

Registration DOCUMENT

Annual Financial
Report

2015



ALBIOMA
OUR NATURE IS FULL OF ENERGY

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

THE ALBIOMA GROUP

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1 • THE ALBIOMA GROUP

1.1. History

1.1. History

1982-1989

THE COAL PERIOD

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

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

1990-2003

FIRST BAGASSE/COAL COGENERATION PROJECTS

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

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

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

2004-2011

DEVELOPMENT OF THE THERMAL BIOMASS BUSINESS AND EXPANSION INTO THE WIND AND SOLAR POWER MARKETS

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

In 2005, Air Liquide sold its participating interest to Financière Hélios, which is controlled by Apax Partners and Altamir Amboise.

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

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

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

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

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

2012-2016**PRIORITY TO BIOMASS****2012-2013****A new strategy centred on the energy efficient recovery of biomass**

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

In May 2012, the Group acquired a 60% stake in Methaneo, a company specialising in agricultural and community-based collective anaerobic digestion units in mainland France. The first project, Tiper Méthanisation (2 MW), was inaugurated in April 2013. The second, Cap'ter Méthanisation (0.5 MW), began ramp-up operations during the second half of the same year. The third, Sain'ter Méthanisation (0.5 MW), was brought into service in 2015.

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

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

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

2014-2016**The Group establishes itself as the preferred partner of the sugar and ethanol industry in France and internationally**

In March 2014, Albioma finalised its first acquisition in Brazil, taking over the bagasse cogeneration plant from the Rio Pardo sugar producer. This first acquisition of a bagasse cogeneration plant in Brazil will serve as a launchpad for new projects in the country for Albioma. In August 2015, the Group announced the acquisition of a 65% stake in Codora Energia, which owns a 48 MW bagasse-fuelled cogeneration plant.

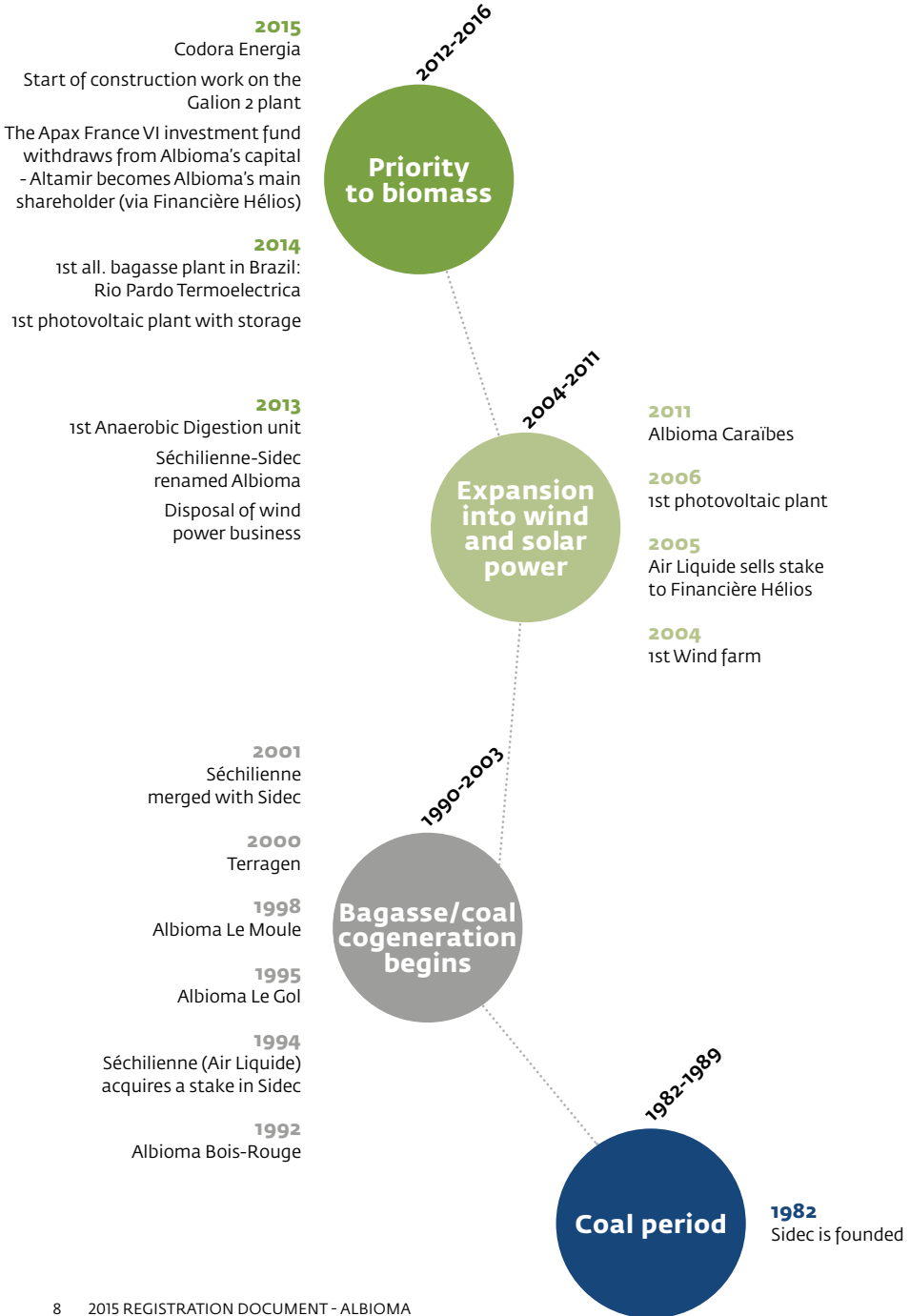
In December 2014, Albioma's signature of a contractual amendment with EDF covering bagasse/biomass prices for the Galion 2 plant in Martinique validated its investment of €170 million to construct the largest all-biomass plant in Overseas France (40 MW). Construction work began in 2015.

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

In June 2015, the professional private equity fund Apax France VI distributed virtually all its Albioma shares to its investors (approximately 30% of the capital). Altamir (which now controls Financière Hélios) has a direct and indirect holding in Albioma that has remained unchanged, accounting for approximately 12% of the capital, and making it Albioma's largest shareholder.

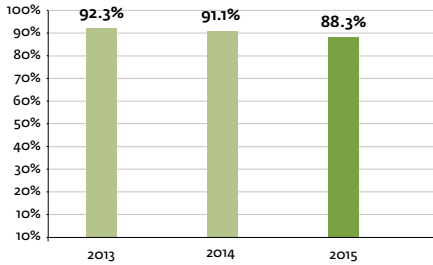
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1.1. History



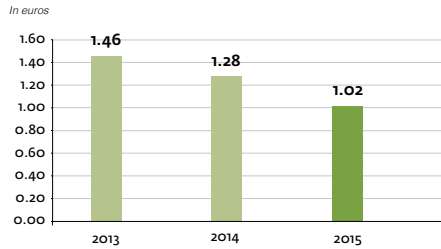
1.2. Key figures

AVAILABILITY OF THERMAL BIOMASS PLANTS¹



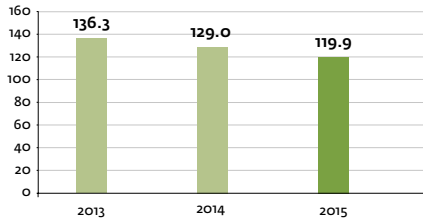
1. Excluding Brazil. Availability: average availability rates of thermal power plants weighted to factor in net power output. The availability rate is the ratio between the maximum energy produced by the plant and the maximum demand for energy.

