 et 26/07/2016
Exercise period	n/a	n/a	n/a	n/a
End of acquisition period	See details hereafter	See details hereafter	See details hereafter	See details hereafter
Total number of options and shares originally authorised	309,600	32,040	31,680	518,382
Rights allotted during the period	-	-	31,680	518,382
Rights cancelled during the period	-	-	(24,480)	(17,605)
Effective acquisitions in the period	-	-	(120)	-
Number of instruments in issue at 31/12/2016	-	-	7,080	500,777
Rights allotted during the period	-	32,040	-	-
Rights cancelled during the period	-	(480)	(360)	(41,236)
Effective acquisitions in the period	-	-	(6,720)	-
Number of instruments in issue at 31/12/2017	-	31,560	-	459,541
Rights allotted during the period	309,600	-	-	-
Rights cancelled during the period	(13,500)	(16,800)	-	(5,802)
Effective acquisitions in the period	-	(14,760)	-	-
Number of instruments in issue at 31/12/2018	296,100	-	-	453,739

Bonus performance share plans adopted by the General Meeting of 24 May 2016

2016 managers and administrative staff" and "2016 Brazil" bonus performance share plans

Performance conditions

The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche. These performance conditions are based on the growth in consolidated EBITDA during the 2018 financial year compared with the consolidated EBITDA for the 2015 financial year, on the growth in consolidated earnings per share for the 2018 financial year compared with the consolidated earnings per share for the 2015 financial year and on the change in the Albioma share price, calculated with net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 compared with the movement in the CAC Small Net Return (CACSN) index over the same period.

Lock-in commitment

Shares that have been effectively acquired are not subject to any lock-in commitment, the corporate officers being however subject to the obligation to retain as registered shares 25% of the shares effectively acquired until they stand down from office.

Status of the plan at 31 December 2018

Plan currently in operation.

"2016 thermal plants" and "2016 photovoltaic plant" bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2016 (per plant in the case of the "2016 thermal plants" plan and by region in the case of the "2016 photovoltaic plants" plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2018

Closed.

"2017 thermal plants" and "2017 photovoltaic plants" bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2017 (per plant in the case of the "2017 thermal plants" plan and by region in the case of the "2017 photovoltaic plants" plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2018

Closed

Bonus performance share plans adopted by the General Meeting of 30 May 2018

2018 bonus performance share plan

Performance conditions

The allotments are divided up into four tranches, and each tranche covers 25% of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche. These performance conditions are based on the growth in consolidated EBITDA during the 2020 financial year compared with the consolidated EBITDA for the 2017 financial year, on the growth in consolidated earnings per share for the 2020 financial year compared with the consolidated earnings per share for the 2017 financial year and on the change in the Albioma share price, calculated with net dividends reinvested (based on the average share price over 120 days) between 1 January 2018 and 31 December 2020 compared with the movement in the CAC Small Net Return (CACSN) index over the same period, and on the increase between 2017 and 2020 in the proportion of the Group's total energy production that corresponds to renewable energies.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2018

Plan currently in operation

Valuation and amounts recognised as expenses

	2018 performance share plan	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)
Initial unit fair value (in euros)	19,76	15,74	14,12	10,81
Life of the conditional allotment	3 years	1 year	1 year	3 years
Fair value of the conditional allotment (in thousands of euros)	2,540	232	99	2,244
AMOUNT RECOGNISED IN EXPENSES (IN THOUSANDS OF EUROS)				
2018	496	-	12	997
2017	-	221	39	1,947
2016	-	-	59	447
ASSUMPTIONS USED FOR EVALUATION				
Volatility	28%	28%	28%	28%
Stock lending/borrowing rate	n/a	n/a	n/a	n/a
Dividends	The expected dividend yield was estimated using a forward-looking approach, based on the distribution policy announced by the Group			

23.3. Issue of redeemable share subscription and/or purchase warrants ("BSAAR Warrants")

In December 2018, Albioma launched an issue of redeemable share subscription and/or purchase warrants (the "BSAAR warrants") to 42 employees of the Company and its subsidiaries and the Company's Chief Executive Officer, without preferential subscription rights for the shareholders.

With a subscription rate of over 140%, the transaction resulted in the issue of 1,071,731 BSAAR warrants of €0.90 each (giving issue proceeds of €964,557.90), allocated to 31 subscribers including the Chief Executive Officer, who subscribed for 110,650 BSAAR warrants.

The exercise of all of the BSAAR warrants would result in the creation, between 6 December 2021 and 4 December 2024, of a number of new shares representing around 3.46% of the share capital as at 30 November 2018 (3.35% of the share capital post exercise of the BSAAR warrants). The exercise price of the BSAAR warrants was set at €20.90, i.e. a price equal to 120% of the average closing prices quoted for the Company's shares over a period of 20 consecutive trading days preceding 8 November 2018.

23.4. Number of shares

Movements in the number of shares making up the share capital are shown below:

At 31/12/2016	29,848,409
Shares issued due to the payment of dividends in shares	403,678
Treasury shares	(3,160)
At 31/12/2017	30,248,927
Shares issued due to the payment of dividends in shares	309,734
Treasury shares	(439,240)
At 31/12/2018	30,119,421

Calculation of the dilution

The diluted weighted average number of shares is calculated using the share buyback method. The funds received on exercise of the rights attached to the dilutive instruments are assumed to be allocated to the buyback of shares at market price on the last day of the financial year. The number of shares thus obtained is deducted from the total number of shares resulting from exercise of the rights.

Shares whose issuance is conditional are included in the calculation of diluted earnings per share only when, at the end of the period in question, the acquisition conditions are met.

The dilutive effects are created by the issuance of stock subscription options as well as by the allotment of bonus performance shares.

	31/12/2018	31/12/2017
Weighted average number of shares	30,339,041	30,250,507
Potential dilution	382,930	-
Diluted weighted average number of shares	30,721,971	30,250,507
GROUP TOTAL		
Net income	44,151	37,439
Net income used to calculate diluted earnings per share	44,151	37,439
Net income/weighted average number of shares (in euros)	1,455	1,238
Net income/diluted weighted average number of shares (in euros)	1,437	1,238

23.5. Dividends

On 30 May 2018, the General Meeting of Albioma's shareholders decided to set the dividend at €0.60 per share and to offer each shareholder the option of receiving payment of half of the dividend in new shares. This option could be exercised between 7 June and 28 June 2018.

The option for payment of the dividend in shares resulted in the subscription of 309,734 new shares issued at the price of €17.78 per share. The new shares were delivered and admitted for trading on Euronext Paris on 10 July 2018. The dividend payment in cash took place on the same date.

NOTE 24. FINANCIAL DEBT

24.1. Analysis by type (current and non-current)

The Group's financial debt can be broken down as follows:

In thousands of euros	At 31/12/2018				At 31/12/2017			
	Project debt	Corporate debt	Bank overdrafts, accrued interest and loan issue costs	Total	Project debt	Corporate debt	Bank overdrafts, accrued interest and loan issue costs	Total
Debts with financial institutions	638,425	137,500	(13,330)	762,595	539,335	85,000	(5,526)	618,809
Lease liabilities	83,103	-	-	83,103	88,468	-	-	88,468
Total	721,528	137,500	(13,330)	845,698	627,803	85,000	(5,526)	707,277
Non-current financial debt				722,240				647,700
Current financial debt				123,458				59,577

At 31 December 2018, the Group's average interest rate outside Brazil was 3.4% compared with 3.8% in 2017. The average interest rate in Brazil was 9.2% compared with 11.9% in 2017.

At 31 December 2018, fixed-rate debt (after hedging is taken into account) represented 87% of total financial debt (see

details in note 25 to the consolidated financial statements), compared with 91% at 31 December 2017.

Project debt is non-recourse debt in respect of Albioma, except in the case of Brazil and debt relating to projects in the construction phase, for which Albioma has granted parent company guarantees. It is borne by dedicated project entities.

The change in financial debt during the period is broken down below:

<i>In thousands of euros</i>	Lease liabilities	Bank and other borrowings	Total
31/12/2016	101,299	546,495	647,795
Bond issues	-	105,599	105,599
Repayments	(5,334)	(36,090)	(41,424)
Reclassifications	(7,497)	7,497	-
Net change	-	(473)	(473)
Translation differences	-	(4,243)	(4,243)
31/12/2017	88,468	618,809	707,277
Bond issues	-	178,762	178,762
Repayments	(5,365)	(36,135)	(41,500)
Net change	-	(2,890)	(2,890)
Translation differences	-	(2,765)	(2,765)
Impact of changes in the consolidation scope	-	6,814	6,814
31/12/2018	83,103	762,595	845,698

On 15 May 2018, the Group entered into a €110 million agreement to finance its Solar Power business in the Indian Ocean. This refinancing will enable the Group to optimise the structure of the funding of its existing projects and extend the maturity of its current debt while securing the future financing of projects won as part of calls for tenders initiated by the Energy Regulation Commission or under a purchasing obligation. At 31 December 2018, the amount drawn down was €74 million.

Since this constituted, in part, the refinancing of existing borrowings (€56 million, including the financing of expenses), this transaction was analysed, in accordance with IFRS 9, as a modification of the existing debt rather than as the extinguishment of the existing debt and the subsequent issue of new debt. This treatment generated a €3.5 million profit, which was recognised in the income statement in 2018. The profit is presented on the "Other financial income" line in the income statement.

Other debt issues for the year ended 31 December 2018 related mainly to:

- the drawdown of the Albioma Le Moule debt amounting to €50 million to finance the IED compliance work;
- the additional drawdown of the Albioma Bois-Rouge debt amounting to €48 million to finance the IED compliance work;
- the draw down by Albioma of facilities and short-term debt totalling €53 million to finance the Group's corporate acquisitions at the end of the year. The Group's intention is to refinance these borrowings in 2019;
- the additional drawdown of the Albioma Saint-Pierre debt amounting to €4.4 million.

In addition, at 31 December 2018, Albioma had undrawn credit lines amounting to €2 million.

In 2017, debt issues related to:

- the drawdown of the Albioma Le Moule debt amounting to €8.2 million (drawdown net of the portion of the debt refinanced);
- the additional drawdown of the Albioma Saint-Pierre debt amounting to €17.8 million;
- the additional drawdown of the Albioma Galion debt relating to the Galion 2 project amounting to €51.5 million;
- the additional drawdown of the Albioma Le Gol debt amounting to €33 million.

In order to refinance its existing debt and ensure financing of its IED investments, on 21 December 2017 Albioma Le Moule raised new long-term (13-year) bank finance totalling €115 million from a pool of credit institutions led by the BNP Paribas group.

In addition, at 31 December 2017, Albioma had undrawn credit lines amounting to €55 million. At 31 December 2017, undrawn project debt totalled €184 million.

The loan issued to acquire the Albioma Rio Pardo Termoeléctrica shares will mature in three years with the option of extending for a further five years at Albioma's discretion and subject to compliance with covenants.

The loan, denominated in BRL, carries a variable rate of interest and is subject to compliance with covenants. These covenants include compliance with a minimum debt service coverage ratio of 1.2. Albioma has issued a parent company guarantee to the lender in respect of this loan. These covenants were met at 31 December 2018 and 31 December 2017.

24.2. Maturity analysis of total repayments of financial debt

The breakdown by maturity of total undiscounted repayments of financial debt (including repayment of principal and payment of interest) is as follows:

At 31 December 2018

<i>In thousands of euros</i>	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total
Financial debt	143,726	365,895	403,370	912,991
Lease liabilities	7,220	33,214	56,475	96,910
Total	150,947	399,109	459,845	1,009,901

At 31 December 2017

<i>In thousands of euros</i>	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total
Financial debt	72,171	340,274	339,630	752,075
Lease liabilities	9,825	43,109	69,679	122,612
Total	81,996	383,382	409,309	874,687

For debt at variable interest rates, total repayments have been determined based on interest rates at the end of the financial year concerned.

The amount of minimum payments in respect of finance leases corresponds to the total repayments of lease liabilities indicated above.

24.3. Net borrowings

<i>In thousands of euros</i>	31/12/2018	31/12/2017
BORROWINGS AND FINANCIAL DEBT		
Finance leases	83,103	88,468
Bank loans	775,925	624,335
Other liabilities	(13,330)	(5,526)
Total	845,698	707,277
CASH AND CASH EQUIVALENTS		
Cash	(76,559)	(74,440)
Cash equivalents	(18,738)	(17,613)
Total	(95,297)	(92,053)
Finance lease deposits	(3,237)	(2,640)
Net financial debt after deducting deposits paid	747,164	612,584

The project companies also benefited from shareholder advances recognised in "Other current liabilities" in the amount of €22.3 million at 31 December 2018, compared with €17.2 million at 31 December 2017.

NOTE 25. FINANCIAL DERIVATIVES

25.1. Hedging instruments

Certain loans and leases entered into by the subsidiaries incorporate interest variation clauses. The agreements entered into with EDF generally allow for all or part of this variability to be passed on. When there is no such risk transfer, the Group has entered into interest rate swaps, lending at variable rates and borrowing at fixed rates. The situation pertaining to each lease for the subsidiaries in question, in terms of interest rate risk, as well as their impact on the statement of financial position pursuant to IAS 39, is shown in the table below. The swaps entered into by Albioma and its subsidiary Albioma Caraïbes for the purposes of

hedging the residual value of the lease have been recognised as cash flow hedges.

Analysis of electricity sale agreements entered into with the Central Electricity Board (CEB) in Mauritius by OTEO La Baraque, OTEO Saint-Aubin and Terragen indicated the presence of embedded currency derivatives that have been recognised at fair value in the financial statements of these equity-accounted companies. They have been classified as hedges of a net investment. The amounts recognised in respect of these derivatives are presented in note 16 to the consolidated financial statements.

The amount recognised in profit or loss in respect of the ineffective portion of hedging instruments is immaterial.

	Maturity	Notional amount in millions of euros	Fair value in statement of financial position				Recognition of changes	
			31/12/2017		31/12/2018		Profit or loss	Transitory account in shareholders' equity
			Assets	Liabilities	Assets	Liabilities		
<i>In thousands of euros</i>								
Hedging of variable-rate debt by interest-rate swaps	2019 to 2040	567	929	(34,279)	267	(36,392)	-	(2,775)
Total cash flow hedging derivatives		567	929	(34,279)	267	(36,392)	-	(2,775)

The change in the fair value of financial derivative instruments was due mainly to changes in interest rates.

A 50bp decline in interest rates would increase the amount of financial liabilities relating to hedging instruments by €18.4 million. A 50bp increase in interest rates would decrease the amount of financial liabilities relating to hedging instruments by €17.6 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 2018, this valuation was immaterial.

The following table provides an analysis by maturity date of the fair value of the financial instruments at 31 December 2018:

<i>In thousands of euros</i>		
Due within 1 year		10,738
Due between 1 and 5 years		21,907
Due in more than 5 years		3,480
Total		36,125

25.2. Albioma Rio Pardo Termoeléctrica call options

Albioma granted call options to the sugar refinery relating to 40% of the share capital of Albioma Rio Pardo Termoeléctrica for a period of five years from 31 March 2014.

In the first three years, the exercise price for the options is based on a benchmark price that takes account of changes in the shareholders' equity of Albioma Rio Pardo Termoeléctrica, an inflation index and shareholder remuneration.

After the third year, the exercise price is 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 IFRS 9 "Financial Instruments" and must be recognised at fair value in the Group's financial statements. For the financial years presented, as the exercise price of the options was close to the market value of the shares, the fair value of the options was not material.

In addition, the Group gave Usina Rio Pardo an option enabling it, at the end of the consortium agreement, to acquire the Albioma Rio Pardo Termoeléctrica shares held by the Group or the assets held by Albioma Rio Pardo Termoeléctrica for a price of BRL 1. The exercise price will, with the agreement of Usina Rio Pardo, be increased by the net carrying amount of the investments made and not fully depreciated on the date the option is exercised.

NOTE 26. EMPLOYEE BENEFITS

The amount of contributions paid in respect of defined contribution retirement plans amounted to €6,183 thousand for the year ended 31 December 2018 compared with €5,723 thousand for 2017.

Employee benefits break down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Post-employment benefits	31,374	30,414
Other long-term benefits	2,893	2,611
Total	34,267	33,025

26.1. Post-employment benefits

The provision for retirement obligations (defined benefit plan granted to employees) relates to the lump-sum retirement payment plan (régime d'indemnités de départ en retraite – IDR) applicable to French companies, the defined benefit plan put in place for employees of the parent company, the Electricity and Gas Industry (IEG) plan and the time banking for pre-retirement leave (comptes épargnes jours retraite - CEJR) applicable to the employees of certain subsidiaries (specific pensions and guarantee to preserve specific benefits following their retirement).

The net expense recognised in the income statement in respect of defined benefit post-employment benefit plans breaks down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Cost of services rendered during the year	3,006	2,441
Financial cost	411	432
Net expense for the year	3,417	2,873

The cost of services rendered net of benefits paid is presented in the “Charges to provisions” line in the income statement. The financial cost is presented in the “Other financial expenses” line in the income statement.

The change in the net amounts recognised in the statement of financial position is analysed below:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Opening obligation	30,414	26,516
Net expense for the year	3,417	2,873
Contributions paid	(1,267)	(1,049)
Actuarial gains and losses recognised in reserves	(1,390)	1,440
Other changes	200	634
Closing obligation	31,374	30,414

The amount of plan assets is immaterial.

For the year ended 31 December 2018, actuarial gains and losses stem from experience effects for an amount of €2 million and the impact of changes in actuarial assumptions for an amount of -€3.4 million.

For the year ended 31 December 2017, actuarial gains and losses stem from experience effects for an amount of €0.3 million and the impact of changes in actuarial assumptions for an amount of €1.1 million.

26.2. Other long-term benefits

Other long-term benefits mainly comprise additional medical coverage.

The amounts recognised in liabilities in respect of these plans break down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Present value of the liability	2,893	2,611
Net amount recognised in the statement of financial position	2,893	2,611

The net expense recognised in the income statement in respect of other long-term benefits breaks down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Cost of services rendered during the year	433	339
Financial cost	38	35
Net expense for the year	471	374

The cost of services rendered net of benefits paid is presented in the “Charges to provisions” line in the income statement. The financial cost is presented in the “Other financial expenses” line in the income statement.

The change in the net amounts recognised in the statement of financial position is analysed below:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Net amount recognised in the opening statement of financial position	2,611	2,406
Net expense for the year	471	374
Contributions paid	(189)	(174)
Other changes	-	5
Net amount recognised in the closing statement of financial position	2,893	2,611

26.3. Actuarial assumptions

The main actuarial assumptions used to calculate obligations in respect of retirement payments (*indemnités de départ en retraite* - IDR) and the Electricity and Gas Industry (*Industries Électriques et Gazières* - IEG) statute are as follows:

	31/12/2018	31/12/2017
Discount rate	1.50%	1.50%
Inflation rate	1.75%	1.75%
Life expectancy table	INSEE générationnelle	INSEE générationnelle

A 50bp increase in the discount rate would decrease the amount of employee benefit obligations by around €1.8 million, while long-term benefit obligations would fall by around €0.2 million.

NOTE 27. PROVISIONS FOR LIABILITIES

The change in provisions for liabilities and charges during the year comprises the following items:

<i>In thousands of euros</i>	Provisions to hedge industrial and other risks	Other provisions	Total non-current provisions
Provision at 31/12/2016	663	7,883	8,546
Charges	1,300	7,860	9,160
Reversals - utilised	-	(283)	(283)
Reversals - used	(663)	(4,284)	(4,947)
Other	-	42	42
Provision at 31/12/2017	1,300	11,218	12,518
Charges	2,290	235	2,525
Reversals - utilised	-	(283)	(283)
Reversals - used	-	(5,486)	(5,486)
Impact of changes in the consolidation scope	(1,300)	(722)	(2,022)
Other	-	22	22
Provision at 31/12/2018	2,290	4,984	7,274

During the year ended 31 December 2018, the Group recognised provisions for liabilities in respect of the uncertainties surrounding projects and in respect of litigation and disputes. The provision reversals were due to liabilities or disputes recognised in previous years ceasing to exist.

NOTE 28. DEFERRED TAX

Deferred tax assets and liabilities recognised in the statement of financial position break down as follows:

<i>In thousands of euros</i>	Assets		Liabilities		Net	
	2018	2017	2018	2017	2018	2017
DIFFERENCE BETWEEN AMOUNTS FOR ACCOUNTING AND TAX PURPOSES						
Non-current assets	10,942	11,953	(23,353)	(24,968)	(12,411)	(13,015)
Provisions	6,603	9,234	-	-	6,603	9,234
Other	3,359	2,135	(5,641)	(2,117)	(2,282)	18
Finance leases	-	-	(33,946)	(38,358)	(33,946)	(38,358)
Derivatives	9,373	8,621	-	-	9,373	8,621
Tax losses	483	1,045	-	-	483	1,045
Total	30,760	32,988	(62,940)	(65,443)	(32,180)	(32,455)
Impact of offsetting	(30,047)	(26,369)	30,047	26,369	-	-
Net deferred tax	713	6,619	(32,893)	(39,074)	(32,180)	(32,455)

The tax losses were generated by the application of Article 39 AB of the French Tax Code (Code général des impôts), resulting in the accelerated depreciation for tax purposes of certain installations. These tax losses will be utilised over the term of the agreements for the sale of electricity applicable to these installations. This recovery is supported by the business plans established by the Group.

The change in the net deferred tax during the period comprises the effect of the decrease in the standard tax

rate provided for by the 2018 Finance Act and applicable to the Group in France as from 2019. Thus, in accordance with IAS 12 "Income Taxes", deferred taxes which are expected to reverse as from 1 January 2019 have been measured on the basis of a standard tax rate of 28% as compared with the 33^{1/3%} rate previously applied.

The change in deferred tax is broken down below:

<i>In thousands of euros</i>	Total
Net deferred tax at 31/12/2016	(37,875)
Profit or loss	7,843
Impact of business combinations	8
Equity	(2,431)
Net deferred tax at 31/12/2017	(32,455)
Profit or loss	1,845
Impact of business combinations	(1,790)
Other movements	(197)
Equity	417
Net deferred tax at 31/12/2018	(32,180)

NOTE 29. TRADE PAYABLES

These liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Trade payables	57,625	54,574
Amounts due to suppliers of non-current assets	8,753	8,126
Total	66,378	62,700

The change in trade payables was due mainly to changes in outstanding liabilities due to sugar producers.

The main components of the change in amounts due to suppliers of non-current assets were Albioma le Gol's and Albioma Galion's trade payables in respect of projects in the development phase.

NOTE 30. CORPORATION TAX, DUTIES, AND TAX AND SOCIAL SECURITY LIABILITIES

These liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Current tax liabilities	10,145	7,518
Other tax and social security liabilities	25,751	22,951
Total	35,896	30,469

NOTE 31. OTHER CURRENT OPERATING LIABILITIES

Other current liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Deferred income	7,802	8,556
Other creditors	41,232	23,222
Total	49,034	31,889

The main components of "Other creditors" are current accounts and other operating liabilities.

NOTE 32. FINANCIAL INSTRUMENTS

The fair values of financial instruments are as follows:

<i>In thousands of euros</i>	Carrying amount		Fair value	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
FINANCIAL ASSETS				
Non-current financial assets	4,901	4,210	4,901	4,210
Trade receivables	74,488	44,533	74,488	44,533
Other current assets	51,733	40,953	51,733	40,953
Cash and cash equivalents	95,297	92,053	95,297	92,053
Total financial assets	226,419	181,749	226,419	181,749
FINANCIAL LIABILITIES				
Non-current financial debt	722,240	647,700	846,638	757,693
Current financial debt	123,458	59,577	123,458	59,577
Trade payables	66,378	62,700	66,378	62,700
Other current liabilities	84,930	62,358	84,930	62,358
Financial derivatives	36,392	34,279	36,392	34,279
Total financial liabilities	1,033,398	866,615	1,157,796	976,607

The fair value of an asset or liability is the price that would be agreed between willing parties in an arm's length transaction. On the transaction date, it generally corresponds to the transaction price. Subsequent determination of the fair value must be based on observable market data that provides the most reliable indication of the fair value of a financial instrument.

For the swaps, the fair value of derivatives is determined based on the discounted contractual cash flows. The fair

value of borrowings is determined by discounting the contractual cash flows at market interest rates.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the statement of financial position as the impact of discounting the future cash flows is immaterial.

At 31 December 2018

<i>In thousands of euros</i>	Level ²	Carrying amount	Financial assets and liabilities measured at fair value through profit or loss	Loans, receivables and hedging instruments
FINANCIAL ASSETS				
Non-current financial assets	2	4,901	-	4,901
Trade receivables	2	74,488	-	74,488
Other current assets		51,733	-	51,733
Cash and cash equivalents	1 and 2	95,297	95,297	-
Total financial assets		226,419	95,297	131,122
FINANCIAL LIABILITIES				
Non-current financial debt ¹	2	722,240	-	722,240
Current financial debt	2	123,458	-	123,458
Trade payables		66,378	-	66,378
Other current liabilities	2	84,930	-	84,930
Financial derivatives	2	36,392	-	36,392
Total financial liabilities		1,033,398	-	1,033,398

1. Non-current financial debt relating to call options on non-Group interests is valued on the basis of discounted cash flows.

2. The classification levels are defined as follows:

- Level 1: prices quoted on an active market;
- Level 2: prices quoted on an active market for a similar instrument, or another evaluation technique based on observable parameters;
- Level 3: evaluation technique incorporating non-observable parameters.

At 31 December 2017

<i>In thousands of euros</i>	Level ²	Carrying amount	Financial assets and liabilities measured at fair value through profit or loss	Loans, receivables and hedging instruments
FINANCIAL ASSETS				
Non-current financial assets	2	4,210	-	4,210
Trade receivables	2	44,533	-	44,533
Other current assets		40,953	-	40,953
Cash and cash equivalents	1 and 2	92,053	92,053	-
Total financial assets		181,749	92,053	89,696
FINANCIAL LIABILITIES				
Non-current financial debt	2	647,700	-	647,700
Current financial debt	2	59,577	-	59,577
Trade payables		62,700	-	62,700
Other current liabilities	2	62,358	-	62,358
Financial derivatives	2	34,279	-	34,279
Total financial liabilities		866,615	-	866,615

1. Non-current financial debt relating to call options on non-Group interests is valued on the basis of discounted cash flows.

2. The classification levels are defined as follows:

- Level 1: prices quoted on an active market;
- Level 2: prices quoted on an active market for a similar instrument, or another evaluation technique based on observable parameters;
- Level 3: evaluation technique incorporating non-observable parameters.

NOTE 33. RISK AND CAPITAL MANAGEMENT

33.1. Risk management

Interest rate risk

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

Net financial debt after deducting finance lease deposits came to €747.2 million at 31 December 2018 compared with €612.6 million at 31 December 2017. Interest rate hedging instruments are presented in note 25 to the consolidated financial statements.

At 31 December 2018, fixed-rate or hedged debt represented 87% of total financial debt, compared with 91% at 31 December 2017.

Sensitivity of financial assets and liabilities to changes in interest rates

After taking into account interest rate hedges, a 50 basis points increase in interest rates would result in an additional expense of €0.67 million. This amount corresponds to 2% of the total amount of financial expenses for the year under review (€27.8 million). This percentage indicates the impact on the Group's financial expenses of a change in interest rates:

- on financial assets and liabilities at variable rates;
- on financial assets and liabilities at fixed rates maturing in less than one year.

The increase in charges is partly passed on to customers in accordance with the contracts for the sale of electricity for the Thermal Biomass sector.

Currency risk

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

- coal purchases by the subsidiaries, which are denominated in US dollars, with sale prices to clients specifically taking into account exchange rate movements;
- the business of the Brazilian companies: in the development of its Thermal Biomass business in Brazil, the Group is now exposed to a euro/Brazilian real currency risk that may affect its results when the financial statements of its Brazilian subsidiaries are converted into euros, and this will make it more difficult to compare performances from one year to the next. For example, if the euro appreciates against the Brazilian real, this will reduce the contribution to the consolidated results made by subsidiaries that prepare their financial statements in the Brazilian currency. As regards long-term assets, the Group has put in place a hedging policy aimed at reducing currency risks associated with financing in the Brazilian currency;
- the activity of companies in which Albioma holds non-controlling interests in Mauritius. These companies' financial statements are prepared in Mauritian rupees. Currency risk arises mainly from the impact of the movement in the exchange rate on the overall amounts recognised using equity accounting (recognised directly in

equity), the revaluation of financial debt, denominated in certain cases in euros, and the partial indexation to the euro of electricity sale agreements. Also, the Group has

recognised embedded currency derivatives (Euro/Mauritian rupee) relating to electricity sale contracts.

In respect of the periods presented, currency risks were as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Net value in euros of net assets denominated in Mauritian rupees	23,220	22,838
Net value in euros of net assets denominated in Brazilian real	55,524	47,937
Total net assets denominated in foreign currencies	78,744	70,775

Net assets denominated in Mauritian rupees are subject to hedging of a net investment in a foreign operation as described in note 17 to the consolidated financial statements.

For the year ended 31 December 2018, the impact of the change in the rate of the Brazilian real against the euro would be as follows:

Brazilian real	Impact on net income		Impact on shareholders' equity	
	5% increase	5% decrease	5% increase	5% decrease
Impacts	(0,62%)	0,56%	0,80%	(0,70%)

Counterparty risk

Given the high quality of the parties to the agreements, particularly the subsidiaries, the counterparty risk relating to trade receivables is immaterial. The statement of financial position included no material overdue trade receivables at 31 December 2018. Production by the facilities in Brazil relies on sugar cane supplied by the Group's sugar-producing partners. The Group does not have any specific dependence on its suppliers.

Regarding its investments and borrowings, the Group deals only with top-tier financial institutions.

Liquidity risk

The Group monitors its liquidity on a regular basis and has sufficient resources to enable it to meet any significant financial obligations.

The liquidity position can be broken down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Cash equivalents	18,738	17,613
Cash	76,559	74,440
Lines of credit not utilised	2,000	55,000
Liquidity position	97,297	147,053

Country, industrial and environmental risks

The risks relating to the location of assets, as well as the industrial and environmental risks, are presented in sections 1.8.1.6 and 1.8.1.2 respectively of the 2018 Registration Document.

Legal risks and risks stemming from regulatory changes

The legal risks stemming from changes in the regulatory framework are presented in section 1.8.1.8 of the 2018 Registration Document. The energy industry is highly regulated and largely driven by contractual arrangements. Regulatory changes (including tax regulations) rendering certain investments less attractive could adversely impact the Group's development. Furthermore, the Group has benefited from certain favourable tax measures in the French overseas departments that are subject to meeting various conditions relating to investment, employment, training and reporting and administrative formalities. As part of its day-to-day activities, the Group regularly reviews these risks, including social and tax risks.

33.2. Capital management

The Group's main objective is to ensure the maintenance of a good credit risk rating and healthy capital ratios in order to facilitate its activity and maximise shareholder value.

The Group manages its capital by using a ratio, equal to net debt excluding non-recourse project financing and pre-financing of new units divided by the amount of consolidated equity.

The Group's policy is to maintain this ratio below 1 and to maximise the return on the Company's shares, to maintain appropriate ratios for the statement of financial position and to ensure the capacity to finance its ambitious development programmes by adapting according to the availability of borrowings in any given period.

Equity includes the Group share of capital, as well as the unrealised gains and losses recorded under other comprehensive income in equity.

Under the Group's dividend policy, it aims to distribute 50% of the Group share of net income (excluding any gains on disposals, retroactivity and financing needs for new projects), with an option for the payment of 50% of the dividend in new shares.

Albioma appointed Rothschild Martin Maurel to implement a liquidity contract. This liquidity contract, which complies with the AMAFI (*Association des Marchés Financiers*) code of conduct approved by the Financial Markets Authority, is in line with the share buyback programme approved by the General Meeting of the shareholders on 30 May 2018, a description of which was published on the Company's website. The purpose of the contract is to stimulate the market for Albioma securities on Euronext Paris.

NOTE 34. OFF-BALANCE SHEET COMMITMENTS

34.1. Off-balance sheet commitments given

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Guarantees given to suppliers	13,954	22,367
Fixed leases	18,278	15,725
Guarantees concerning ensuring the safety of the Classified Installations for Environmental Protection (ICPE)	332	415
Commitments given relating to operating activities	32,563	38,507
Assets pledged as collateral	-	-
Guarantees on environmental risks	4,050	4,531
Sundry guarantees	1,984	822
Commitments given relating to financing activities	6,035	5,352
Liabilities guarantees	-	-
Commitments given relating to changes in the consolidation scope	-	-
Total off-balance sheet commitments given	38,598	43,859

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 and conditional lease payments indexed to revenue or production volumes. Concerning the conditional lease payments, the best estimate of future lease payments is €20.2 million at 31 December 2018 compared with €22.1 million at 31 December 2017.

Guarantees concerning ensuring the safety of the Classified Installations for Environmental Protection (ICPE)

For the Thermal Biomass sector, the Group has filed with the examining administrative bodies a case justifying the financial guarantees to be provided for the safety of thermal installations classified for the protection of the environment (ICPE). At 31 December 2018, these guarantees amounted to €0.3 million.

Commitments given relating to financing activities

Assets pledged as collateral

Debts contracted by the Group in connection with project financing are guaranteed by collateral (industrial assets, mortgages, pledges of shares and receivables) to ensure their repayment.

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4.6. Notes aux états financiers consolidés

Pledges of subsidiaries' shares

Company	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in thousands of euros)	Value of securities in the parent company's financial statements (in thousands of euros)	Corresponding %	Number of shares pledged	% of capital pledged
OTEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100.00%
OTEO St-Aubin	15/04/2004	31/12/2020	1,886	1,886	100%	637,500	100.00%
Albioma Solaire Guyane	18/12/2009	26/12/2026	40	40	100%	4,000	100.00%
Albioma Solaire Lasalle	22/04/2010	31/12/2025	32	32	100%	3,200	100.00%
Albioma Solaire Matoury	17/12/2010	30/11/2029	1,813	1,813	100%	1,600,240	100.00%
Albioma Solaire Pierrelatte	29/10/2009	30/06/2028	1,956	3,836	51%	195,636	51.00%
Albioma Saint-Pierre	18/07/2016	31/10/2040	40	20	51%	2,040	100.00%
Albioma Solaire Réunion	15/05/2018	30/06/2039	50	50	100%	50	100.00%
Albioma Solaire Mayotte	15/05/2018	30/06/2039	10	10	100%	999	100.00%
Elect 12	15/05/2018	30/06/2039	2,092	2,092	100%	2,092,438	99.90%
Albioma Power Alliance	15/05/2018	30/06/2039	120	120	100%	120	100.00%
Plexus Sol	15/05/2018	30/06/2039	37	37	100%	3,700	100.00%
Albioma Solaire Bethléem	15/05/2018	30/06/2039	3,600	3,600	100%	3,600,000	100.00%
Elecsol La Réunion 10	15/05/2018	30/06/2039	100	100	100%	196	100.00%
VoltaRéunion	15/05/2018	30/06/2039	43	43	100%	43,094	100.00%
Elecsol Saint-André	15/05/2018	30/06/2031	-	-	100%	100	100.00%
Elecsol Les Avirons	15/05/2018	30/06/2031	1	1	100%	100	100.00%
Elecsol Cambaie	15/05/2018	30/06/2031	1	1	100%	100	100.00%
Elecsol Saint-Pierre 1	15/05/2018	30/06/2031	1	1	100%	100	100.00%
Elecsol La Réunion 1	15/05/2018	30/06/2031	-	-	100%	100	100.00%
Elecsol La Réunion 13	15/05/2018	30/06/2031	-	-	100%	100	100.00%
Elecsol La Réunion 16	15/05/2018	30/06/2031	-	-	100%	100	100.00%
Elecsol La Réunion 18	15/05/2018	30/06/2031	-	-	100%	100	100.00%
Elecsol Sainte-Suzanne	15/05/2018	30/06/2031	1	1	100%	100	100.00%
Elecsol Les Tamarins	15/05/2018	30/06/2031	1	1	100%	100	100.00%
Albioma Énergipole Solaire	15/03/2018	30/06/2038	75	75	50%	500	50.00%
OTS	30/06/2017	30/06/2037	440	440	100%	4,400	40.00%

Guarantee on environmental risks

This commitment relates to guarantees on environmental risks issued to the bank that financed the acquisitions of the Albioma Rio Pardo Termoelétrica and Albioma Codora Energia power plants.