CONSOLIDATED BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE



EBITDA¹

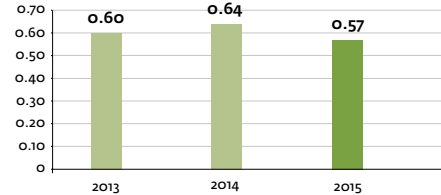
In millions of euros



1. Excluding overseas taxation and adjusted to factor in the wind power business, sold early in 2013. EBITDA: operating income before depreciation and amortisation charges and net of charges to provisions, including Group income from companies consolidated using the equity method. 2013 data has not been adjusted to take account of the change in the consolidation method used for the Quantum Caraïbes and Albioma Power Alliance entities.

DIVIDEND PER SHARE¹

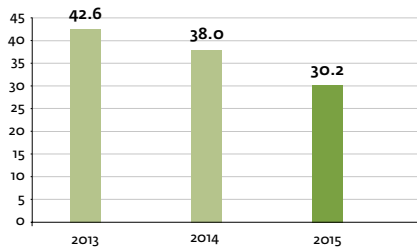
In euros



1. The 2015 dividend will be submitted for approval by the shareholders at the General Meeting to be held on 24 May 2016.

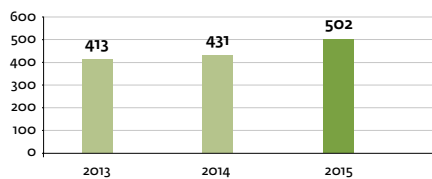
NET INCOME, GROUP SHARE

In millions of euros



CONSOLIDATED NET DEBT¹

In millions of euros



1. Data not adjusted to factor in the wind power business, sold early in 2013. See additional information in Note 23.3 to the consolidated financial statements for the 2015 financial year in chapter 4 on page 185 of this Registration Document.

1.3. Activities and main markets

1.3.1. ACTIVITIES

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

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

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

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 electricity consumption.

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

In France and Mauritius, during the sugar harvest which lasts between four and six months, the plants operate as cogeneration units, with bagasse as the main fuel. Between harvesting campaigns, they operate using a

condensing process in the same way as conventional power plants, using coal. The choice of coal as the auxiliary fuel is justified by its commercial availability at attractive prices, and the ease with which it can be shipped to island locations. It can be used in a hybrid-combustion configuration to supply energy all year round at a competitive cost while complying with European and French atmospheric emissions standards.

In Brazil, the duration of harvesting campaigns (nine or 10 months) and the quantity of sugar cane processed by sugar mills enables the Group's cogeneration facilities to operate using bagasse all year round (i.e. 11 months out of 12, as the last month is set aside for annual maintenance).

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

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 green energy obtained from bagasse. With a solar power fleet providing a capacity of 73 MWp, Albioma is a major player in the production of photovoltaic solar energy in France, and in particular in the French overseas territories (80% of the fleet), 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 solar farm with storage capability. This technology will significantly increase the installation's availability and smooth the production of energy which is otherwise naturally variable. This 1 MWp plant, installed on a shopping centre rooftop in Saint-Pierre, on Reunion Island, is equipped with lithium-ion batteries which have the purpose of compensating for production troughs during the daytime (due to cloudy spells or spells of bad weather). Albioma was selected by France's energy regulation commission (CRE: Commission de Régulation de l'Énergie) after responding to requests for proposals for another plant with storage capability. This 2 MWp ground-based plant is to be built in French Guiana.

1.3.1.3. Anaerobic Digestion

The anaerobic digestion process can be used to recover organic waste, particularly farm waste, in order to produce biogas by biological decomposition of organic matter in a confined oxygen-free medium. The process also produces "digestate", which can be used, either directly or after additional processing, as fertilizer. Agricultural anaerobic digestion recovers by-products from farming and agri-business: manure, slurry, plant co-products and waste from agri-business industries. This sector accounts

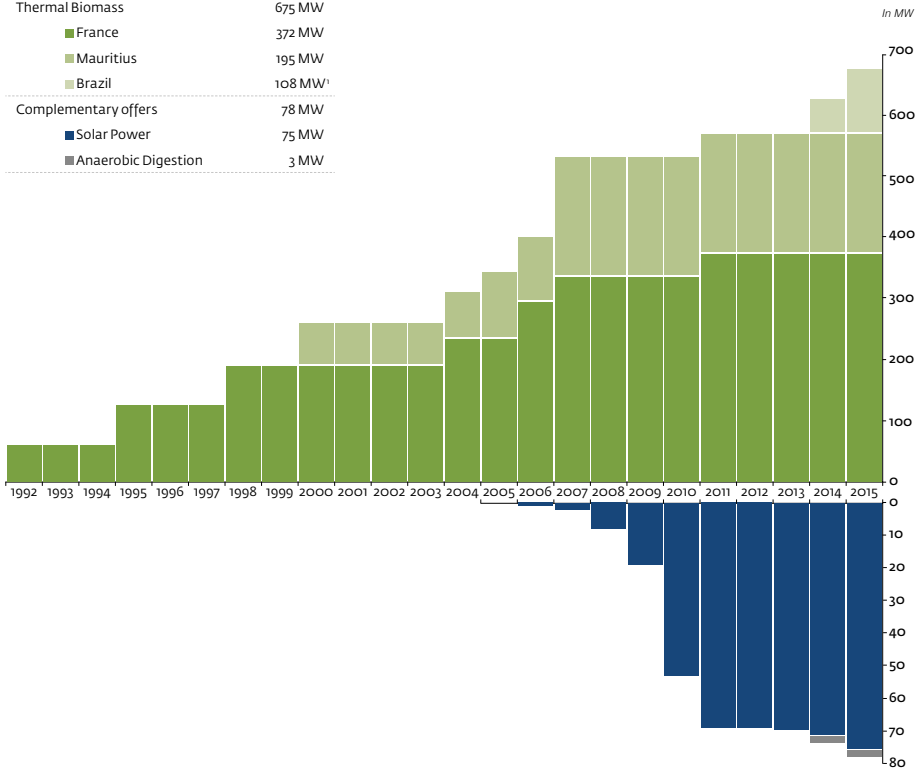
for 52% of European biogas production sources and is driving growth in the biogas market in France.

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

Three initial anaerobic digestion facilities, all in the west of France, were operational in 2015 (3 MW). The current pricing environment is such that these facilities are not achieving satisfactory levels of profitability.

1.3.1.4. Installed capacity of the Group, showing changes and distribution by business sector as at 31 December 2015

Installed capacity	753 MW
Thermal Biomass	675 MW
■ France	372 MW
■ Mauritius	195 MW
■ Brazil	108 MW ¹
Complementary offers	78 MW
■ Solar Power	75 MW
■ Anaerobic Digestion	3 MW



1. Approximately 41 MW guaranteed.

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1.3. Activities and main markets

1.3.1.5. Breakdown of the Group's 2015 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	288.1	83.9	61.5
France and Southern Europe - Solar	42.6	32.6	17.2
Mauritius	–	3.1	3.1
Brazil	13.7	4.6	1.4
Holding company, Anaerobic Digestion and other	5.3	(4.3)	(7.1)

1.3.2 REGULATORY AND CONTRACTUAL FRAMEWORK

1.3.2.1. Regulatory framework of French electricity market

Legal framework of French energy market

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

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

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

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

The Group operates its industrial installations within a strictly regulated framework, particularly as regards the environment. All of the Group's thermal power plants in France and its anaerobic digestion installations (depending on their size and the type of organic matter they process) are governed by laws and regulations applying to classified installations (ICPE), 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 6.3.1.4 on

page 246 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 on industrial emissions or Directive 96/61/EC of 24 September 1996 on integrated pollution prevention and control).