Sundry guarantees

The change compared with 2017 was due to the granting of a €0.9 million guarantee in connection with a development project in Brazil.

34.2. Off-balance sheet commitments received

<i>In thousands of euros</i>	31/12/2018	31/12/2017
Shareholders' counter-guarantees	-	511
Reserve account: end of 2014 sugar harvest compensation	3,739	4,092
Commitments received for electricity purchases	Not evaluated	Not evaluated
Commitments received relating to operating activities	3,739	4,603
Lines of credit granted but not utilised	2,000	55,000
Lines of credit granted for projects	107,931	185,490
Sundry guarantees	-	-
Commitments received relating to financing activities	109,931	240,490
Liabilities guarantees	6,954	-
Total off-balance sheet commitments received	120,624	245,093

Commitments received relating to operating activities

Shareholders' counter-guarantees

The counter-guarantee in respect of the capital expenditure on the Albioma Saint-Pierre thermal power plant came to an end on 31 December 2018.

Reserve account: end of 2014 sugar harvest compensation

Following the signing of an agreement dated 9 December 2015 between Albioma Rio Pardo Termoeletrica and the Usina Rio Pardo sugar refinery, the Group decided to allocate contractual compensation to be borne by the sugar refinery in respect of the 2014 sugar harvest to a reserve account.

The balance on this reserve account was €3.7 million at 31 December 2018 and it will be maintained until the end of the consortium's existence, i.e. until 31 March 2036. It will enable Albioma Rio Pardo Termoeletrica to offset any penalties due to the sugar refinery arising at the end of the sugar harvest.

Commitments received for electricity purchases

Each time an electricity production unit is built, the company carrying the project and appointed to operate it enters into a long-term electricity supply agreement with the network operator: EDF in France for the thermal power plants, the Central Electricity Board (CEB) in Mauritius, GIAT in Italy and ENDESA in Spain. The Group benefits from purchase commitments for extended periods ranging from 15 to 40 years at the start of the agreements.

Commitments received relating to financing activities

At 31 December 2018, the Group benefited from commitments received for the financing of projects and operations for an amount of €109 million, undrawn at this date (including €33 million for the Albioma Le Moule power plant, €29 million for the Albioma Bois-Rouge power plant, €26 million for Albioma Solaire Réunion and €1 million for the Albioma Le Gol power plant).

Commitments received relating to changes in the consolidation scope

Liabilities guarantees

A liabilities guarantee for a maximum amount of €6.9 million with a three-year maturity was received following the acquisition of Eneco France on 11 December 2018.

NOTE 35. RELATED PARTIES

The consolidated financial statements comprise the financial statements of Albioma and the subsidiaries mentioned in note 39 to the consolidated financial statements.

Transactions entered into with related parties correspond to transactions with equity-accounted companies. The table below shows the amount of these transactions for the years ended 31 December 2018 and 31 December 2017.

<i>In thousands of euros</i>	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
2018	1,416	7,025	3,857	1,913
2017	1,679	7,070	3,395	1,295

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 2018 and 31 December 2017, the Group has not raised any provisions for non-performing receivables relating to amounts due from related parties.

Remuneration of key Group executives

The remuneration for the Group's key executives and the directors' fees paid to the Company's Directors in respect of 2018 and 2017 are shown below:

<i>In thousands of euros</i>	2018	2017
Remuneration	2,689	3,175
Directors' fees	160	180
Conditional share-based payments ¹	857	1,684
Total	3,706	5,039

1. Excluding IFRS 2 charges relating to the 2014 bonus performance share plan cancelled during the year ended 31 December 2017.

The remuneration presented in respect of 2018 takes into account the changes in the management structure, in particular the implementation of a streamlined Executive Committee. On the basis of a comparable management structure, the remuneration of the Group's key executives who are members of the Executive Committee would have been €4,140 thousand for 2017, including €1,172 thousand in respect of the conditional share-based payments.

In accordance with the decisions adopted by the Board of Directors at its meeting of 1 March 2016, Jacques Pétry will not receive severance pay in the event he is removed from office as Chairman of the Board of Directors or his appointment is not renewed.

With effect from 1 June 2016, Frédéric Moyne is entitled to severance pay if his term of office as Chief Executive Officer comes to an end in the event the Board of Directors decides to remove him from office or not to renew his appointment as Chief Executive Officer. The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual remuneration received in respect of the last 12 months preceding the termination of office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the termination of office.

Details of the allotments of performance shares to the members of the Executive Committee are provided in the following table:

<i>In number of shares</i>	2018 performance shares
Frédéric Moyne	30,620
Other members of the Executive Committee	118,100
Total	148,720

NOTE 36. CO₂ EMISSION ALLOWANCES

The Group's power plants located in the overseas departments are included in operations subject to regulations regarding carbon dioxide (CO₂) emission allowances.

<i>In thousands of tonnes</i>	2018	2017
Opening allowances	5	17
Allowances allocated free of charge	134	136
CO ₂ emitted	(1,967)	(2,152)
CO ₂ allowances acquired	1,841	2,004
Closing allowances	13	5

The contracts between all of the Group's thermal power plants in the French overseas departments and EDF provide for the cost of purchasing quotas on the market to be passed on to EDF via monthly invoices, excluding any transaction fees and after transferring any free quotas allocated in respect of their cogeneration activity. In accordance with the ministerial order issued on 24 January 2014, the Bois-Rouge, Le Gol and Le Moule power plants received 134 thousand tonnes of free quotas in respect of 2018 in recognition of their cogeneration activity.

NOTE 37. RECONCILIATION OF STATEMENT OF CASH FLOWS AND NOTES TO THE FINANCIAL STATEMENTS

37.1. Reconciliation of changes in statement of financial position items and cash flows

<i>In thousands of euros</i>	Note	Cash flow statement item							
		Opening balance	Non-monetary changes ¹	Change in working capital	Tax paid	Investing flows	Other financing flows including the change in current accounts	Dividends paid	Closing balance
Trade receivables	20	44,533	358	29,596	-	-	-	-	74,488
Stocks	21	54,547	(470)	8,160	-	-	-	-	62,237
Other creditors	22	40,952	11,997	(4,063)	(2,575)	5,422	-	-	51,733
Total		140,032	11,886	33,693	(2,575)	5,422	-	-	188,458
Trade payables	29	50,433	1,861	5,337	-	-	-	-	57,631
Amounts due to suppliers of non-current assets	29	12,268	(4,337)	-	-	816	-	-	8,747
Tax and social security liabilities	30	30,469	2,576	234	2,617	-	-	-	35,896
Other liabilities	31	31,889	20,311	2,509	-	-	(5,670)	(5)	49,034
Total		125,059	20,411	8,080	2,617	816	(5,670)	(5)	151,308
Impact on cash flows		-	-	(25,613)	5,192	(4,606)	(5,670)	(5)	-
Tax in Income statement				-	(31,790)	-	-	-	-
Tax with no impact on cash				-	(339)	-	-	-	-
Purchases of property, plant and equipment	29			-	-	(137,997)	-	-	-
Purchases of intangible assets				(165)	-	(332)	-	-	-
Dividends paid				-	-	-	-	(18,964)	-
Subscription for BSAAR warrants				-	-	-	965	-	-
Total				(25,778)	(26,937)	(142,935)	(4,705)	(18,969)	
Statement of cash flows				(25,778)	(26,937)	(142,935)	(4,705)	(18,969)	

1. Non-monetary changes include reclassifications between accounts, and the effects of translation adjustments and changes in consolidation scope.

37.2. Breakdown of charges to depreciation, amortisation and provisions in the statement of cash flows

<i>In thousands of euros</i>	Note	
Impairment of goodwill	14	(711)
Amortisation and impairment of intangible assets	15	(7,157)
Depreciation and impairment of property, plant and equipment	16	(54,903)
Reversals of impairment losses	16	-
Charges to provisions	27	(2,525)
Reversals of provisions	27	5,769
Employee benefits (charges net of benefits paid)		(2,432)
Other impairment losses		1,800
Total charges net of reversals		(60,159)
Statement of cash flows		1,800

NOTE 38. EVENTS AFTER THE REPORTING PERIOD

None

NOTE 39. CONSOLIDATION SCOPE

Fully consolidated companies	Percentage interest	Percentage control	Percentage interest	Percentage control
	at 31/12/2018	at 31/12/2018	at 31/12/2017	at 31/12/2017
Albioma (formerly Séchilienne-Sidec)	Parent	Parent	Parent	Parent
REUNION ISLAND				
Albioma Bois-Rouge	100%	100%	100%	100%
Albioma Le Gol	65%	65%	65%	65%
Albioma Power Alliance	100%	100%	100%	100%
Albioma Saint-Pierre	51%	51%	51%	51%
Albioma Solaire Bethléem	100%	100%	100%	100%
Albioma Solaire Réunion	100%	100%	100%	100%
Elecsol Cambaie	100%	100%	100%	100%
Elecsol La Réunion 1	100%	100%	100%	100%
Elecsol La Réunion 10	100%	100%	100%	100%
Elecsol La Réunion 13	100%	100%	100%	100%
Elecsol La Réunion 16	100%	100%	100%	100%
Elecsol La Réunion 18	100%	100%	100%	100%
Elecsol Les Avirons	100%	100%	100%	100%
Elecsol Les Tamarins	100%	100%	100%	100%
Elecsol Saint-André	100%	100%	100%	100%
Elecsol Sainte-Suzanne	100%	100%	100%	100%
Elecsol Saint-Pierre 1	100%	100%	100%	100%
Elect 12	100%	100%	100%	100%
Plexus Sol	100%	100%	100%	100%
VoltaRéunion	100%	100%	100%	100%
GUADELOUPE				
Albioma Caraïbes (absorbed in 2018 by Albioma Le Moule)	-	-	100%	100%
Albioma Énergipole Solaire (formerly Énergipole Quantum)	50%	50%	50%	50%
Albioma Le Moule	100%	100%	100%	100%
Marie-Galante Énergie (formerly Albioma Marie-Galante)	65%	65%	65%	65%
Albioma Services Réseaux (formerly Albioma Guadeloupe)	100%	100%	100%	100%
Albioma Solaire Caraïbes	100%	100%	100%	100%
FRENCH GUIANA				
Albioma Guyane Énergie	100%	100%	100%	100%
Albioma Solaire Guyane	100%	100%	100%	100%
Albioma Solaire Guyane 2017	100%	100%	100%	100%
Albioma Solaire Kourou	90%	90%	90%	90%
Albioma Solaire Matoury	100%	100%	100%	100%
Albioma Solaire Organabo	100%	100%	-	-
MARTINIQUE				
Albioma Galion	80%	80%	80%	80%
Albioma Solaire Antilles	80%	80%	80%	80%
Albioma Solaire Habitat	80%	80%	80%	80%
Albioma Solaire Lasalle	80%	80%	80%	80%
Biomasse de Martinique	33%	33%	33%	33%
Solaire de Martinique	33%	33%	33%	33%
Solaire du Bac	51%	51%	-	-
MAYOTTE				
Albioma Solaire Mayotte	100%	100%	100%	100%

4 • COMPTES CONSOLIDÉS DE L'EXERCICE 2018

4.6. Notes aux états financiers consolidés

Fully consolidated companies	Percentage interest at 31/12/2018	Percentage control at 31/12/2018	Percentage interest at 31/12/2017	Percentage control at 31/12/2017
SPAIN				
Sun Developers 3	100%	100%	100%	100%
Sun Developers 15	100%	100%	100%	100%
Sun Developers 16	100%	100%	100%	100%
Sun Developers 17	100%	100%	100%	100%
Sun Developers 18	100%	100%	100%	100%
Sun Orgiva 1 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 2 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 3 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 4 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 5 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 6 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 7 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 8 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 9 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 10 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 11 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 12 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 13 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 14 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 15 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 16 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 17 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 18 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 19 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 20 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 21 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 22 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 23 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
ITALY				
Quantum Energia Italia	100%	100%	100%	100%
Quantum 2008A (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%
BRAZIL				
Albioma Codora Energia	65%	65%	65%	65%
Albioma Esplanada Energia	60%	60%	-	-
UTE Vale do Paraná Albioma	40%	40%	-	-
Albioma Participações do Brasil	100%	100%	100%	100%
Albioma Rio Pardo Termoeletrica	100%	100%	100%	100%
MAINLAND FRANCE				
Albioma Solaire Fabrègues	100%	100%	100%	100%
Albioma Solaire Pierrelatte	100%	100%	100%	100%
Albioma Solaire France	100%	100%	-	-
Albioma Solar Assets France 1	100%	100%	-	-
Albioma Solar Assets France 2	100%	100%	-	-
Société Énergétique de Cazaux de Larboust	100%	100%	-	-
Éco Énergie Habitation	100%	100%	-	-
Cap'ter Méthanisation ¹	-	-	57%	57%
Methaneo ¹	-	-	100%	100%
Methaneo ENR ²	-	-	60%	60%
Sain'ter Méthanisation ¹	-	-	44%	44%
Tiper Méthanisation ¹	-	-	52%	52%

1. Company sold in 2018.

2. Company dissolved and liquidated in 2018.

Entities representing a control percentage of less than 50% that are fully consolidated are either controlled indirectly by Albioma, or controlled by Albioma under an agreement or due to the governance structure in place.

Equity-accounted and jointly-owned companies	Percentage interest at 31/12/2018	Percentage control at 31/12/2018	Percentage interest at 31/12/2017	Percentage control at 31/12/2017
MAURITIUS				
Omnican Thermal Energy Operations La Baraque	27%	27%	27%	27%
Omnican Thermal Energy Operations Saint-Aubin	25%	25%	25%	25%
Terragen	25%	25%	25%	25%
Terragen Management	28%	28%	28%	28%
REUNION ISLAND				
Compagnie Industrielle des Cendres et Mâchefers	34%	34%	34%	34%
Saint-Benoît Énergies Vertes	20%	20%	-	-
MAINLAND FRANCE				
OTS	40%	40%	-	-
Volta Environnement	25%	25%	-	-
Corbières Photo	25%	25%	-	-

NOTE 40. INFORMATION ON EQUITY INVESTMENTS
WITH SIGNIFICANT SHAREHOLDERS EXCLUDING THE GROUP

40.1. Breakdown of subsidiaries with significant non-controlling interests

	Country	Non-controlling interest percentages	
		2018	2017
Albioma Le Gol	Brazil	35%	35%
Albioma Codora Energia	Brazil	35%	35%

The significance is assessed on the basis of the contributions of the entities concerned to current operating income, non-current assets, net debt and total consolidated equity.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

The figures in the table below are the full amounts for each item, before elimination of intra-group transactions.

<i>In thousands of euros</i>	31/12/2018	31/12/2017
INCOME STATEMENT		
Revenue	131,284	124,261
Net income	23,790	19,023
Net income, Group share	15,463	12,365
Net income, attributable to non-controlling interests	8,326	6,658
Total comprehensive income	19,673	14,906
Group share	12,787	9,689
Attributable to non-controlling interests	6,885	5,217
Dividends paid to non-controlling interests	(5,761)	(4,450)
STATEMENT OF FINANCIAL POSITION		
Non-current assets	294,869	290,554
Current assets	69,146	77,305
Total assets	364,015	367,860
Equity, Group share	81,082	75,170
Equity, attributable to non-controlling interests	66,815	64,765
Non-current liabilities	118,290	135,446
Current liabilities	97,828	92,478
Total equity and liabilities	364,015	367,860
STATEMENT OF CASH FLOWS		
Cash from operating activities	55,210	41,933
Cash used by investing activities	(22,197)	(30,705)
Cash from/(used by) financing activities	(33,004)	3,037

40.2. Restrictions on the control of assets, liabilities and cash

None

NOTE 41. STATUTORY AUDITORS' FEES

41.1. 2018 financial year

<i>In thousands of euros</i>	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	Statutory Auditor	Network	Statutory Auditor	Network	Statutory Auditor	Network	Statutory Auditor	Network
Statutory auditing								
Albioma	139,0	-	68%	-	202,9	-	70%	-
Fully-consolidated subsidiaries	65,1	-	32%	-	48,5	50,9	17%	100%
Sub-total, statutory auditing	204,1	-	99%	-	251,4	50,9	87%	100%
Services other than statutory auditing¹								
Albioma	-	-	-	-	35,0	-	12%	-
Fully-consolidated subsidiaries	1,6	-	1%	-	1,6	-	1%	-
Sub-total, services other than statutory auditing	1,6	-	1%	-	36,6	-	13%	-
Total	205,7	-	100%	-	288,0	50,9	100%	100%

1. In 2018, services other than statutory auditing were limited to the issue of the report on employment, environmental and social information released in the Reference Document (including the management report) and the issue of various statements and certificates.

41.2. 2017 financial year

<i>In thousands of euros</i>	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	Statutory Auditor	Network	Statutory Auditor	Network	Statutory Auditor	Network	Statutory Auditor	Network
Statutory auditing								
Albioma	119.6	-	51%	-	188.7	-	77%	-
Fully-consolidated subsidiaries	74.1	-	32%	-	53.8	41.9	22%	97%
Sub-total, statutory auditing	193.7	-	83%	-	242.5	41.9	99%	97%
Services other than statutory auditing¹								
Albioma	35.9	-	15%	-	-	-	-	-
Fully-consolidated subsidiaries	3.1	-	1%	-	1.5	1.5	1%	3%
Sub-total, services other than statutory auditing	39.0	-	17%	-	1.5	1.5	1%	3%
Total	232.7	-	100%	-	244.0	43.4	100%	100%

1. In 2018, services other than statutory auditing were limited to the issue of the report on employment, environmental and social information released in the Reference Document (including the management report) and the issue of various statements and certificates.

NOTE 42. OTHER INFORMATION

Information on the workforce is provided in section 1.9.2.1 of the Registration Document for the 2018 financial year.

4.7. Statutory Auditors' Report on the consolidated financial statements

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

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

OPINION

In compliance with the assignment entrusted to us by your General Meeting, we have audited the Albioma consolidated financial statements for the year ended 31 December 2018, as appended to this report.

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 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion given above is consistent with the content of our report to the Audit, Accounts and Risks Committee.

BASIS FOR OUR OPINION

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities regarding the audit of the consolidated financial statements".

Independence

We conducted our audit, in accordance with the rules of independence that apply to us, during the period from 1 January 2018 to the date of issue of our report. In particular we did not provide any services prohibited by Article 5, Paragraph 1, of Regulation (EU) no. 537/2014 or by the French Code of Ethics for Statutory Auditors.

Observation

Without qualifying the opinion expressed above, we draw your attention to note 2.1 which details the impacts of the first-time application of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance for the audit of the consolidated financial statements for the year, as well as our responses to those risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and of forming our opinion expressed above. We do not provide a separate opinion on specific items included in these consolidated financial statements.

Measurement of non-current assets (including goodwill)

(Notes 2.7, 2.8, 2.10 and 14, 15 and 16 to the consolidated financial statements)

Description of the risk

At 31 December 2018, non-current assets consisted of the following:

- Goodwill (€24.2 million) from acquisitions carried out;
- Intangible assets (€101.2 million), including the fair value of agreements for the delivery of electricity transferred further to the acquisition of control over entities;
- Property, plant and equipment (€1,161.9 million), mainly comprising installations for the production of electricity.

Albioma tests goodwill for impairment every year and regularly looks for indications of impairment of property, plant and equipment and intangible assets, performing an impairment test when necessary. The impairment indicators used by Albioma are described in note 2.10.

When carrying out these impairment tests, Albioma estimates the recoverable amount of the asset and records a provision for impairment if the carrying amount of that asset exceeds its recoverable amount. The recoverable amount is typically determined based on the present value of future cash flows and requires significant judgement from management, in particular as regards the preparation of business forecasts, as well as the discount rates and long-term growth rates used. Forecasts are based mainly on economic and operational assumptions, such as the availability of installations and changes in operating costs.

Accordingly, we deemed the measurement of goodwill, property, plant and equipment and intangible assets to be a key audit matter, due to their material value in the consolidated statement of financial position and the sensitivity of the impairment indicators and assumptions underlying the measurement of the recoverable amount to management's judgements.

Audit procedures implemented to address this risk

We conducted a critical assessment of the methods used to analyse impairment indicators and to perform impairment tests, which involved:

- Gaining an understanding of the process and controls put in place by Albioma with regards the impairment and corresponding impairment tests;
- Examining the relevance of the impairment indicators identified by Albioma and the documentation of their analysis;
- Examining the reasonableness of the assumptions used for impairment tests (earnings forecasts, growth rates, discount rates), by comparing them with past performances and by corroborating them with the applicable contractual terms and conditions and the economic and regulatory environment in which Albioma operates;
- Critically assessing tests carried out by management on the sensitivity of the recoverable amount to material changes in the assumptions used.

We also examined the appropriateness of the disclosures provided in notes 2.10, 14, 15 and 16 to the consolidated financial statements, mainly concerning the sensitivity analysis of the recoverable amount of tested assets to changes in the main assumptions used.

SPECIFIC VERIFICATIONS

As required by professional standards applicable in France, we have also carried out the specific verifications provided for by legal and regulatory provisions with regards the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Albioma by the General Meeting of 18 May 2010 in the case of PricewaterhouseCoopers Audit and 27 May 2004 in the case of Mazars.

At 31 December 2018, PricewaterhouseCoopers Audit was in the ninth consecutive year of its term of office and Mazars was in its 15th year.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH CORPORATE GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as

management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Accounts and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where relevant, the internal audit system, as these apply to the procedures for preparing and processing the accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit objectives and approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will systematically identify all material misstatements. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified by Article L. 823-10-1 of the French Commercial Code, our responsibility is to certify the financial statements, and not to guarantee the viability or the quality of your Company's management.

As part of an audit carried out in accordance with French professional standards, the Statutory Auditors exercise professional judgement throughout the audit. In addition, they:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether resulting from fraud or error, define and implement audit procedures to deal with those risks, and obtain audit evidence they deem sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the circumvention of internal controls;
- obtain an understanding of the internal control system relevant to the audit so as to define audit procedures that are appropriate in the circumstances, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as information about them disclosed in the consolidated financial statements;
- assess the appropriateness of management's application of the going concern accounting convention and, depending on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances likely to jeopardize the company's ability to continue as a going concern. This assessment is based on the evidence obtained up to the date of the auditors' report. It should, however, be noted that subsequent circumstances or events could cause the company to cease to continue as a going concern. If they conclude that a material uncertainty exists, they will draw readers' attention to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, they will either issue a qualified opinion on the financial statements or refuse to certify them;
- evaluate the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements represent the underlying transactions and events in such a manner as to achieve fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the persons or entities within the consolidation scope to express an opinion on the consolidated financial statements. The statutory auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Accounts and Risks Committee

We submit a report to the Audit, Accounts and Risks Committee which provides information about the scope of our audit and the work programme implemented, as well as our audit findings. We also bring to its attention, where relevant, material weaknesses in the internal control system that we identified in respect of the procedures for preparing and processing accounting and financial information.

The information provided in our report to the Audit, Accounts and Risks Committee includes the risks of material misstatement that we consider to have been the most important to the audit of the consolidated financial statements for the year under review and which therefore constitute the key audit matters, which we are required to describe in this report.

We also provide the Audit, Accounts and Risks Committee with the statement stipulated by Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as specified, in particular, in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the statutory auditors' professional code of ethics. Where relevant, we discuss with the Audit, Accounts and Risks Committee any risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Courbevoie, on 26 April 2019

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

5

COMPANY FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

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5 • COMPANY FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

5.1. Income statement

5.1. Income statement

<i>In thousands of euros</i>	France	Export	2018	2017
Sales of goods purchased for resale	-	-	-	-
Production sold – goods	-	-	-	-
Production sold – services	34,459	-	34,459	28,228
Net revenue	34,459	-	34,459	28,228
Production transferred to stocks				
Depreciation and provisions written back, charges transferred			214	653
Other income			1,130	1,665
Operating income			35,804	30,546
EXTERNAL CHARGES				
Purchases of goods for resale including excise duties			789	1,002
Purchases of raw materials and other consumables			4,432	942
Changes in stocks			-	-
Other purchases and external charges			15,486	13,714
Total external charges			20,707	15,657
TAXES, DUTIES AND SIMILAR PAYMENTS			830	532
STAFF COSTS				
Wages and salaries			9,737	10,187
Social security charges			4,845	6,047
Total staff costs			14,582	16,234
OPERATING PROVISIONS				
Depreciation and amortisation of non-current assets			751	698
Provisions on current assets			-	-
Provisions for liabilities and charges			2,433	2,711
Total operating provisions			3,185	3,409
Other operating expenses			-	312
Operating charges			39,303	36,144
Operating income			(3,499)	(5,598)

.../...

<i>In thousands of euros</i>	2018	2017
Operating income	(3,499)	(5,598)
FINANCIAL INCOME		
Income from participating interests	36,070	37,840
Income from other marketable securities and receivables from non-current assets	683	1,020
Provisions written back and charges transferred	12,674	677
Net income on disposals of marketable securities	106	134
Total financial income	49,533	39,671
FINANCIAL EXPENSES		
Impairment of financial assets	11,007	4,676
Interest payable and similar expenses	3,556	3,443
Net expenses on disposals of marketable securities	73	48
Total financial expenses	14,637	8,168
Net financial income	34,897	31,503
Pre-tax profit on ordinary activities	31,397	25,905
NON-RECURRING INCOME		
On revenue transactions	-	12
On capital transactions	14,542	2,038
Provisions written back and charges transferred	1,072	4,043
Total non-recurring income	15,614	6,093
NON-RECURRING EXPENSES		
On revenue transactions	-	281
On capital transactions	16,933	3,654
Depreciation, amortisation and impairment	2,300	189
Total non-recurring expenses	19,233	4,124
Net non-recurring income/(expense)	(3,619)	1,969
Employee profit-sharing	273	240
Corporation tax	(367)	(3,386)
Total income	100,951	76,310
Total expenses	73,079	45,291
NET INCOME	27,872	31,019

5.2. Statement of financial position

ASSETS

<i>In thousands of euros</i>	Gross	Depreciation and amortisation	Net	
			31/12/2018	31/12/2017
INTANGIBLE ASSETS				
Concessions, patents and similar rights	624	548	75	151
Other intangible assets	73	73	-	-
Total intangible assets	697	622	75	151
PROPERTY, PLANT AND EQUIPMENT				
Land	-	-	-	-
Buildings	-	-	-	-
Technical installations, equipment and industrial tooling	547	547	-	1
Other property, plant and equipment	2,718	2,018	700	884
Property, plant and equipment in progress	428	424	4	-
Total property, plant and equipment	3,693	2,988	705	885
LONG-TERM INVESTMENTS				
Other participating interests	308,548	11,610	296,938	248,452
Loans	244	-	244	246
Other long-term investments	571	-	571	562
Total long-term investments	309,363	11,610	297,753	249,260
Non-current assets	313,753	15,220	298,533	250,296
STOCKS AND WORK-IN-PROGRESS				
Work-in-progress - goods	-	-	-	-
Goods purchased for resale	-	-	-	-
Total stocks and work-in-progress	-	-	-	-
RECEIVABLES				
Advances and payments on account of orders	242	-	242	85
Trade receivables	22,175	-	22,175	20,470
Other receivables	84,144	4,700	79,444	52,895
Total receivables	106,561	4,700	101,861	73,449
CASH, CASH EQUIVALENTS AND OTHER				
Marketable securities	34,142	-	34,142	13,194
Cash and cash equivalents	23,863	-	23,863	39,439
Prepayments	326	-	326	464
Total cash, cash equivalents and other	58,332	-	58,332	53,097
Current assets	164,892	4,700	160,193	126,546
Borrowing costs to be deferred	429	-	429	716
Total	479,074	19,920	459,154	377,558

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Net	
	31/12/2018	31/12/2017
EQUITY		
Share capital <i>of which, paid: 1,191</i>	1,191	1,179
Additional paid-in capital	48,659	42,199
Revaluation differences <i>of which, equity accounting reserve: -</i>	3	3
Legal reserve	118	116
Statutory and contractual reserves	922	922
Regulated reserves	1	1
Other reserves	15,905	15,905
Retained earnings	90,899	78,207
Net income for the year	27,872	31,019
Total equity	185,570	169,552
Regulated provisions	-	-
Shareholders' equity	185,570	169,552
Provisions for liabilities	3,842	3,874
Provisions for charges	7,275	5,075
Provisions for liabilities and charges	11,117	8,950
FINANCIAL LIABILITIES		
Borrowings from financial institutions	137,711	85,215
Other borrowings (including current accounts with shareholders)	98,510	94,116
Total financial liabilities	236,221	179,331
OTHER LIABILITIES		
Trade payables	6,395	4,678
Tax and social security liabilities	16,791	12,019
Liabilities on non-current assets	6	22
Other liabilities	1,464	2,016
Total other liabilities	24,656	18,735
DEFERRED INCOME	1,590	990
Liabilities	262,467	199,056
Total	459,154	377,558

5.3. Notes to the annual financial statements

NOTE 1. SIGNIFICANT EVENTS

The highlights of the period are as follows:

- disposal of the Anaerobic Digestion business in December 2018;
- acquisition of Albioma Solaire France (formerly Eneco France) in December 2018;
- issue of redeemable share subscription and/or purchase warrants ("BSAAR Warrants").

NOTE 2. ACCOUNTING POLICIES AND METHODS

The financial statements are presented in accordance with French accounting principles, particularly on the basis of Regulation 2016-07 of 4 November 2016 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*), and the provisions of the French Commercial Code (*Code de Commerce*).

The annual financial statements were prepared in accordance with the following underlying assumptions:

- principle of prudence;
- going concern;
- consistency of accounting methods between financial years;
- accruals basis of accounting.

The policies applied are as follows.

2.1. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are initially recognised at their acquisition cost. They comprise fixtures and fittings, vehicles, furniture and equipment, and IT hardware and software. The straight-line method of depreciation is used.

Non-current assets	Depreciation period
Software	2 years
IT hardware	3 years
Other property, plant and equipment	5 years

Where applicable, an impairment provision is recognised if the value in use of intangible assets and property, plant and equipment is lower than their cost.

2.2. Long-term investments

Equity investments and other long-term investments are initially recognised at their acquisition cost.

A review of internal indicators of impairment of participating interests is performed annually on a line-by-line basis. If there is evidence of impairment, the measurements are

updated and the current value of the relevant participating interest is compared with its net carrying amount. The current value is an estimate based on the market and the asset's utility for the company.

Valuation methods depend on the characteristics of participating interests, their profitability and their future prospects. The current value is initially determined on the basis of the Group's share in the recorded net assets of the investee. If said share is lower than the carrying amount of the participating interest, the current value is estimated on the basis of future cash flows.

The data used to perform the tests using the discounted cash flow method are taken from:

- business plans established at the outset of the project and covering the term of the electricity sale agreements, the underlying assumptions being updated on the test date; or
- Group business plans established annually and covering the term of the agreements (from 15 to 40 years).

These tests are based on the following key assumptions:

- electricity selling prices, which are set contractually;
- for the photovoltaic installations, equivalent full-power hours (EFPH).

If the current value is less than the carrying amount of the receivables from participating interests and current accounts, an impairment provision is recognised to reduce the value of said assets to their current value.

In the event the investee has negative equity, a provision for liabilities is recognised. If the current value falls below the net carrying amount, an impairment loss is recognised to bring the participating interests back down to their current value.

2.3. Receivables

Receivables are measured at their nominal value: in the event of problems in collecting receivables, impairment provisions are made against the receivables concerned.

2.4. Current accounts and other receivables

Current accounts and other receivables are measured at their nominal value: in the event of problems in collecting receivables, impairment provisions are made against current accounts and receivables.

2.5. Marketable securities

Marketable securities are measured using the weighted average unit cost method. An impairment provision is recognised when the stock market value of these securities, or in the absence of such a valuation their likely trading amount, is lower than their acquisition cost.

2.6. Provisions for liabilities and charges

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be estimated reliably.

2.7. Pensions and other retirement obligations

The expenses corresponding to the Company's obligations in respect of pensions and other retirement benefits have been provisioned.

Furthermore, two supplementary pension plans were put in place in 2004: a defined contribution plan covering 86 employees at 31 December 2018, supplemented by a defined benefit plan for those individuals employed by the Company prior to 1 January 1983.

Charges relating to defined contribution plans are expensed in the year in which they are incurred.

Charges relating to the lump-sum retirement payment plan and supplementary defined benefit plan are provisioned using the projected unit credit method, treating length of service on a pro rata basis.

The actuarial calculations mainly take into account assumptions concerning wage increases, staff turnover rates, retirement dates and projected changes in remuneration and life expectancy, together with an appropriate discount rate.

2.8. Tax consolidation

On 31 March 2005 and 22 April 2009 respectively, Albioma and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule entered into a tax consolidation agreement, renewable by tacit consent, that stipulates that "application of the rules of said agreement shall not result in, for each company consolidated, a tax charge that is higher than that which it would have borne in the absence of the tax consolidation". In the absence of renewal of the agreement or in the event that the subsidiary leaves the consolidated group prior to expiry of the agreement for any reason whatsoever, the company leaving the tax consolidation group will be compensated by the head of the tax group for all additional tax costs stemming from its membership of the group.

As a result, and in accordance with opinion 2005-G of 12 October 2005 of the French National Accounting Council (*Conseil National de la Comptabilité*), a provision must be raised when the restitution of the cash saving (direct payment or recognition in a current account) is probable. Furthermore, savings relating to the parent company's loss are recognised immediately in profit or loss.

Company	Consolidation date	Deconsolidation date
Albioma Solaire Pierrelatte	01/01/2011	31/12/2013
Albioma Solaire Fabrègues	01/01/2011	n/a
Éoliennes de la Porte de France	01/01/2011	31/12/2012
Albioma Solaire Guyane	01/01/2014	n/a
Albioma Solaire Réunion	01/01/2018	n/a

NOTE 3. STATEMENT OF FINANCIAL POSITION - ASSETS

3.1. Non-current assets

Intangible assets

<i>In thousands of euros</i>	31/12/2017	Increases	Decreases	Transfers	31/12/2018
Concessions and similar rights, patents, licences, brands, processes, software, rights	604	20	-	-	624
Other intangible assets	73	-	-	-	73
Gross amount	677	20	-	-	697
Concessions and similar rights, patents, licences, brands, processes, software, rights	453	96	-	-	548
Other intangible assets	73	-	-	-	73
Amortisation and impairment	526	96	-	-	622
Concessions and similar rights, patents, licences, brands, processes, software, rights	151	-	-	-	75
Other intangible assets	-	-	-	-	-
Net amount	151				75

Property, plant and equipment

<i>In thousands of euros</i>	31/12/2017	Increases	Decreases	Transfers	31/12/2018
Technical installations, equipment and industrial tooling	547	-	-	-	547
General installations, fixtures and fittings	605	-	-	-	605
Vehicles	530	-	-	-	530
Office equipment and IT hardware, furniture	1,400	184	-	-	1,583
Property, plant and equipment in progress	424	4	-	-	428
Gross amount	3,505	188	-	-	3,693
Technical installations, equipment and industrial tooling	546	1	-	-	547
General installations, fixtures and fittings	516	72	-	-	588
Vehicles	75	103	-	-	178
Office equipment and IT hardware, furniture	1,060	192	-	-	1,252
Property, plant and equipment in progress	-	-	-	-	-
Impairment of property, plant and equipment	424	-	-	-	424
Depreciation and impairment	2,620	368	-	-	2,988
Technical installations, equipment and industrial tooling	1	-	-	-	-
General installations, fixtures and fittings	89	-	-	-	16
Vehicles	455	-	-	-	352
Office equipment and IT hardware, furniture	340	-	-	-	332
Property, plant and equipment in progress	-	-	-	-	4
Net amount	885				705

Long-term investments

Equity investments

<i>In thousands of euros</i>	31/12/2017	Increases	Decreases	31/12/2018
Investments in subsidiaries and associates	-	-	-	-
Non-Group participating interests	19	-	-	19
Group participating interests	255,124	69,799	16,393	308,529
Gross amount	255,143	69,799	16,393	308,548
Investments in subsidiaries and associates	-	-	-	-
Non-Group participating interests	-	-	-	-
Group participating interests	6,691	11,002	6,082	11,610
Impairment	6,691	11,002	6,082	11,610
Investments in subsidiaries and associates	-	-	-	-
Non-Group participating interests	19	-	-	19
Group participating interests	248,433	-	-	296,919
Net amount	248,452			296,938

The increase in participating interests relates to:

- Albioma Participações do Brasil increasing its share capital from €49,235 thousand to €66,635 thousand;
- the incorporation of two new companies, Saint-Benoît Énergies Vertes and Albioma Solaire Organabo, both of which are wholly-owned by Albioma and have share capital of €10 thousand;
- the acquisition of Albioma Solaire France for €46,359 thousand and of Solaire du Bac for €1;
- Methaneo capital increases in the amounts of €3,891 thousand and €2,137 thousand.