Classified installations for environmental protection are supervised by the local Prefects and the DREAL (the French regional environment, planning and housing authorities), which are responsible for inspecting the installations). In the event an operator fails to comply with the applicable 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 French 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.

The CSPE 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 French Customs Code. The main consequence of this reform observed at present (in addition to an increase in the TICFE tax) is that the CSPE now forms part of the State budget. Circulars setting out the terms and conditions of application of this new system are due to be issued and will shed further light on the reform.

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 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. They include a separate development plan for the overseas departments for the energy efficient recovery of biomass.

The multi-year energy plans are drawn up by the relevant local authorities and approved by decree. They cover an initial period of 2016-2023 (in two phases), followed by two successive five-year periods. As at the date of filing of this Registration Document, the multi-year energy plans for the overseas departments in which the Group operates were under preparation.

Greenhouse gas emission quotas

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

1.3.2.2. Contractual framework applying to the sale of electricity

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

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

Contractual framework of the Thermal Biomass activity

France

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

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.

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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 set premium which covers all fixed costs generated by the financing, construction and maintenance of the plant, and the producer's margin. The set premium paid to the producer is calculated on the basis of the plant's annual available capacity.

For each contract (with the exception of Albioma Caraïbes), the set premium is reduced, in stages for the older contracts or on a straight-line basis for contracts

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

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

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

1. To be commissioned in Summer 2017.

2. A contract with a 25-year term from the date of industrial commissioning, which is scheduled to occur within 12 months of completion of the current administrative phase.

In addition to the set 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 (76% of consumption), on which electricity is purchased by means of a competitive-bidding process resulting in the award of concession agreements on the basis of the lowest price; in these cases, electricity is sold under 20-year purchase agreements;
- a free market (24% 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 cap set by the federal government (BRL 423/MWh in 2016).

On regulated markets, 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 a spot basis in order to satisfy its supply obligations.

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

The Group has secured a substantial portion of the production of its Brazilian plants on the free market and on the regulated market for 2016 (over 85% of production) and for subsequent years.

In 2015, Albioma Rio Pardo Termoeletrica secured the sale on the regulated market of 82 GWh each year, i.e., approximately 50% of its production, for a 20-year period from 2016, at the high price of BRL 212/MWh, indexed to inflation.

Codora Energia, which had previously secured the sale of 87 GWh each year until 2026 at a price of BRL 205/MWh, has also secured the sale of 54 GWh each year for 20 years from 2020 at a record price of BRL 278/MWh, indexed to inflation, in anticipation of the installation of a new 20MW turbine in 2017.

Contractual framework of the Anaerobic Digestion and Solar Power businesses

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

Solar Power

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

New pricing conditions were defined in a government order dated 4 March 2011, following the moratorium introduced by Decree 2010-1510 of 9 December 2010 which, subject to certain exceptions, suspended the purchasing obligation for new projects. With the exception of ground-based installations and installations on buildings with a capacity in excess of a certain threshold, electricity generated by photovoltaic installations is purchased at a preferential tariff, which is reduced from time to time on the basis of the accumulated capacity of the installations. Ground-based installations and installations on buildings with a capacity above a certain threshold are, however, now operated within a competitive-bidding framework. As a result of this change, the Group's new photovoltaic projects are no longer covered by the preferential tariff and fall within the competitive-bidding framework because of their technical characteristics (capacity and use of storage). Two projects, one on Reunion Island (1 MWp) and one in French Guiana (2MWp), operate under this new system: the Group was awarded the contracts in 2013 following a submission of tenders. The Reunion Island plant was brought into service in Summer 2014, while the plant in French Guiana is still under development.

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

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

Anaerobic Digestion

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

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1.3. Activities and main markets

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

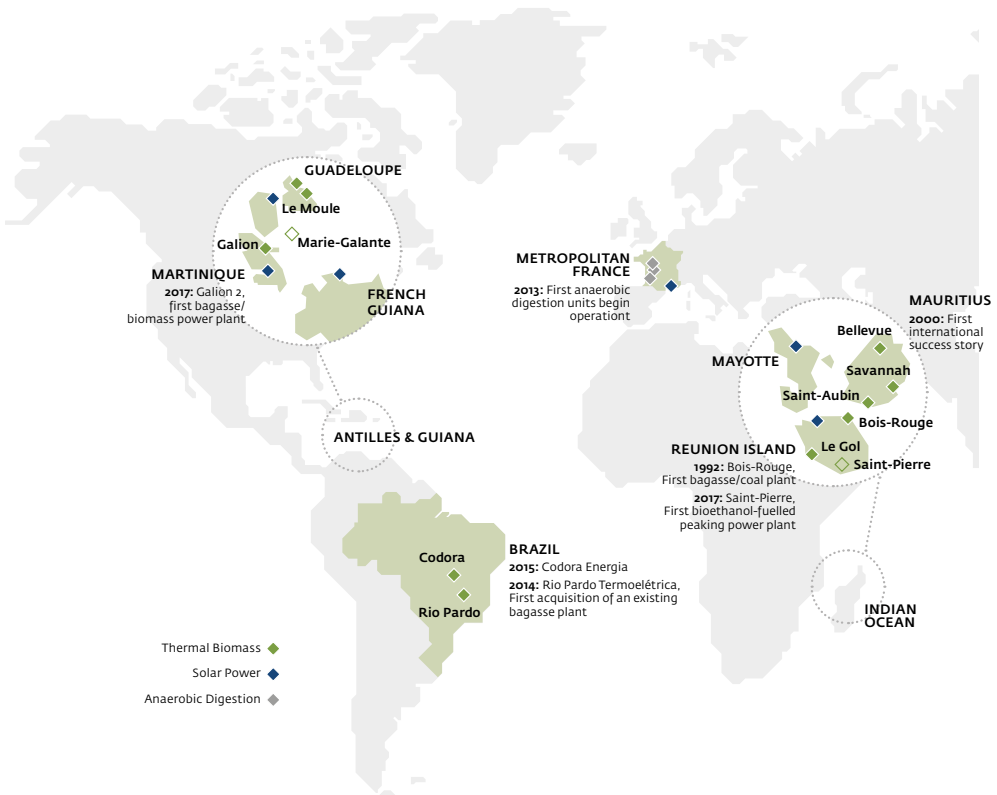
- a basic price, which tapers according to the installed capacity of the production facility;
- a "livestock effluent" bonus, which tapers based on the production facility's installed capacity and the percentage of agricultural biomass in the inputs;
- an "energy efficiency" bonus based on the extent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

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

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

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

1.3.3. PRINCIPAL MARKETS



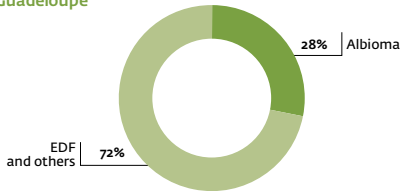
1.3.3.1. Albioma: a front-line player in the electricity production sector in the French overseas departments and Mauritius

Albioma is the leading electricity producer in France's overseas departments alongside EDF, and is a key partner

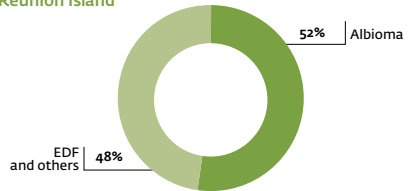
of the Mauritius Central Electricity Board. The Group positions itself vis-a-vis electricity network managers on the alternative energy production market segment. It can thus meet basic electricity needs and also respond to local demand for increased use of renewable energies.

Proportion of total electricity production generated by the Group in the overseas departments and Mauritius in 2015¹

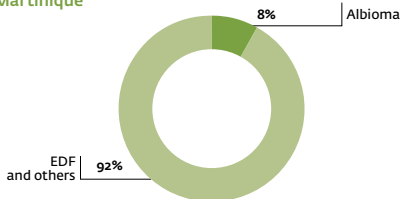
Guadeloupe



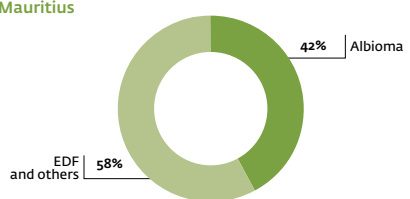
Reunion Island



Martinique



Mauritius



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

1.3.3.2. Thermal Biomass

Overview of the global market

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

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

At global level, electricity production from biomass grew at an average rate of 9.8% per year over the period 2002-2014, compared with an average annual growth rate of 3.2% for total electricity production, and 5.1 % 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 2014, some 425.4 TWh of electricity, representing a little over 1.8% of the global total, was produced from biomass, making it the third-largest source of renewable energy (total output from renewables: 5,390 TWh), after hydro-electricity (3,923 TWh) and wind power (732 TWh) but well ahead of solar power (213 TWh)².

As regards renewable power generation over the 2002-2014 period at a European level, solid biomass-fuelled electricity production grew at an average annual rate of 8.6% in western Europe (compared to 0.55 % for total electricity production and 5.2 % for electricity production from all renewable sources). In 2014, solid biomass was used to generate 84.8 TWh of electricity in this region, representing 2.6 % of total electricity production (3,252 TWh) and 6.1% of electricity production from

renewable sources. This figure of 84.8 TWh ranks solid biomass among the main renewable sources, after hydro power (604 TWh) and wind power (247 TWh), but before solar power (91.3 TWh)³.

As regards the French market over the same period, i.e., 2002-2014, electricity production featuring solid biomass grew at an average annual rate of 3.9 % in France (compared with -0.3% for total electricity production and +2.7% for renewable production). In 2014, solid biomass was used to produce 1.64 TWh of electricity in France, representing 0.3 % of total electricity production (540.6 TWh) and 1.7 % of renewable production. Based on this figure of 1.64 TWh, solid biomass ranked as the fourth-largest renewable source over the studied period, after hydro power (68.2 TWh), wind power (17 TWh) and solar power (5.9 TWh⁴), but offers major competitive advantages in terms of its relative growth outlook.

Strong positions in the French overseas departments and Mauritius

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

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

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

1. Source: Enerdata.

2. Source: REN21, *Renewables Global Status 2015*.

3. Source: ENTSO-E, *Electricity in Europe 2014*.

4. Source: RTE, *Bilan électrique 2014*.

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: the new 100% biomass projects developed by the Group and the gradual replacement of coal by biomass in the bagasse/coal plants currently operated by the Group should enable these overseas departments to achieve almost 50% of electricity production from renewable sources, all else being equal.

Brazil

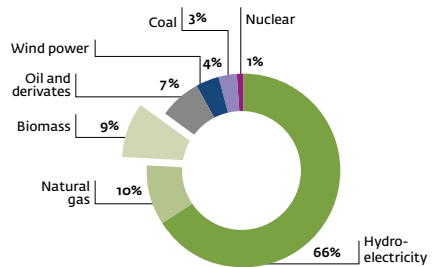
On 4 August 2015, Albioma finalised the acquisition of a 65% stake in Codora Energia, which owns a 48 MW bagasse-fuelled cogeneration plant located in the Brazilian State of Goiás. In March 2014, Albioma announced the acquisition of Rio Pardo Termoeletrica, a 60 MW cogeneration plant located in the State of São Paulo. The plants, located in areas that are very conducive to the cultivation of sugarcane, operate all year round using the bagasse harvested over nine months.

An exceptionally deep market

Brazil is the world's leading sugar producer (36.3 million tonnes of sugar produced during the 2015/2016 campaign (April 2015 to March 2016), representing 20.3% of total world production and 48.7% of global exports), the world's number one sugar cane producer (658 million tonnes of cane processed in the 2015/2016 season) and the second-largest ethanol producer after the USA (29 billion litres produced in the 2015/2016 season).

There are currently more than 400 sugar refineries operating in Brazil, making it the world's deepest market for bagasse-based energy production. Today, 7.5% of the country's electricity is produced by recovering bagasse, despite mediocre performance by existing cogeneration units (with an average of 40 kWh/tonne of cane exported to the electricity grid, compared with 120 kWh/tonne of cane by the Group's most efficient plants in Overseas France).

Brazilian energy mix in 2015



A booming market

The Brazilian electricity market, which is characterised by an installed capacity (149 TW) equivalent to that of France but with a population three times larger, offers very considerable growth potential. Power generation installed capacity is forecast to grow at an average annual rate of 5% over 2013-2023, compared with a figure of only 0.4% in France. Renewable energy sources (hydro power, wind power and biomass) will make up the lion's share of the new capacity.

Despite the recession, favourable market conditions make for an offering tailored to the needs of the sugar cane industry

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

This context has offered an opportunity for Albioma to leverage its unique energy efficiency expertise, by not only addressing the need for technical know-how expressed by sugar makers as they strive to enhance their competitiveness but also offering a solution to the cash flow issues associated with their necessary investments.

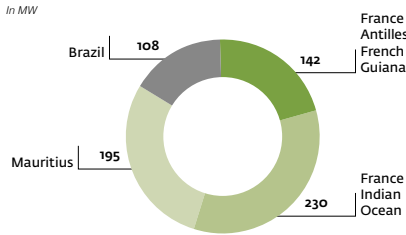
The Brazilian macro-economic environment deteriorated considerably in 2015, due to the recession (a growth rate of -3.8%), high inflation (10.7%), soaring interest rates and the sharp fall of the Brazilian real against the dollar and the euro. This context has affected energy prices and, in particular, resulted in a sharp fall in electricity spot prices in the second half of 2015. Nevertheless, the sector's long-term prospects remain positive: the devaluation of the real has enabled the sugar industry to regain some competitiveness, and there is still a need for new

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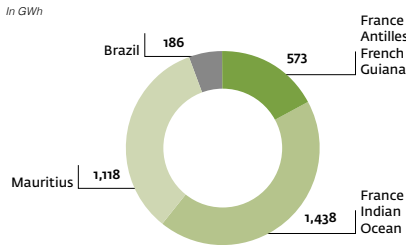
1.3. Activities and main markets

electricity production facilities. This economic context is a source of opportunity for Albioma (the price of assets in the local currency has fallen, while the sugar industry needs cash investors and expertise), which continues to select its partners with the utmost care.

Installed capacity of the Thermal Biomass activity in 2015, by geographical region



Power generation by the Solar Power business in 2015, by region



1.3.3.3. Solar Power

A steadily growing global market

At global level, photovoltaic electricity installed capacity, which was no more than 1,500 MW in 2000, rose to almost 9,500 MW in 2007 and then 40,000 MW in 2010. Growth remained very strong in subsequent years, reaching 70,000 MW in 2011, more than 100,000 MW in 2012, 138,000 MW in 2013, and a total capacity of 177,000 MW in 2014¹. The boom in the global photovoltaic power fleet continued unabated between 2007 and 2014, despite the context marked by economic and financial crises. While Europe was the driving force behind the installation of new production facilities at the start of the millennium, China and Japan emerged as leading contributors to growth in 2014.