The decrease in participating interests was due to:

- the disposal of the interests in Albioma Power Alliance, Plexus Sol and Albioma Solaire Bethlehem to Albioma Solaire Réunion;
- the disposal of the interest in Methaneo.

Most (€11,002 thousand) of the impairment loss on securities as at 31 December 2018 related to the investment in Brazil.

Other long-term investments

<i>In thousands of euros</i>	31/12/2017	Increases	Decreases	31/12/2018
Long-term loans	246	-	2	244
Deposits & guarantees paid	562	10	1	571
Gross amount	808	10	3	815
Long-term loans	-	-	-	-
Deposits & guarantees paid	-	-	-	-
Impairment	-	-	-	-
Long-term loans	246	-	-	244
Deposits & guarantees paid	562	-	-	571
Net amount	808			815

3.2. Current assets

Trade receivables

<i>In thousands of euros</i>	31/12/2018	31/12/2017	Variation
Trade receivables	14,692	17,129	(2,437)
Group	13,997	16,550	(2,552)
Non-Group	695	579	116
Invoices to be raised	7,483	3,341	4,142
Group	7,453	3,341	4,112
Non-Group	30	-	30
Trade receivables	22,175	20,470	1,705

Other receivables

<i>In thousands of euros</i>	31/12/2018	31/12/2017	Variation
Employees - Advances and payments on account	-	1	(1)
VAT accounts receivable	506	625	(119)
VAT deductible on non-current assets	2	4	(2)
Accounts receivable from the State	-	-	-
Income accounts receivable	1,068	5,061	(3,993)
Current accounts	76,231	57,029	19,201
Tax consolidation current accounts	6,302	112	6,190
Receivables due from employee welfare bodies	35	53	(18)
Sundry accounts receivable	-	1	(1)
Impairment of current accounts	(4,700)	(9,991)	5,291
Total	79,444	52,895	26,549

The change in the current account balances was related to the support given by Albioma to its subsidiaries which own the construction projects.

In 2017, accrued income included the reimbursements due in respect of the tax on the dividends paid during the years 2013 to 2017.

The decrease in the impairment of current accounts was due mainly to the disposal of the Anaerobic Digestion business.

Marketable securities

At 31 December 2018, the marketable securities item stood at €34,142 thousand.

It consisted of €21,000 thousand in short-term investments and €13,142 thousand in treasury shares.

Prepayments and accrued income

Prepayments, of €326 thousand, related primarily to insurance and subscriptions.

Borrowing costs stood at €429 thousand at 31 December 2018. These costs are recognised to profit or loss over the terms of the loans to which they relate.

NOTE 4. LIABILITIES AND EQUITY

4.1. Equity

<i>In thousands of euros</i>	31/12/2017	Increases	Decreases	Appropriation of 2017 net income (in euros)	31/12/2018
Share capital	1,179	-	-	11,925	1,191
Additional paid-in capital	42,199	965	-	5,495,146	48,659
Revaluation differences	3	-	-	-	3
Legal reserve	116	-	-	1,554	118
Statutory and contractual reserves	922	-	-	-	922
Regulated reserves	1	-	-	-	1
Other reserves	15,905	-	-	-	15,905
Retained earnings	78,207	-	-	12,691,704	90,899
Net income for the year	31,019	27,872	-	(31,019,231)	27,872
Dividends paid in cash	-	-	-	12,818,903	-
Total equity	169,552	28,837	-		185,570
Regulated provisions	-	-	-		-
Total shareholders' equity	169,552	28,837	-		185,570

Share capital

At 31 December 2018, the share capital consisted of 30,930,644 shares with a nominal value of €0.0385 per share, fully paid-up and held for 6.06% by COFEPP, for 6.01% by Impala SAS, and for 87.93% by various shareholders on the market.

At this same date, the Company held 811,223 of its own shares (representing 2.62% of the share capital and stripped of voting rights), all of which were purchased on the market (and all of which were acquired to provide shares for bonus performance share plans).

Appropriation of 2017 net income

In accordance with the decisions of the 30 May 2018 General Meeting, the net income for 2017 was appropriated as follows:

<i>In thousands of euros</i>	
Transfer to the legal reserve	2
Dividends paid	18,149
Retained earnings	12,868

The General Meeting set the amount of the 2017 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. €12,818 thousand was settled in cash and €5,507 thousand in shares; 309,734 new shares were issued at a unit price of €17.78.

Net income for the year

<i>In thousands of euros</i>	
Operating income	(3,499)
Net financial income	34,897
Net non-recurring income/(expense)	(3,619)
Profit-sharing	(273)
Tax	367
Total	27,872

4.2. Provisions for liabilities and charges

<i>In thousands of euros</i>	31/12/2017	Charge	Reversals - Used	Reversals - Unused	31/12/2018
Provisions for liabilities	3,874	2,305	1,038	1,300	3,842
Provisions for liabilities	3,874	2,305	1,038	1,300	3,842
Provisions for lump-sum retirement benefits	1,908	210	41	-	2,077
Other provisions for charges	3,168	2,223	192	-	5,198
Provisions for charges	5,075	2,433	233	-	7,275
Of which operating	5,075	2,433	233	-	7,275
Of which financial	2,837	2,305	-	1,300	3,842
Of which non-recurring	1,038	-	1,038	-	-
Total provisions for liabilities and charges	8,950	4,739	1,271	1,300	11,117

Provisions for liabilities

Provisions for liabilities, which essentially cover the risks relating to disputes, litigation or participating interests, decreased from €3,874 thousand at 31 December 2017 to €3,842 thousand at 31 December 2018.

Provisions for charges

Lump-sum retirement payments

At 31 December 2018, lump-sum retirement benefits represented an amount of €2,077 thousand.

These charges relate to 84 individuals and are based on the collective agreement applied to Company employees. The main assumptions used are as follows:

- Life expectancy table: INSEE table;
- staff turnover: 2.5% for employees less than 46 years of age, and no turnover for employees more than 46 years of age;
- increase in wages and salaries of 3% per annum;
- discount rate of 1.5% per annum.

Other provisions for charges

This item represents, in particular, the provision recorded following Albioma's buyback of 811,223 of its own shares (purchases made in the 2015, 2016 and 2018 financial years) to partly cover the servicing of the bonus performance share plans adopted by the General Meeting of 24 May 2016 and the General Meeting of 30 May 2018.

4.3. Liabilities

Borrowings from financial institutions

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%. Albioma renewed its short-term bank funding lines in the form of a €40 million five-year confirmed revolving credit facility at the variable interest rate of Euribor plus 1.40%.

The Company also borrowed €5 million from Bpifrance Financement at the fixed rate of 2.22% maturing on 30 April 2023.

Albioma was granted a €15 million four-year confirmed cash credit line by Banque Espirito Santo et de la Vénétie as from 26 June 2017. The amounts used bear interest at a variable rate based on the 3-month Euribor plus 1.65% per annum. €13 million of this line had been drawn down by the end of December 2018.

At 31 December 2018, borrowing costs to be deferred totalled €429 thousand.

Collateral

None

Compliance with ratios within Albioma

- Interest cover ratio (cash EBIT/interest)>2.50
- Gearing ratio (net debt/equity)<1.50

These covenants were met at 31 December 2018.

Drawdowns

The following table provides a breakdown of the amounts drawn down at 31 December 2018:

<i>In thousands of euros</i>	
Euro PP	80,000
Revolving credit facility	53,000
Bpifrance Financement	5,000

Interest-rate hedging

Not applicable (main corporate debt is at a fixed rate).

Other borrowings

This item consists mainly of current accounts with shareholders.

Trade payables

Trade payables amounted to €6,395 thousand at 31 December 2018, including €3,027 thousand from invoices not yet received. All of these liabilities are due within one year.

Tax and social security liabilities

Tax and social security liabilities break down as follows:

<i>En milliers d'euros</i>	31/12/2018	31/12/2017	Variation
Tax liabilities	8,174	3,356	4,818
Social security/employee-related liabilities	4,428	4,840	(412)
Social security/employee welfare body liabilities	4,190	3,823	367
Total	16,791	12,019	4,772

The increase in tax liabilities was due to the inclusion of additional companies in the Group's tax consolidation scope and the improved results of the companies consolidated for tax purposes.

Liabilities on non-current assets

At 31 December 2018, amounts due to suppliers of non-current assets totalled €6 thousand. All of these liabilities are due within one year.

Other liabilities

<i>In thousands of euros</i>	31/12/2018	31/12/2017	Variation
Other creditors	30	74	(44)
Tax consolidation current accounts	82	373	(291)
Accrued expenses	1,352	1,569	(217)
Dividends payable	-	-	-
Total other liabilities	1,464	2,016	(552)

Deferred income

Deferred income, amounting to €1,590 thousand, related to billing for services performed after 31 December 2018 or accrued income relating to future periods.

NOTE 5. INCOME STATEMENT

5.1. Revenue

Revenue amounted to €34,459 thousand at 31 December 2018 and comprised:

<i>In thousands of euros</i>	31/12/2018	31/12/2017	Change in thousands of euros
Sales of goods purchased for resale	-	-	-
Production sold – goods	-	-	-
Production sold – services	34,459	28,228	6,231
Revenue	34,459	28,228	6,231

5.2. Net financial income (expense)

Net financial income breaks down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017	Variation
Interest and financial charges	3,556	3,443	113
Net expenses on disposals of marketable securities	73	48	25
Provisions for financial liabilities and charges	11,007	678	10,329
Impairment of financial assets	-	3,999	(3,999)
Financial expenses	14,637	8,168	6,469
Income from participating interests	36,070	37,840	(1,770)
Other financial income	683	1,020	(337)
Provisions for financial liabilities and charges written back	1,300	600	700
Provisions written back and charges transferred	11,374	77	11,297
Net income on disposals of marketable securities	106	134	(27)
Financial income	49,533	39,671	9,863
Net financial income	34,897	31,503	3,394

The provisions written back relate to the disposal of the Anaerobic Digestion business and the provision charges should be considered in the context of the poor results of one of the thermal power plants in Brazil.

5.3. Net non-recurring income/(expense)

Net non-recurring income/(expense) breaks down as follows:

<i>In thousands of euros</i>	31/12/2018	31/12/2017	Variation
Penalties and tax fines	-	281	(281)
Net book value of transferred assets - Property, plant and equipment	-	493	(493)
Net book value of transferred assets - Financial	16,393	1,233	15,159
Other non-recurring expenses	540	1,928	(1,389)
Provisions for non-recurring liabilities and charges	2,300	189	2,111
Non-recurring expenses	19,233	4,124	15,109
Liquidation surplus	-	12	(12)
Proceeds from the sale of transferred assets - Financial	-	550	(550)
Proceeds from the sale of transferred assets - Property, plant and equipment	-	676	(676)
Proceeds from the sale of transferred assets - Financial	12,576	606	11,970
Other non-recurring income	1,966	205	1,761
Reversals of regulated provisions - Non-current assets	-	-	-
Reversals of provisions for non-recurring liabilities and charges	1,072	4,043	(2,971)
Non-recurring income	15,614	6,093	9,521
Net non-recurring income/(expense)	(3,619)	1,969	(5,588)

The main components of non-recurring income/(expense) are:

- income and expenses related to the disposal of equity investments (see explanations given in note 1 to the company financial statements);
- the change in the provisions for liabilities corresponding to disputes arising and being resolved during 2018.

5.4. Tax

The scope of the tax consolidation at 31 December 2018 included the company Albioma and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule, in accordance with the tax grouping agreements signed on 31 March 2005 and 22 April 2009 respectively, Albioma Solaire Fabrègues, which was added to the scope on 1 January 2011, Albioma Solaire Guyane, which was added to the scope on 1 January 2014, and Albioma Solaire Réunion, which was added to the scope on 1 January 2018.

At 31 December 2018, for the Company, the head of the tax group, these agreements resulted in a tax credit of €334 thousand, corresponding to the tax saving stemming from the tax consolidation.

Albioma also recognised in expenses €17,191 thousand in respect of tax, corresponding to the Group's taxable profit.

Albioma benefited from the tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi - CICE*) in the amount of €33 thousand in respect of 2018.

The tax rate was 28% up to €500 thousand, then 33/3% plus the additional contribution of 3.3% on the tax in excess of €763,000.

NOTE 6. HEADCOUNT

At 31 December 2018, Albioma employed a total of 90 staff (including two corporate officers) compared with 89 (including two corporate officers) at 31 December 2017.

NOTE 7. REMUNERATION OF THE ADMINISTRATIVE AND EXECUTIVE BODIES

Gross remuneration paid by the Company in 2018 to corporate officers totalled €679 thousand, compared with €904 thousand in 2017.

Corporate officers do not benefit from a specific plan for post-employment benefits.

A charge of €160 thousand was recognised in 2018 in respect of attendance fees allocated to members of the Board of Directors.

NOTE 8. SHARE SUBSCRIPTION AND PURCHASE OPTION PLANS AND BONUS PERFORMANCE SHARE PLANS

8.1. Description of the plans in operation at 31 December 2018

	2018 performance share plan	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)
Total number of options and shares originally authorised	309,600	32,040	31,680	518,382
Rights allotted during the period	-	-	31,680	518,382
Rights cancelled during the period	-	-	(24,480)	(17,605)
Effective acquisitions in the period	-	-	(120)	-
Number of instruments in issue at 31/12/2016	-	-	7,080	500,777
Rights allotted during the period	-	32,040	-	-
Rights cancelled during the period	-	(480)	(360)	(41,236)
Effective acquisitions in the period	-	-	(6,720)	-
Number of instruments in issue at 31/12/2017	-	31,560	-	459,541
Rights allotted during the period	309,600	-	-	-
Rights cancelled during the period	(13,500)	(16,800)	-	(5,802)
Effective acquisitions in the period	-	(14,760)	-	-
Number of instruments in issue at 31/12/2018	296,100	-	-	453,739

8.2. Bonus performance share plans adopted by the General Meeting of 24 May 2016

“2016 managers and administrative staff” and “2016 Brazil” bonus performance share plans

Performance conditions

The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche. These performance conditions are based on the growth in consolidated EBITDA during the 2018 financial year compared with the consolidated EBITDA for the 2015 financial year, on the growth in consolidated earnings per share for the 2018 financial year compared with the consolidated earnings per share for the 2015 financial year and on the change in the Albioma share price, calculated with net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 compared with the movement in the CAC Small Net Return (CACSN) index over the same period.

Lock-in commitment

Shares that have been effectively acquired are not subject to any lock-in commitment, the corporate officers being however subject to the obligation to retain as registered shares 25% of the shares effectively acquired until they stand down from office.

Status of the plan at 31 December 2018

Plan currently in operation

“2016 thermal plants” and “2016 photovoltaic plants” bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2016 (per plant in the case of the “2016 thermal plants” plan and by region in the case of the “2016 photovoltaic plants” plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2018

Closed

“2017 thermal plants” and “2017 photovoltaic plants” bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2017 (per plant in the case of the “2017 thermal plants” plan and by region in the case of the “2017 photovoltaic plants” plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2018

Closed

8.3. Bonus performance share plans adopted by the General Meeting of 30 May 2018

2018 bonus performance share plan

Performance conditions

The allotments are divided up into four tranches, and each tranche covers 25% of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche. These performance conditions are based on the growth in consolidated EBITDA during the 2020 financial year compared with the consolidated EBITDA for the 2017 financial year, on the growth in consolidated earnings per share for the 2020 financial year compared with the consolidated earnings per share for the 2017 financial year and on the change in the Albioma share price, calculated with net dividends reinvested (based on the average share price over 120 days) between 1 January 2018 and 31 December 2020 compared with the movement in the CAC Small Net Return (CACSN) index over the same period, and on the increase between 2017 and 2020 in the proportion of the Group’s total energy production that corresponds to renewable energies.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2018

Plan currently in operation

8.4. Amounts recognised as expenses

	2018 performance share plan	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)
2018	408	-	-	2,100
2017	-	192	-	2,963
2016	-	-	91	896

NOTE 9. REDEEMABLE SHARE SUBSCRIPTION AND/OR PURCHASE WARRANTS ("BSAAR WARRANTS")

Acting upon the authority granted to it by the General Meeting of shareholders of 30 May 2018, the Board of Directors, at its meeting of 8 November 2018, decided to carry out the issue of a maximum of 1,071,731 redeemable share subscription and/or purchase warrants ("BSAAR Warrants"), with the waiver of the preferential subscription rights of shareholders, in favour of 43 eligible individuals chosen from among the employees and executive corporate officers of the Company and its subsidiaries (including the Chief Executive Officer of the Company).

The main aim of the issue was to associate the Group's key managers to the Group's medium-term growth and performance. The offering responds to these managers' wish to invest indirectly, without any contribution from the Company, a considerable proportion of their personal savings in Albioma shares in order to support the roll-out of the Company strategy via a financial product enabling an optimal alignment of the interests of the Group's senior managers with those of its shareholders.

The transaction resulted in the issue of 1,071,731 BSAAR warrants of €0.90 each (giving issue proceeds of €964,557.90), allocated to 31 subscribers. The Company's Board of Directors appointed Accuracy as appraiser, commissioned to give an independent opinion on the unit issue price of the BSAAR warrants. Accuracy considered the issue price to be reasonable, stating: *"The estimated value of each BSAAR warrant is comprised within a range of estimates from €0.62 to €1.16. On this basis, the price of €0.90 considered by the Company for the issue of the BSAAR warrants seems reasonable to us."* Accuracy's full report on its appraisal of the BSAAR warrants is available on the Company's website: www.albioma.com

The BSAAR warrants entitle their holders to subscribe for new shares and/or purchase existing Albioma shares; the Company may, at its discretion, allot new shares or existing shares or a combination of new and existing shares. A request will be made to admit the BSAAR warrants for trading on

the Euronext Growth market. This request will be made no sooner than 6 December 2021 (save exceptions), the date from which the BSAAR warrants may be exercised. Until their admission for trading, the BSAAR warrants may neither be transferred nor exercised (save exceptions). Subject to the applicable adjustment rules, one BSAAR warrant will entitle its holder, at the Company's discretion, to subscribe for a new or existing share, in consideration of payment of the exercise price. Said price was set at €20.90, i.e. a price equal to 120% of the average closing prices quoted for the Company's shares over a period of 20 consecutive trading days preceding 8 November 2018. The BSAAR warrants may be exercised at any time as from their admission for trading on the Euronext Growth market, scheduled for 6 December 2021, until 4 December 2024, subject to the Board of Directors' right to temporarily suspend the exercise period. After 4 December 2024, the BSAAR warrants shall lapse by operation of law and, consequently, may not be exercised by their holders.

The maximum number of shares that could result from the exercise of the warrants (in the event that all the BSAAR warrants are exercised and that all the shares allotted upon exercise of the BSAAR warrants are new shares, without adjustments) is 1,071,731, representing approximately 3.46% of the Company's capital at 31 December 2018, and 3.35% of the Company's capital post exercise of the BSAAR warrants. In this case, the capital increase carried out would be a nominal amount of €41,261.6435. Exercise of all the BSAAR warrants would represent proceeds from the issue of at most €22,399,177.90.

The terms and conditions of the BSAAR thus issued are available on the Company's website (www.albioma.com). Since the offer did not require the drawing up of a prospectus subject to the approval of the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF), its launch resulted, pursuant to the applicable legal and regulatory provisions, in the publication of a press release on 8 November 2018, which is available on the Company's website (www.albioma.com).

NOTE 10. OFF-BALANCE SHEET COMMITMENTS

<i>In thousands of euros</i>	2018	2017
OFF-BALANCE SHEET COMMITMENTS GIVEN		
Guarantees given to suppliers	13,954	22,733
Joint and several loan repayment guarantees	72,103	182,880
Option to repurchase shares held by non-controlling interests	-	-
Sundry commitments	2,196	1,033
Liabilities guarantees	-	-
Total off-balance sheet commitments given	88,252	206,647
OFF-BALANCE SHEET COMMITMENTS RECEIVED		
Shareholders' counter-guarantees - operating activities	-	511
Shareholders' counter-guarantees - repayment of borrowings	21,791	37,316
Lines of credit granted but not utilised	2,000	55,000
Liabilities guarantees	6,954	-
Total off-balance sheet commitments received	30,745	92,827

10.1. Off-balance sheet commitments given

Guarantees given to suppliers

This commitment concerns guarantees for payment given to suppliers in connection with supply agreements entered into by the subsidiaries and the orders in progress for capital expenditure to be incurred in respect of the Galion 2 and Albioma Saint Pierre thermal power plants.

Joint and several loan repayment guarantees

This commitment concerns parent company guarantees in the form of joint and several guarantees for the repayment of borrowings due to banks on behalf of:

- the Company's subsidiaries Albioma Rio Pardo Termoelétrica and Albioma Codora Energia in Brazil;
- the subsidiary Albioma Saint-Pierre;
- the photovoltaic subsidiaries Albioma Solaire Réunion and Albioma Énergipole Solaire.

Sundry guarantees

The change compared with 2017 was due to the granting of a €0.9 million guarantee in connection with a development project in Brazil.

Note that, in connection with certain project financing transactions, Albioma has also pledged shares in its subsidiaries to the lenders.

Pledges of subsidiaries' shares

Company	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in thousands of euros)	Value of securities in the parent company's financial statements (in thousands of euros)	Corresponding %	Number of shares pledged	% of capital pledged
OTEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100,00%
OTEO St-Aubin	15/04/2004	31/12/2020	1,886	1,886	100%	637,500	100,00%
Albioma Solaire Guyane	18/12/2009	26/12/2026	40	40	100%	4,000	100,00%
Albioma Solaire Lasalle	22/04/2010	31/12/2025	32	32	100%	3,200	100,00%
Albioma Solaire Matoury	17/12/2010	30/11/2029	1,813	1,813	100%	1,600,240	100,00%
Albioma Solaire Pierrelatte	29/10/2009	30/06/2028	1,956	3,836	51%	195,636	51,00%
Albioma Saint-Pierre	18/07/2016	31/10/2040	40	20	51%	2,040	100,00%
Albioma Solaire Réunion	15/05/2018	30/06/2039	50	50	100%	50	100,00%
Albioma Solaire Mayotte	15/05/2018	30/06/2039	10	10	100%	999	100,00%
Elect 12	15/05/2018	30/06/2039	2,092	2,092	100%	2,092,438	99,90%
Albioma Power Alliance	15/05/2018	30/06/2039	120	120	100%	120	100,00%
Plexus Sol	15/05/2018	30/06/2039	37	37	100%	3,700	100,00%
Albioma Solaire Bethléem	15/05/2018	30/06/2039	3,600	3,600	100%	3,600,000	100,00%
Elecsol La Réunion 10	15/05/2018	30/06/2039	100	100	100%	196	100,00%
VoltaRéunion	15/05/2018	30/06/2039	43	43	100%	43,094	100,00%
Elecsol Saint-André	15/05/2018	30/06/2031	-	-	100%	100	100,00%
Elecsol Les Avirons	15/05/2018	30/06/2031	1	1	100%	100	100,00%
Elecsol Cambaie	15/05/2018	30/06/2031	1	1	100%	100	100,00%
Elecsol Saint-Pierre 1	15/05/2018	30/06/2031	1	1	100%	100	100,00%
Elecsol La Réunion 1	15/05/2018	30/06/2031	-	-	100%	100	100,00%
Elecsol La Réunion 13	15/05/2018	30/06/2031	-	-	100%	100	100,00%
Elecsol La Réunion 16	15/05/2018	30/06/2031	-	-	100%	100	100,00%
Elecsol La Réunion 18	15/05/2018	30/06/2031	-	-	100%	100	100,00%
Elecsol Sainte-Suzanne	15/05/2018	30/06/2031	1	1	100%	100	100,00%
Elecsol Les Tamarins	15/05/2018	30/06/2031	1	1	100%	100	100,00%
Albioma Énergipole Solaire	15/03/2018	30/06/2038	75	75	50%	500	50,00%
OTS	30/06/2017	30/06/2037	440	440	100%	4,400	40,00%

10.2. Off-balance sheet commitments received

Shareholders' counter-guarantee - operating activities

The shareholders' counter-guarantee in respect of the capital expenditure on the Albioma Galion 2 thermal power plant came to an end on 31 December 2018.

Shareholders' counter-guarantee - loan repayment

In order to cover the obligations of the Albioma Saint-Pierre power plant in respect of its investments, a parent company guarantee was issued and a shareholder counter-guarantee was received. The commitment received amounted to €22 million at 31 December 2018.

NOTE 11. FINANCIAL DERIVATIVES

None

NOTE 12. TRANSACTIONS WITH RELATED PARTIES

<i>In thousands of euros</i>	2018	2017
STATEMENT OF FINANCIAL POSITION		
Trade receivables	21,450	19,891
Accrued expenses	1,143	1,375
Subsidiaries' current accounts – debit and tax consolidation	82,533	57,141
Accrued income	100	5,050
Subsidiaries' current accounts – credit and tax consolidation	98,467	93,676
Trade payables	711	692
INCOME STATEMENT		
Sales of photovoltaic plants, equipment and services	27,343	25,809
Recharging of seconded employees	724	820
Other amounts recharged	6,392	1,600
Interest paid on subsidiaries' current accounts	(38)	(35)
Interest received on subsidiaries' current accounts	283	323
Income from participating interests	36,070	37,840

Transactions with related parties are entered into on an arm's length basis.

Lines of credit granted

Albioma received commitments for the financing of projects and operations which represented €2 million, not drawn down at 31 December 2018.

Liabilities guarantee received

A liabilities guarantee for a maximum amount of €6.9 million with a three-year maturity was received following the acquisition of Eneco France on 11 December 2018.

NOTE 13. ACCRUED INCOME AND ACCRUED EXPENSES

<i>In thousands of euros</i>	2018
Accrued income	
Customer invoices to be raised	7,483
Value added tax on invoices not yet received	127
Provisions for accrued income	1,068
Accrued expenses	
Suppliers' invoices not yet received	3,035
Amounts due to employees	3,945
Accrued social security charges	2,520
Value added tax on invoices to be raised	288
Amounts due to the State	221
Provisions for accrued expenses:	1,352
Accrued interest on borrowings	211

NOTE 14. CONSOLIDATION

Albioma is the parent company of the Albioma Group, whose consolidated financial statements are drawn up in accordance with the International Financial Reporting Standards (IFRS).

NOTE 15. BREAKDOWN OF CORPORATION TAX BETWEEN CURRENT PROFIT OR LOSS AND NON-RECURRING PROFIT OR LOSS

<i>In thousands of euros</i>	Taxable base	Corporation tax
Current profit or loss before tax	(3,227)	(730)
Non-recurring profit or loss before tax	1,750	396
Total	(1,477)	(334)

NOTE 16. INCREASES AND DECREASES IN THE FUTURE TAX LIABILITY

<i>In thousands of euros</i>	Base amount	Increases and decreases in the future tax liability
INCREASES	-	-
DECREASES		
Company social solidarity contribution	100	23
Profit-sharing	273	62
Unrealised capital gain	-	-

NOTE 17. EVENTS AFTER THE REPORTING DATE

None

NOTE 18. MATURITIES OF RECEIVABLES AND LIABILITIES

18.1. Receivables

<i>In thousands of euros</i>	Gross amount	Due within 1 year	Due in more than 1 year
NON-CURRENT ASSETS			
Receivables from participating interests	-	-	-
Loans	244	-	244
Other long-term investments	571	-	571
CURRENT ASSETS			
Trade receivables	22,175	22,175	-
Employee-related receivables	-	-	-
Social security and other employee welfare bodies	35	35	-
Corporation tax	-	-	-
Value added tax	507	507	-
Other taxes and duties	-	-	-
Group and shareholders	82,533	82,533	-
Sundry accounts receivable	-	-	-
Accrued income	1,068	1,068	-
Prepayments	326	326	-
Total	107,460	106,645	815

18.2. Liabilities

<i>In thousands of euros</i>	Gross amount	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years
Bond issues	-	-	-	-
Borrowings from financial institutions				
within maximum of 2 years at inception	211	211	-	-
within more than 2 years at inception	137,500	54,000	83,500	-
Sundry borrowings and financial liabilities	43	43	-	-
Trade payables	6,395	6,395	-	-
Employee-related receivables	4,428	4,428	-	-
Social security and other employee welfare bodies	4,190	4,190	-	-
State and other public authorities				
Corporation tax	7,426	7,426	-	-
Value added tax	528	528	-	-
Other taxes and duties	221	221	-	-
Liabilities on non-current assets	6	6	-	-
Group and shareholders	98,467	98,467	-	-
Other liabilities	1,464	1,464	-	-
Accrued expenses	-	-	-	-
Deferred income	1,590	1,590	-	-
Total	262,467	178,967	83,500	

NOTE 19. LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Biomasse de Martinique Centre d'Affaires de Californie Immeuble Coralie – 8 lotissement La Trompeuse 97232 Lamentin (Martinique)	7,500	n/c	2,475	33,00%
Albioma Participações do Brasil Rua Gomes de Carvalho 1069, 13° andar, conjuntos 131 e 132 Condominio Edifício Advances Tower, Jardim Paulista CEP 04547-004 São Paulo - SP (Brésil)	250,000,000 BRL (paid at 31/12/2018 : 242 247 393 BRL)	(2 765 208) BRL	249,999,999	99,99 %
Albioma Galion Usine du Galion 97220 La Trinité (Martinique)	17,040,000	37,165,051	13,632,000	80,00%
Compagnie Industrielle Cendres et Mâchefers Parcelle 13, Zone Artisanale "Ravine à Marquet" Route du Cimetière 97419 La Possession (La Réunion)	887,400	1,228,802	1,972	33,98%
Albioma Bois-Rouge 2 chemin de Bois-Rouge, Cambuston 97440 Saint-André (La Réunion)	18,826,302	44,901,205	1,235,000	100,00%
Albioma Services Réseaux Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	6,000	(4,062)	6,000	100,00%
Terragen Beau Plan Business Park Pamplemousses 21001 (Île Maurice)	520,523,500 MUR	1,076,656,463 MUR	14,054,134	27,00%
Terragen Management Beau Plan Business Park Pamplemousses 21001 (Île Maurice)	100,000 MUR	1,390,496 MUR	2,825	28,25%
Omnican Thermal Energy Operations Saint-Aubin Anglo-Mauritius House Adolphe de Plevitz street Port-Louis (Île Maurice)	255,000,000 MUR	357,960,413 MUR	637,500	25,00%
Omnican Thermal Energy Operations La Baraque Anglo-Mauritius House Adolphe de Plevitz street Port-Louis (Île Maurice)	761,000,000 MUR	470,571,535 MUR	1,902,500	25,00%
Albioma Le Gol Le Gol, 1 route Nationale 97450 Saint-Louis (La Réunion)	13,354,534	107,205,540	566,045	64,62%
Albioma Le Moule Gardel 97160 Le Moule (Guadeloupe)	37,103,916	46,099,173	1,468,000	100,00%
Albioma Énergipole Solaire Zone Industrielle Jaula 97129 Lamentin (Guadeloupe)	150,000	87,787	500	50,00%
Marie-Galante Énergie Usine de Grande Anse 97112 Grand-Bourg (Guadeloupe)	150,000	(30,134)	9,750	65,00%

Carrying amount of the shares			Shareholder advances, loans and current accounts	Dividend received in 2018	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Provision	Net				
2,475	-	2,475	309,000	-	-	n/c
66 635,000 (paid at 31/12/2018)	-	66,635,000	-	-	3,017,637 BRL	(31,000,264) BRL
13,632,000	-	13,632,000	45,588,476	-	51,057,038	4,717,054
312,260	-	312,260	-	-	8,949,062	522,860
63,365,942	-	63,365,942	(15,743,086)	12,634,050	110,822,496	18,823,644
6,000	-	6,000	-	-	-	(537)
5,392,972	-	5,392,972	-	1,178,304	1,467,093,426 MUR	238,889,518 MUR
2,400	-	2,400	-	-	52,589,831 MUR	265 MUR
1,885,803	-	1,885,803	-	301,787	939,569,587 MUR	95,353,665 MUR
4,868,018	-	4,868,018	-	459,334	1,816,564,228 MUR	158,083,916 MUR
28,054,763	-	28,054,763	(18,882,544)	10,635,967	133,027,238	24,044,667
52,814,642	-	52,814,642	(49,442,747)	6,228,880	108,055,672	13,191,383
75,000	-	75,000	242,250	-	-	170,841
97,500	97,500	-	1,098,000	-	-	15,549

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

5.3. Notes to the annual financial statements

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Albioma Solaire Antilles 16 rue des Artisans, ZAC du Bac 97220 La Trinité (Martinique)	10,185,000	1,184,996	814,800	80,00%
Albioma Guyane Énergie Lieu-dit Savane Aubanèle, pk 9 route du Degrad Saramaca 97310 Kourou (Guyane)	40,000	(83,614)	4,000	100,00 %
Albioma Solaire Fabrègues Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	40,000	217,126	4,000	100,00%
Albioma Solaire Guyane Lieu-dit Savane Aubanèle, pk 9 route du Degrad Saramaca 97310 Kourou (Guyane)	40,000	1,823,247	4,000	100,00%
Albioma Solaire Habitat 16 rue des Artisans, ZAC du Bac 97220 La Trinité (Martinique)	4,370,000	818,553	349,600	80,00%
Quantum Energia Italia Piazzale Biancamano n°8 20121 Milano (Italie)	110,000	(333,150)	-	100,00%
Albioma Solaire Lassalle 16 rue des Artisans, ZAC du Bac 97220 La Trinité (Martinique)	40,000	4,208,392	3,200	80,00%
Albioma Solaire Matoury Carrefour de Stoupan, Route de Roula D6, Lieu-dit Macrabo Ouest Savanne du Tour de l'île 97351 Matoury (Guyane)	1,600,240	361,575	1,600,240	100,00%
Albioma Solaire Pierrelatte Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	3,836,000	4,788,487	383,600	100,00%
Albioma Solaire Kourou Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	1,000	(73,508)	900	90,00%
Albioma Saint-Pierre 2 chemin de Bois-Rouge, Cambuston 97440 Saint-André (La Réunion)	40,000	678,609	2,040	51,00%
Albioma Solaire Réunion 21 rue Hélène Boucher Zone Aéroportuaire 97438 Sainte-Marie (La Réunion)	50,000	19,598,475	5,000	100,00%
Solaire de Martinique Centre d'Affaires de Californie Immeuble Coralie – 8 lotissement La Trompeuse 97232 Lamentin (Martinique)	100,000	n/c	333	33,30%
Sun Developers 15 (Orgiva) Sancha de Lara 13 29015 Malaga (Espagne)	4,306	102,040	-	100,00%
Sun Developers 16 (Orgiva) Sancha de Lara 13 29015 Malaga (Espagne)	4,006	37,242	-	100,00%

Carrying amount of the shares			Shareholder advances, loans and current accounts	Dividend received in 2018	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Provision	Net				
8,148,000	-	8,148,000	(3,543,669)	382,956	4,926,096	742,042
40,000	40,000	-	42,945	-	-	(3,076)
40,000	-	40,000	249,421	-	528,444	220,283
40,000	-	40,000	(1,029)	1,918,200	7,360,870	1,819,237
3,496,000	-	3,496,000	(1,856,161)	297,160	1,765,498	627,668
110,000	110,000	-	2,025,576	-	-	(13,685)
32,000	-	32,000	(752,351)	393,600	2,427,060	601,551
1,812,775	-	1,812,775	700,381	640,096	2,173,233	86,771
3,836,000	-	3,836,000	(6,785,925)	-	2,723,867	1,444,753
900	900	-	206,670	-	-	(2,659)
20,400	20,400	-	10,004,690	-	2,709,162	(203,005)
6,245,864	-	6,245,864	1,000,000	1,000,000	10,675,729	3,425,163
16,650	-	16,650	-	-	-	n/c
458,841	-	458,841	352,349	-	5,790	(3,728)
355,237	-	355,237	254,699	-	3,147	(5,664)

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

5.3. Notes to the annual financial statements

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Sun Developers 17 (Orgiva) Sancha de Lara 13 29015 Malaga (Espagne)	1,000	n/c	-	100,00%
Sun Developers 18 (Linares) Sancha de Lara 13 29015 Malaga (Espagne)	250	n/c	-	100,00%
Sun Developers 2 (Linares) Sancha de Lara 13 29015 Malaga (Espagne)	113,250	n/c	-	100,00%
Sun Developers 3 (Linares) Sancha de Lara 13 29015 Malaga (Espagne)	226,500	n/c	-	100,00%
Énergie Beaufonds 8 allée de Beaufonds 97470 Saint-Benoît (La Réunion)	37,000	n/c	1,195	64,62%
Albioma Solaire Caraïbes Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	10,000	(7,303)	10,000	100,00%
Albioma Solaire Guyane 2017 Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	10,000	(7,240)	10,000	100,00%
Saint Benoît Energies vertes Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	10,000	n/c	2,000	20,00%
Albioma Solaire Organabo Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	10,000	-	10,000	100,00%
Solaire Du Bac Galion 97729 Trinité	1,000	n/c	51	51,00%
Albioma Solaire France Ecoparc - ZI Courtine 120 rue Jean-Marie Tjibaou 84000 Avignon	22,037,000	(5,466,541)	220,370	100,00%

Total

Carrying amount of the shares			Shareholder advances, loans and current accounts	Dividend received in 2018	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Provision	Net				
1,000		1,000	-	-	-	n/c
250	250	-	-	-	-	n/c
113,250	113,250	-	112	-	-	n/c
226,500	226,500	-	118	-	-	n/c
18,803	-	18,803	-	-	n/c	n/c
10,000	-	10,000	10,000	-	-	(7,303)
10,000	-	10,000	-	-	-	(7,240)
2,000	-	2,000	-	-	-	n/c
10,000	-	10,000	-	-	-	-
1	-	1	-	-	-	-
46,359,000	-	46,359,000	11,203,422	-	299,094	(775,451)
308,548,246	608,800	307,939,446	(23,719,401)	36,070,333		

5.4. Statutory Auditors' Report on the annual financial statements

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

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

OPINION

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the Albioma annual financial statements for the year ended 31 December 2018, as appended to this report.

In our opinion, the Company's financial statements for the year ended 31 December 2018 give a true and fair view of the assets and liabilities, financial position and results of the Company, in accordance with generally-accepted accounting principles in France.

The opinion given above is consistent with the content of our report to the Audit, Accounts and Risks Committee.

BASIS FOR OUR OPINION

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities regarding the audit of the annual financial statements".

Independence

We conducted our audit, in accordance with the rules of independence that apply to us, during the period from 1 January 2018 to the date of issue of our report. In particular we did not provide any services prohibited by Article 5, Paragraph 1, of Regulation (EU) no. 537/2014 or by the French Code of Ethics for Statutory Auditors.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance for the audit of the annual financial statements for the year, as well as our responses to those risks.

These assessments were made in the context of our audit of the annual financial statements taken as a whole and of forming our opinion expressed above. We do not provide a separate opinion on specific items included in these annual financial statements.

Measurement of participating interests (notes 2.2 and 3.1 to the annual financial statements).

Description of the risk

Albioma holds participating interests in thermal power plants and in photovoltaic and anaerobic digestion plants. At 31 December 2018, the net amount at which participating interests were recognised in the statement of financial position was €296,938 thousand, i.e. 64.6% of the Company's total assets. The gross value at which current account balances due from investees were recognised in the statement of financial position was €76,231 thousand, against which impairment provisions had been recognised totalling €4,700 thousand. These account balances are recognised on the "Other receivables" line.

Participating interests are initially recognised at their acquisition cost.

As indicated in note 2.2 to the annual financial statements, a review of the indications of impairment of participating interests is performed annually on a line-by-line basis. If there is evidence of impairment, the current value is updated

The current value is initially determined on the basis of the Group's share in the recorded net assets of the investee. If said share is lower than the carrying amount of the participating interest, the current value is estimated on the basis of future cash flows.

Estimating future cash flows requires significant judgement on the part of management, particularly as regards the drawing up of forecasts and the selection of the discount rates and long-term growth rates used. The forecasts are based on economic and operational assumptions such as the availability of the plants or changes in operating costs.

If the current value determined in this manner is lower than the carrying amounts of the interests held and the current account balances, a provision for impairment is recognised.

Given the relative importance of these participating interests to the statement of financial position and the uncertainties inherent in the assumptions used to measure their current value, we have taken the view that the measurement of participating interests and, where relevant, that of the related current account balances due from subsidiaries is a key audit matter.

Audit procedures implemented to address this risk

To assess the reasonableness of the estimated current values of the participating interests and current accounts, our audit work focussed mainly on:

- understanding the processes implemented by the Company for identifying indications of impairment and drawing up budgets;
- in the case of measurements based on historical data, verifying that the equity amounts used are consistent with the investees' financial statements;
- in the case of measurements based on forecast information, assessing the reasonableness of the assumptions used (forecast earnings, growth rates and discount rates) by comparing it with historical performance and by corroborating it with the relevant contractual terms and conditions and the economic and regulatory environment in which Albioma operates.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications provided for by the law and regulations.

Information provided in the management report and in the other documents with respect to the financial position and the annual financial statements sent to shareholders

We have no comments to make as to the fair presentation and consistency with the Company's financial statements of the information provided in the Board of Directors' management report and in the other documents addressed to the shareholders on the financial position and the financial statements addressed to the shareholders.

We confirm the accuracy and consistency with the annual financial statements of the information relating to payment times referred to in Article D. 441-4 of the French Commercial Code.

Report on corporate governance

We confirm that the disclosures required under Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code have been included in the Board of Directors' report covering corporate governance.

Regarding the information provided pursuant to the provisions of Article L. 225-37-3 of the French Commercial Code on the remuneration and benefits paid to corporate officers and on commitments given on their behalf, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and, where applicable, with the information gathered by your Company from companies controlling your Company or controlled by it. Based on this work, we certify that this information provides a true and fair view.

Regarding the information relating to those factors your Company has deemed likely to have an impact in the event of a public purchase or exchange offer, which was provided in accordance with Article L. 225-37-5 of the French Commercial Code, we have verified its consistency with the documents from which it was extracted and which were provided to us. Based on this work, we have no comments to make on this information.

Other information

Pursuant to the law, we have verified that the various items of information on the acquisition of participating and controlling interests and on the identity of the holders of the share capital and voting rights has been provided to you in the management report.

DISCLOSURES RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Albioma by the General Meeting of 18 May 2010 in the case of PricewaterhouseCoopers Audit and 27 May 2004 in the case of Mazars.

At 31 December 2018, PricewaterhouseCoopers Audit was in the ninth consecutive year of its term of office and Mazars was in its 15th year.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS CHARGED WITH CORPORATE GOVERNANCE IN RESPECT OF THE ANNUAL FINANCIAL STATEMENTS

It is management's responsibility to prepare the annual financial statements giving a true and fair view in accordance with French accounting rules and principles and to implement the internal control procedures it deems necessary to ensure that the annual financial statements it has prepared are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, to present in those financial statements, where relevant, the necessary information relating to its viability as a going concern, and to apply the going concern accounting convention unless the company is expected to be wound up or to cease operating.

The Audit, Accounts and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where relevant, the internal audit system, as these apply to the procedures for preparing and processing the accounting and financial information.

The Company's financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit objectives and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will systematically identify all material misstatements. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified by Article L. 823-10-1 of the French Commercial Code, our responsibility is to certify the financial statements, and not to guarantee the viability or the quality of your Company's management.

As part of an audit carried out in accordance with French professional standards, the Statutory Auditors exercise professional judgement throughout the audit. In addition, they:

- identify and assess the risks of material misstatement in the annual financial statements, whether resulting from fraud or error, define and implement audit procedures to deal with those risks, and obtain audit evidence they deem sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the circumvention of internal controls;
- obtain an understanding of the internal control system relevant to the audit so as to define audit procedures that are appropriate in the circumstances, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as information about them disclosed in the annual financial statements;

- assess the appropriateness of management's application of the going concern accounting convention and, depending on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances likely to jeopardize the company's ability to continue as a going concern. This assessment is based on the evidence obtained up to the date of the auditors' report. It should, however, be noted that subsequent circumstances or events could cause the company to cease to continue as a going concern. If they conclude that a material uncertainty exists, they will draw readers' attention to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, they will either issue a qualified opinion on the financial statements or refuse to certify them;
- evaluate the overall presentation of the annual financial statements and assess whether the annual financial statements represent the underlying transactions and events in such a manner as to achieve fair presentation.

Report to the Audit, Accounts and Risks Committee

We submit a report to the Audit, Accounts and Risks Committee which provides information about the scope of our audit and the work programme implemented, as well as our audit findings. We also bring to its attention, where relevant, material weaknesses in the internal control system that we identified in respect of the procedures for preparing and processing accounting and financial information.

The information provided in our report to the Audit, Accounts and Risks Committee includes the risks of material misstatement that we consider to have been the most important to the audit of the annual financial statements for the year under review and which therefore constitute the key audit matters, which we are required to describe in this report.

We also provide the Audit, Accounts and Risks Committee with the statement stipulated by Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as specified, in particular, in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the statutory auditors' professional code of ethics. Where relevant, we discuss with the Audit, Accounts and Risks Committee any risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Courbevoie, on 26 April 2019

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

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6.1. Company information

6.1.1. IDENTIFICATION DETAILS

6.1.1.1. Name

The Company has been called "Albioma" since the General Meeting of 30 May 2013, at which the shareholders resolved to change the Company's name. Prior to this meeting, the Company was called Séchilienne-Sidéc.

6.1.1.2. Legal form

Albioma is a French limited company incorporated as a société anonyme governed by a Board of Directors.

6.1.1.3. Legislation applicable to the issuer

Albioma is governed by French law.

6.1.1.4. Trade and companies register

The Company is registered in the Nanterre trade and companies register under number 775 667 538 (APE Code: 7010 Z).

6.1.1.5. Date of incorporation and duration of the Company (Article 6 of the Memorandum and Articles of Association)

"The Company's duration (initially fixed at 30 years, extended until 31 December 1949 and then until 31 December 2039) has been further extended for an additional period of 60 years pursuant to a resolution adopted at the Extraordinary General Meeting of 16 June 2009 and accordingly, the Company will cease to exist on 31 December 2099 save in the event of early dissolution or further extension."

6.1.1.6. Objects (Article 3 of the Memorandum and Articles of Association)

"The Company has the following objects:

- *to study, create, finance, supply, operate and sell, either directly or indirectly, facilities recycling and/or using any form of fossil fuel or renewable energy along with all electrometallurgical, electronic, electrochemical, chemical, gaseous, metallurgical, electrical, mechanical, thermal, hydraulic, handling and traction products, appliances and equipment,*
- *to acquire direct or indirect holdings in any existing or future French or foreign business or company, whose corporate objects may contribute towards the achievement of the corporate objects or are connected to these objects or similar or related objects, and to take over the management of the said business or company,*
- *and, generally, to carry out all industrial and commercial transactions and all transactions involving movable or immovable property, that are directly or indirectly connected to the foregoing or that may be useful for the corporate objects or instrumental in the achievement or development thereof."*

6.1.1.7. Registered office

Pursuant to a decision taken by the Chairman and Chief Executive Officer on 24 February 2014, acting within the scope of the powers that had been delegated to him by the Board of Directors at its meeting of 17 December 2013, the Company's registered office has been transferred to Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense. Article 4 of the Memorandum and Articles of Association has been amended accordingly.

This decision was ratified by shareholders at the General Meeting of 27 May 2014.

6.1.1.8. Financial year

The Company's financial year commences on 1 January and ends on 31 December of each year.

6.1.1.9. Consultation of Company documents

The Memorandum and Articles of Association, company and consolidated financial statements, reports and shareholder information can be consulted at the Company's registered office, at Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense, during office hours (postal address: Tour Opus 12, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex). Most of these documents can also be viewed, free of charge, on the Company's website www.albioma.com.

6.1.1.10. Contact details

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6.1.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

6.1.2.1. Amendments to the Memorandum and Articles of Association put to the General Meeting of 27 May 2019

At the General Meeting to be held on 27 May 2019, the shareholders will be asked to vote on the proposed amendments of Articles 22 and 34 of the Memorandum and Articles of Association concerning the convening and organisation of the Board of Directors' meetings, in conjunction with the appointment of Mr Pierre Bouchut as a Lead Independent Director which took place during the Board of Directors' meeting of 24 October 2018, with effect from the reunion of the functions of Chairman of the Board of Directors and Chief Executive Officer, planned at the end of the said General Meeting (see additional information in section 221 on page 72 et seq. of this Registration Document).

6.1.2.2. Administration and General Management (Articles 19 to 29 of the Memorandum and Articles of Association)

Article 19 of the Memorandum and Articles of Association

“Governance of the Company shall be entrusted to a Board composed of at least three members and no more than twelve members, appointed by the shareholders at General Meetings.

The term of office of each member of the Board of Directors shall be four years, where one year corresponds to the period from one Annual General Meeting to the next.

Outgoing Directors may be reappointed.

In the event a seat on the Board becomes vacant between two General Meetings due to resignation or death, the Board shall be entitled to make a provisional appointment for the remainder of the term of office of the replaced Director, with a view to maintaining the same number of Board members.

The shareholders shall make a final appointment at the next Ordinary General Meeting. However, if the number of Board members falls below the statutory minimum of three, the Board or - failing that - the Statutory Auditors, shall immediately convene a General Meeting to make up the numbers. Any interested party may do the same, in accordance with the terms and conditions laid down by law.

In the event any appointments made by the Board of Directors are not subsequently ratified by the shareholders, all the Board's decisions and actions shall nevertheless remain valid.

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

Article 20 of the Memorandum and Articles of Association

“The Directors must each hold four hundred (400) registered shares throughout their term of office.

In the event a Director does not hold the aforementioned number of shares at the time of his appointment or ceases to hold the aforementioned number at any time during his office, he will be deemed to have automatically resigned unless he remedies the situation within a six (6) month period.”

Article 21 of the Memorandum and Articles of Association

“By way of remuneration for their duties, the Directors shall receive directors' fees, the amount of which will be set by the shareholders at General Meetings, as well as a share of the profits in accordance with Article 45.”

Article 22 of the Memorandum and Articles of Association

“The Board shall appoint one of its members as Chairman, who must have French nationality or be a citizen of a member state of the European Economic Area, and, if need be, shall determine his remuneration. The Chairman shall be appointed for a term of office that may not exceed his term of office as a Director. The Board shall appoint a Secretary, who may but need not be a Board member.

The Chairman represents the Board of Directors. He organises and oversees its work, and reports thereon to the General Meeting. He ensures the Company's bodies operate properly and, more specifically, that the Directors are in a position to perform their duties.

In the event the Chairman reaches the age of 65 during his term of office, he will remain in office until expiry of his term of office. The Board of Directors may then reappoint him as Chairman once or more than once, provided the total term does not exceed the term of a directorship.

The Board may elect a Deputy Chairman from its members. In the event the Chairman is absent or unable to act, the Deputy Chairman appointed by the Board will chair the meeting. If both are absent, the Board shall appoint one of its members to chair the meeting.

The Board of Directors shall meet whenever a meeting is called by the Chairman or half of the members of the Board, and as frequently as the Company's interests dictate, either at the registered office or at any other venues stated in the notice of meeting.

However, if a Board meeting has not been held for more than two months at least one third of the Directors may call a meeting, stating the agenda. The Chief Executive Officer may also ask the Chairman to call a meeting of the Board of Directors to consider a specific agenda.

Notice of meetings shall be given by any means, including by word-of-mouth.

In accordance with the legal and regulatory provisions and the Internal Regulations adopted by the Board of Directors, and within the limits provided thereby, Directors who attend meetings of the Board of Directors using videoconferencing or telephone conferencing facilities that allow them to be identified and guarantee their effective participation shall be deemed present when calculating the quorum and majority.

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However, such methods may not be used when adopting the annual financial statements and the management report or when adopting the consolidated financial statements and the Group management report.

Any Director may be represented by another Director at any given meeting. A proxy may be appointed by means of an ordinary letter or even by telegram. A Director may only represent one other Director at a given meeting. The presence of at least half of the Directors in office is necessary for the Board to validly transact business. Decisions shall be taken by a majority of the votes of the members present or represented, and any Director who represents another Director shall hold two votes. In the event of a tie, the chairman of the meeting shall have a casting vote."

Article 23 of the Memorandum and Articles of Association

"Decisions shall be recorded in minutes kept in a special minute book as required by law, and signed by the chairman of the meeting and at least one Director. In the event the chairman of the meeting is unable to sign, the minutes shall be signed by at least two Directors.

The minutes shall be drawn up in accordance with the law.

Copies of or excerpts from the minutes required as evidence in court, or for any other reason, shall be validly certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Director temporarily acting as chairman or any person specifically authorised for that purpose by the Board of Directors.

Production of a copy of or excerpt from the minutes of a meeting shall be sufficient proof of the number of Directors in office and the number present or represented at the meeting.

An excerpt from minutes recording a grant of authority by the Board shall be sufficient evidence of the existence of such authority."

Article 24 of the Memorandum and Articles of Association

"The Board of Directors shall define the Company's business policies and supervise their implementation. Subject to the powers expressly granted to shareholders at General Meetings and to the scope of the Company's objects, it shall deal with all issues affecting the proper running of the Company and settle all matters concerning the Company in the course of its meetings. It shall define the Company's strategic policies, and its prior authorisation shall be required for any material transaction that falls outside the scope of the announced business strategy, including major organic growth investments, internal restructuring operations or external acquisitions or sales.

The Board of Directors shall carry out all the checks and controls it considers appropriate. It shall review the Company's financial position, cash flow situation and commitments on a regular basis."

Article 25 of the Memorandum and Articles of Association

Choice between two methods of General Management

"In accordance with Article L. 225-51-1 of the French Commercial Code, the Company's General Management shall be the responsibility of either the Chairman of the Board of Directors or of another natural person appointed by the Board of Directors with the title of Chief Executive Officer.

The Board of Directors shall decide which method of General Management shall apply. The Board's decision concerning the choice of method of General Management must be approved by the majority of Directors present or represented at the meeting. Shareholders and third parties shall be informed of the Board of Directors' decision in accordance with the terms and conditions laid down in the applicable regulations.

A change in the method of General Management shall not require the amendment of the Memorandum and Articles of Association."

General Management

"The Chairman or the Chief Executive Officer shall be responsible for the Company's General Management, depending on the method of management chosen by the Board of Directors.

The Chief Executive Officer shall be appointed by the Board of Directors, which shall also determine his term of office, his remuneration, if applicable, and any limitations placed on his authority, if appropriate.

He must be aged under 70 in order to hold office. In the event he reaches this age limit when in office, the Chief Executive Officer shall be automatically deemed to have resigned and a new Chief Executive Officer shall be appointed.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. A Chief Executive Officer who is not also Chairman may claim compensation if he is removed from office without just cause."

Powers of the Chief Executive Officer

"The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of the Company. He shall exercise these powers within the limits of the Company's objects and subject to any powers expressly granted by law to the shareholders and the Board of Directors.

He shall represent the Company in dealings with third parties. The Company shall be committed by any actions or decisions of the Chief Executive Officer that do not fall within the scope of the Company's objects, unless the Company can prove

that the third party was aware that the action or decision in question fell outside the scope of the objects or could not have been unaware thereof, in view of the circumstances. However, mere publication of the Memorandum and Articles of Association is not sufficient proof thereof.”

Deputy Chief Executive Officers

“Following a proposal by the Chief Executive Officer, irrespective of whether this office is held by the Chairman of the Board of Directors or by any other person, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Board of Directors shall determine, in conjunction with the Chief Executive Officer, the scope and period of validity of the powers granted to the Deputy Chief Executive Officers, and shall set their remuneration, if applicable.

The Deputy Chief Executive Officer or Officers shall have the same powers as the Chief Executive Officer with regard to third parties.

In the event the Chief Executive Officer no longer holds office or is unable to act, the Deputy Chief Executive Officers shall remain in office with the same powers and responsibilities until a new Chief Executive Officer is appointed, subject to any decision to the contrary by the Board of Directors.

Deputy Chief Executive Officers may be removed from office at any time by the Board of Directors, on the basis of a proposal by the Chief Executive Officer. Deputy Chief Executive Officers may claim compensation if they are removed from office without just cause.”

Article 26 of the Memorandum and Articles of Association

“The Board of Directors may create committees composed of Directors, or managers, or of both Directors and managers of the Company. Members of these Committees shall be responsible for reviewing any matters referred to them by the Board or its Chairman.”

Article 27 of the Memorandum and Articles of Association

“Subject to the Chairman’s consent, the Board of Directors may enter into agreements with any senior managers, defining the term of their appointments, the scope of their powers and responsibilities, retirement provisions and terms and conditions relating to their removal from office.

Lastly, the Board of Directors may grant powers to any person of its choice pursuant to a special power of attorney for one or more specific purposes.”

Article 28 of the Memorandum and Articles of Association

“Any agreement entered into directly or via an intermediary between the Company and one of its Directors, its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its shareholders holding more than 10% of the voting rights or, if the shareholder is a company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, shall require the prior authorisation of the Board of Directors under the terms and conditions laid down by law.

This shall also apply to any agreements in which any of the persons referred to in the previous paragraph have an indirect interest.

Any agreements entered into, directly or via an intermediary, between the Company and any company or undertaking when one of the Directors, the Chief Executive Officer or one of the Deputy Chief Executive Officers of the Company is an owner, partner with unlimited liability, manager, director, member of the supervisory board or, more generally, senior executive of such company or business shall also require prior authorisation.

The Chairman of the Board of Directors shall inform the Statutory Auditors of all authorised agreements, as the Statutory Auditors are required to present a special report on such agreements to the shareholders at General Meetings. The shareholders shall vote on the report in accordance with the terms and conditions laid down by law.

The foregoing provisions shall not apply to agreements relating to everyday operations and entered into at arm’s-length. However, the interested party shall inform the Chairman of the Board of Directors of any such agreement, unless it is not material for any of the parties thereto, in view of its purpose or financial implications, and the Chairman of the Board of Directors shall inform the Directors and the Statutory Auditors of all such agreements and their purpose. Any shareholder may ask to receive a copy of any such agreement.”

Article 29 of the Memorandum and Articles of Association

“The Chairman and the members of the Board of Directors shall be responsible and liable for the performance of their duties in accordance with the terms and conditions laid down in the applicable laws.”

6.1.2.3. Rights, benefits and restrictions attached to shares (Articles 9 to 12, 14 to 18, 37 and 45 of the Memorandum and Articles of Association)

Article 9 of the Memorandum and Articles of Association

“At least one quarter of the par value of each share is payable at the time of subscription plus the issue premium, if any, in full, and the balance is payable on the dates set by the Board of Directors, and within a maximum time period of five years.

In the event of a public offering and if the capital increase is completed solely as a result of implementation of the performance bond signed in accordance with the terms and conditions laid down by law, the part of the par value that is due and, if applicable, the full amount of the issue premium, must be paid no later than 35 days after the end of the subscription period.

All shares that have not been fully paid up shall be registered shares until they are paid up in full.

Shareholders shall be informed of all calls for payments on shares that have not been fully paid up by means of a notice published in an official gazette for legal notices for the area in which the registered office is located, fifteen days before the date set for payment.

Shareholders, intermediary transferees and subscribers shall be jointly and severally liable for the payment of the price of a share.”

Article 10 of the Memorandum and Articles of Association

“Interest shall be automatically payable to the Company at the official rate on any late payments, with effect from the due date and without the need for any application to the courts.

In the event any payment after the first payment is not made on the due date, the Company shall be entitled to arrange for the sale, in accordance with the terms and conditions laid down by law, of the shares for which payment of the amounts due has not been received, one month after it has sent a formal demand for payment to the defaulting shareholder by recorded delivery with proof of delivery. The Company shall be entitled to sell the shares on the market on the defaulting shareholder's behalf and at his risk, without any need for a court order, using the services of a brokerage firm.

On expiry of a period of thirty clear days from the aforementioned formal demand, shares for which any amount due is still outstanding shall no longer entitle their holder to attend meetings of shareholders and take part in the voting, and shall not be counted when calculating the quorum.

Rights to dividends and preferential subscription rights in the event of a capital increase attached to such shares

shall be suspended. After payment of all sums due in principal plus interest, the shareholder may request payment of any dividends that have not lapsed in the meantime. The shareholder may not take any action with regard to preferential subscription rights in the event of a capital increase if the time period set for exercising such rights has expired.

The net proceeds from the sale of such shares shall be offset against the amount owed to the Company by the expropriated shareholder, in accordance with the law, and the remaining balance shall be owed by or to the shareholder, as the case may be.

The Company shall also be entitled to take legal action personally and under ordinary law against the shareholder and his guarantors, either before, after or at the same time as the sale of the shares.”

Article 11 of the Memorandum and Articles of Association

“Shares that have not been fully paid up shall be registered in an account as registered shares until full payment of the price.

Each payment made on shares subscribed shall be recorded in an account opened in the name of the subscriber.”

Article 12 of the Memorandum and Articles of Association

“Shares that have been fully paid up shall be registered in an account as registered shares or bearer shares, as the shareholder wishes.

Share transfers, irrespective of their form, shall be made by an account-to-account transfer in accordance with the terms and conditions laid down in the applicable laws and regulations.”

Article 14 of the Memorandum and Articles of Association

“Subject to any rights granted to preference shares, if any are issued, each share shall entitle its holder to a fraction of the corporate assets proportionate to the amount of capital it represents.

It shall also entitle its holder to a share of the profits, as provided in Articles 45 and 48 hereof.

During the Company's existence and at the time of its liquidation, each share shall entitle its holder to receive an identical net amount in any allocation or redemption; this means that, when necessary, all the shares shall be grouped together and treated identically for the purposes of any tax exemptions or taxes levied in respect of such allocation or redemption to be borne by the Company, while taking into consideration, if applicable, the amount of any redeemed or non-redempted capital, the par value of the shares and the rights attached to shares of different classes.”

Article 15 of the Memorandum and Articles of Association

“Shareholders shall only be committed for up to the amount of the capital represented by each share. Any call for payment over and above such amount is prohibited.”

Article 16 of the Memorandum and Articles of Association

“All shares are indivisible with regard to the Company. Joint shareholders must be represented by one single person in all dealings with the Company.”

Article 17 of the Memorandum and Articles of Association

“Ownership of a single share shall entail acceptance of the Company’s Memorandum and Articles of Association and of all the resolutions adopted by the shareholders at General Meetings.

Whenever several shares need to be held in order to exercise a specific right, in particular for the purpose of the exchange or allocation of shares in the course of a capital reduction, capital increase through the capitalisation of reserves, merger or any other transaction, single shares or an insufficient number of shares shall not give their holders any rights with regard to the Company. The shareholders must personally arrange to group together or to purchase or sell the requisite number of shares or voting rights.”

Article 18 of the Memorandum and Articles of Association

“A shareholder’s heirs or creditors shall not be entitled to request that the Company’s assets and property be placed under seal or to request the division or sale by auction thereof, or interfere in any way in the management of the Company, on any grounds whatsoever.

When exercising their rights they should refer to the corporate statements of assets and liabilities, and the resolutions adopted by shareholders at General Meetings.”

Article 37 of the Memorandum and Articles of Association

“At all General Meetings the quorum shall be calculated on the basis of all shares comprising the capital, other than those that have been stripped of voting rights pursuant to the laws or regulations.

Each shareholder shall have a number of votes corresponding to the number of shares he holds or represents on which no payments are outstanding, and the length or method of ownership of the shares shall not grant any shareholder double or multiple voting rights in any respect whatsoever.”

Article 45 of the Memorandum and Articles of Association

1. *“The Company’s net revenue, recorded in the annual statement of assets and liabilities, less overheads and other expenditure incurred by the Company, including all depreciation and provisions, shall constitute net profit.*

Firstly, at least five per cent of the profit, less, where applicable, any losses carried forward, shall be deducted to form the reserve fund prescribed by law. This deduction shall cease to be compulsory when the reserve fund reaches one tenth of the capital and resume if the reserve falls below this amount.

The distributable profit is comprised of the net profit of the financial year, less any losses carried forward together with any amounts to be posted to reserves pursuant to the law, plus any retained earnings.

The amount needed to pay shareholders, by way of an initial dividend, six per cent of the amounts paid-up on their shares that have not been redeemed and six per cent of the amounts, where applicable, of premiums on shares issued for cash recorded in an “additional paid-in capital” account shall be deducted from the distributable profit. The shareholders are not entitled to claim these amounts from the profit of subsequent years if the profit of a given year does not permit such payment.

From the available surplus, the General Meeting may, at the proposal of the Board of Directors, appropriate a portion of said distributable profit that it will advise for the creation of contingency funds and general or special reserves, of any type whatsoever or even simply as retained earnings.

The balance constitutes a mass that is split between the shares, in proportion to the respective portion of the capital that they represent.

Moreover, the shareholders at a General Meeting may decide to distribute sums deducted from the reserves available to them: in such a case, the resolution adopted must expressly state the reserve funds from which the sums will be deducted.

Save in the event of a capital reduction, no dividend may be paid to shareholders if the Company’s net assets are lower than the amount of the Company’s capital plus the reserves that cannot be distributed pursuant to the law or the Memorandum and Articles of Association.

If the Extraordinary General Meeting decides to redeem shares, this transaction must be carried out in accordance with the procedures and provisions prescribed by law. Once the capital shares have been fully redeemed, they will be replaced by dividend shares and the holders of these shares will have all of the rights attached to non-redeemed shares of the same type as regards their entitlement to a share of the profit and the Company’s assets and their right to vote at General Meetings other than the right to the initial 6%

dividend provided for above and repayment in the event of the Company's liquidation".

2. "Any shareholder who can prove, at the end of a financial year, that he has held registered shares for at least two years and still holds them on the date of payment of the dividend for the financial year will be entitled to an increased dividend on such registered shares corresponding to 10% of the dividend paid on other shares, including when the dividend is paid in the form of new shares. The increased dividend will be rounded down to the next euro cent if need be.

Similarly, any shareholder who can prove, at the end of a financial year, that he has held registered shares for at least two years and still holds them on the date of completion of a capital increase by the capitalisation of reserves, profit or premiums resulting in a distribution of bonus shares will be entitled to an increase in the bonus shares allocated to such shareholder corresponding to 10%, rounded down to the next lowest whole number of shares if need be.

The number of shares held by any given shareholder that are eligible for such measures may not exceed 0.5% of the capital.

The provisions of this paragraph 2 will apply for the first time to the payment of dividends for the financial year ended 31 December 2015, resolved by the shareholders at the General Meeting to be held in 2016."

6.1.2.4. Amendment to shareholder rights (Article 39 of the Memorandum and Articles of Association)

Please refer to section 6.1.2.5 on page 262 of this Registration Document.

6.1.2.5. General Meetings (Articles 31 to 42 of the Memorandum and Articles of Association)

Article 31 of the Memorandum and Articles of Association

"A General Meeting shall be held once a year within the first half of the year, although this time period may be extended by court order.

General Meetings held in special session may also be called whenever the Board considers this appropriate.

A General Meeting may also be called, where necessary, by the persons allowed to do so by law.

General Meetings shall be convened in accordance with the terms and conditions laid down by law.

A notice of the meeting shall be published in the official gazette of statutory legal notices (Bulletin des Annonces Légales Obligatoires – BALO), at least 35 days before the date of the General Meeting. The notice shall contain all the information required by law.

Requests to add draft resolutions to the agenda may be submitted between the date of publication of the notice in the BALO and the 25th day before the date of the General Meeting, but cannot be submitted more than 20 days after the date of publication of the notice in the BALO.

A notice of the meeting shall be published in a gazette authorised to publish legal notices in the département in which the registered office is located and, if the Company shares are admitted to trading on a regulated market or if some of the shares are not registered shares, in the official gazette of statutory legal notices (Bulletin des annonces légales obligatoires - BALO), at least 15 days before the date of the General Meeting when convened the first time, or at least 10 days before the date of the General Meeting if it has been convened a second time.

Notices of meetings shall include all the information required by the law and regulations.

Beneficial owners of shares shall be invited to attend both Ordinary and Extraordinary General Meetings."

Article 32 of the Memorandum and Articles of Association

"General Meetings shall comprise all shareholders, irrespective of the number of shares they hold, provided all amounts due thereon have been fully paid up and also provided they have not been stripped of their voting rights.

General Meetings shall be held and transact business in accordance with the provisions of applicable laws and regulations. In particular, all shareholders are allowed, if decided by the Board of Directors and published in the notice prior to the General Meeting and/or in the notice of call to meeting, to vote at the said General Meeting using any means of electronic communication allowing the shareholder to be identified, in accordance with the provisions and procedures set out in applicable laws and regulations.

All shareholders are entitled to attend General Meetings, in person or through a proxy, provided that they produce proof of their identity and title to their securities, in accordance with the provisions of applicable laws and regulations.

Shareholders may vote using a ballot form in accordance with the provisions and procedures set out in applicable laws and regulations. In particular, all shareholders are entitled to submit ballot forms prior to General Meetings, either in paper form or, if decided by the Board of Directors and published in the notice prior to the General Meeting and/or in the notice of call to meeting, by a method of electronic communication.

Shareholders may vote through a proxy in accordance with the provisions and procedures set out in applicable laws and regulations. In particular, all shareholders are entitled to submit proxy forms prior to General Meetings in paper

form or by a method of electronic communication. Whenever a shareholder submits a proxy form without designating the proxy holder, the Chairman of the General Meeting shall vote in favour of all resolutions presented or approved by the Board of Directors, and against all other resolutions. In order to vote differently, the shareholder must designate a proxy holder who must agree to vote in the manner stated on the proxy form.

In the event a shareholder attends a meeting in person, his proxy or ballot form shall be cancelled, provided the shareholder has expressly requested an admission pass at least two business days before the date of the meeting.

Ballot and proxy forms may only be submitted electronically if said forms contain an electronic signature, resulting from a reliable process identifying the shareholder and guaranteeing his/her relationship with the online form to which the signature is affixed. Votes cast prior to a General Meeting using this electronic procedure and the relevant acknowledgement of receipt will be treated as irrevocable, enforceable written documents. However, the appointment of a proxy may be revoked using the same procedure as that required for the appointment of a proxy.