In the European Union, photovoltaic electricity installed capacity, which was less than 200 MW in 2000, approached 5,000 MW in 2007 and 30,000 MW in 2010. The figure broke the 70,000 MW barrier in 2012, reached 80,000 MW in 2013 and achieved a total capacity of 86,700 MW in 2014, largely driven by Germany. For the third consecutive year, 2014 was marked by a slowdown in growth of new solar power facilities connected to the European grid. The main causes of this slowdown include the reduction in feed-in tariffs and an increase in the proportion of photovoltaic power generated for on-site consumption by smaller installations than those used to inject electricity into the grid.

In France, the photovoltaic power market had an installed capacity of 6,459 MW (of which 361 MW in the overseas departments) at the end of the third quarter of 2015, compared with 1,000 MW in 2010².

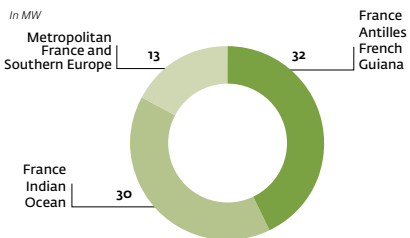
Extending Albioma's offering

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

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

In 2014, Albioma accounted for 20% of the total photovoltaic installed capacity in the Antilles-French Guiana region, and 14% of the Indian Ocean region³.

Solar Power installed capacity in 2015, by region

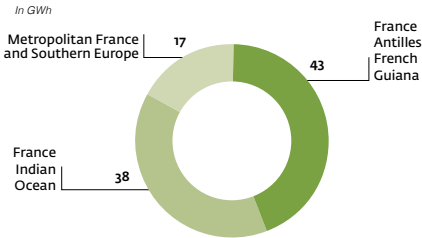


1. Source: Institut national de l'énergie solaire (INES).

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

3. Source: Albioma in-house analyses and the EDF 'Island energy systems assessment of 31 December 2015.

Power generation by the solar energy business in 2015, by region



1.3.3.4. Anaerobic digestion

Growth in this market is essentially concentrated in the European Union, which is the world's leading region for biogas production, accounting for more than half of global output, ahead of the United States of America and Canada. In keeping with the European Union's target to cover 20% of its energy requirements with renewables by 2020 (Directive 2009/28/EC), it established a programme to support the development of renewable energy industries (Directive 2009/20/EC), resulting in the adoption of a "biogas roadmap" in national renewable energy action plans. The EU also issued directives relating to the reduction of landfill disposal of biodegradable waste and waste recovery and recycling (Directive 2008/98/EC).

In application of these directives, several member States have introduced incentives to create anaerobic digestion facilities, in the form of subsidies and attractive tariffs. Germany was among the first countries to implement such a policy. As Germany seeks to phase out nuclear power, significantly expanding anaerobic digestion offers the advantage of broadening the renewable energy spectrum beyond wind and solar power, which suffer the disadvantages associated with their intermittent nature. The agricultural anaerobic digestion sector has also grown very rapidly in Germany. In 2015, the country already had 8,000 agricultural anaerobic digestion units with combined power generating capacity approaching 4,000 MWe.

In France, addressing the sizeable potential market for anaerobic digestion of livestock rearing and agribusiness waste was a priority of the 2015 Act on energy transition for green growth. However, a number of players in this sector, including Albioma, have experienced both operational and financial problems since 2012, as the pricing system does not enable existing facilities to achieve levels of profitability that are in line with Group standards.

Recent changes to the pricing system (see additional information in section 1.3.2, page 16 of this Registration Document) have resulted in increases in the purchase prices for electricity produced through cogeneration by existing anaerobic digestion facilities. Future facilities with a capacity in excess of 0.5 MW will have access to a bidding process that provides for a guaranteed additional payment for 20 years. The enactment of this new pricing framework has improved the economic perspective for this sector, although plants currently in operation are still not achieving a satisfactory level of profitability.

1.4. Strategic priorities and investment policy

1.4.1. CONFIRMATION OF THE €1 BILLION GROWTH INVESTMENT PLAN OVER THE PERIOD 2013-2023

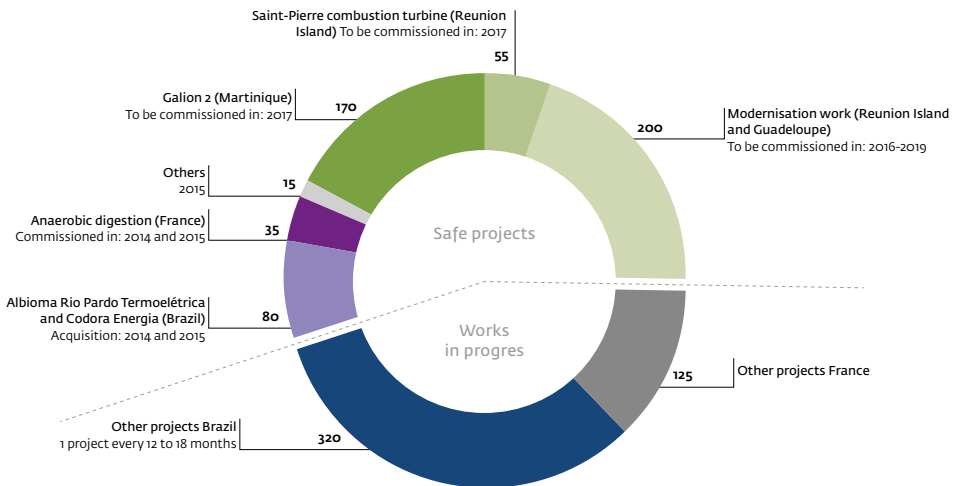
In 2015, the Group stepped up implementation of its €1 billion investment plan for 2013-2023, observing that its strategy was further consolidated by the favourable geopolitical environment: a clear intention to reduce use of fossil fuels as a result of COP21, the new French Act on energy transition for green growth confirming the Group's status as a key player in energy transition in France's overseas departments, and an increased awareness by sugar producing countries of the importance of bagasse in the energy production equation. At the same time, solar power is gradually achieving grid parity, while coal and oil prices continue to fall.

Almost two-thirds of the 2013-2023 investment plan, 60 to 70% of which is financed through project debt and 30 to 40% of which is financed from Albioma's own resources and, in certain cases, capital contributions from other investors, has now been secured.

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1.4. Strategic priorities and investment policy

2013-2023 growth investment plan



1.4.2. BIOMASS PROJECTS: ALBIOMA ESTABLISHES ITSELF AS THE PREFERRED PARTNER OF THE SUGAR AND ETHANOL INDUSTRY

1.4.2.1. French overseas departments

Construction work starts on the Galion 2 plant in Martinique - Saint-Pierre combustion turbine on Reunion Island under development

In 2015, the Group pursued its development of two iconic projects that embody its strategy of high energy efficient recovery of biomass.

Following the signature with EDF of a bagasse/biomass pricing amendment for the Galion 2 plant in Martinique in 2014, the Group began construction work in 2015. This innovative 40 MW plant, which represents an investment of €170 million, will recover and process bagasse produced by the Galion sugar mill, supplying it with steam. In addition, the Group will develop new projects using other forms of biomass locally, and will import the additional renewable fuel it requires in the form of wood pellets. The plant is now scheduled to be brought into service in Summer 2017.

In January 2015, the Group signed a 25-year contract with EDF for the purchase of electricity produced by the Saint-Pierre combustion turbine plant on Reunion Island. This 40 MW facility will be the first French peaking power plant to operate essentially with ethanol obtained by distilling sugar cane molasses, which will be produced locally by the COFEPP group's Rivière du Mât distillery on Reunion Island and by the Omnicane group on Mauritius. The plant, which represents an investment of €55 million, is due to be brought in service within 12 months of completion of the administrative phase of the project.