If securities are transferred prior to midnight Paris time on the second working day preceding the General Meeting, the Company shall cancel the proxy or vote cast prior to the General Meeting or amend them accordingly, as applicable.

Shareholders that are legal entities may be represented at any General Meeting by one of their partners, directors or employees, who may but need not be a shareholder in a personal capacity, provided they can produce proof of their office or position.

Joint shareholders shall be represented at General Meetings by one of them, or by a single representative. In the event of any disagreement, the representative shall be appointed by the court following an application by the first joint shareholder to act.

The voting rights attached to a share shall belong to the beneficial owner at both Ordinary General Meetings and Extraordinary General Meetings."

Article 33 of the Memorandum and Articles of Association

"General Meetings that have been duly and properly convened and formed shall represent all the shareholders."

Article 34 of the Memorandum and Articles of Association

"General Meetings shall be chaired by the Chairman of the Board of Directors or, if he is unable to do so, by the Deputy Chairman if there is one; failing that, the meeting shall be chaired by a Director designated by the Board, if the meeting has been called by the Board.

The two shareholders holding the largest number of shares, both personally and as representatives, who are present and accept such duties shall act as scrutineers.

The Officers of the meeting shall designate a Secretary, who may but need not be a member of the General Meeting.

An attendance sheet shall be drawn up, which shall contain the information required by law. The sheet shall be initialled by the shareholders present and all representatives and shall be certified accurate by the Officers of the General Meeting; it shall be kept at the registered office and must be produced whenever requested."

Article 35 of the Memorandum and Articles of Association

"The agenda of the General Meeting shall be determined by the person convening the meeting.

However, one or more shareholders representing at least the proportion of the capital provided by the laws and regulations may request the addition of draft resolutions to the agenda. So that they can exercise this right, shareholders must be provided with the necessary information in accordance with the procedures and within the time period laid down by law.

Only items appearing on the agenda may be discussed at General Meetings. However, shareholders may remove one or several Directors from office at any General Meeting and replace them."

Article 36 of the Memorandum and Articles of Association

"Ordinary General Meetings shall only validly transact business when called the first time if the shareholders present or represented hold at least one fifth of the shares with voting rights. When the meeting is called a second time, no quorum requirements shall apply.

Annual Ordinary General Meetings and Ordinary General Meetings held in special session shall adopt resolutions by a majority of the votes held by the shareholders present or represented.

Unless the law provides otherwise, Extraordinary General Meetings shall only validly transact business if the shareholders present or represented hold at least one quarter of the shares with voting rights when the meeting is called the first time, and at least one fifth of the shares with voting rights

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when the meeting is called a second time. Failing that, the meeting can be postponed to a later date, provided this is no more than two months after the date scheduled when called a second time.

Extraordinary General Meetings shall adopt resolutions by a majority of two thirds of the votes held by the shareholders present or represented, unless the law provides otherwise.

Special meetings shall only validly transact business if the shareholders present or represented hold at least one third of the shares with voting rights whose rights are to be modified at the meeting when the meeting is called the first time, and one fifth of such shares when the meeting is called a second time. Failing that, the meeting can be postponed to a later date, provided this is no more than two months after the date scheduled when called a second time.

Special meetings shall adopt resolutions subject to the same terms and conditions as Extraordinary General Meetings.”

Article 37 of the Memorandum and Articles of Association

Please refer to section 6.1.2.3 on page 255 of this Registration Document.

Article 38 of the Memorandum and Articles of Association

“The report by the Board of Directors on the Company’s business and the reports of the Statutory Auditors shall be presented to the shareholders at Ordinary General Meetings.

Ordinary General Meetings have remit to discuss, approve or modify the financial statements and declare dividends. The resolution approving the balance sheets and financial statements can only be adopted after the presentation of a report by the Statutory Auditors, failing which the resolution shall be invalid.

Ordinary General Meetings vote on the special report prepared by the Statutory Auditors as required by law.

They appoint the Directors and Statutory Auditors.

They determine the directors’ fees to be paid to the Board of Directors.

They authorise the Company to trade in Company shares on the financial markets in accordance with the terms and conditions and within the limits laid down by law.

They vote on any other proposals included in the agenda that are not within the remit of the Extraordinary General Meeting.”

Article 39 of the Memorandum and Articles of Association

“The Extraordinary General Meeting has sole remit to amend the Memorandum and Articles of Association. It is not, however, entitled to increase the shareholders’ commitments,

subject to any transactions resulting from a duly and properly completed reverse stock split.

The Extraordinary General Meeting shall not be entitled to change the nationality of the Company, unless the country of which the Company is planning to adopt the nationality, and to which it wishes to transfer its registered office, has entered into a special agreement with France allowing such operations and maintaining the Company’s legal personality.

Any resolution adopted at a General Meeting to modify the rights relating to a specific class of shares shall only be final after it has been approved at a Special Meeting of the shareholders of the said class.”

Article 40 of the Memorandum and Articles of Association

“With effect from the date an Ordinary or Extraordinary General Meeting is called, and for at least fifteen days prior to the date of the meeting, all the shareholders shall be entitled to consult the documents and information listed by law, at the registered office. Shareholders shall only be entitled to consult the report by the Statutory Auditors during the aforesaid fifteen-day period.

Any holder of registered shares or any shareholder who has produced proof that his shares have been registered in an account in accordance with Article 32 of the Memorandum and Articles of Association may submit a request, between the date the General Meeting is called and the fifth day before the meeting, inclusive, to receive by post the documents and information listed by law.

This right to consult includes the right to make copies, with the exception of the statement of assets and liabilities.”

Article 41 of the Memorandum and Articles of Association

“Proceedings at General Meetings shall be recorded in minutes kept in a special minute book as required by law, and shall be signed by the officers of each meeting.

Copies of or excerpts from the minutes required as evidence in court, or for any other reason, shall be certified by the Chairman of the Board of Directors, a Director holding the office of Chief Executive Officer or the Secretary of the General Meeting.

Following the Company’s dissolution and during its liquidation, such copies or excerpts shall be certified by the liquidators or any one of them.”

Article 42 of the Memorandum and Articles of Association

“Resolutions adopted in accordance with the applicable laws and the Memorandum and Articles of Association shall be

binding on all shareholders, including those who were absent or voted against the resolution.”

6.1.2.6. Shareholding thresholds

The provisions of Article L. 233-7 of the French Commercial Code, under which the crossing of thresholds corresponding to one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights, either upwards or downwards, must be disclosed, are supplemented by Article 13 of the Memorandum and Articles of Association:

“Without prejudice to Article L. 233-7 of the French Commercial Code, any person who directly or indirectly holds a fraction of the Company’s capital that is equal to 1% or any multiple of this percentage below 5% is required to report this to the Company within five days of crossing a threshold either upwards or downwards.”

The sanctions applicable in the event of non-disclosure are set out in Article L. 233-14 of the French Commercial Code.

6.1.2.7. Clauses that may affect control of the Company

None.

6.1.2.8. Changes to the capital (Articles 8 and 39 of the Memorandum and Articles of Association)

Article 8 of the Memorandum and Articles of Association

“Voting on a proposal by the Board of Directors, the shareholders may adopt a resolution at an Extraordinary General Meeting to increase or reduce the capital by any means allowed by the applicable laws.

In the event of a reduction of the capital, the shareholders may resolve that shareholders must sell or purchase a sufficient number of their existing shares to enable them to exchange the existing shares for new shares, with or without payment or receipt of the cash balance, even when the capital reduction is not decided due to the existence of losses.”

Article 39 of the Memorandum and Articles of Association

Please refer to section 6.1.2.5 on page 262 of this Registration Document.

6.2. Information about the capital

6.2.1. PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION CONCERNING CHANGES IN CAPITAL AND VOTING RIGHTS

Please refer to sections 6.1.2.5 on page 260 *et seq.* and 6.1.2.8 on page 262 of this Registration Document.

6.2.2. ISSUED CAPITAL AND UNISSUED AUTHORISED CAPITAL

6.2.2.1. Issued capital

As at 31 December 2018, the Company’s capital was €1,190,829.79, divided into 30,930,644 shares with a par value of €0.0385 each, all of the same class and enjoying the same rights, fully subscribed and fully paid-up. The capital did not change between 31 December 2018 and the filing of this Registration document.

6.2.2.2. Unissued authorised capital

Summary of the authorisations that are currently valid or that expired during the 2018 financial year granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the capital, buy back the Company’s own shares or allot bonus performance shares

The table below shows, in particular pursuant to the provisions of Article L. 225-37-4 of the French Commercial Code, the currently valid authorisations as well as those that expired during the 2018 financial year, granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the capital, to buy back the Company’s own shares or to allot bonus performance shares, and the extent to which they were used by the Board of Directors during the 2018 financial year. It also summarises the main features of the delegations and authorisations put to the General Meeting of 27 May 2019 (see additional information in section 7.2 on page 290 *et seq.* of this Registration Document).

6 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

6.2. Information about the capital

Nature of authorisation	Date of General Meeting (resolution number)	Period (in months)	Maximum amount authorised
INCREASE OF CAPITAL			
Issue of redeemable share subscription and/or purchase warrants to certain employees and executive corporate officers of the Company and its subsidiaries, with the waiver of preferential subscription rights	30/05/2018 (15)	18	3.5% of the capital
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	30/05/2018 (16)	26	0.75% of the capital ¹
Issue with maintenance of preferential subscription rights	31/05/2017 (19)	26	30% of the capital, €200 million in par value for debt securities
Increase in the amount of issues with maintenance of preferential subscription rights	31/05/2017 (20)	26	15% of initial issue ²
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	31/05/2017 (22)	26	Total amount that can be capitalised as at the date of the Board of Directors' decision
TREASURY SHARES			
Authorisation to allow the Company to buy back its own shares within the framework of a share buyback programme	30/05/2018 (12)	18	10% of the capital on the date of purchase (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €28
Authorisation to allow the Company to buy back its own shares within the framework of a share buyback programme	31/05/2017 (17)	18	10% of the capital on the date of purchase (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €24
Authorisation to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme	30/05/2018 (13)	18	10% of the share capital per 24-month period
Authorisation to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme	31/05/2017 (18)	18	10% of the share capital per 24-month period
OPTIONS TO SUBSCRIBE OR PURCHASE AND BONUS PERFORMANCE SHARE			
Authorisation to allot existing bonus performance shares to employees and corporate officers of the Company and related companies	30/05/2018 (15)	38	918,600 shares
Authorisation to allot existing bonus performance shares or to issue in favour of employees and corporate officers of the Company and its affiliates	24/05/2016 (15)	26	596,000 shares

1. See additional information in section 6.2.2.2. on page 266 et seq. of this Registration Document.

2. Maximum amount set against the cap of 30% of the capital (for capital securities) and €200 million in par value (for debt securities) provided for by the 19th resolution of the General Meeting of 31 May 2017.

3. See additional information in section 6.3.6.2 on page 266 et seq. of this Registration Document.

4. Expired on 30 May 2018.

5. See additional information in section 6.4.3.1 on page 280 et seq. of this Registration Document.

6. Expired on 24 July 2018.

7. Maximum amount set against the cap of 30% of the capital (for capital securities) and €200 million in par value (for debt securities) provided for by the 15th resolution of the General Meeting of 27 May 2019.

Valid authorisations (and authorisations that expired during the 2018 financial year)		Authorisations proposed to the General Meeting of 27/05/2019		
Methods for determining the issue price	Use during the financial year	Resolution number	Period (in months)	Maximum amount authorised
Determined by the Board of Directors on the basis of the instrument's market value, confirmed by a report by an independent expert appointed by the Board of Directors	Issue of 1,071,731 redeemable share subscription and/or purchase warrants ¹	n/a	n/a	n/a
Determined by the Board of Directors under the terms of Article L. 3332-18 et seq. of the French Labour Code, with a minimum of 80% of the average opening price of the Company's shares on Euronext Paris in the 20 trading days prior to the date of the Board of Directors' decision setting the date on which the subscription period opens	None	17	26	0.75% of the capital ⁷
Freely determined by the Board of Directors	None	15	26	30% of the capital, €200 million in par value for debt securities
Issue price of the shares or securities proposed for subscription with maintenance of preferential subscription rights	None	16	26	15% of initial issue ⁹
Freely determined by the Board of Directors	None	18	26	Total amount that can be capitalised as at the date of the Board of Directors' decision
n/a	Implementation of a liquidity contract by Rothschild Martin Maurel and buyback of 464,000 shares to be used for current or future bonus performance share plans (811,223 treasury shares as at 31/12/2018, of which none the liquidity contract) ³	13	18	10% of the capital on the date of purchase (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €28
n/a	Implementation of a liquidity contract by Rothschild Martin Maurel (363,223 actions treasury shares as at 30/06/2018, of which 16,000 under the liquidity contract) ^{3a}	n/a	n/a	n/a
n/a	None	14	18	10% of the share capital per 24-month period
n/a	None ⁴	n/a	n/a	n/a
n/a	Allotment of 309,600 bonus performance shares ⁵	n/a	n/a	n/a
n/a	None ^{5b}	n/a	n/a	n/a

Potential capital

The table below shows the potential capital on 31 December 2018 and on the filing date of this Registration Document.

	31/12/2018		As at the filing date of this Registration Document	
	Potential number of shares	Potential par value (in euros)	Potential number of shares	Potential par value (in euros)
Issued capital	30,930,644	1,190,829.79	30,930,644	1,190,829.79
Authorised unissued capital	1,071,731	41,261.64	1,071,731	41,261.64
of which, resulting from exercise of stock options	-	-	-	-
of which, resulting from bonus performance shares allotted	-	-	-	-
of which, resulting from redeemable share subscription and/or purchase warrants (BSAAR warrants)	1,071,731	41,261.64	1,071,731.00	41,261.64
Total	32,002,375	1,232,091.44	32,002,375	1,232,091.44

As only shares in the Company bought back from the market can be used for the current bonus performance share plans (see additional information in section 6.4.3.1 on page 276 *et seq.* of this Registration Document), the potential capital as at 31 December 2018 or on the filing date of this Registration Document was exclusively related to a redeemable share subscription and/or purchase warrants (BSAAR warrants) plan implemented at the end of the 2018 financial year.

Additional information relating to the redeemable share subscription and/or purchase warrants (BSAAR warrants) plan implemented in 2018

Using the authority delegated to it by the Shareholders' Meeting of 30 May 2018, the Board of Directors decided on 8 November 2018 to issue a maximum of 1,071,731 redeemable share subscription and/or purchase warrants (BSAAR warrants), without preferential subscription rights for the shareholders, reserved for 43 eligible individuals chosen from the Company's and its subsidiaries' employees and executive company officers (including the Company's Chief Executive Officer).

The main aim of the issue was to associate the Group's key managers to the Group's medium-term growth and performance. The offering responded to these managers' wish to invest indirectly, without any contribution from the Company, a considerable proportion of their personal savings in Albioma shares in order to support the roll-out of Company strategy via a financial product enabling an optimal alignment of the interests of the Group's senior managers with those of its shareholders.

The issue met with great success. With a subscription rate over 140%, the transaction resulted in the issue of 1,071,731 BSAAR warrants of 0.90 euro each (representing 964,557.90 euros gross proceeds), allocated to 31 subscribers including the Company's Chief Executive Officer, who subscribed for 110,650 BSAAR warrants. The Board of

Directors had appointed Accuracy as appraiser, commissioned to give an independent opinion on the unit issue price of the BSAAR warrants. Accuracy considered the issue price to be reasonable, stating: *"The estimate value of each BSAAR warrant is comprised within a range of estimates from €0.62 to €1.16. On this basis, the price of €0.90 considered by the Company for the issue of the BSAAR warrants seems reasonable to us."* Accuracy's full report on the valuation of the BSAAR Warrants is available in French on the Company's website (www.albioma.com).

The BSAAR warrants entitle their holders to subscribe for new shares and/or purchase existing Albioma shares; the Company may, at its discretion, allot new shares or existing shares or a combination of new and existing shares. A request will be made to admit the BSAAR warrants for trading on the Euronext Growth market. This request will be made no sooner than 6 December 2021 (save exceptions), date from which the BSAAR warrants may be exercised. Until their admission for trading, the BSAAR warrants may neither be transferred nor exercised (save exceptions). Subject to the applicable adjustment rules, each warrant will entitle its holder, at his or her discretion, to subscribe for a new or purchase an existing share, in consideration of payment of the exercise price. The exercise price of one BSAAR warrant is 20.90 euros, i.e. a price equal to 120% of the average closing prices quoted for the Company's shares over a period of 20 consecutive trading days preceding 8 November 2018. The BSAAR warrants may be exercised at any time from the date they are admitted for trading on the Euronext Growth market, scheduled for 6 December 2021, until 4 December 2024, subject to the Board of Directors' right to temporarily suspend the exercise period. After 4 December 2024, the BSAAR warrants shall lapse automatically and by operation of law and, consequently, may not be exercised by their holders.

The maximum number of shares that could result from the exercise of the BSAAR warrants (in the event that all the

BSAAR warrants are exercised and that all the shares allotted upon exercise of the BSAAR warrants are new shares, without adjustments) is 1,071,731, representing approximately 3.46% of the Company's capital at 30 December 2018, and 3.35% of the Company's capital post exercise of the BSAAR warrants. In this case, the capital increase carried out would be a nominal amount of 41,261.6435 euros. Exercise of all the BSAAR warrants would represent proceeds from the issue of at most 22,399,177.90 euros.

The terms and conditions of the BSAAR warrants thus issued are available on the Company's website (www.albioma.com). Since the offering did not give rise to a prospectus subject to the visa of the French Financial Markets Authority (Autorité des Marchés Financiers), a press release has been published on 8 November 2018 pursuant to applicable laws and regulations, which is available on the Company's website (www.albioma.com).

Option-based mechanisms that could have an impact on the Company's or its subsidiaries' capital

As at 31 December 2018, only one Group company was affected by an option-based mechanism that could have an impact on its capital: within the framework of the acquisition, on 31 March 2014, of 100% of the capital of Rio Pardo Termoelétrica (now Albioma Rio Pardo Termoelétrica) in Brazil, the Group granted its sugar-producing partner, Usina Rio Pardo, a call option for the purchase of 40% of the company's capital, for a period of five years commencing

on 31 March 2014. For the first three years, the exercise price of the option was calculated on the basis of a reference price, factoring in changes in the shareholders' equity of Albioma Rio Pardo Termoelétrica, inflation and shareholder remuneration. After the third year, the exercise price of the option will be calculated based on a multiple of EBITDA and the net debt of Albioma Rio Pardo Termoelétrica on the date on which the option is exercised.

Non-capital securities

During the 2014 financial year, the Group completed a corporate debt refinancing transaction, through the private placement of an €80 million "Euro PP" type bond issue, to mature in December 2020 with an annual coupon of 3.85%.

Within this framework, at its meeting held on 27 May 2014, the Board of Directors authorised the par issue of 800 bonds with a par value of €100,000 and the listing for trading of the said bonds on Euronext Paris, effective from 6 July 2014.

The prospectus for this issue, approved by the Financial Markets Authority on 3 June 2014 under number 14-267, is available in English on Albioma's website (www.albioma.com) and the Financial Markets Authority's website (www.amf-france.org).

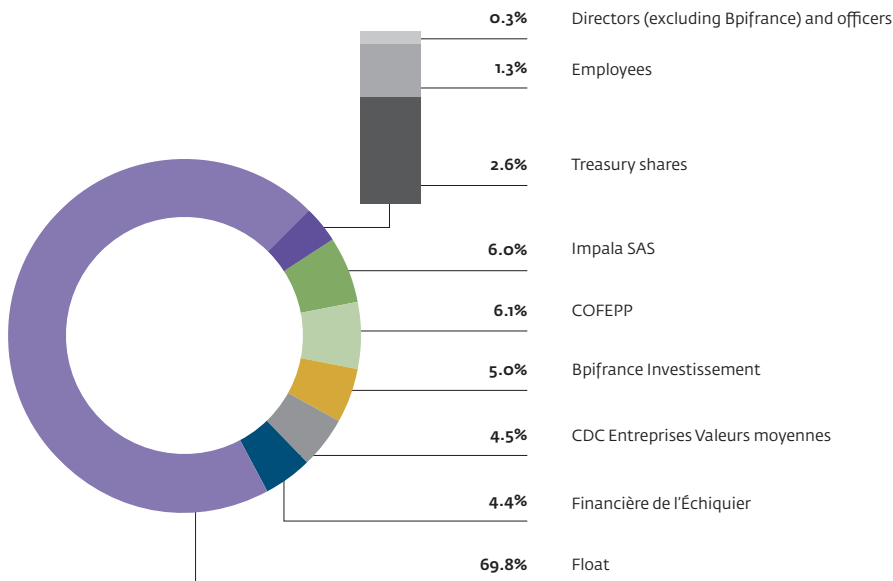
6.2.3. CHANGES IN CAPITAL DURING THE LAST FIVE YEARS

Date	Transaction	Par value of the share after the transaction (in euros)	Change in par value of the capital (in euros)	Amount of the capital after the transaction	Number of shares created or cancelled	Number of shares after the transaction
31/12/2013	-	0.0385	-	1,122,964.11	-	29,167,899
02/07/2014	Payment in shares of 50% of the dividend for the 2013 financial year	0.0385	14,196.14	1,137,160.26	368,731	29,536,630
29/07/2014	Effective acquisition of shares under the bonus performance share plan adopted by the General Meeting of 14 March 2012 ¹	0.0385	7,621.81	1,144,782.06	197,969	29,734,599
01/12/2014	Effective acquisition of shares under the bonus performance share plan adopted by the General Meeting of 14 March 2012 ¹	0.0385	12.82	1,144,794.88	333	29,734,932
02/07/2015	Payment in shares of 50% of the dividend for the 2014 financial year	0.0385	1,879.76	1,146,674.64	48,825	29,783,757
04/07/2016	Payment in shares of 50% of the dividend for the 2015 financial year	0.0385	16,688.79	1,163,363.43	433,475	30,217,232
10/07/2017	Payment in shares of 50% of the dividend for the 2016 financial year	0.0385	15,541.60	1,178,905.04	403,678	30,620,910
10/07/2018	Payment in shares of 50% of the dividend for the 2017 financial year	0.0385	11,924.76	1,190,829.79	309,734	30,930,644

1. The performance condition applicable for the first tranche of the bonus performance share plan adopted by the General Meeting of 14 March 2012 was satisfied during the 2014 financial year. Within this framework, 198,302 shares, created through a capital increase, were effectively acquired during that financial year. Shares effectively acquired under the same plan in subsequent financial years were delivered to the beneficiaries using shares that had been bought back by the Company under ongoing share buyback programmes. At its meeting of 3 March 2015, the Board of Directors recorded the cancellation of the allotments of bonus performance shares under the second and third tranches, because the performance conditions stipulated in the plan rules had not been satisfied.

6.3. Shareholders

6.3.1. SHAREHOLDER STRUCTURE AS AT 18 APRIL 2019



6.3.2. CONTROL OF THE COMPANY, CROSSING OF STATUTORY DISCLOSURE THRESHOLDS, SHAREHOLDERS HOLDING MORE THAN 5% OF THE CAPITAL OR THE VOTING RIGHTS

6.3.2.1. Control of the Company

Until 19 June 2015, the Company was controlled by the following acting in concert: Financière Hélios (which, until that date, held 11,023,435 shares in the Company representing 37.07% of the capital and 37.24% of the voting rights), Altamir (which, until that date, held 449,727 shares representing 1.51% of the capital and 1.52% of the voting rights) and a private equity fund (*fonds professionnel de capital investissement*) called Apax France VI, managed by Apax Partners (which, until that date, held 1,156,028 shares representing 3.89% of the capital and 3.90% of the voting rights). Until that date, Financière Hélios was directly and indirectly controlled by Altamir and by Apax France VI.

On 5 June 2015, Apax Partners, the management company for Apax France VI and investment advisor for Altamir, informed the market of its intent to distribute more than 95% of its

direct and indirect holding in the Company to its investors, corresponding to approximately 30% of the capital, following which Altamir would directly and indirectly hold almost 12% of the capital.

Following these transactions, which were completed on 24 June 2015, the concert composed of Altamir (which held on that date, directly and indirectly through Financière Hélios, 3,536,524 shares representing 11.89% of the capital and 11.95% of the voting rights), a number of entities and individuals affiliated to the latter and the private equity fund (*fonds professionnel de capital investissement*) Apax France VI, held 4,221,566 shares representing 14.20% of the capital and 14.26% of the voting rights.

Accordingly, the Company ceased to be controlled on 19 June 2015, and this position had not changed on 31 December 2017 or on the filing date of this Registration Document.

6.3.2.2. Crossing of statutory disclosure thresholds, shareholders holding more than 5% of the capital or the voting rights

As at 31 December 2018 and as at the filing date of this Registration Document, to the best of the Company's knowledge, the only shareholders holding more than 5% of the capital or voting rights were:

- Impala SAS, holding 1,860,000 shares representing 6.01% of the capital et 6.18% of the voting rights;
- Compagnie Financière Européenne de Prises de Participation (COFEPP), holding 1,874,389 shares representing 6.06% of the capital and 6.22% of the voting rights;
- Caisse des Dépôts et Consignations (indirectly, through Bpifrance EPIC, which in turns holds, indirectly through the ETI 2020 fund, which is managed by Bpifrance Investissement, 1,556,231 shares representing 5.03% of the capital and 5.17% of the voting rights, and CDC Entreprise Valeurs Moyennes), holding 2 934 623 shares representing 9.49% of the capital and 9.74% of the voting rights.

These holdings are the result of various crossings of the capital or voting rights thresholds referred to in Article L. 233-7 of the French Commercial Code which were notified to the Company during the 2018 financial year.

- On 16 March 2018, Financière Hélios and Altamir declared to have sold, on 15 March 2018, through a private placement, 2,000,000 Albioma shares (representing 6.54% of the capital and 7.08% of the voting rights). The concert comprised of Financière Hélios and Amboise consequently disclosed that on 15 March 2018 it had fallen below the 10% capital and voting rights disclosure thresholds and that it held directly 2,144,170 shares representing 7.00% of the capital and 7.08% of the voting rights; for its part, Altamir declared that it held no more Albioma share following this transaction. Financière Hélios disclosed that it had individually fallen below the same disclosure thresholds and that it held 1,684,820 shares representing 5.50% of the capital and 5.57% of the voting rights. Following the disposal by Amboise of 350,920 shares on 6 April 2018, the said concert held, on 20 April 2018, 1,762,172 shares representing 5.75% of the capital and 5.82% of the voting right.

- On 12 December 2018, Financière Hélios, controlled by Altamir, the latter being itself controlled by Mr Maurice Tchenio, disclosed that on 11 December 2018 it had fallen below the 5% capital and voting rights disclosure thresholds and that it held no shares of the Company anymore. Meanwhile, on 18 December 2018, Impala SAS, a company controlled by Mr Jacques Veyrat, disclosed that on 13 December 2018 it had exceeded the 5% capital and voting rights disclosure thresholds and that it held 1,860,000 shares of the Company, representing 6.01% of the capital and 6.18% of the voting rights. These last two disclosures were the result of the disposal by Financière Hélios of the remaining of its holding in the Company's capital to Impala SAS, for a price announced at €31.7 million¹.

In application of Article L. 228-2 of the French Commercial Code and Article 13 of its Memorandum and Articles of Association, in January 2018 then in January 2019, the Company introduced, through Euroclear France, two procedures for identifying its bearer shareholders (the so-called "identifiable bearer securities" surveys). They have not revealed any shareholders or intermediaries registered on behalf of non-resident shareholders with a holding exceeding one of the thresholds referred to in Article L. 233-7 of the French Commercial Code, other than those mentioned above.

1. Source: Altamir, press release of 11 December 2018, www.altamir.fr.

6.3.3. CHANGES IN OWNERSHIP OF THE CAPITAL AND THE VOTING RIGHTS DURING THE LAST THREE FINANCIAL YEARS

	31/12/2018 ¹			31/12/2017			31/12/2016		
	Number of shares	% of capital	% of exercisable voting rights ²	Number of shares	% of capital	% of exercisable voting rights ²	Number of shares	% of capital	% of exercisable voting rights ²
Impala³	1,860,000	6.01%	6.18%	-	-	-	-	-	-
Compagnie Financière Européenne de Prises de Participation	1,874,389	6.06%	6.22%	1,843,034	6.02%	6.09%	1,779,993	5.89%	5.96%
Caisse des Dépôts et Consignations	2,934,623	9.49%	9.74%	2,784,623	9.09%	9.21%	1,843,238	6.10%	6.18%
Bpifrance Investissement	1,556,231	5.03%	5.17%	1,556,231	5.08%	5.14%	636,553	2.11%	2.13%
CDC Entreprises Valeurs Moyennes	1,378,392	4.46%	4.58%	1,228,392	4.01%	4.06%	1,206,685	3.99%	4.04%
Financière de l'Échiquier	1,346,178	4.35%	4.47%	1,068,561	3.49%	3.53%	1,534,000	5.08%	5.14%
Financière Hélios et affiliés⁴	78,655	0.25%	0.26%	4,144,172	13.53%	13.70%	4,060,745	13.44%	13.60%
Financière Hélios	-	-	-	3,215,859	10.50%	10.63%	3,159,151	10.45%	10.58%
FPCI Apax France VI	-	-	-	-	-	-	-	-	-
Altamir	-	-	-	468,961	1.53%	1.55%	460,528	1.52%	1.54%
Autres affiliés	78,655	0.25%	0.26%	459,352	1.50%	1.52%	441,066	1.46%	1.48%
Directors (excluding Financière Hélios et Bpifrance Investissement) and officers^{5,6}	98,092	0.32%	0.33%	100,563	0.33%	0.33%	109,484	0.36%	0.37%
FCPE Albioma⁷	258,210	0.83%	0.86%	258,652	0.84%	0.86%	250,890	0.83%	0.84%
Employees (performance shares and stock options plans)⁸	153,309	0.50%	0.51%	143,100	0.47%	0.47%	176,396	0.58%	0.59%
Intra-Group cross-shareholdings	-	-	-	-	-	-	-	-	-
Treasury shares⁹	811,223	2.62%	-	371,983	1.21%	-	368,823	1.22%	-
Public	21,515,965	69.56%	71.44 %	19,906,222	65.01%	65.81%	20,093,663	66.50%	67.32%
Total	30,930,644	100.00%	100.00%	30,620,910	100.00%	100.00%	30,217,232	100.00%	100.00%

1. To the best of the Company's knowledge, the ownership of the capital did not undergo any material change between 31 December 2018 and the filing date of this Registration Document.

2. See additional information in section 6.3.8 on page 275 of this Registration Document. In the absence of any multiple voting rights, the percentage of theoretical voting rights is the same as the percentage of the capital.

3. See additional information in section 6.3.2.2 on page 269 of this Registration Document.

4. See additional information in section 6.3.2.2 on page 269 of this Registration Document.

5. Directors and managers other than Financière Hélios and Bpifrance Investissement. As at 31 December 2018: Jacques Pétry, Jean-Carlos Angulo, Pierre Bouchut, Marie-Claire Daveu, Valérie Landon, Frédéric Moyne and Ulrike Steinhorst. As at 31 December 2017: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Marie-Claire Daveu, Valérie Landon, Frédéric Moyne and Ulrike Steinhorst. As at 31 December 2016: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Marie-Claire Daveu, Valérie Landon, Frédéric Moyne and Michèle Remillieux.

6. Maurice Tchenio declared in 2014 that he holds a unit-linked life-insurance policy invested inter alia in Albioma shares, but is neither the legal owner nor the beneficiary of said shares. 130,000 shares were indirectly held under this policy as at the date of the disclosure.

7. An employee shareholder company investment fund (fonds commun de placement d'entreprise) operating as part of the Company's company savings plan. See additional information in section 1.9.2.1 on page 52 of this Registration Document.

8. See additional information in section 6.4.3.1 on page 276 et seq. of this Registration Document

9. Shares held under a liquidity contract operated by Rothschild Martin Maurel and following the implementation of share buyback programmes, to acquire shares to be used for existing or future bonus performance share plans. See additional information in section 6.3.6.2 on page 271 et seq. of this Registration Document.

6.3.4. EMPLOYEE SHAREHOLDERS

As at 31 December 2018, the Company's employees and former employees held, via Albioma FCPE, an employee shareholder company investment fund operating as part of the company savings plan, a total of 258,210 shares, representing 0.83% of the capital and 0.86% of the voting rights (see additional information in section 1.9.2.1 on page 52 of this Registration Document). Moreover, 153,309 shares, representing 0.50% of

the capital and 0.51% of the voting rights, were also held by the Company's and its subsidiaries' employees under the bonus performance share plans adopted by the General Meetings of 14 March 2012 and 24 May 2016 (see additional information in section 6.4.3.1 on page 276 et seq. of this Registration Document).

6.3.5. SHAREHOLDER AGREEMENTS

6.3.5.1. Agreements liable to cause a change in control

None, to the best of the Company's knowledge.

6.3.5.2. Shareholders' agreements (Articles L. 233-11 of the French Commercial Code and 223-18 of the General Regulation of the Financial Markets Authority)

None, to the best of the Company's knowledge.

6.3.5.3. "Dutrelil law" lock-in commitments

None, to the best of the Company's knowledge.

6.3.6. INTRA-GROUP CROSS-SHAREHOLDINGS, TREASURY SHARES AND SHARE BUYBACK PROGRAMMES

6.3.6.1. Intra-group cross-shareholdings

None.

6.3.6.2. Treasury shares, liquidity contracts and share buyback programmes

Treasury shares

As at 31 December 2018, the Company held 811,223 treasury shares (representing 2.62% of the capital, stripped of voting rights, of same par value as that of the ordinary Albioma shares¹), all of which were held following the implementation of a share buyback programme, to be used for existing or future bonus performance share plans.

Share buyback programmes

Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

During the 2018 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 31 May 2017 and 30 May 2018. The authorisation granted on 30 May 2018 invalidated the unused part of the authorisation granted on 31 May 2017.

The terms of these authorisations were as follows:

	General Meeting of 30/05/2017	General Meeting of 30/05/2018
Objectives (in decreasing order of priority)	<ul style="list-style-type: none"> ■ To foster liquidity and to stimulate the market for the Company's shares through an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct recognised by the French Financial Markets Authority (Autorité des marchés Financiers). ■ To implement all Company stock option plans in accordance with Article L. 225-177 <i>et seq.</i> of the French Commercial Code, all awards of bonus shares under a company or Group savings plan in accordance with Article L. 3332-1 <i>et seq.</i> of the French Employment Code, all awards of bonus shares under Article L. 225-197-1 <i>et seq.</i> of the French Commercial Code, and all awards of bonus shares under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority. ■ To deliver shares when rights attached to securities giving immediate or subsequent access to Company shares by any means are exercised, and to carry out any hedging transactions in connection with the Company's obligations related to such securities, under the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority. ■ To cancel all or some of the shares bought back within the framework of a capital reduction and under the terms and conditions authorised by the shareholders at a General Meeting. ■ To keep the shares with a view to their subsequent delivery as payment or in exchange within the framework of acquisitions, in accordance with accepted market practices and the applicable regulations. ■ To implement any other market practices that are accepted or recognised by the law or the French Financial Markets Authority (Autorité des Marchés Financiers) and, more generally, to achieve any other objective allowed by the applicable regulations. 	
Maximum amount of capital that can be bought back	10% of the capital (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition). The Company may not hold more than 10% of its own capital at any time.	
Maximum purchase price	€24 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and award of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction.	€28 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and award of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction.
Maximum amount, net of costs, allocated to the programme	€30 million	€30 million
Buying and selling procedures	By any means, in particular on the market or off the market, including over-the-counter, or through block trades or a public offering. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme. However, the use of options, derivatives and composite securities is prohibited.	
Automatic suspension of the authorisation in the case of a public offering	Yes	Yes
Term	18 months from the date of the General Meeting	18 months from the date of the General Meeting

1. See additional information in section 6.2.21 on page 263 of this Registration Document.

During the 2018 financial year, shares were bought back under these authorisations in order to implement a liquidity contract operated by Rothschild Martin Maurel to guarantee the liquidity of the Albioma share on Euronext Paris and to implement existing or future bonus performance share plans.

No derivative products or option plans were used for share buybacks in 2018. There was no open position (buy or sell) as at 31 December 2018, or on the filing date of this Registration Document.

The Company has not used the authorisations to reduce its capital by cancelling shares acquired under a buyback programme granted by the General Meetings of 31 May 2017 and 30 May 2018 (see additional information in section 6.2.2.2 on page 263 *et seq.* of this Registration Document).

Liquidity contracts

During the 2018 financial year, a liquidity contract was implemented by Rothschild Martin Maurel 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:

	30/06/2018 ¹	31/12/2018 ²
Investment service provider	Rothschild Martin Maurel	Rothschild Martin Maurel
Number of shares held on the liquidity account	16,000	-
Cash held on the liquidity account (in euros)	2,974,394	3,293,687

1. Date on which positions were calculated for the half-yearly liquidity contract results as at 30 June 2018.

2. Date on which positions were calculated for the half-yearly liquidity contract results as at 31 December 2018.

Assets allocated to the liquidity contract were adjusted as at 1 February 2018. As a result, the amount of assets initially allocated to the contract (€5 million) was reduced to €3 million.

Other buybacks and transfers during the 2018 financial year

During the 2018 financial year:

- 14,760 shares were transferred to Group employees satisfying the performance and continued employment conditions of the “2017 thermal plants” and “2017 photovoltaic plants” bonus performance share plans adopted by the General Meeting of 24 May 2016;
- the Board of Directors used the authorisation granted by the General Meeting of 30 May 2018 to acquire shares for current and future bonus performance share plans; accordingly, 464,000 shares were bought back over the year (the shares were bought by Natixis on behalf of the Company between 30 July and 28 November 2018).

Summary of the Company's trading in its own shares during the 2018 financial year

	2018	% of capital
Total number of shares purchased over the 2018 financial year¹	936,805	
of which, held under the liquidity contract operated by Rothschild Martin Maurel	472,805	
of which, held for other authorised purposes	464,000	
Total number of shares sold in the 2018 financial year¹	482,805	
of which, held under the liquidity contract operated by Rothschild Martin Maurel	482,805	
of which, held for other authorised purposes	-	
Average purchase price (in euros)¹	18.33	
Average selling price (in euros)¹	19.68	
Total number of shares transferred over the 2018 financial year	14,760	
Number of shares cancelled over the past 24 months	-	
Number of shares held in the portfolio as at 31/12/2018	811,223	2.62%
of which, held under the liquidity contract operated by Rothschild Martin Maurel	-	-
of which, to be used for current or future bonus performance share plans	811,223	2.62%
Net book value of the portfolio as at 31/12/2018 (in euros)	13,141,518	
Market value of the portfolio as at 31/12/2018 (in euros)	15,332,115	

1. Transactions between 1 and 31 December 2018.

2. Net book value of the portfolio with value date 31 December 2018, calculated using the First In, First Out method (FIFO).

Proposal to the General Meeting of 27/05/2019 to renew the grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

General Meeting of 27/05/2019

Objectives (in decreasing order of priority)	<ul style="list-style-type: none"> ■ To foster liquidity and to stimulate the market for the Company's shares through an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct recognised by the French Financial Markets Authority (Autorité des Marchés Financiers). ■ To implement all Company stock option plans in accordance with Article L. 225-177 <i>et seq.</i> of the French Commercial Code, all awards of bonus shares under a company or Group savings plan in accordance with Article L. 3332-1 <i>et seq.</i> of the French Employment Code, all awards of bonus shares under Article L. 225-197-1 <i>et seq.</i> of the French Commercial Code, and all awards of bonus shares under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority. ■ To deliver shares when rights attached to securities giving immediate or subsequent access to Company shares by any means are exercised, and to carry out any hedging transactions in connection with the Company's obligations related to such securities, under the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority. ■ To cancel all or some of the shares bought back within the framework of a capital reduction and under the terms and conditions authorised by the shareholders at a General Meeting. ■ To keep shares with a view to their subsequent delivery as payment or in exchange within the framework of external growth operations. ■ To implement any market practices that are accepted or recognised by the law or the French Financial Markets Authority (Autorité des Marchés Financiers) and, more generally, to achieve any other objective allowed by the applicable regulations.
Maximum amount of capital that can be bought back	10% of the capital (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition). The Company may not hold more than 10% of its own capital at any time.
Maximum purchase price	€28 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and award of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction.
Maximum amount, net of costs, allocated to the programme	€30 million
Buying and selling procedures	By any means, in particular on the market or off the market, including over-the-counter, or through block trades or a public offering. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme. However, the use of options, derivatives and composite securities is prohibited.
Automatic suspension of the authorisation in the case of a public offering	Yes
Term	18 months from the date of the General Meeting

6 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

6.3. Shareholders

Proposal to the General Meeting of 27 May 2019 to renew the authorisation granted to the Board of Directors to reduce the capital by cancelling shares acquired under a share buyback programme

The General Meeting of 27 May 2019 is also invited to renew the authorisation granted to the Board of Directors by the General Meeting of 30 May 2018 to reduce the capital by cancelling shares acquired under a share buyback programme. The new authorisation shall invalidate the unused part of the authorisation granted to the Board of Directors by the General Meeting of 30 May 2018 (see additional information in section 7.2.2.1 on page 304 of this Registration Document).

6.3.7. PLEDGES OF THE COMPANY'S SHARES

To the best of the Company's knowledge, based on entries in the shareholder register, 42,843 shares representing 0.14% of the capital and 0.14% of the voting rights had been pledged as at 31 December 2018.

	Beneficiary	Start date of pledge	End date of pladge	Conditions for freeing shares	Number of shares pledged	% of capital pledged as at 31/12/2018
Billebaud Camille	n/c	n/c	n/c	n/c	304	0.001%
Billebaud Paul	n/c	n/c	n/c	n/c	304	0.001%
Escuret Edmond	n/c	n/c	n/c	n/c	18,360	0.059%
Foyer International SA	n/c	n/c	n/c	n/c	8,210	0.027%
Gauthier Julien	n/c	n/c	n/c	n/c	5,220	0.017%
Geoffroy Jean-Philippe	n/c	n/c	n/c	n/c	721	0.002%
Lagarde Jean-Pierre	n/c	n/c	n/c	n/c	7,952	0.026%
Lubenec Stéphane	n/c	n/c	n/c	n/c	1,200	0.004%
Mignon-Nicolas Hedwige	n/c	n/c	n/c	n/c	572	0.002%
Total					42,843	0.139%

6.3.8. VOTING RIGHTS

As at 31 December 2018 and on the filing date of this Registration Document, each share entitled its holder to one voting right exercisable at General Meetings. On these dates there were no securities in existence that conferred multiple or special voting rights.

The Company's treasury shares have been temporarily stripped of voting rights. The Company publishes the number of exercisable voting rights and theoretical voting rights attached to the shares that comprise the capital every month (unless there are no material changes).

Theoretical voting rights are calculated on the basis of all the shares to which voting rights are attached, including treasury shares, temporarily stripped of voting rights. The number of theoretical voting rights is used to calculate the crossings of thresholds provided for by Article L. 233-7 of the French Commercial Code and by Article 13 of the Company's Memorandum and Articles of Association.

Exercisable voting rights are calculated on the basis of all the shares to which voting rights that can actually be exercised at General Meetings are attached and do not therefore include the voting rights attached to the treasury shares held.

The General Meeting of 28 May 2015 adopted by a large majority the amendment of Article 37 of the Memorandum and Articles of Association confirming the principle of "one share, one vote", as the Board of Directors had decided to make use of the exception allowed in Article L. 225-123 of the French Commercial Code, as amended pursuant to Act 2014-384 of 29 March 2014.

6.4. Share subscription or purchase option plans and bonus performance share plans

6.4.1. GROUP'S LONG TERM INCENTIVE POLICY

The Company sets great store by offering Group employees and management a long-term profit share plan. From now on, the arrangements used take the form of bonus performance share plans.

As at 31 December 2018, the following plans were in operation:

- the bonus performance share plans adopted by the General Meeting of 24 May 2016, concerning a maximum of 596,000 available shares, i.e., 1.92% of the capital as at 31 December 2018, reserved for managers (including the Company's executive corporate officers) and for administrative staff of the Company and certain subsidiaries ("2016 managers and administrative staff" plan), and for managers and administrative staff of the Company's Brazilian subsidiaries ("Brazil 2016" plan);
- the bonus performance share plan adopted by the General Meeting of 30 May 2018, concerning a maximum of 919,000 available shares, i.e. 2.97% of the capital as at 31 December 2018, reserved for a number of employees and executive corporate officers of the Company and its subsidiaries ("2018" plan); the 2018 allotment, accounting for 1% of the capital as at 31 December 2018, is part of a three-year arrangement allowing the successive implementation of three bonus performance share plans, each representing approximately 1% of the capital, on the basis of three-year performance periods (2018-2020, 2019-2021 and 2020-2022). The second allotment has been implemented by the Board of Directors at the beginning of the 2019 financial year within the framework of a "2019" plan, also representing 1% of the capital as at 31 December 2018.

6.4.2. SHARE SUBSCRIPTION OR PURCHASE OPTION PLANS

6.4.2.1. Share subscription or purchase option plans in operation as at 31 December 2018

None.

6.4.2.2. Share subscription or purchase options granted to employees other than corporate officers, or exercised by them during the 2018 financial year

None.

6.4.3. BONUS PERFORMANCE SHARE PLANS

The information that follows, together with the information in section 2.4.2.7 on page 128 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-4 of the French Commercial Code.

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6.4. Share subscription or purchase option plans and bonus performance share plans

6.4.3.1. Bonus performance share plans in operation as at the filing date of the Registration Document

Bonus performance share plans adopted by the General Meeting of 24 May 2016

"2016 managers and administrative staff" plan

		As % of capital as at 31/12/2018
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	24/05/2016	
Total number of initial beneficiaries	100	
Date of effective acquisition of the performance shares ¹	24/05/2019	
End date of the lock-in period for performance shares ²	n/a	
Total number of performance shares allotted³	494,808	1.60%
of which, to the top 10 employees who are not corporate officers	176,232	0.57%
of which, to corporate officers	119,196	0.39%
■ Jacques Pêtry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	59,598	0.19%
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	59,598	0.19%
Number of performance shares effectively acquired as at 31/12/2018	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pêtry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2018	56,943	0.18%
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pêtry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2018	437,865	1.42%
Number of performance shares remaining as at 31/12/2018	176,232	0.57%
dont pour les mandataires sociaux	119,196	0.39%
■ Jacques Pêtry (Président-Directeur Général du 21/10/2011 au 31/05/2016 et Président du Conseil d'Administration depuis le 01/06/2016)	59,598	0.19%
■ Frédéric Moyne (Directeur Général depuis le 01/06/2016)	59,598	0.19%

1. The effective acquisition of the shares is subject to the following performance conditions being met.

- Shares of the first tranche will not be effectively acquired unless the 2018 consolidated EBITDA has increased compared to the 2015 consolidated EBITDA by between +25% and +45%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the second tranche will not be effectively acquired unless the 2018 net consolidated income per share has increased compared to the 2015 net consolidated income per share by between +15% and +30%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the third tranche will not be effectively acquired unless the Albioma share price, net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 outperforms the CAC Small Net Return (CACSN) index over the same period by between +0% and +5%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.

2. Shares that have been effectively acquired are not subject to any lock-in commitment, the corporate officers being however subject to the additional obligation that they retain in their own name 25% of the shares effectively acquired until they stand down from office.

3. The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

“Brazil 2016” plan

	As% of capital as at 31/12/2018	
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	26/07/2016	
Total number of initial beneficiaries	8	
Date of effective acquisition of the performance shares ¹	26/07/2019	
End date of the lock-in period for performance shares ²	n/a	
Total number of performance shares allotted³	23,574	0.08%
of which, to the top 10 employees who are not corporate officers	23,574	0.08%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2018	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2018	7,700	0.02%
of which, to the top 10 employees who are not corporate officers	7,700	0.02%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2018	15,874	0.05%
of which, to the top 10 employees who are not corporate officers	15,874	0.05%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-

1. The effective acquisition of the shares is subject to the following performance conditions being met.

- Shares of the first tranche will not be effectively acquired unless the 2018 consolidated EBITDA has increased compared to the 2015 consolidated EBITDA by between +25% and +45%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the second tranche will not be effectively acquired unless the 2018 net consolidated income per share has increased compared to the 2015 net consolidated income per share by between +15% and +30%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the third tranche will not be effectively acquired unless the Albioma share price, net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 outperforms the CAC Small Net Return (CACSN) index over the same period by between +0% and +5%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.

2. Shares that have been effectively acquired are not subject to any lock-in commitment.

3. The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

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6.4. Share subscription or purchase option plans and bonus performance share plans

“2017 photovoltaic plants” plan

	As % of capital as at 31/12/2018	
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	17/01/2017	
Total number of initial beneficiaries	25	
Date of effective acquisition of the performance shares ¹	17/01/2018	
End date of the lock-in period for performance shares ²	17/01/2019	
Total number of performance shares allotted	3,000	0.01%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2018	2,640	0.01%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2018	360	0.00%
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2018	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-

1. Effective acquisition of the shares was subject to the condition that the availability of the Group's photovoltaic installations, which are located in two separate geographic areas (the Indian Ocean and the French West Indies with French Guiana), reached 98.6% at the end of the 2017 financial year; when one of the geographic areas reached or exceeded its performance target, this triggered the effective acquisition of all the performance shares allotted to those employees assigned to that geographic area only. These performance targets had been reached in both geographic areas by 31 December 2017, and the effective acquisition of the corresponding 2,640 performance shares still available took place on 17 January 2018, given that the corresponding employees were still employed at that date.

2. One year after the date on which the shares are effectively acquired.

“2017 thermal plants” plan

	As % of capital as at 31/12/2018	
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	17/01/2017	
Total number of initial beneficiaries	242	
Date of effective acquisition of the performance shares ¹	17/01/2018	
End date of the lock-in period for performance shares ²	17/01/2019	
Total number of performance shares allotted	29,040	0.09%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2018³	12,120	0.04%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2018	16,920	0.05%
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2018	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-

1. Effective acquisition of the shares was subject to the condition that the availability of each of the Group's thermal installations in France reached 91.5% at the end of the 2016 financial year; when a plant reached or exceeded its performance target, this triggered the effective acquisition of all the performance shares allotted to those employees assigned to that plant only. These performance targets had been reached by the Albioma Caraïbes, Albioma Le Moule and Albioma Galion plants by 31 December 2017; the effective acquisition of the corresponding 12,120 performance shares still available took place on 17 January 2018, given that the corresponding employees were still in employment at that date.

2. One year after the date on which the shares are effectively acquired.

3. On 18 January 2018, the Chairman of the Board of Directors, acting within the scope of powers delegated to him by the Board of Directors, recorded the cancellation of the remaining allotments of bonus performance shares under the plan for the employees of the Albioma Le Gol and Albioma Bois-Rouge plants, because the performance conditions stipulated in the plan's rules had not been satisfied.

Bonus performance share plans adopted by the General Meeting of 30 May 2018

"2018" plan

		As% of capital as at 31/12/2018
Date of the General Meeting	30/05/2018	
Date of the Board of Directors' meeting	30/05/2018	
Total number of initial beneficiaries	83	
Date of effective acquisition of the performance shares ¹	30/05/2021	
End date of the lock-in period for performance shares ²	30/05/2022	
Total number of performance shares allotted³	309,600	1.00%
of which, to the top 10 employees who are not corporate officers	133,100	0.43%
of which, to corporate officers	30,620	0.10%
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	30,620	0.10%
Number of performance shares effectively acquired as at 31/12/2018	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2018	13,500	0.04%
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2018	296,100	0.96%
of which, to the top 10 employees who are not corporate officers	133,100	0.43%
of which, to corporate officers	30,620	0.10%
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	30,620	0.10%

1. The effective acquisition of the shares is subject to the following performance conditions being met.

- Shares of the first tranche will not be effectively acquired unless the 2020 consolidated EBITDA has increased compared to the 2017 consolidated EBITDA by between +30% and +50%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
 - Shares of the second tranche will not be effectively acquired unless the 2020 net consolidated income per share has increased compared to the 2017 net consolidated income per share by between +35% and +57%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
 - Shares of the third tranche will not be effectively acquired unless the Albioma share price, net dividends reinvested (based on the average share price over 120 days) between 1 January 2018 and 31 December 2020 outperforms the CAC Small Net Return (CACSN) index over the same period by between +0% and +5%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
 - Shares of the fourth tranche will not be effectively acquired unless the proportion of total power output corresponding to renewable energies between 2017 and 2020 has increased by between +17% and +35%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
2. Shares that have been effectively acquired are subject to a one-year lock-in commitment, the corporate officers being subject to the additional obligation that they retain in their own name 25% of the shares effectively acquired until they stand down from office.
3. The allotments are divided up into four tranches, and each tranche covers 25% of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

“2019” plan

		As% of capital as at the filing date of the Registration Document
Date of the General Meeting	30/05/2018	
Date of the Board of Directors' meeting	07/03/2019	
Total number of initial beneficiaries	96	
Date of effective acquisition of the performance shares ¹	07/03/2022	
End date of the lock-in period for performance shares ²	07/03/2023	
Total number of performance shares allotted³	305,420	0.99%
of which, to the top 10 employees who are not corporate officers	131,980	0.43%
of which, to corporate officers	30,620	0.10%
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	30,620	0.10%
Number of performance shares effectively acquired as at the filing date of the Registration Document	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at the filing date of the Registration Document	-	-
of which, to the top 10 employees who are not corporate officers	-	-
of which, to corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at the filing date of the Registration Document	305,420	0.99%
of which, to the top 10 employees who are not corporate officers	131,980	0.43%
of which, to corporate officers	30,620	0.10%
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	30,620	0.10%

1. The effective acquisition of the shares is subject to the following performance conditions being met.

- Shares of the first tranche will not be effectively acquired unless the 2021 consolidated EBITDA has increased compared to the 2018 consolidated EBITDA by between +23% and +38%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the second tranche will not be effectively acquired unless the 2021 net consolidated income per share has increased compared to the 2018 net consolidated income per share by between +15% and +35%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the third tranche will not be effectively acquired unless the Albioma share price, net dividends reinvested (based on the average share price over 120 days) between 1 January 2019 and 31 December 2021 outperforms the CAC Small Net Return (CACSN) index over the same period by between +0% and +5%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the fourth tranche will not be effectively acquired unless the proportion of total power output corresponding to renewable energies between 2018 and 2021 has increased by between +29% and +48%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.

2. Shares that have been effectively acquired are subject to a one-year lock-in commitment, the corporate officers being subject to the additional obligation that they retain in their own name 25% of the shares effectively acquired until they stand down from office.

3. The allotments are divided up into four tranches, and each tranche covers 25% of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

6 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

6.4. Share subscription or purchase option plans and bonus performance share plans

6.4.3.2. Bonus performance shares awarded during the 2018 financial year to the ten employees, not corporate officers, with the highest number of shares

The total number of performance shares allotted during the 2018 financial year to the ten employees who are not corporate officers and who received the highest number of shares, was 133,100, all allotted under the “2018” plan adopted by the General Meeting of 30 May 2018.

6.4.3.3. Performance shares effectively acquired

Bonus performance share plans adopted by the General Meeting of 24 May 2016

“2016 managers and administrative staff” plan

As at 31 December 2018, the performance conditions relating to the growth in consolidated EBITDA and to the growth in net consolidated income per share were respectively partially (up to 53% of the maximum target) and fully (up to 182% of the maximum target) met. The performance condition relating to the outperformance of Albioma share price, net dividends reinvested, compared to the CAC Small Net Return (CACSN) index, was under analysis, noting that no share will be definitely acquired before 24 May 2019, depending on the effective performance achieved under this latter performance condition and on the satisfaction of the presence condition stipulated in the plan’s rules.

“2016 Brazil” plan

As at 31 December 2018, the performance conditions relating to the growth in consolidated EBITDA and to the growth in net consolidated income per share were respectively partially (up to 53% of the maximum target) and fully (up to 182% of the maximum target) met. The performance condition relating to the outperformance of Albioma share price, net dividends reinvested, compared to the CAC Small Net Return (CACSN) index, was under analysis, noting that no share will be definitely acquired before 24 May 2019, depending on the effective performance achieved under this latter performance condition and on the satisfaction of the presence condition stipulated in the plan’s rules.

“2017 photovoltaic plants” plan

2,640 performance shares were effectively acquired on 17 January 2018, as the performance conditions stipulated in the plan’s rules had been satisfied and the employees were still in employment on that date.

“2017 thermal plants” plan

12,120 performance shares were effectively acquired on 17 January 2018, as the performance conditions stipulated in the plan’s rules had been satisfied by the Albioma Le Moule, Albioma Caraïbes and Albioma Galion plants and the employees were still in employment on that date.

On 18 January 2018, the Chairman of the Board of Directors, acting within the scope of powers delegated to him by the Board of Directors, recorded the cancellation of the remaining allotments of bonus performance shares under the plan for the employees of the Albioma Le Gol and Albioma Bois-Rouge plants, because the performance conditions stipulated in the plan’s rules had not been satisfied.

Bonus performance share plans adopted by the General Meeting of 30 May 2018

“2018” plan

As at 31 December 2018, none of the performance conditions triggering the definitive acquisition of the shares allotted under the “2018” plan were met.

6.5. Factors likely to have an impact in the event of a public offering

The following information is provided pursuant to Article L. 225-100-3 of the French Commercial Code.

6.5.1. THE COMPANY'S CAPITAL STRUCTURE

The Company ceased to be controlled on 19 June 2015. This situation had not changed as at 31 December 2018 nor as at the filing date of this Registration Document. This means that the structure of the Company's capital is no longer likely to have an impact in the event of a public offering.

The structure of the Company's capital is described in section 6.3.1 on page 268 of this Registration Document. Information about control of the Company is provided in section 6.3.2.1 on page 268 *et seq.* of this Registration Document.

6.5.2. RESTRICTIONS IMPOSED BY THE ARTICLES OF ASSOCIATION ON THE EXERCISE OF VOTING RIGHTS AND SHARE TRANSFERS, CONTRACTUAL CLAUSES NOTIFIED TO THE COMPANY PURSUANT TO ARTICLE L. 233-11 OF THE FRENCH COMMERCIAL CODE

6.5.2.1. Restrictions imposed by the Articles of Association on the exercise of voting rights and share transfers

Shares that have been effectively acquired under the bonus performance share plan adopted by the General Meeting of 14 March 2012 are subject to a two-year lock-in commitment commencing on the date on which they are effectively acquired and the executive corporate officers are subject to an additional obligation requiring them to retain 25% of the effectively acquired shares as registered shares until they stand down from office. As at 31 December 2018, only 21,667 shares, representing 0.07% of the capital, that are subject to the additional lock-in commitment applying to executive corporate officers, are still locked in.

Shares effectively acquired under the "2016 photovoltaic plants", "2016 thermal plants", "2017 photovoltaic plants" and "2017 thermal plants" bonus performance share plans, adopted by the General Meeting of 24 May 2016, are subject to a one-year lock-in commitment commencing on the date on which they are effectively acquired. As at 31 December 2018, only 14,760 shares, representing 0.05% of the capital, were subject to the one-year lock-in commitment stipulated in the "2017 photovoltaic plants" and "2017 thermal plants" plans. This lock-in commitment ended on 17 January 2019.

6.5.2.2. Contractual clauses of which the Company has been notified pursuant to Article L. 233-11 of the French Commercial Code

None.

6.5.3. DIRECT OR INDIRECT PARTICIPATING INTERESTS IN THE COMPANY'S CAPITAL OF WHICH THE COMPANY IS AWARE PURSUANT TO ARTICLES L. 233-7 AND L. 233-12 OF THE FRENCH COMMERCIAL CODE

The direct and indirect participating interests in the Company's capital of which the Company has been notified in application of Article L. 233-7 of the French Commercial Code are described in section 6.3.2.2 on page 269 *et seq.* of this Registration Document.

No direct or indirect participating interests have been notified to the Company in application of Article L. 233-12 of the French Commercial Code (see explanations given in section 6.3.6.1 on page 271 of this Registration Document).

6.5.4. HOLDERS OF SECURITIES GRANTING SPECIAL RIGHTS OF CONTROL

None.

6.5.5. CONTROL MECHANISMS PROVIDED FOR IN ANY EMPLOYEE SHAREHOLDING PLAN IF THE EMPLOYEES DO NOT EXERCISE CONTROLLING RIGHTS

None (see additional information in section 1.9.2.1 on page 52 of this Registration Document).

6.5.6. AGREEMENTS BETWEEN SHAREHOLDERS, OF WHICH THE COMPANY IS AWARE, THAT MAY RESTRICT SHARE TRANSFERS OR THE EXERCISE OF VOTING RIGHTS.

None (see additional information in section 6.3.5 on page 270 *et seq.* of this Registration Document).

6 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

6.5. Factors likely to have an impact in the event of a public offering

6.5.7. RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION

The rules governing the appointment and replacement of the members of the Board of Directors and the amendment of the Company's Memorandum and Articles of Association are set forth in the applicable legal and regulatory provisions and in the Memorandum and Articles of Association (whose key provisions, including those applicable to the appointment and replacement of the members of the Board of Directors and the amendment of the Company's Memorandum and Articles of Association, appear in full in section 6.1.2 on page 254 *et seq.* of this Registration Document) and the Board's Internal Regulations (reproduced in full in section 2.3.3.3 on page 108 *et seq.* of this Registration Document).

6.5.8. POWERS OF THE BOARD OF DIRECTORS, IN PARTICULAR TO ISSUE AND BUY BACK SHARES

The powers of the Board of Directors are set forth in the applicable legal and regulatory provisions and in the Memorandum and Articles of Association (whose key provisions, including those applicable to the powers of the Board of Directors, appear in full in section 6.1.2 on page 254 *et seq.* of this Registration Document) and the Board's Internal Regulations (reproduced in full in section 2.3.3.3 on page 108 *et seq.* of this Registration Document).

The powers of the Board of Directors are also described in section 2.3.3.1 on page 94 *et seq.* of this Registration Document.

The powers granted to the Board of Directors to increase or reduce the capital and to trade in the Company's shares as part of share buyback programmes are described in section 6.2.2.2 on page 263 *et seq.* of this Registration Document.

6.5.9. AGREEMENTS ENTERED INTO BY THE COMPANY THAT WOULD BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF THE COMPANY

The following agreements contain clauses allowing the Company's contracting partner to terminate the agreement in the event of a change of control of the Company, subject to certain conditions.

The "Euro PP" type bond issue totalling €80 million, to be redeemed in December 2020, which was placed privately by the Company during the 2014 financial year, contains provisions relating to a change of control of the Company. In particular, under these provisions, bond holders may require the early repayment of their bonds. The prospectus for this issue, approved by the Financial Markets Authority on 3 June 2014 under number 14-267, is available in English

on Albioma's website (www.albioma.com) and the Financial Markets Authority's website (www.amf-france.org). Moreover, in the event of a change of control of the Company, the €40 million renewable credit facility repayable in 2019, taken out by the Company during the 2014 financial year, could be terminated (for the unused part) and the Company could be required to repay it early (for the sums used).

As regards the commitments entered into by the Group's subsidiaries, only the following would be affected by a change of control of the Company:

- the loan agreements entered into (or transferred) locally for the acquisition of Rio Pardo Termoeletrica (now Albioma Rio Pardo Termoeletrica) in Brazil;
- a lease agreement for land used by one of the Company's subsidiaries to run photovoltaic facilities on Reunion Island.

6.5.10. AGREEMENTS PROVIDING FOR SEVERANCE PAYMENTS TO BE MADE TO THE MEMBERS OF THE BOARD OF DIRECTORS OR TO EMPLOYEES IF THEY RESIGN OR ARE DISMISSED WITHOUT JUST CAUSE OR IF THEIR JOBS ARE ELIMINATED AS A RESULT OF A PUBLIC OFFERING

As at the filing date of this Registration Document, there is no agreement in place that provides for severance payments to be made to the members of the Board of Directors or to employees if they resign or are dismissed without just and serious cause or if their jobs are eliminated as a result of a public offering, with the exception of the severance pay and the covenant not to compete applying to the Chief Executive Officer, pursuant to a decision of the Board of Directors at its meeting of 1 March 2016, at which it decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016. These commitments, the key provisions of which are set out in section 2.4.2.8 on page 130 *et seq.* of this Registration Document, were approved by the shareholders at the General Meeting of 24 May 2016.

6.6. Albioma shares

6.6.1. DATASHEET

ISIN code	FR0000060402
Loyalty bonus code ¹	FR0012332864
2020 loyalty bonus code ²	FR0013295300
2021 loyalty bonus code ³	FR0013374501
Ticker	ABIO
Par value	€0.0385
Market of listing	Euronext Paris, Compartment B
Deferred settlement service	Eligible
French Equity Savings Plan (PEA)	Eligible
French Equity Savings Plan-SME (PEA-PME)	Eligible

1. Shares eligible for the increased dividend. See additional information in section 6.6.3.3 on page 287 of this Registration Document.

2. Shares eligible for the increased dividend payable in 2020 for the 2019 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2020 onwards: FR0012332864.

3. Shares eligible for the increased dividend payable in 2021 for the 2020 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2021 onwards: FR0012332864.

6.6.2. STOCK MARKET PRICE

6.6.2.1. Market overview of Albioma stock

2017	Share price (in euros)			Average daily trading (in number of shares)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	16.38	15.38	15.89	25,608	408,468
February	16.51	15.93	16.34	27,766	454,176
March	17.00	16.44	16.63	35,830	594,713
April	17.75	16.57	16.95	32,713	556,411
May	19.11	17.70	18.41	54,108	991,585
June	20.25	18.70	19.45	54,114	1,045,892
July	20.62	19.85	20.30	38,383	779,059
August	19.92	18.91	19.47	19,247	375,787
Sptember	19.23	18.45	18.90	26,827	507,420
October	20.46	19.20	19.77	32,414	640,912
November	20.66	19.60	20.22	42,541	851,526
December	21.40	19.39	20.00	36,202	727,187

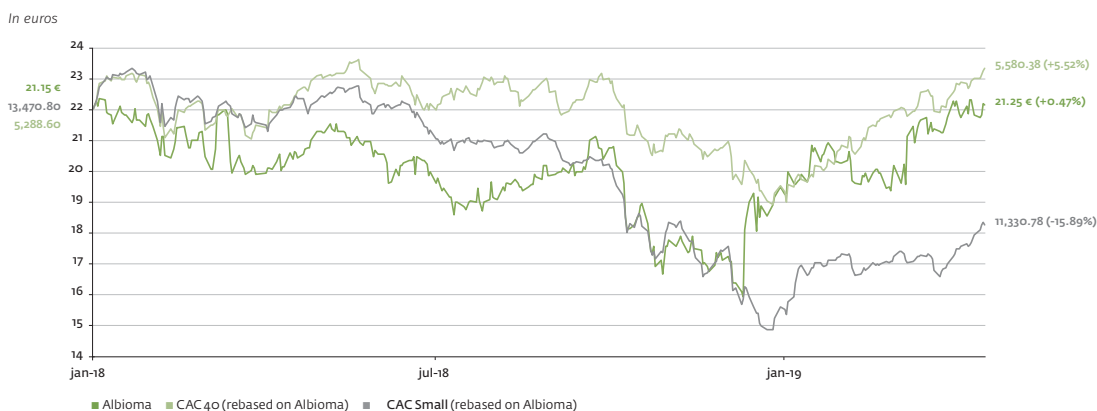
2018	Share price (in euros)			Average daily trading (in number of shares)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	21.45	20.65	21.02	32,099	674,931
February	20.85	19.72	20.28	35,511	718,975
March	21.10	19.24	19.91	158,758	3,043,946
April	20.50	19.28	19.74	49,704	977,757
May	20.70	19.76	20.32	23,496	476,213
June	19.84	18.98	19.51	24,778	482,962
July	19.14	18.08	18.57	15,853	295,746
August	19.52	18.52	18.99	14,216	270,740
Sptember	20.35	19.22	19.60	22,173	438,748
October	20.05	16.36	18.17	34,353	627,886
November	17.48	16.46	17.02	26,900	458,876
December	18.90	15.70	17.55	33,842	597,198

6 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

6.6. Albioma shares

Figures as at 18 April 2019	Share price (in euros)			Average daily trading (in number of shares)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	20.15	18.66	19.48	25,179	490,199
February	19.90	18.78	19.24	14,715	282,807
March	20.90	18.94	20.26	35,620	719,147
Avril	21.40	20.90	21.15	33,463	709,875

6.6.2.2. Change in the Albioma share price between 1 January 2018 and 18 April 2019 and change in comparison to the CAC 40 and CAC Small indices



6.6.3. DIVIDEND

6.6.3.1. Dividend policy

The Group pursues a policy of dividend growth, with an objective of distributing the equivalent of around 50% of its net income, Group share, excluding non-recurring items. Under this policy, Albioma also offers its shareholders the possibility of receiving payment of 50% of the dividend in new shares.

The proposal made to the General Meeting of 27 May 2019 for a dividend of €0.65 per share, i.e., 8% more than the previous year, with an option for payment of the dividend in new shares, is consistent with this dividend policy, with a corresponding payout rate of 44% of the net income, Group share, excluding non-recurring items.

Moreover, Article 45 of the Memorandum and Articles of Association guarantees the shareholders a minimum dividend, known as the initial dividend, as soon as the profit made in a given financial year and the Company's balance sheet structure allow it, pursuant to the applicable provisions of the law, the regulations and the Memorandum and

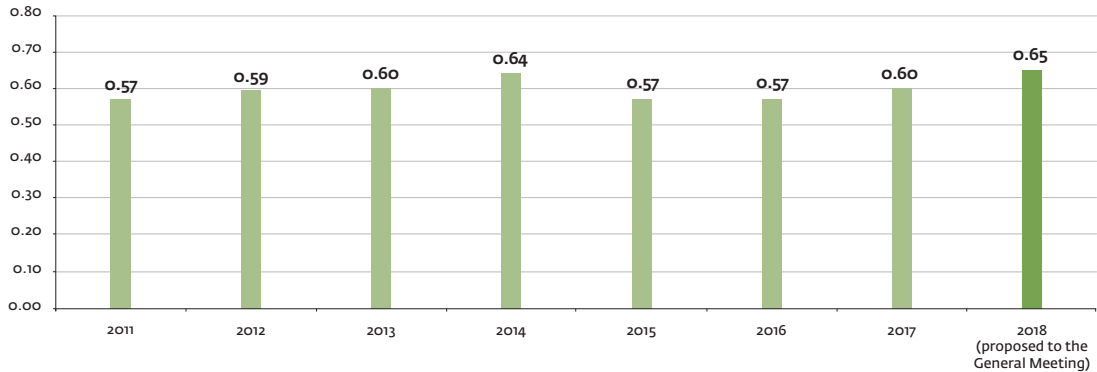
Articles of Association (the full text of this article appears in section 6.1.2.3 on page 259 of this Registration Document). This dividend is calculated as follows:

- deduction from the distributable profit (net profit for the year, less losses carried forward, and sums to be transferred to reserves in application of the law, plus retained earnings) of an amount equal to 6% of the sums whose shares are paid up and not redeemed;
- deduction from the distributable profit of an amount equal to 6% of any sums deriving from premiums for shares issued in cash and held on an additional paid-in capital account.