Roll-out of a €200 million investment programme to modernise existing plants

Roll-out of the €200 million investment programme to bring the Group's overseas thermal plants into line with the new environmental standards on gaseous emissions was made possible in 2015 following the signature with EDF of two riders to contracts for the purchase of electricity with the Le Gol plant on Reunion Island (ALG A and ALG B), to cover investments to modernise the plant that became necessary as a result of the transposition of the European Directive on industrial emissions (Directive 2010/75/EU of 24 November 2010).

The work on the ALG B plant (€26 million) should be completed in the second half of 2016. The work on ALG

A (€55 million) should be completed in 2018. On 5 April 2016, the Albioma Bois-Rouge plant on Reunion Island signed a rider with EDF to bring the plant's ABR 2 unit into line with new standards.

The entire investment programme should be completed in 2019, as facilities must be compliant with the above-mentioned new regulations by 1 January 2020.

1.4.2.2. Brazil

After announcing its first acquisition of a cogeneration plant in Brazil (Albioma Rio Pardo Termoeletrica) in March 2014, the Group finalised the acquisition of 65% of the capital of Codora Energia, which owns a bagasse cogeneration plant in the State of Goiás, in 2015, bringing the Group's installed capacity to 108 MW.

The significant deterioration in the Brazilian macroeconomic environment in 2015 affected energy prices and, in particular, resulted in a sharp fall in electricity spot prices in the second half of 2015. Nevertheless, the sector's long-term prospects remain positive: the devaluation of the real has enabled the sugar industry to regain some competitiveness, and there is still a need for new electricity production facilities. This economic context is a source of opportunity for Albioma (the price of assets in the local currency has fallen, while the sugar industry needs cash investors and expertise), which continues to select its partners with the utmost care.

1.4.3. SOLAR: BIDDING FOR CONTRACTS FOR SOLAR FARMS WITH STORAGE CAPABILITIES

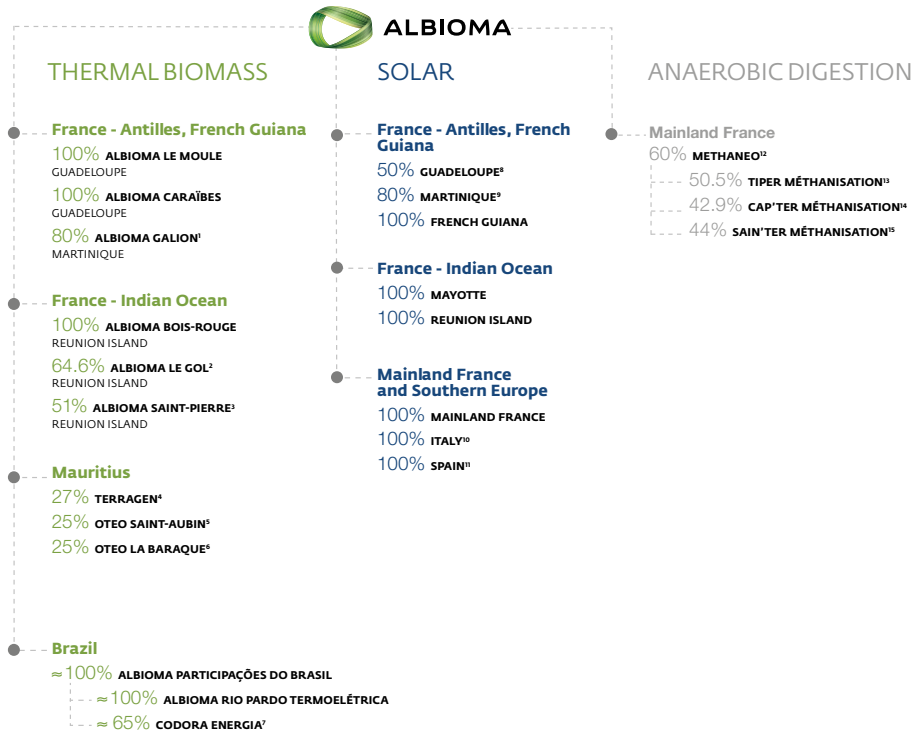
In the light of changes in pricing regulations that have marked the solar energy sector over the past ten years, the Group has adopted an opportunistic position based on the acquisition of existing plants that receive high prices under contracts with long residual terms, combined with the development of projects with storage capabilities that feature significant technical innovations, thus giving the Group a strong competitive advantage in the competitive bidding processes organised by the Energy Regulation Board.

1.4.4. ANAEROBIC DIGESTION: A PERIOD OF STRATEGIC REFLECTION

In France, addressing the sizeable potential market for anaerobic digestion of livestock rearing and agribusiness waste was a priority of the 2015 Act on energy transition for green growth. However, despite recent changes to the pricing framework (see additional information in section 1.3.2, page 16 of this Registration Document), the existing facilities operated by the Group are not achieving satisfactory levels of profitability.

1.5. Organisation

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



1. With the COFEPP group.

2. With the Tereos group.

3. With COFEPP and Tereos.

4. The Group owns 27% of Terragen alongside a consortium (HBM) of sugar production and sugar cane plantation companies in the North of Mauritius, a cooperative investment company owned by sugar industry workers in Mauritius (Sugar Investment Trust) and the State Investment Corporation, a public sector company in Mauritius.

5. The Group owns 25% of Omnicane Thermal Energy Operations Saint-Aubin, together with the sugar producer Mon Trésor et Mon Désert and the Sugar Investment Trust.

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

7. 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 as a result of a reverse merger.

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

9. The Group owns 80% of Albioma Solaire Habitat, Albioma Solaire Antilles and Albioma Solaire Lassalle (alongside the COFEPP group).

10. Companies in the Quant Energia sub-group.

11. Companies in the Sun Developers and Sun Orgiva sub-groups.

12. Together with its two founders.

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

14. Together with Seolis Prod and Avena Méthanisation.

15. Together with Alermda, Vendée énergie and Société Nouvelle Interplume.

1.5.2. ADDITIONAL INFORMATION ON THE GROUP'S LEGAL STRUCTURE

1.5.2.1. Project companies

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

A list of all companies that are fully consolidated or consolidated according to the equity method as at 31 December 2015 is provided in Note 37 to the consolidated financial statements for the 2015 financial year, on pages 197 *et seq.* of chapter 4 of this Registration Document.

1.5.2.2. Main changes to the legal structure over the 2015 financial year

The following transactions took place in 2015:

- acquisition of 100% of the shares of Voltaréunion by Albioma Solaire Réunion, a wholly-owned subsidiary of Albioma, resulting in its control of the following companies, which are wholly-owned subsidiaries of Voltaréunion: Elecsol Cambaie (which owns 100% of the capital of Fare Location 1 and Voltacane Invest), Elecsol Les Avirons (which owns 100% of the capital of Fare Location 3), Elecsol Les Tamarins (which owns 100% of the capital of Fare Location 4), Elecsol La Réunion 1 (which owns 100% of the capital of Fare Location 2, Fare Location 5 and Fare Location 7), Elecsol Saint-Pierre 1, Elecsol La Réunion 16, Elecsol Sainte-Suzanne, Elecsol La Réunion 13, Elecsol La Réunion 18 and Elecsol Saint-André;
- acquisition of 100% of the shares of Elecsol La Réunion 10 by Albioma Solaire Réunion, a wholly-owned subsidiary of Albioma;
- incorporation of the Brazilian company Albioma Codora Participações, 99.99% owned by Albioma Participações do Brasil;
- acquisition by Albioma Codora Participações of 65% of the shares in the Brazilian company Codora Energia;
- absorption following a reverse merger of Albioma Codora Participações by Codora Energia, 65% of which is now owned by Albioma Participações do Brasil;
- early dissolution of Albioma Guadeloupe Logistique and transfer of all the assets and liabilities to Albioma, its sole shareholder;
- early dissolution of Lisieux Méthanisation and transfer of all the assets and liabilities to Methaneo, its sole shareholder;
- early dissolution of Méthanagri and transfer of all the assets and liabilities to Methaneo, its sole shareholder;
- early dissolution of Mater Biogaz and transfer of all the assets and liabilities to Methaneo, its sole shareholder;
- early dissolution of Retz'Nergie Méthanisation and transfer of all the assets and liabilities to Methaneo, its sole shareholder;