If the profit for one financial year is not sufficient to pay this initial dividend, the shareholders shall not be able to claim it from the profit in subsequent years.

6.6.3.2. Change in the dividend (2011 to 2018 financial years)

In euros



6.6.3.3. Development of shareholder loyalty: increased dividend

Albioma sets great store by fostering the loyalty of its shareholders, whom it wished to involve in long-term value creation.

The General Meeting of 30 May 2013 thus approved the shareholder loyalty programme proposed to it by the Board of Directors and, as a result, amended Article 45 of the Memorandum and Articles of Association (the full text of this article appears in section 6.1.2.3 on page 259 of this Registration Document).

The loyalty bonus is granted to shareholders who have held registered shares for a continuous period of at least two years, meaning two calendar years. The loyalty bonus is granted in the form of a 10% increase in the dividend paid, rounded down to the nearest euro cent. This bonus shall also apply if a dividend is paid in shares: in such cases, shareholders that registered within the prescribed time shall receive a larger dividend, which they may choose to reinvest in shares under the option of receiving 50% of their dividend in shares.

The loyalty bonus is available both to holders of “direct” and “administered” registered shares. However, shareholders who decide to retain bearer shares shall not be eligible for this bonus. To qualify for a given calendar year, shareholders must apply to be registered as direct registered or administered registered shareholders by 15 December of the previous year. Shareholders who are able to demonstrate uninterrupted direct or administered registration between 1 January 2017 and 31 December 2018 will therefore be eligible for an increased dividend for the 2018 financial year, provided that they are still registered as shareholders on the date the positions are calculated (also known as the record date; this date is usually one or two days after the date of the General Meeting that approved the dividend). Based on the proposed appropriation of net income submitted to the General Meeting of 27 May 2019 for approval, the increased dividend will stand at €0.71 per share.

The number of each shareholder’s shares that are eligible for the loyalty bonus may not exceed 0.5% of the capital.

Since the beginning of 2014, specific ISIN codes have been used to identify shares eligible for the increased dividend, for each financial year. These special identification codes do not affect the ISIN code for the Albioma share (FR0000060402), which is the only identification code visible on Euronext Paris that can be used when trading on this market (see the details provided in section 6.6.1 on page 285 of this Registration Document).

6 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

6.7. Financial communication, shareholder and investor relations

6.7. Financial communication, shareholder and investor relations

Albioma strives to constantly improve the quality of its financial communication and to encourage dialogue with its shareholders and with French and foreign investors. At the end of 2017, the quality of the Group's investor relations was recognised at the tenth Investor Relations Awards organised by IRCliff (French association of financial communication professionals). Albioma took third place in the "Best investor relations – mid caps" category.

6.7.1. NUMEROUS MEETINGS WITH FINANCE INDUSTRY PLAYERS

The website www.albioma.com should be the first port of call for information and to find out more about the Group and its news. As required by the applicable legislative and regulatory provisions, all regulated information disclosed by Albioma will be posted on this website.

At these meetings the Company sets out its results as well as its medium-term strategy for the benefit of French and foreign analysts and investors. Half-yearly results are usually presented in the form of a conference call, a recording of which is posted on the Company's website. All the documents presented on these occasions are posted online the very same day on the Company's website.

Other events, in person or by telephone, may be organised depending on the Group's news. In such cases Albioma always strives to ensure equal treatment of shareholders by posting the relevant documents online immediately.

Moreover, Albioma meets regularly with players in the finance industry and frequently meets French and foreign institutional investors at road shows or individual meetings held in France or abroad.

For the specific purpose of preparing General Meetings, a series of discussions are held with French and foreign providers of voting recommendation services and our main shareholders, to ensure that the proposed resolutions meet the strictest industry requirements in terms of governance and respect of all shareholders' rights.

6.7.2. SALON ACTIONARIA TRADE FAIR: ALBIOMA MEETS ITS INDIVIDUAL SHAREHOLDERS

On 22 and 23 November 2018, Albioma was present for the seventh time at the Salon Actionaria trade fair, at the Palais des Congrès in Paris. Once again, this two-day event was a great occasion for the Company to meet with several hundred of its shareholders and other persons interested in the Company, who were able to chat with the Group's teams, to discover or gain a better understanding of the Group's lines of business and ambitions.

6.7.3. 2019 FINANCIAL CALENDAR

08/03/2019 (pre-trading)	Annual results for 2018
24/04/2019 (pre-trading)	First quarter 2019 revenue
27/05/2019	Annual General Meeting of shareholders (auditorium of the Capital 8 conference centre, 32 Rue de Monceau, 75008 Paris, France, at 3 p.m. CET)
25/07/2019 (after trading)	First half 2019 results
24/10/2019 (pre-trading)	Third quarter 2019 revenue

6.7.4. ALBIOMA CONTACTS

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ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 27 MAY 2019

7.1. Agenda

- 7.1.1. Ordinary meeting
- 7.1.2. Extraordinary meeting

7.2. Draft resolutions and report of the Board of Directors for the General Meeting

- 7.2.1. Resolutions put to the
Ordinary General Meeting
- 7.2.2. Resolutions put to the
Extraordinary General Meeting

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7.3. Reports by the Statutory Auditors on the resolutions

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7.3.1. Report by the Statutory Auditors
on the capital reduction (fourteenth resolution) 314

7.3.2. Report by the Statutory Auditors on the issue
of shares and securities giving access to capital,
with the maintenance of preferential subscription
rights (fifteenth and sixteenth resolutions) 314

7.3.3. 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 saving plan
(seventeenth resolution) 316

The General Meeting will be held on 27 May 2019 at 3 p.m. (CET), in the auditorium of the Capital 8 Conference Centre, 32 Rue de Monceau, 75008 Paris, France.

7.1. Agenda

7.1.1. ORDINARY MEETING

- Approval of the Company financial statements for the financial year ended 31 December 2018
- Approval of the consolidated financial statements for the financial year ended 31 December 2018
- Appropriation of income and setting of the dividend for the financial year ended 31 December 2018
- Option for payment of the dividend for the financial year ended 31 December 2018 in new shares
- Approval of the remuneration due or awarded to Jacques Pétry, Chairman of the Board of Directors, for the financial year ended 31 December 2018.
- Approval of the remuneration due or awarded to Frédéric Moynes, Chief Executive Officer, for the financial year ended 31 December 2018
- Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the non-executive corporate officers from 1 January 2019
- Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive corporate officers from 1 January 2019
- Setting the maximum total amount to be allocated to the Directors as directors' fees
- Approval of the agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code
- Renewal of Marie-Claire Daveu's appointment as a Director
- Record of the expiry of the term of office as a Director of Valérie Landon, who does not wish to stand for office again, and appointment of Florence Lambert as a Director
- Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

7.1.2. EXTRAORDINARY MEETING

- Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased within the framework of a share buyback programme
- Delegation of authority to the Board of Directors to decide to issue, with maintenance of preferential subscription rights, ordinary shares and/or securities giving 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 of preferential subscription rights, in the case of surplus demand, pursuant to the fifteenth 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
- 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 of Articles 22 and 34 of the Memorandum and Articles of Association concerning the convening and organisation of meetings and the chairing of General Meetings of shareholders
- Powers to carry out formalities

7.2. Draft resolutions and report of the Board of Directors for the General Meeting

7.2.1. RESOLUTIONS PUT TO THE ORDINARY GENERAL MEETING

7.2.1.1. Resolutions 1, 2 and 3: approval of annual and consolidated financial statements, appropriation of income and setting of the dividend for the financial year ended 31 December 2018

Explanation

The purpose of the first and second resolutions is the approval of the annual and consolidated financial statements for the 2018 financial year. The Company's Statutory Auditors have produced the reports set out in section 5.4 on page 248 *et seq.* and section 4.7 on page 214 *et seq.* of the 2018 Registration Document in relation to these financial statements.

The annual financial statements for the 2018 financial year record a net profit of €27.9 million, which represents a 10% decrease compared with the 2017 financial year €31.0 million. They are set out in full in chapter 5 on page 220 *et seq.* of the 2018 Registration Document.

The consolidated financial statements for the 2018 financial year record a net income, Group share, of €44.2 million, which represents a 18% rise compared with the 2017 financial year €37.4 million. They are set out in full in chapter 4 on page 158 *et seq.* of the 2018 Registration Document.

The third resolution relates to the appropriation of income for the 2018 financial year and the setting of the dividend. The Board of Directors proposes a dividend of €0.65 per share to the General Meeting, which is 8 % more than the dividend paid for 2017 and represents a distribution rate of 44% of net income, Group share, for the 2018 financial year (excluding non-recurring items), which is consistent with the Group's distribution policy of dividend growth, with an objective of distributing the equivalent of around 50% of its net income, Group share, excluding non-recurring items. Shares eligible for the 10% increase of the 2018 dividend will receive a dividend of €0.71 per share, within the limit of 0.5% of the capital per shareholder.

If the General Meeting approves the proposed amount, the shares will go ex-dividend on 11 June 2019 and the dividend will be paid on 10 July 2019.

The General Meeting is also asked, in the form of the fourth resolution, to grant shareholders an option to receive payment of 50% of the dividend in the form of new shares.

The dividend is eligible for the 40% tax allowance pursuant to Article 158 (3)(2) of the Tax Code, when opted for and in accordance with the terms, conditions and limits laid down by applicable laws and regulations.

The Board of Directors invites shareholders to approve these resolutions.

First resolution – Approval of the annual financial statements for the financial year ended 31 December 2018

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 2018 (included in the Registration Document for the financial year ended 31 December 2018) and the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the annual financial statements for the financial year ended 31 December 2018,

approves the annual financial statements for the financial year ended 31 December 2018 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 €27,872 thousands,

and, pursuant to Article 223 *quater* of the French Tax Code, notes the absence of any of the expenses and charges referred to in Article 39(4) of the French Tax Code, which are non-deductible from taxable income for the financial year ended 31 December 2018.

Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2018

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 2018 (included in the Registration Document for the financial year ended 31 December 2018) 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 2018,

approves the consolidated financial statements for the financial year ended 31 December 2018 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 €44,151 thousands.

Third resolution – Appropriation of income and setting of the dividend for the financial year ended 31 December 2018

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 2018 (included in the Registration Document for the financial year ended 31 December 2018) 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 2018, amounting to €27,872,189.68 as set out below:

<i>In euros</i>	
SOURCE OF AMOUNTS TO BE APPROPRIATED	
Net income of the year	27,872,189.68
Retained earnings brought forward	90,898,786.66
Total	118,770,976.34
APPROPRIATION	
To the legal reserve	1,192.48
To payment of a dividend of €0.65 per share	20,023,767.06
To retained earnings	98,746,016.80
Total	118,770,976.34

notes that:

- these amounts are calculated on the basis of the number of shares comprising the capital and the number of treasury shares held as at 31 December 2018, and may be adjusted to take into account the number of shares comprising the capital and the number of treasury shares held on the ex-dividend date,
- the distributable profit corresponding to the dividend not paid on treasury shares will be reposted as retained earnings,
- these amounts are calculated without the extra 10% dividend payable on eligible shares for the financial year ended 31 December 2018, and may be adjusted to take into account the actual number of shares eligible for this extra dividend on the ex-dividend date,

sets, accordingly, the dividend payable on each share with dividend rights at €0.65,

sets the ex-dividend date at 11 June 2019 and resolves that the dividend will be paid on 10 July 2019,

notes that this dividend is eligible for the 40% tax allowance pursuant to Article 158 (3) (2°) of the French Tax Code, when opted for and in accordance with the terms and conditions laid down by applicable laws and regulations,

and notes that the following dividends have been distributed in the last three financial years:

Financial year	Dividend per share (in euros)	Total dividend (in euros)	Reduction pursuant to Article 158 (3) (2°) of the French Tax Code
2015	0.57	16,865,426	40%
2016	0.57	17,152,074	40%
2017	0.60	18,325,973	40%

7.2.1.2. Resolution 4: option for payment of the dividend for the financial year ended 31 December 2018 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 2018 financial year, in new shares.

If the General Meeting approves this proposal, shareholders may opt for payment of 50% of the €0.65 dividend distributed pursuant to the third resolution, i.e. €0.325 per share, in cash or new shares.

Shares eligible for the extra 10% dividend for the 2018 financial year will receive a dividend of 0.5% per share, within the limit of €0.71 of the capital per shareholder, and the eligible shareholders may opt to receive payment of 50% of the increased dividend to be distributed pursuant to the third resolution, i.e. €0.355 per share, in cash or in new shares.

The option may only be exercised for the entire fraction of the dividend to which the option refers, i.e. 50% of the dividend. It must be exercised between 13 June 2019 and 4 July 2019 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. €0.65 per share (or, for shares eligible for the extra 10% dividend for the 2018 financial year, €0.71 per share).

This option allows shareholders who so wish to reinvest one half of their dividend in new shares, at a pre-determined price. The issue price of the new shares that will be issued in payment of the dividend will correspond to 90% of the average opening price quoted on Euronext Paris in the 20 trading days prior to the distribution decision date, less the net dividend amount, and the amount resulting from this formula will be rounded up to the next cent. This price will be set by the Board of Directors, prior to the General Meeting. If, on the basis of this price, the dividend to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder may obtain the lower number of shares plus a cash balance.

Shares issued in payment of the dividend will be delivered on 10 July 2019, at the same time as payment of the part of the share dividend payable in cash. Dividend and other rights will accrue from 1 January 2019.

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 2018 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 €0.65 per share, i.e. €0.325 per share (or, for shares eligible for the 10% dividend increase for the financial year ended on 31 December 2018 in accordance with Article 45 (2) of the Company's Memorandum and Articles of Association, 50% of the distributable dividend of €0.71 per share, i.e., €0.355 per share), in cash or in new shares, with the remaining 50% payable in cash,

resolves that:

- the option may only be exercised for the entire fraction of the dividend, i.e. 50%, to which it refers,
- this option must be exercised by the shareholder between 13 June 2019 and 4 July 2019 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 opening price quoted on the Euronext Paris market in the 20 trading days prior to the distribution decision date, less the net dividend amount, and the amount resulting from this formula will be rounded up to the next cent,
- the settlement-delivery of the shares to be issued in payment of the dividend will take place on the same day as payment of the part of the share dividend payable in cash, i.e. on 10 July 2019, and dividend and other rights will accrue from 1 January 2019,

- if the dividend to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder may obtain the lower number of shares plus a cash balance paid by the Company,

and grants full powers to the Board of Directors, with the power to sub-delegate pursuant to applicable laws and regulations, to pay the dividend in shares, and in particular to carry out all formalities and file all statements, record the number of shares issued and the subsequent capital increase, request their admission for trading on the regulated Euronext Paris market, amend the Memorandum and Articles of Association accordingly, and, more generally, to do whatever is necessary and appropriate.

7.2.1.3. Resolutions 5 and 6: approval of the remuneration due or awarded to Jacques Pétry, Chairman of the Board of Directors, and Frédéric Moyne, Chief Executive Officer, for the financial year ended 31 December 2018

Explanation

The fifth and sixth resolutions are presented to the General Meeting in accordance with Article L. 225-100 of the French Commercial Code, arising from law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernised business practices, which requires companies to ask their shareholders to approve, at a General Meeting, the fixed, variable and exceptional components of the remuneration and benefits paid or awarded to the corporate officers for the previous financial year.

The shareholders' vote will be a binding vote. If the shareholders vote against the resolutions put to them at the General Meeting, the officers will nevertheless receive the fixed components of their remuneration, but will not receive the variable and exceptional components.

The resolution put to the vote relates to the remuneration due or awarded for the 2018 financial year:

- to Jacques Pétry as Chairman of the Board of Directors;
- to Frédéric Moyne as Chief Executive Officer.

The vote will cover the following remuneration components:

- the remuneration due for the 2018 financial year, meaning the remuneration earned that is certain, both in terms of entitlement and the amount, whether or not paid;
- the remuneration awarded for the 2018 financial year, that is, remuneration in the form of securities and/or cash, the award of which is agreed although the amount and/or the number of securities are unknown at the time of implementation or award and which, accordingly, can only be estimated, where applicable.

The remuneration due or awarded to Jacques Pétry as Chairman of the Board of Directors and to Frédéric Moyne as Chief Executive Officer for the financial year ended 31 December 2018 is described in detail in section 2.4.2 on page 121 *et seq.* of the 2018 Registration Document.

Pursuant to the Application Guide of the AFEP-MEDEF's Code of Corporate Governance for Listed Corporations published by the High Corporate Governance Committee (Haut Comité de Gouvernement d'Entreprise), the remuneration on which shareholders must vote is summarised below for each of the corporate officers.

Remuneration due or awarded to Jacques Pétry, Chairman of the Board of Directors, for the 2018 financial year

Remuneration due or awarded for the 2018 financial year

Remuneration	Amounts or estimates put to the vote (in thousands of euros)	Explanation
Fixed remuneration	153.8	Information on the fixed component of the remuneration allotted to the Chairman of the Board of Directors for the 2018 financial year and changes in this remuneration can be found in section 2.4.2.3 on page 123 <i>et seq.</i> of the 2018 Registration Document.
Variable annual remuneration	n/a	No variable multi-year remuneration
Variable deferred remuneration	n/a	No variable deferred remuneration
Variable multi-year remuneration	n/a	No variable multi-year remuneration
Exceptional remuneration	n/a	No exceptional remuneration
Options to subscribe or purchase shares, performance-related shares or any other long-term remuneration	n/a	No bonus performance shares, stock options or any other form of long-term remuneration were awarded during the period in question.
Directors' fees	n/a	No directors' fees are paid
Value of benefits in kind	4.6	Information on the benefits in kind granted to the Chairman of the Board of Directors for the 2018 financial year can be found in section 2.4.2.3 on page 123 <i>et seq.</i> of the 2018 Registration Document.

Remuneration due or awarded for the 2018 financial year to be voted on or already voted on by the General Meeting under the procedure for regulated agreements and commitments

Remuneration	Amounts or estimates put to the vote (in thousands of euros)	Explanation
Severance pay	n/a	No severance pay
Compensation payable under a covenant not to compete	n/a	No compensation payable under a covenant not to compete
Supplementary retirement plan	n/a	There is no supplementary pension plan with the characteristics of commitments governed by Article L. 225-42-1, paragraph 6, of the French Commercial Code.

Remuneration due or awarded to Frédéric Moyné, Chief Executive Officer, for the 2018 financial year

Remuneration due or awarded for the 2018 financial year

Remuneration	Amounts or estimates put to the vote (in thousands of euros)	Explanation
Fixed remuneration	285.0	Information on the fixed component of the Chief Executive Officer's remuneration for the 2018 financial year and changes in this remuneration can be found in section 2.4.2.4 on page 125 <i>et seq.</i> of the 2018 Registration Document.
Variable annual remuneration	217.8	Information on the variable component of the Chief Executive Officer's remuneration for the 2018 financial year, the quantitative and qualitative criteria used to fix this amount and the cap on the qualitative component, can be found in section 2.4.2.4 on page 125 <i>et seq.</i> of the 2018 Registration Document.
Variable deferred remuneration	n/a	No variable deferred remuneration
Variable multi-year remuneration	n/a	No variable multi-year remuneration
Exceptional remuneration	n/a	No exceptional remuneration
Options to subscribe or purchase shares, bonus performance shares or any other long-term remuneration	224.0	Allotment of 30,620 bonus performance shares under the "2018" bonus performance shares plan pursuant to resolutions adopted by the shareholders at the General Meeting of 30 May 2018. Information on share subscription or purchase plans and bonus performance shares plans as at the filing date of the 2018 Registration Document can be found in sections 2.4.2.7 on page 128 <i>et seq.</i> and 6.4.3.1 on page 176 <i>et seq.</i> of the 2018 Registration Document.
Directors' fees	n/a	No directors' fees are paid.
Value of benefits in kind	40.4	Information on the benefits in kind granted to the Chief Executive Officer for the 2018 financial year can be found in section 2.4.2.4 on page 125 <i>et seq.</i> of the 2018 Registration Document.

Remuneration due or awarded for the 2018 financial year to be voted on or already voted on by the General Meeting under the procedure for regulated agreements and commitments

Remuneration	Amounts or estimates put to the vote (in thousands of euros)	Explanation
Severance pay	-	Information on the severance payment potentially payable to Frédéric Moyné if he is removed from the office of Chief Executive Officer or his appointment is not renewed can be found in section 2.4.2.8 on page 130 <i>et seq.</i> of the 2018 Registration Document. At the General Meeting of 24 May 2016 the shareholders most recently approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this severance payment decided by the Board of Directors at its meeting of 1 March 2016 (6 th resolution).
Compensation payable under a covenant not to compete	-	Information on compensation under a covenant not to compete potentially payable to Frédéric Moyné if he ceases to hold office as Chief Executive Officer can be found in section 2.4.2.8 on page 130 <i>et seq.</i> of the 2018 Registration Document. At the General Meeting of 24 May 2016, the shareholders most recently approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this compensation under a covenant not to compete decided by the Board of Directors at its meeting of 1 March 2016 (7 th resolution).
Supplementary retirement plan	n/a	There is no supplementary pension plan with the characteristics of commitments governed by Article L. 225-42-1, paragraph 6, of the French Commercial Code.

The Board of Directors invites shareholders to approve these resolutions.

Fifth resolution – Approval of the remuneration due or awarded to Jacques Pétry as Chairman of the Board of Directors

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

approves the remuneration due or awarded for the financial year ended 31 December 2018 to Jacques Pétry, Chairman of the Board of Directors, as presented in section 2.4 of the Registration Document for the financial year ended 31 December 2018 and as reiterated in the report by the Board of Directors to the General Meeting set out in section 7.2 of the said Registration Document.

Sixth resolution – Approval of the remuneration due or awarded to Frédéric Moynes as Chief Executive Officer

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

approves the remuneration due or awarded for the financial year ended 31 December 2018 to Frédéric Moynes, Chief Executive Officer, as presented in section 2.4 of the Registration Document for the financial year ended 31 December 2018 and as reiterated in the report by the Board of Directors to the General Meeting set out in section 7.2 of the said Registration Document.

7.2.1.4. Resolutions 7 and 8: approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive and non-executive corporate officers from 1 January 2019

Explanation

The seventh and eighth resolutions are presented to the General Meeting in accordance with Article L. 225-37-2 of the French Commercial Code, arising from law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernised business practices, which requires companies to ask their shareholders to approve, at a General Meeting, the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive corporate officers (meaning, in a *société anonyme* with a Board of Directors, the Chief Executive Officer or the Chairman & CEO and the Deputy Chief Executive Officers or equivalent) and the non-executive corporate officers (meaning, in a *société anonyme* with a Board of Directors, the Chairman of the Board of Directors). The following information, together with the corresponding information in the 2018 Registration Document, form the report required pursuant to Article L. 225-37-2 of the French Commercial Code.

The shareholders are asked to approve the principles and criteria applying to the relevant corporate officers for the period until the General Meeting held in 2020 to vote on the financial statements for the 2019 financial year. On the date of filing of the 2018 Registration Document, they apply to:

- the Chairman of the Board of Directors, namely Jacques Pétry, as a non-executive corporate officer;
- the Chief Executive Officer, namely Frédéric Moynes, as an executive corporate officer.

These principles and criteria were determined by the Board of Directors, on the basis of recommendations by the Nomination, Remuneration and Governance Committee. A detailed presentation of these principles and criteria and their implementation in order to determine, allocate and award the components of the remuneration payable to the corporate officers for the 2018 financial year is provided in sections 2.4.3.1 on page 133 and 2.4.3.2 on page 133 *et seq.* of the 2018 Registration Document. They are summarised below.

Any changes to the remuneration components covered by the resolutions presented must be approved by the General Meeting. Moreover, if the General Meeting does not adopt the resolutions put to the vote, the principles and criteria previously approved will continue to apply. If no principles and criteria have been approved, the remuneration will be determined on the basis of the remuneration payable for the previous financial year or, if no remuneration was payable for the previous financial year, in line with the Company's usual practices.

Remuneration	Principles and criteria applied to determine, allocate and award remuneration submitted for approval	Implementation for the 2018 financial year
Fixed annual remuneration	<p>The corporate officers' annual remuneration is comprised of a fixed remuneration and, for the executive corporate officers only, a variable component based on the achievement of demanding quantitative and qualitative financial and non-financial objectives, determined at the start of the year in line with the strategy approved by the Board of Directors. Non-executive corporate officers do not receive any variable remuneration.</p> <p>The fixed remuneration payable to corporate officers and the methods used to determine the variable remuneration payable to corporate officers (in particular the financial and non-financial quantitative and qualitative objectives they will be required to achieve) are determined by the Board of Directors on the basis of recommendations by the Nomination, Remuneration and Governance Committee, developed on the basis of an analysis of a panel of comparable companies and the performance of the senior executives.</p> <p>The fixed remuneration received by corporate officers is reviewed every two or three years.</p>	<p>Chairman of the Board of Directors All-inclusive gross annual fixed remuneration of €100,000 (until the reunion of the functions of Chairman of the Board of Directors and Chief Executive Officer, planned at the end of the General Meeting of shareholders of 27 May 2019), payable in 12 instalments. See additional information in section 2.4.3.1 on page 133 of the 2018 Registration Document.</p> <p>Chief Executive Officer All-inclusive gross annual fixed remuneration of €285,000 (until the reunion of the functions of Chairman of the Board of Directors and Chief Executive Officer, planned at the end of the General Meeting of shareholders of 27 May 2019), and then of €350,000 (starting from and under the condition of the reunion of the functions of Chairman of the Board of Directors and Chief Executive Officer, planned at the end of the General Meeting of shareholders of 27 May 2019), payable in 12 instalments. See additional information in section 2.4.3.2 on page 133 et seq. of the 2018 Registration Document.</p>
Variable annual remuneration	See the additional information below.	<p>Chairman of the Board of Directors None.</p> <p>Chief Executive Officer Variable remuneration capped at 133% of the fixed remuneration, compared with 106.6% of the fixed remuneration for the 2018 financial year, the target variable remuneration remaining set at 100% of the fixed remuneration. See additional information in section 2.4.3.2 on page 133 et seq. of the 2018 Registration Document. Payment of this variable remuneration will be subject to the shareholders voting, at the General Meeting held in 2019 to vote on the financial statements for the 2018 financial year, in favour of the remuneration allocated to the Chief Executive Officer for the 2019 financial year (see additional information in section 2.4.4 on page 135 of the 2018 Registration Document).</p>
Directors' fees	Only independent Directors receive directors' fees. This means that the Chief Executive Officer and, on the date of filing of this 2018 Registration Document, the Chairman of the Board of Directors, do not receive directors' fees.	<p>Chairman of the Board of Directors None.</p> <p>Chief Executive Officer None.</p>
Exceptional remuneration	The Company's remuneration policy does not provide for the payment of exceptional remuneration to corporate officers.	<p>Chairman of the Board of Directors None.</p> <p>Chief Executive Officer None.</p>
Variable multi-year remuneration	The Company's remuneration policy does not provide for the payment of variable multi-year remuneration to corporate officers.	<p>Chairman of the Board of Directors None.</p> <p>Chief Executive Officer None.</p>
Bonus performance share plans and options to subscribe or purchase shares	<p>The Company's remuneration policy does not provide for any long-term incentive programmes of any type whatsoever for the non-executive corporate officers.</p> <p>The long-term incentive programme for executive corporate officers takes the form of the allotment of bonus performance shares or options to subscribe or purchase shares, depending inter alia on the tax and employment rules that apply at the time they are allotted. The aim of this long-term incentive programme is to ensure that the interests of the executive corporate officers remain in line with those of the shareholders. Effective acquisition of the performance shares allotted, or exercise of options to subscribe or purchase shares, as the case may be, is subject to exacting performance conditions, combining internal criteria and external criteria which, as far as is possible, are measured while taking into consideration the performance of the Company and its Group compared to its market environment. The existing plans cover performance over at least three years.</p> <p>Based on the recommendations of the Nomination, Remuneration and Governance Committee, the Board of Directors determines the bonus performance shares and options to subscribe or purchase shares to be allotted to the executive corporate officers, ensuring, in particular, that these allotments, valued in accordance with IFRS 2 standards, do not represent a disproportionate portion of the officers' total remuneration and that the portion of the allotments reserved for executive corporate officers within a plan is in accordance with market practices.</p> <p>If a corporate officer stands down or is removed from office before the end of the vesting period for the performance shares or the options, the allotment will be cancelled, other than in those cases when the special rules relating to death or disability apply.</p>	<p>Chairman of the Board of Directors None.</p> <p>Chief Executive Officer Allotment of 30,620 rights under the "2019" bonus performance share plan implemented by the Board of Directors under the resolutions adopted by the General Meeting of 30 May 2018, identical to the allotment decided in 2018 based on the same authorisation, noting that the award to the Chief Executive Officer is capped at 10% of the said authorisation for the 3-year period covered by it. See additional information in section 2.4.3.2 on page 133 et seq. of the 2018 Registration Document.</p>

7 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 27 MAY 2019

7.2. Draft resolutions and report of the Board of Directors for the General Meeting

Remuneration	Principles and criteria applied to determine, allocate and award remuneration submitted for approval	Implementation for the 2018 financial year
Welcome packages	The Company's remuneration policy does not provide for the payment of a welcome package to corporate officers.	Chairman of the Board of Directors Not applicable. Chief Executive Officer Not applicable.
Remuneration and commitments on departure	Executive corporate officers may benefit from certain commitments when they cease to hold office, such as severance pay and/or compensation paid under a covenant not to compete. The terms, conditions and amounts comply with the recommendations set out in the AFEP-MEDEF Corporate Governance Code.	Chairman of the Board of Directors None. Chief Executive Officer Severance pay in the event of removal from office or non-renewal of his appointment approved at the General Meeting of 24 May 2016 on the basis of the special report by the Statutory Auditors (see additional information in section 2.4.3.2 on page 133 <i>et seq.</i> of the 2018 Registration Document). Compensation under a covenant not to compete in the event he ceases to hold office approved at the General Meeting of 24 May 2016 on the basis of the special report by the Statutory Auditors (see additional information in section 2.4.3.2 on page 133 <i>et seq.</i> of the 2018 Registration Document).
Remuneration under agreements concluded with the Company or its Group	The Company's remuneration policy does not provide for the payment of remuneration to corporate officers under any agreement concluded with the Company or its Group. If a corporate officer held a contract of employment prior to his or her appointment, the contract is terminated or, if justified by special circumstances, suspended.	Chairman of the Board of Directors None. Chief Executive Officer None.
Benefits in kind, welfare and retirement benefits	The benefits in kind received by corporate officers are limited to use of a company car and the payment by the Company of the contributions in respect of the insurance cover for company managers and executives (<i>Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC</i>). This includes the reintegration of contributions to insurance welfare plans available within the Group with which they are registered (covering healthcare, incapacity, disability and death). If their personal circumstances permit this, corporate officers are registered with the insurance welfare plan (covering healthcare, incapacity, disability and death) and the mandatory defined contribution supplementary pension plan, like all the Company's employees.	Chairman of the Board of Directors See additional information in section 2.4.3.1 on page 133 of the 2018 Registration Document. Chief Executive Officer See additional information in section 2.4.3.2 on page 133 <i>et seq.</i> of the 2018 Registration Document.
Other remuneration	The Company's remuneration policy does not provide for the payment of any other type of remuneration to corporate officers. More specifically, they do not receive any remuneration in any form whatsoever from the Company's subsidiaries or any companies that control it.	Chairman of the Board of Directors None. Chief Executive Officer None.

The Board of Directors invites shareholders to approve these resolutions.

Seventh resolution – Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the non-executive corporate officers from 1 January 2019.

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken note of the report of the Board of Directors for the General Meeting and, accordingly, the report referred to in Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of remuneration and benefits payable to the non-executive corporate officers from 1 January 2019 for the performance of their duties (i.e., on the filing date of the Registration Document for the financial year ended 31 December 2018, to the Chairman of the Board of Directors), as such principles and criteria are presented in the above-mentioned reports.

Eighth resolution – Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive corporate officers from 1 January 2019.

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken note of the report of the Board of Directors for the General meeting and, accordingly, the report referred to in Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of remuneration and benefits payable to the executive corporate officers from 1 January 2019 for the performance of their duties (i.e., on the filing date of the Registration Document for the financial year ended 31 December 2018, to the Chief Executive Officer), as such principles and criteria are presented in the above-mentioned reports.

7.2.1.5. Resolution 9: setting the overall maximum amount of the sums to be allocated among the Directors as directors' fees

Explanation

The purpose of the ninth resolution is to increase the overall maximum amount of the sums to be allocated among the Directors as directors' fees.

This proposal relates:

- to the reunion, which is planned at the end of the General Meeting of Shareholders, of the functions of Chairman of the Board of Directors and Chief Executive Officer, and to the subsequent appointment of Frédéric Moynes as Chairman of the Board of Directors as a replacement of Jacques Pétry;
- to the Board of Directors' decision to appoint Pierre Bouchut as Lead Independent Director and to award him a specific all-inclusive compensation in the form of directors' fees.

The current envelope authorised by the General Meeting, of €192,500 per financial year, would then be increased, should the present resolution be approved, to €225,000 per financial year; it would be allocated as follows among the Directors, noting that directors' fees would be restricted to the sole independent Directors:

- €12,000 fixed fee per financial year for each of the independent Directors;
- additional €10,000 fixed fee per financial year for the Lead Independent Director;
- variable fee of €1,700 per Board of Directors' meeting under condition of attendance for each of the independent Directors, capped at €11,900 per financial year;
- €6,000 fixed fee per financial year for each of the Chairmen of the Board of Directors' specialised Committees;
- variable fee of €850 per Board of Directors' specialised Committees' meeting under condition of attendance for each of the independent Directors, capped at €5,950 per financial year for the Commitments Committee and at €3,400 per financial year for the other Committees.

The Board of Directors invites the shareholders to approve this resolution.

Ninth resolution – Setting the overall maximum amount of the sums to be allocated among the Directors as directors' fees

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 set the overall maximum amount to be allocated among the Directors as directors' fees at €225,000 for the current financial year and for subsequent financial years, until a new resolution is adopted at a General Meeting.

7.2.1.6. Resolution 10: approval of the agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code

Explanation

The purpose of the tenth resolution is to note the fact that the Board of Directors did not authorise any regulated agreement or commitment governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code during the 2018 financial year.

The Statutory Auditors have issued a special report recording the absence of any agreement or commitment governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and requiring the approval of the General Meeting, set out in section 2.7.1 on page 137 *et seq.* of the 2018 Registration Document.

The Board of Directors invites the shareholders to approve this resolution.

Tenth resolution – Approval of agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the following:

- the report of the Board of Directors for the General Meeting,
- the special report of the Statutory Auditors on the agreements and commitments governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code,

notes the fact that no agreements or commitments governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and not yet approved by the General Meeting were authorised by the Board of Directors during the financial year ending on 31 December 2018.

7.2.1.7. Resolution 11: renewal of Marie-Claire Daveu's appointment as a Director

Explanation

The purpose of the eleventh resolution is to renew Marie-Claire Daveu's appointment as a Director, as her term of office expires at the close of the General Meeting.

Based on the recommendations of the Nomination, Remuneration and Governance Committee, the Board of Directors proposes that the General Meeting renew her appointment for a four-year term of office, expiring at the close of the General Meeting called in 2023 to approve the financial statements for the 2022 financial year.

Marie-Claire Daveu is an independent Director, chairs the Corporate Social Responsibility Committee and is a member of the Nomination, Remuneration and Governance Committee.

If the General Meeting approves this proposal, the Board of Directors will need to confirm Marie-Claire Daveu's appointment as Chair of the Corporate Social Responsibility Committee and member of the Nomination, Remuneration and Governance Committee for her term of office as a Director.

Information on the offices and positions held by Marie-Claire Daveu (including the offices and positions held over the past five years) can be found in section 2.3.2.1 on page 88 of the 2018 Registration Document.

The Board of Directors invites the shareholders to approve this resolution.