1.5.3. FUNCTIONAL ORGANISATION AND MANAGEMENT TEAM

1.5.3.1. Functional organisation

In 2015, the Group was structured around operating divisions, created by combining its three businesses (Thermal Biomass, Solar Energy and Anaerobic Digestion) and the areas in which it operates:

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

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

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

1.5.3.2. Management team (as at the date of filing of this Registration Document)¹

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

Jacques Pétry, Chairman and Chief Executive Officer

Born on 16 October 1954, Jacques Pétry is a graduate of the Ecole Polytechnique who also has a civil engineering qualification from Ponts et Chaussées. He has spent more than 25 years working in the water and environmental sectors. In 1996, he was appointed Chairman and Chief Executive Officer of SITA, and in 2001 he was appointed Chairman and Chief Executive Officer of Suez Environment. In 2005, he was appointed *Chief Executive Officer* for Continental Europe and South America at Sodexo. From 2007 onwards, he advised investors in the environmental and energy sectors, first as Managing Director of Royal Bank of Scotland and then as an independent consultant. He served as Chairman of the Supervisory Board of Idex, an energy services provider, until October 2011. He joined Albioma (then called Séchilienne-Sidec) in 2011 as Chairman and Chief Executive Officer.

In accordance with the Board of Director's decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016, from that date Jacques Pétry will hold office as Chairman of the Board of Directors only (see additional information in section 2.2.1, page 45 of this Registration Document).

Pascal Langeron, Chief Operating Officer France

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

Frédéric Moyne, Chief Operating Officer Brazil

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

In accordance with the Board of Director's decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016, Frédéric Moyne will hold office as Chief Executive Officer from that date (see additional information in section 2.2.1, page 45 of this Registration Document).

Louis Decrop, Chief Operating Officer Africa/Asia

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.

Julien Gauthier, Chief Financial Officer

Born on 23 February 1977, Julien Gauthier is a graduate of the Ecole des Hautes Etudes Commerciales (HEC). He started his career at Lehman Brothers, London, where

1. See additional information in section 2.2.1, page 45 of this Registration Document on the Board of Director's decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016, and to appoint Frédéric Moyne as Chief Executive Officer on the same date, with Jacques Pétry continuing to hold office as Chairman of the Board of Directors.

2. See additional information in section 2.3.2.1 on page 53 of this Registration Document.

he worked on mergers and acquisitions throughout Europe. He then joined Barclays' structured finance division, where he arranged financing packages for French SMEs. In 2007, he joined Apax Partners as Principal – Business Services investment portfolio, where he also had responsibility for arranging financing for acquisitions and companies in the portfolio. In 2012, he joined Albioma as Chief Financial Officer, and was appointed Chief Operating Officer in charge of finance in 2015.

1.6. Property, plant and equipment

The Group's property, plant and equipment are described in Note 15 to the consolidated financial statements for the 2015 financial year, in chapter 4, page 174 of this Registration Document.

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

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

Assets	Status	Location	Activities	Total gross capacity (MW)	Land tenure	Facility tenure
Albioma Bois-Rouge 1 (tranches 1 and 2)	In operation	Reunion Island	Bagasse/coal cogeneration	60.0	Construction lease	Full ownership
Albioma Bois-Rouge 2 (tranche 3)	In operation	Reunion Island	Bagasse/coal cogeneration	48.0	Construction lease	Financial lease
Albioma Le Gol A (tranches 1 and 2)	In operation	Reunion Island	Bagasse/coal cogeneration	64.0	Construction lease	Full ownership
Albioma Le Gol B (tranche 3)	In operation	Reunion Island	Bagasse/coal cogeneration	58.0	Full ownership	Full ownership
Albioma Saint-Pierre	Administrative phase	Reunion Island	Bio-ethanol / heating oil peaking thermal	40.0	Full ownership	Full ownership
Albioma Le Moule	In operation	Guadeloupe	Bagasse/coal cogeneration	64.0	Full ownership	Full ownership
Albioma Caraïbes	In operation	Guadeloupe	Coal-fired base-load thermal	38.0	Full ownership	Financial lease
Albioma Galion1	In operation	Martinique	Peaking thermal (heating oil)	40.0	Construction lease	Full ownership
Albioma Galion2	In construction	Martinique	Biomass cogeneration	36.5	Emphyteutic leases	Full ownership
Terragen	In operation	Mauritius	Bagasse/coal cogeneration	70.0	Full ownership	Full ownership
OTEO Saint-Aubin	In operation	Mauritius	Coal cogeneration	35.0	Full ownership	Full ownership
OTEO La Baraque	In operation	Mauritius	Bagasse/coal cogeneration	90.0	Full ownership	Full ownership
Solar – Metropolitan France	In operation	Metropolitan France	Ground array solar	8.2	Emphyteutic leases	Full ownership
Solar – Indian Ocean	In operation	Reunion Island, Mayotte	Ground array and rooftop solar	30.3	Common-law and emphyteutic leases	Lease with purchase option
Solar – Antilles	In operation	Guadeloupe Martinique	Ground array and rooftop solar	15.6	Common-law and emphyteutic leases	Full ownership and lease with purchase option

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1.7. Research and development, patents and licences

Assets	Status	Location	Activities	Total gross capacity (MW)	Land tenure	Facility tenure
Solar – French Guiana	In operation	French Guiana	Ground array solar	16.0	Emphyteutic leases	Full ownership 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
Tiper Méthanisation	In operation	Metropolitan France	Anaerobic Digestion	2.0	Full ownership	Full ownership
Cap'ter Méthanisation	In operation	Metropolitan France	Anaerobic Digestion	0.5	Full ownership	Full ownership
Sain'ter Méthanisation	In operation	Metropolitan France	Anaerobic Digestion	0.5	Full ownership	Full ownership
Albioma Rio Pardo Termoeléctrica	In operation	Brazil	Biomass cogeneration	60.0 ¹	Use free of charge	Full ownership
Codora Energia	In operation	Brazil	Biomass cogeneration	48.0 ²	Use free of charge	Full ownership

1. Approximately 20 MW guaranteed.

2. Approximately 21 MW guaranteed.

1.7. Research and development, patents and licences

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

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

- 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.

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

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

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.

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.

1.8. Risk factors and insurance policy

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

The Company has put in place an internal control system, including risk management procedures, in order to prevent and control these risks. The internal control and risk management procedures are described in the report by the Chairman of the Board of Directors drawn up pursuant to Article L. 225-37 of the French Commercial Code, which can be found in section 2.7 on pages 118 *et seq.* of this Registration Document.

The elimination of all risks is impossible. Moreover, other risks not listed below because the Group is not currently aware of them or does not consider them to be material as at the date of filing of this Registration Document might have a similar adverse impact in the future.

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1.8. Risk factors and insurance policy

1.8.1. OPERATIONAL RISKS

1.8.1.1. Operational incidents

The operation of industrial units entails risks, which cannot be totally eliminated, relating to industrial accidents (see additional information in section 1.8.2.1, page 32 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.