Eleventh resolution – Renewal of Marie-Claire Daveu'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 Marie-Claire Daveu's term of office as a Director will expire at the close of this General Meeting,

and accordingly resolves to reappoint Marie-Claire Daveu as a Director for a four-year term of office expiring at the close of the General Meeting called in 2023 to approve the financial statements for the financial year ending 31 December 2022.

7.2.1.8. Resolution 12: record of the expiry of the term of office as a Director of Valérie Landon, who does not wish to stand for office again, and appointment of Florence Lambert as a Director

Explanation

The purpose of the twelfth resolution is to appoint Florence Lambert as a Director to replace Valerie Landon, whose term of office expires at the close of the General Meeting and who does not wish to stand for office again.

Based on the recommendations of the Nomination, Remuneration and Governance Committee, the Board of Directors proposes that the General Meeting appoint this company as a Director for a four-year term of office, expiring at the close of the General Meeting called in 2023 to approve the financial statements for the 2022 financial year.

Florence Lambert joined CEA in February 2000 and covered different managerial roles linked to energy storage systems and renewable energies. From 2006 she joined the National Institute for Solar Energy (CEA-INES) and initiated the first stationary storage research platform in Europe. From 2009 she developed CEA-LITEN's transport division, focusing on the development and integration of two key components: lithium-ion batteries and fuel cells; she played a key role in different developments in low-carbon emission vehicles in France. Since 2013, as CEO for LITEN (1,000 researchers), she has been heading a team covering different technological domains including solar, transport, hydrogen, biomass and nanomaterials. From 2013 to 2018, she was also in charge of the national industrial plans for energy storage, under the responsibility of the ministry of economy and the ministry of ecology. In June 2018, Florence Lambert was appointed as Head of the Innovation, Employment and Industry Committee within the SER (French Renewable energy professional union) Board of Directors. In 2019, Florence Lambert is appointed as Chairman of the international EUPVS Conference.

The Board of Directors has reviewed Florence Lambert's position in terms of its independence, and considers that she qualifies as an independent Director. Florence Lambert does not have any direct or indirect business relationship with the Company or its Group.

The Board of Directors invites the shareholders to approve this resolution.

Additional information

Florence Lambert

- Born on 26 November 1972, of French nationality
- Business address: CEA-LITEN, 17 avenue des Martyrs, 38000 Grenoble, France
- Does not hold any Albioma shares on the filing date of the 2018 Registration Document

Offices and positions held as at the filing date of the 2018 Registration Document

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

CEA-LITEN	Chief Executive Officer
Syndicat des Énergies Renouvelables	Director
Syndicat des Énergies Renouvelables	Chairwoman of the Industry, Employment and Innovation Commission

Offices and positions held during the last five years, expired as at the filing date of the 2018 Registration Document

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

None

Twelfth resolution — Record of the expiry of the term of office as a Director of Valerie Landon, who does not wish to stand for office again, and appointment of Florence Lambert 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 Valerie Landon, who does not wish to stand for office again, will expire at the close of this General Meeting,

and resolves to appoint Florence Lambert as a Director for a four-year term of office expiring at the close of the General Meeting called in 2023 to approve the financial statements for the financial year ending 31 December 2022.

7.2.1.9. Resolution 13: 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 thirteenth 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 2018 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 31 May 2017 and 30 May 2018. The authorisation granted on 30 May 2018 invalidated the unused part of the authorisation granted on 31 May 2017.

During the 2018 financial year, shares were bought back pursuant to these authorisations in order to allow Rothschild Martin Maurel (formerly Rothschild & Cie Banque) to implement a liquidity contract designed to improve liquidity of the Albioma share on the Euronext Paris market (see further information in section 6.3.6.2 on page 271 *et seq.* of the 2018 Registration Document), and to implement future or current bonus performance share plans (see further information in section 6.3.6.2 on page 271 *et seq.* of the 2018 Registration Document).

Detailed information on the Board of Directors' use of these authorisations can be found in sections 6.2.2.2 on page 264 *et seq.* and 6.3.6.2 on page 271 *et seq.* of the 2018 Registration Document.

The Board of Directors proposes that the shareholders renew the existing authorisation, granted on 30 May 2018, for a period of 18 months and cancel the unused part of the authorisation. If the General Meeting approves this proposal, the objectives that could be met within the framework of the authorisation granted will be as follows, in decreasing order of priority:

- the implementation of a liquidity contract,
- the implementation of the Company's bonus share plans, stock option plans and any allotments, allocations or sales of shares, in particular under any scheme to share in the Company's profits;

- the delivery of shares when rights attached to securities giving access to the Company's shares are exercised;
- the cancellation of the shares bought back within the framework of a capital reduction under the terms and conditions set out in the fourteenth resolution of the General Meeting;
- the keeping of shares with a view to their subsequent delivery as payment or in exchange within the framework of external growth operations;
- the implementation of any other market practices accepted or recognised by the law or the AMF and, more generally, the fulfilment of any other objective allowed by applicable regulations.

The maximum number of shares that may be purchased under this authorisation may not exceed 10% of the capital on the date of purchase. Share purchases may not, under any circumstances, result in the Company directly or indirectly holding more than 10% of its capital. As an exception to the above, the maximum number of shares that may be purchased in order to keep them and subsequently deliver them as payment or in exchange within the framework of a merger, demerger or contribution may not exceed 5% of the capital on the date of purchase.

The aggregate purchases, net of costs, may not exceed €30 million. The maximum purchase price per share may not exceed €28, subject to the adjustments required under applicable laws and regulations.

The purchases may be carried out by any means, on the market or off the market, including through block trades, although trading in options and derivatives is prohibited.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

A description of this share buyback programme can be found in section 6.3.6.2 on page 273 of the 2018 Registration Document.

The Board of Directors invites the shareholders to approve this resolution.

Thirteenth resolution – Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

resolves to authorise the Board of Directors, in accordance with Article L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-6 of the French Financial Markets Authority's General Regulation and EC Regulation no. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse, to purchase or arrange for the purchase of the Company's shares,

resolves that the objectives of such share purchases will be as follows, in decreasing order of priority:

- to ensure liquidity and foster the market for the Company's shares through the intermediary of an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct acknowledged by the AMF, to implement all of the Company's stock option plans in accordance with Article.
- to implement all allotments of bonus shares under a company or group savings plan in accordance with Article L. 3332-1 *et seq.* of the Labour Code, or in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code, all stock option plans for the purchase of Company shares in accordance with Article L. 225-177 *et seq.* of the French Commercial Code, and all allotments, allocations or sales of shares, in particular under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by applicable laws and regulations and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority,
- to deliver shares when rights attached to securities giving immediate or subsequent access, by any means, to the Company's shares are exercised, and to carry out any hedging transactions in connection with the Company's obligations related to such securities, under the terms and conditions laid down by applicable laws and regulations and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority,
- to cancel all or some of the shares bought back under this authorisation within the framework of a capital reduction, under the terms and conditions set out in the fourteenth resolution of this General Meeting or any subsequent authorisation replacing it,

- to keep the shares with a view to their subsequent delivery as payment or in exchange within the framework of acquisitions, in accordance with the applicable laws and regulations,
- to implement any other market practices accepted or recognised by the law or the AMF and, more generally, to achieve any other objective allowed by applicable regulations,

resolves that this authorisation may be implemented subject to the following terms and conditions:

- the maximum number of shares that can be purchased may not exceed 10% of the number of shares comprising the capital on the date of purchase, and purchases made by the Company pursuant to this authorisation may not, under any circumstances, result in it directly or indirectly holding more than 10% of the shares comprising the share capital,
- the number of shares that can be purchased by the Company in order to keep them and subsequently deliver them as payment or in exchange within the framework of a merger, demerger or contribution may not exceed 5% of the shares comprising the capital on the date of purchase,
- the aggregate purchases, net of costs, may not exceed €30 million.
- the maximum purchase price per share must not exceed €28, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment of shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the relevant transaction and the number of shares after the transaction,

resolves that the purchase, sale or transfer of the shares may be carried out, in compliance with applicable regulations, by any means, in particular on the market or off the market, in particular over-the-counter, including through block trades or a public offering. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme. However, trading in options or derivatives is prohibited,

notes that the shares purchased and kept by the Company shall be stripped of their voting rights, and that no dividend will be paid thereon,

resolves to grant this authorisation for a period of 18 months, with effect from the date of this General Meeting, resolves that this authorisation cancels and supersedes the unused part of the authorisation granted in the twelfth resolution adopted at the General Meeting held on 30 May 2018, resolves that in the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this share buyback programme and, more specifically, to place any orders on the market, sign any agreements, including agreements relating to registers of share purchases and sales, draw up any documents, including in particular information documents, carry out all formalities and file all statements, including the allocation or reallocation of shares purchased on the basis of the various objectives, and, more generally, do whatever is necessary and appropriate.

7.2.2. RESOLUTIONS PUT TO THE
EXTRAORDINARY GENERAL MEETING

7.2.2.1. Resolution 14: 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 fourteenth resolution is to renew the authorisation granted to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme.

The Statutory Auditors have issued a report on this resolution, set out in section 7.3.1 on page 314 of the 2018 Registration Document.

The Board of Directors has not used the existing authorisation, granted to it by the General Meeting at its meeting of 30 May 2018.

The Board of Directors proposes that the General Meeting renew this authorisation for a period of 18 months and cancel the unused part of the existing authorisation.

If the General Meeting approves this proposal, the authorisation granted will allow the Company to fulfil one of the objectives authorised within the framework of a share buyback programme.

As part of this authorisation, the share capital may be reduced, in one or several transactions, within the limit of 10% of the capital per 24-month period, by cancelling the shares acquired within the framework of a share buyback programme.

The Board of Directors invites the shareholders to approve this resolution.

Fourteenth 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 fourteenth resolution,
- resolves to authorise the Board of Directors, in accordance with Article L. 225-209 *et seq.* of the French Commercial Code, to reduce the capital in one or several transactions, in the proportions and at the times decided by it, by cancelling all or part of the shares acquired within the framework of any authorised share buyback programme, within a limit of 10% of the capital per 24-month period,

resolves to grant this authorisation for a period of 18 months, with effect from the date of this General Meeting,

resolves that this authorisation cancels and supersedes the unused part of the authorisation granted in the thirteenth resolution adopted at the General Meeting held on 30 May 2018, and grants full powers to the Board of Directors, with the power to sub-delegate pursuant to applicable laws and regulations, in order to reduce the capital by cancelling shares, and in particular to set the final amount of the capital reduction, define the terms and conditions and record completion, charge the difference between the carrying amount of the cancelled shares and their par value to any available reserves or premium accounts, amend the Memorandum and Articles of Association accordingly, carry out all formalities and file all statements and, more generally, do whatever is necessary and appropriate.

7.2.2.2. Resolution 15: 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 fifteenth 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 7.3.2 on page 314 *et seq.* of the 2018 Registration Document.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 31 May 2017.

The Board of Directors proposes that the General Meeting renew this delegation for a period of 26 months and cancel the existing delegation.

If the General Meeting approves this proposal, the Board of Directors will have the authority to decide, with the power to sub-delegate, 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 30% of the capital on the date on which the issue is decided. This aggregate cap 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. This aggregate cap 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 French Commercial Code that may be decided by the Board of Directors pursuant to Article L. 228-40 of the French 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, within the limit of the number of shares they 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 French Commercial Code, in such order as it determines:

- to limit the issue, where applicable, to the amount of the subscriptions received 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 shares that have not been subscribed for to the public.

Under this delegation, shareholders are automatically deemed to have waived their preferential subscription rights in respect of ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities, in favour of the holders of the securities issued.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

The Board of Directors invites the shareholders to approve this resolution.

Fifteenth 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 noted 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. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-132, L. 225-133 and L. 225-134 of the French Commercial Code, and the provisions of Article L. 228-91 *et seq.* of the French Commercial Code,

delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, its authority to decide one or more issues, in the proportions and at the times it deems fit, 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 immediate or subsequent capital increases under this delegation, may not exceed 30% of the capital on the date on which the issue is decided, on the understanding that this amount will be increased, where applicable, by the additional nominal amount of ordinary shares that may be issued to protect, 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, and that the nominal amount of the immediate or subsequent capital increases under the sixteenth and seventeenth resolutions of this General Meeting should be applied against the same cap,

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 not affected by and is separate from the amount of any debt securities governed by Article L. 228-92, paragraph 3 of the French 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 French 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, within the limit of the number of shares they 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 French Commercial Code, in such order as it determines:

- to limit the issue, where applicable, to the amount of the subscriptions received 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 shares that have not been subscribed for to the public,

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 said holders may be entitled under the rights attaching to said securities, in favour of the holders of the securities issued,

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 tradeable 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,

resolves that in the event of a public offering for the Company's shares, this delegation will be suspended automatically during the offer period,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this delegation, and in particular to:

- decide 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 the applicable laws and 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,
- 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,
- unilaterally decide to allocate the cost of the capital increase against the amount of the relevant premiums and deduct the sums required to fund the statutory reserve from this amount, and
- take such steps as are appropriate and enter into any agreements for the purpose of implementing this delegation, in particular to ensure the successful completion of the planned issues, record completion 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.

7.2.2.3. Resolution 16: Delegation of authority to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance of preferential subscription rights, in the case of surplus demand, pursuant to the fifteenth resolution

Explanation

The purpose of the sixteenth resolution is to renew the delegation of authority to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance of preferential subscription rights, in the case of surplus demand, pursuant to the nineteenth resolution put to the General Meeting.

The Statutory Auditors have issued a report on this resolution, set out in section 7.3.2 on page 314 *et seq.* of the 2018 Registration Document.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 31 May 2017.

The Board of Directors proposes that the General Meeting renew this delegation for a period of 26 months and cancel the existing delegation.

If the General Meeting approves this proposal, the Board of Directors will have the authority to decide, with the power to sub-delegate, to increase the number of shares or securities to be issued within the framework of issues undertaken under the delegation granted in the fifteenth resolution put to this General Meeting, 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, for a number of additional shares or securities representing no more than 15% of the number of shares or securities offered in 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.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

The Board of Directors invites the shareholders to approve this resolution.

Sixteenth resolution – Delegation of authority to the Board of Directors to decide to increase the amount of the issues undertaken, with maintenance of preferential subscription rights, in the case of surplus demand, pursuant to the fifteenth resolution

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings, and having noted 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. 225-135-1 of the French Commercial Code,

delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, its authority to decide to increase the number of shares or securities to be issued within the framework of any issue undertaken under the fifteenth resolution put to 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, for a number of additional shares or securities representing no more than 15% of the number of shares or securities offered in 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, resolves to grant this delegation for a period of 26 months, with effect from the date of this General Meeting,

resolves that this delegation invalidates the unused part of any previous delegation having the same purpose,

resolves that, in the event that the Board of Directors uses this delegation, it will be required to report back to the next Ordinary General Meeting on its use of this delegation in accordance with applicable laws and regulations,

resolves that in the event of a public offering for the Company's shares, this delegation will be suspended automatically during the offer period,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this delegation and, in particular, to 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 for the carrying out and successful completion of these issues.

7.2.2.4. Resolution 17: 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 seventeenth 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 7.3.3 on page 316 *et seq.* of the 2018 Registration Document.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 31 May 2017.

The Board of Directors proposes that the General Meeting renew this delegation for a period of 26 months and cancel the existing delegation.

If the General Meeting approves this proposal, the Board of Directors will have the authority to decide, with the power to sub-delegate, to issue shares and/or securities giving immediate or subsequent access to capital to members of one or more company or group savings plans.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 0.75% of the capital on the date on which the issue is decided. This amount will be applied against the aggregate cap of 30% referred to in the fifteenth 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 Euronext Paris in the 20 trading days prior to the date of the Board of Directors' decision setting the date on which the subscription period opens (or 70% of the same average price when the lock-in

period provided in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the Labour Code is ten years or more).

Within this framework, the Board of Directors will be authorised to reduce or cancel the above-mentioned discount, within the limits of applicable laws and regulations, in particular in order to take into account, where applicable, the legal, accounting, fiscal and employment framework of the countries in which the beneficiaries reside.

The Board of Directors may also decide to allot existing or future shares or other securities giving access to capital to members of the above-mentioned savings plans, free of charge, by way of:

- the employer's contribution that may be paid under the rules governing company or group savings plans,
- and/or, where applicable, the discount that may be applied to the subscription price in accordance with the provisions set out above.

If the members of the relevant savings plans do not subscribe for the entire capital increase within the allotted time, the capital will only be increased by the amount of the shares subscribed for and the remaining shares may be reoffered to said beneficiaries within the framework of a capital increase carried out at a later date.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

The Board of Directors invites the shareholders to approve this resolution.

Seventeenth 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 noted 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 Articles L. 225-129-2, L. 225-129-6, L. 225-138-1 and L. 228-91-1 *et seq.* of the French Commercial Code and Article L. 3332-1 *et seq.* of the Labour Code, delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, its authority to decide to issue shares and/or securities giving access to capital, immediately or in the future, to members of company or group savings plans

established jointly by the Company and French or foreign related companies in accordance with the provisions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the Labour Code,

resolves to waive the preferential subscription rights granted to shareholders in respect of the securities to be issued under this delegation in favour of the beneficiaries defined above,

resolves that the issue price of new shares or securities giving access to capital will be determined in accordance with the provisions of Article L. 3332-18 *et seq.* of the Labour Code and may not be less than 80% of the average opening price of the Company's shares on Euronext Paris in the 20 trading days prior to the date of the Board of Directors' decision setting the date on which the subscription period opens (or 70% of the same average price when the lock-in period provided in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the Labour Code is ten years or more).

and expressly authorises the Board of Directors to reduce or cancel the above-mentioned discount, within the limits of applicable laws and regulations, in particular in order to take into account, where applicable, the legal, accounting, fiscal and employment framework of the countries in which the beneficiaries reside.

resolves that the maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 0.75% of the Company's capital on the date on which the issue is decided, it being specified that:

- the maximum nominal amount of the capital increases that may be carried out under this delegation will be applied against the aggregate cap of 30% of the capital set in the fifteenth resolution of this General Meeting,
- that 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
- if applicable, the discount,

and also resolves that if the beneficiaries described above do not subscribe for the entire capital increase within the allotted time, the capital will only be increased by the amount of the shares subscribed for and the remaining shares may be reoffered to said beneficiaries within the framework of an 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,

resolves that, in the event that the Board of Directors uses this delegation, it will be required to report back to the next Ordinary General Meeting on its use of this delegation in accordance with applicable laws and regulations,

resolves that in the event of a public offering for the Company's shares, this delegation will be suspended automatically during the offer period,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this delegation, and in particular to:

- decide that subscriptions may be made directly or through employee mutual funds or other vehicles or entities allowed under applicable laws and regulations,
- establish the criteria applicable to companies, in order to allow their employees to benefit from the capital increases carried out under this delegation and draw up a list of said companies,
- determine the dates, terms and conditions and procedures for the issues carried out under this delegation, in particular the subscription price, fix the dates on which the subscription period opens and closes, the dates on which dividend and other rights accrue, the arrangements for paying up shares in the Company and grant extra time for payment thereof,
- unilaterally decide to allocate the cost of the capital increase against the amount of the relevant premiums and deduct the sums required to fund the statutory reserve from this amount, and
- take such steps as are appropriate and enter into any agreements for the purpose of implementing this delegation, in particular to ensure the successful completion of the planned issues, record completion in the amount of the shares subscribed for and make the corresponding amendments to the Memorandum and Articles of Association, carry out all formalities and file all statements relevant for the issue, listing and financial administration of the securities issued under this delegation as well as the exercise of the rights attached thereto and request any and all permissions that may prove necessary for the carrying out and successful completion of these issues.

7.2.2.5. Resolution 18: 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 eighteenth resolution is 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 31 May 2017.

The Board of Directors proposes that the General Meeting renew this delegation for a period of 26 months and cancel the existing delegation.

If the General Meeting approves this proposal, the Board of Directors will have the authority to decide, with the power to sub-delegate, one or more capital increases by the successive 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 tradeable 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 fifteenth 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.

Eighteenth 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 Ordinary 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 French Commercial Code,

delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, its authority to decide one or more capital increases, in the proportions and at the times it decides, by means of the successive 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 cap set in the fifteenth 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,

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 French Commercial Code, the Board of Directors may decide that the allotment rights for fractional shares will not be tradeable 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,

resolves that in the event of a public offering for the Company's shares, this delegation will be suspended automatically during the offer period,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this delegation, and in particular to:

- 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 for the carrying out and successful completion of these issues.

7.2.2.6. Resolution 19: amendments of Articles 22 and 34 of the Memorandum and Articles of Association concerning the convening and organisation of the Board of Directors' meetings and the chairing of General Meetings of shareholders

Explanation

The purpose of the nineteenth resolution is to amend the provisions of Articles 22 and 34 of the Memorandum and Articles of Association concerning the convening and organisation of the Board of Directors' meetings and the chairing of General Meetings of shareholders.

These amendments particularly aim at adapting the Memorandum and Articles of Association to the appointment of Pierre Bouchut as a Lead Independent Director, which took place during the meeting of the Board of Directors of 24 October 2018, with effect as from the reunion of the functions of Chairman of the Board of Directors and Chief Executive Officer, planned at the end of this General Meeting.

Pursuant to these new provisions, which would only be applicable in case the functions of Chairman of the Board of Directors and Chief Executive Officer are reunited:

- the Lead Independent Director would have a power to convene the Board of Directors' meetings in case of temporary or permanent impediment of the Chairman of the Board of Directors;
- moreover, the Lead Independent Director would be in charge of conducting the debates during the Board of Directors' meeting when the deliberations are adopted without the Chairman of the Board of Directors' presence or without the latter taking part in the debates or votes, or in case of absence or temporary or permanent impediment of the Chairman of the Board of Directors;
- finally, the Lead Independent Director would be in charge of chairing the General Meeting in case of absence or temporary or permanent impediment of the Chairman of the Board of Directors.

The Board of Directors invites the shareholders to approve this resolution.

Nineteenth resolution – Amendments of Articles 22 and 34 of the Memorandum and Articles of Association concerning the convening and organisation of the Board of Directors' meetings and the chairing of General Meetings of shareholders

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 22 of the Memorandum and Articles of Association, which will henceforth read as follows:

"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 governance 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.

When the functions of Chairman of the Board of Directors and Chief Executive Officer are united, the Board of Directors elects a Lead Independent Directors from its members, with the mission to ensure the Company's governance bodies operate properly and that the Directors receive the information that is necessary for their mission.

The Chairman of the Board of Directors conducts the debates, except in the following situations, where this mission is assigned to the Lead Independent Director:

- *deliberations adopted without the Chairman of the Board of Directors' presence;*
- *deliberations adopted without the Chairman of the Board of Directors taking part in the debates or votes;*
- *absence of the Chairman of the Board of Directors;*
- *temporary or permanent impediment of the Chairman of the Board of Directors.*

Should the Lead Independent Director be in one of the situations below, the debates are conducted by a Director specifically designated by the members of the Board of Directors attending the meeting.

The Board of Directors shall meet whenever a meeting is called by the Chairman or by the Lead Independent Director in case of temporary or permanent impediment of the Chairman. In any case, the Board of Directors shall meet whenever a meeting is called by half of the members of the Board.

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 principle at least 48 hours in advance of the meeting, except in case of emergency. [...]”,

the remainder of the Article being unchanged,

resolves, moreover, to amend Article 34 of the Memorandum and Articles of Association, which will henceforth read as follows:

“General Meetings shall be chaired by the Chairman of the Board of Directors or, in case of absence or temporary or permanent impediment, by the Lead Independent Director 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.”,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to the applicable laws and regulations, to amend the Memorandum and Articles of Association and carry out all steps and formalities.

7.2.2.7. Resolution 20: powers to carry out formalities

Explanation

The purpose of the twentieth resolution is to grant holders of the original, copies or extracts of the minutes of the General Meeting the necessary powers to carry out standard public notice and filing formalities.

The Board of Directors invites the shareholders to approve this resolution.

Twentieth resolution – Powers to carry out formalities

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings,

and having taken note of the report of the Board of Directors for the General Meeting,

grants full powers to holders of the original, copies or extracts of the minutes of this General Meetings to carry out all public notice, filing and other formalities required under applicable laws and regulations.

7.3. Reports by the Statutory Auditors on the resolutions

7.3.1. REPORT BY THE STATUTORY AUDITORS ON THE CAPITAL REDUCTION (FOURTEENTH RESOLUTION)

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

Pricewaterhouse Coopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company, and in performance of our duties pursuant to Article L. 225-209 of the French Commercial Code (*Code de commerce*) in the event of a reduction in the share capital through the cancellation of shares previously repurchased, we hereby report on our assessment of the causes, terms and conditions of the proposed reduction in capital.

Your Board of Directors proposes that you grant it full powers for an 18-month period to cancel shares corresponding to a maximum of 10% of the capital per 24-month period that have been purchased as a result of the implementation of an authorisation to purchase Company shares within the framework of the aforementioned article.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of assignment. These procedures consist of verifying that the causes, terms and conditions of the proposed capital reduction are fair and are not likely to adversely affect equality between the shareholders.

We do not have any observations with regard to the causes, terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Courbevoie, on 26 April 2019.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Mazars

Daniel Escudeiro
Partner

7.3.2. REPORT BY THE STATUTORY AUDITORS ON THE ISSUE OF SHARES AND SECURITIES GIVING ACCESS TO CAPITAL, WITH THE MAINTENANCE OF PREFERENTIAL SUBSCRIPTION RIGHTS (FIFTEENTH AND SIXTEENTH RESOLUTIONS)

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.

Pricewaterhouse Coopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

In our capacity as Statutory Auditors of your Company, and in performance of our duties pursuant to Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal to delegate authority to the Board of Directors to issue shares and/or securities, on which you are asked to vote.

On the basis of its report, your Board of Directors proposes that you authorise it, with the power to sub-delegate, for a 26-month period, to decide on the following operation and determine the final terms and conditions of said issue:

- one or more issues, in France or abroad, denominated in euros or in any other currency or unit of account established by reference to a basket of currencies, with maintenance of preferential subscription rights (fifteenth resolution), of:
 - Company shares;
 - securities giving immediate or subsequent access, by any means, to equity securities to be issued by the Company,
 - equity securities giving immediate or subsequent access, by any means, to other equity securities or giving access to debt securities; and/or
 - securities giving immediate or subsequent access, by any means, to equity securities to be issued by a company in which the Company directly or indirectly holds more than one half of the capital.

The total nominal amount of the immediate or subsequent capital increases that may be carried out may not, in accordance with the fifteen resolution, exceed 30% of the capital on the date on which the issue is decided, in respect of the fifteenth, sixteenth and seventeenth resolutions. The total nominal amount of the debt securities that may be issued may not, in accordance with the fifteen resolution, exceed €200 million in the case of the fifteenth resolution.

These caps take into account the additional number of securities that may be issued if the delegation of authority referred to in the sixteenth resolution is used pursuant to Article L. 225-135-1 of the French Commercial Code, if you adopt the fifteenth resolution.

The Board of Directors is responsible for drawing up a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. We are required to express an opinion on the accuracy of the figures based on the financial statements, on the proposed issue and on certain other information relating to the issue that is presented in this report.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of assignment. These procedures consisted in verifying the content of the report by the Board of Directors on this operation and the methods used to calculate the issue price of the equity securities to be issued.

As the report by the Board of Directors does not describe the methods used to calculate the issue price of the equity securities to be issued if the fifteenth resolution is implemented, we are not able to comment on the methods used to determine this issue price.

As the final terms and conditions of the issue have not been determined, we are not able to comment on them.

As required by Article R. 225-116 of the French Commercial Code, we will prepare an additional report when the delegation is used by your Board of Directors, if securities are issued that are equity securities giving access to other equity securities or giving access to debt securities and if securities are issued giving access to equity securities to be issued.

Neuilly-sur-Seine and Courbevoie, on 26 April 2019.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

7.3.3. 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 SAVING PLAN (SEVENTEENTH RESOLUTION)

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

Pricewaterhouse Coopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company, and in performance of our duties pursuant to Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal to delegate authority to the Board of Directors to decide to issue ordinary shares and/or securities which are equity securities giving immediate or subsequent access to other equity securities of the Company, with waiver of preferential subscription rights, to members of company or group savings plans established jointly by the Company and French or foreign related companies in accordance with the provisions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (*Code du travail*), up to a maximum of 0.75% of the Company's capital on the date on which the issue is decided, on which you are asked to vote.

You will be asked to approve this issue, as required by Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labour Code.

On the basis of its report, your Board of Directors proposes that you authorise it for a 26-month period to decide on an issue and to waive your preferential right to subscribe to the ordinary shares and securities to be issued. It will determine the final terms and conditions of any such issue.

The Board of Directors is responsible for drawing up a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. We are required to express an opinion on the accuracy of the figures based on the financial statements, on the proposed waiver of preferential subscription rights and on certain information relating to the issue that is presented in this report.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of assignment. These procedures consisted in verifying the content of the report by the Board of Directors on this operation and the methods used to calculate the issue price of the equity securities to be issued.

Subject to our review at a later date of the terms and conditions of the issue that may be decided, we do not have any comments with regard to the methods used to calculate the issue price of the equity securities to be issued, as presented in the report by the Board of Directors.

As the final terms and conditions of the issue have not been determined, we are not able to comment on them or, as a result, on the proposal to waive the preferential subscription rights.

As required by Article R. 225-116 of the French Commercial Code, we will prepare an additional report if need be, when the delegation is used by your Board of Directors.

Neuilly-sur-Seine and Courbevoie, on 26 April 2019.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Mazars

Daniel Escudeiro
Partner

8

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8 • APPENDICES

8.1. Persons responsible for auditing the financial statements

8.1. Persons responsible for auditing the financial statements

8.1.1. THE COMPANY'S STATUTORY AUDITORS

	Date of first appointment	Start date of current term of office	Current term of office	Expiry of current term of office ¹
PRINCIPAL STATUTORY AUDITORS				
PricewaterhouseCoopers Audit Statutory Auditor Member of the Versailles Regional Company of Statutory Auditors Represented by Jérôme Mouazan 63 rue de Villiers 92208 Neuilly-sur-Seine Cedex	18/05/2010	24/05/2016	6 financial years	GM 2022
Mazars Statutory Auditor Member of the Versailles Regional Company of Statutory Auditors Represented by Daniel Escudeiro Tour Exaltis 61 rue Henri Regnault 92400 Courbevoie	27/05/2004	24/05/2016	6 financial years	GM 2022
ALTERNATE STATUTORY AUDITORS				
Jean-Baptiste Deschryver c/o PricewaterhouseCoopers Audit	18/05/2010	24/05/2016	6 financial years	GM 2022
Simon Beillevaire c/o Mazars	18/05/2010	24/05/2016	6 financial years	GM 2022

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

8.1.2. FEES PAID BY THE COMPANY TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

See detailed information in note 41 to the 2018 consolidated financial statement, on page 212 *et seq.* of chapter 4 of this Registration Document.

8.2. Financial information included for reference purposes

Pursuant to Article 28 of EC Regulation no. 809/2004 of the European Commission of 29 April 2004, the following information is included in this Registration Document by reference thereto:

- the consolidated financial statements for the financial year ended 31 December 2017 and the corresponding report by the Statutory Auditors, as shown on pages 158 to 213 of the 2017 Registration Document, filed with the French Financial Markets Authority (Autorité des Marchés Financiers) on 27 April 2018 under number D.18-0433, and the information taken from the management report for the year ended 31 December 2017, as shown on pages 144 to 155 of the 2017 Registration Document, together with the Company financial statements for the year ended 31 December 2017 and the corresponding report by the Statutory Auditors, as shown on pages 216 to 247 of the 2017 Registration Document.
- the consolidated financial statements for the financial year ended 31 December 2016 and the corresponding report by the Statutory Auditor, as shown on pages 144 to 197 of the 2016 Registration Document, filed with the French Financial Markets Authority (Autorité des Marchés Financiers) on 28 April 2017 under number D.17-0466, and the information taken from the management report for the year ended 31 December 2016, as shown on pages 130 to 141 of the 2016 Registration Document, together with the Company financial statements for the year ended 31 December 2016 and the corresponding report by the Statutory Auditors, as shown on pages 200 to 227 of the 2016 Registration Document.

8.3. Person responsible for the Registration Document and the Annual Financial Report

Frédéric Moyne

Chief Executive Officer

8.4. Declaration by the person responsible for the Registration Document and the Annual Financial Report

After having taken all reasonable measures to this effect, I declare that, to the best of my knowledge, the information contained in this Registration Document is consistent with the facts and is not subject to any omissions likely to alter its impact.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all undertakings included in the consolidation scope, and that the management report covering the topics listed in the cross-reference table in section 8.6.4 of this Registration Document presents an accurate view of changes in the business, results and financial position of the Company and all undertakings included in the consolidation scope, together with a description of the main risks and uncertainties they face.

I have obtained from the statutory auditors a completion letter, in which they state that they have verified the information relating to the financial position and the financial statements shown in this Registration Document and have read the entire Registration Document.

The Statutory Auditors have reported on the consolidated financial statements for the financial year ended 31 December 2018 in a report in section 4.7 on pages 214 to 217 of this Registration Document, which contains no specific observations or qualifications.

The Statutory Auditors reported on the consolidated financial statements for the financial year ended 31 December 2017 in a report in section 4.7 on pages 210 to 213 of the 2017 Registration Document, which contains no specific observations or qualifications.

The Statutory Auditors reported on the consolidated financial statements for the financial year ended 31 December 2016 in a report in section 4.7 on pages 196 and 197 of the 2016 Registration Document, which contains no specific observations or qualifications.

Paris la Défense, on 30 April 2019.

Frédéric Moyne

Chief Executive Officer

8.5. Person responsible for the financial information

Frédéric Moyne

Chief Executive Officer

8.6. Cross-reference tables

8.6.1. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The following cross-reference table shows where the main information required by Annex 1 to EC Regulation no. 809/2004 of the European Commission of 29 April 2004 can be found in this Registration Document.

Information listed in Annex 1 to EC Regulation no. 809/2004 of the European Commission of 29 April 2004		Pages of the 2018 Registration Document
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8.6.2. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND THE INFORMATION REFERRED TO IN ARTICLE 222-3 OF THE AMF'S GENERAL REGULATION

The following cross-reference table shows where the main information comprising the Annual Financial Report that must be published pursuant to Article L.451-1-2 of the French Monetary and Financial Code and the information included in this Registration Document referred to in Article 222-3 of the AMF's General Regulation can be found in this Registration Document.

Information referred to in Articles L. 451-1-2 of the Monetary and Financial Code and 222-3 of the AMF's General Regulation	Pages of the 2018 Registration Document
2018 Annual Financial Report	
Consolidated financial statements for the 2018 financial year	158-213
Report by the Statutory Auditors on the consolidated financial statements for the 2018 financial year	214-217
Company financial statements for the 2018 financial year	220-247
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Management report by the Board of Directors for the 2018 financial year	See section 8.6.4 on pages 323-324
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8.6.3. CROSS-REFERENCE TABLE FOR INFORMATION ON THE REMUNERATION OF CORPORATE OFFICERS AND AMF POSITION-RECOMMENDATION NO. 2009-16 OF 10 DECEMBER 2009

The following table shows where the information on the remuneration of corporate officers recommended by the AMF in its position-recommendation no. 2009-16 of 10 December 2009, most recently amended on 13 April 2015, can be found in this Registration Document.

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8.6.4. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

This cross-reference table shows where the main information comprising the management report, as required inter alia by Articles L. 225-100 *et seq.*, L. 232-1 and R. 225-102 *et seq.* of the French Commercial Code, can be found in this Registration Document.

Information in the management report	Pages of the 2018 Registration Document
Group financial position and business overview for 2018, observations concerning the financial year	
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8.6. Cross-reference tables

8.6.5. CROSS-REFERENCE TABLE FOR THE REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE REFERRED TO IN ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE

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