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

To reduce these risks, the Engineering and Works department oversees the maintenance programmes at Albioma's facilities, including in particular management of scheduled production outages. Production equipment suppliers are strictly monitored to ensure that delivered items meet optimal reliability standards. Furthermore, equipment renewal procedures are applied, to mitigate the costs of replacement operations and related down-time.

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

Further technical incidents that affected the Le Gol plant on Reunion Island and the Le Moule plant in Guadeloupe in 2015 (see additional information in section 3.2.1.1, page 137 of this Registration Document) prompted the Group to put in place an action plan to improve security procedures and modify certain equipment, with the aim of once again achieving a 90-92% availability level. This action plan focuses primarily on rotating machinery and condition-based maintenance. In particular, it provides for an audit of the turbine generators across the thermal fleet, as well as a review of the strategic replacement parts stockpile, to limit downtime.

The procedures and certifications intended to reduce the risk of occurrence of industrial accidents are described in section 1.8.2.1, page 32 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.

1.8.1.2. Malicious acts

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

1.8.1.3. Development

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

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

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

- mobilisation of stakeholders against a project developed by the Group, potentially resulting in administrative proceedings seeking the suspension or cancellation of the permits or authorisations necessary for construction or operation;
- delays in obtaining permits, authorisations and funding – processes that require often uncertain timeframes;
- delays in obtaining authorisation from the Energy Regulation Board prior to signature of an electricity sale agreement with EDF;
- non-delivery of an industrial installation under construction;
- industrial accidents during construction of an installation.
- delays in connecting an installation to the energy distribution network.

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

In order to reduce these risks, the Group implements a stringent project management process to ensure it does not commit itself without sufficient visibility of major investments and can call a halt to any project that does not satisfy profitability or risk criteria deemed acceptable by the Group as early in the process as possible. Moreover, the Group 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. Considerable efforts

were made in this area in connection with the start of construction work on the Galion 2 plant in Martinique during the 2015 financial year. 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).

1.8.1.4. Access to financing

The Group's capacity to develop its projects, and in particular its Thermal Biomass and Anaerobic Digestion projects, depends on the availability of long-term financing in the local currency. More specifically, the availability of financing in Brazil is a determining factor in the Group's future development. If financing tailored to the Group's specific needs were not available, this would limit the Group's capacity to develop. The unavailability of financing could also limit the Group's capacity to refinance certain installations and would expose it to the risk of a substantial drop in profitability. Given the stability of its balance sheet and its contractual arrangements, the risk of unavailability of financing is very limited in France, although it cannot be completely ruled out, particularly in the event of a sharp deterioration in the lending markets.

1.8.1.5. Human resources

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

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

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

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1.8. Risk factors and insurance policy

This risk is managed by:

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

1.8.1.6. Internal control errors

The Group has put in place risk management and internal control systems to prevent and manage the risks to which it is exposed. These are described in the report by the Chairman of the Board of Directors drawn up pursuant to Article L. 225-37 of the French Commercial Code, which can be found in section 2.7, page 118 of this Registration Document.

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

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

1.8.2. INDUSTRIAL AND ENVIRONMENTAL RISKS

1.8.2.1. Industrial accidents and environmental damage

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

In particular, Albioma is exposed to:

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

The Group has put in place procedures designed to minimise the risk of such accidents occurring and to reduce their potential impact on individuals, property and the environment. Some of these procedures were introduced in order to comply with the laws and regulations that are specifically applicable to the Group's business activities, while others are a reflection of the Group's continuing efforts to improve or are the result of a concerted risk management policy put in place in collaboration with its insurers.

Following the introduction in 2011 of the production unit management system as part of the Quality, Safety and Environment (QSE) process, the Group obtained AFNOR certification for the three QSE standards (ISO 9001, ISO 14001 and ILO OSH 2001) for the Albioma Le Gol plant (certification obtained in 2011) and the Albioma Bois-Rouge plant (certification obtained in 2013). The same triple certification was also obtained by Terragen in Mauritius in 2014. OTEO Saint-Aubin obtained ISO 14001:2004 certification in 2014. The Group intends to extend it in the short term to the Albioma Le Moule and Albioma Caraïbes facilities, then to all its activities, regardless of their location. Applications for triple certification (ISO 14001, ISO 9001 and ILO OSH 2001) for the Solar Power business in France are currently being processed.

1.8.2.2. Regulatory framework of the Group's business activities

The Group operates its industrial installations within a strictly regulated framework, particularly as regards the environment. All of the Group's thermal power plants and its anaerobic digestion installations (depending on their size and the type of organic matter they process) are governed by laws and regulations applying to classified installations (ICPE). The ICPE regulations also require the rehabilitation of sites when the classified activity is discontinued and the provision of financial guarantees for certain installations (see additional information in section 6.3.1.4, page 246 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).

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

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

1.8.2.3. Security of employees and individuals present on industrial sites

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

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

The health and safety of employees and service providers is a major concern for the Albioma group. The Company has acquired a number of updated operational tools and resources over the past few years, including a certified health and safety management system which consists of:

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

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

In view of the increase in accidents in the workplace in 2014, despite significant efforts to improve employee safety, the Group commissioned an audit of its employee safety procedures. Audit findings were examined in 2015. As a result, four priorities were defined as the basis of an ambitious action plan: to strengthen management commitment, identify and standardise needs, promote the active involvement of all employees, learn from and capitalise on errors and shortcomings. The Group's considerable efforts to improve its performance in terms of safety resulted in a marked improvement in the indicators measuring the frequency and severity of accidents in the workplace in 2015 (see additional information in section 6.2.4, pages 242 *et seq.* of this Registration Document).

1.8.3. CLIMATE RISKS

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

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

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1.8. Risk factors and insurance policy

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

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

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

The strategy consisting of the guaranteed sale of electricity produced (see additional information in section 1.8.10.1, page 39 of this Registration Document) and the geographic diversity of Albioma's sites both contribute to the management of climatic risk in Brazil.

1.8.4. LABOUR-RELATED RISKS

1.8.4.1. Risk of strikes

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

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

Hence, the 2015 results were affected by a strike by some staff on the Le Moule site in Guadeloupe: on 21 January 2015, certain Thermal Biomass division employees working at the Le Moule site in Guadeloupe went on strike, encouraged by the FE-CGTG trade union (*Fédération de l'Énergie de la Confédération Générale du Travail de la Guadeloupe*). Extensive negotiations conducted under the aegis of the Guadeloupe Department for Business, Competition, Consumption, Work and Employment (DIECCCTE) led to staff returning to work on 5 March 2015. The two facilities had been operated by non-striking workers since 14 February 2015.

The Group pays very close attention to the management of its human resources, and ensures in particular that a healthy dialogue is maintained with the employee representative bodies. The Group also associates its employees with the growth of the Group and the creation of value in the long term, through the allocation of bonus shares, profit-sharing agreements and incentive schemes. For additional information on this topic, please refer to section 6.2.1.3, pages 238 *et seq.* and 6.2.3, pages 241 *et seq.* of this Registration Document.

1.8.4.2. 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.

1.8.5. 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.

In the French overseas departments, the Group is exposed to risks associated with a large-scale political or social crisis that may, in particular, result in general strikes (see additional information in section 1.8.4.1, page 34 of this Registration Document).

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

1.8.6. CREDIT AND COUNTERPARTY RISK, 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.

1.8.6.1. Credit and counterparty risk

Generally, given the stability of the Group's clients in metropolitan France, the French overseas departments and Mauritius, the Group's exposure to a counterparty risk relating to trade receivables is immaterial. As regards the Thermal Biomass business, the structure of the Brazilian electricity market (see additional information in section 1.3.2.2, pages 14 *et seq.* of this Registration Document on the contractual framework of the Brazilian business activities) is such that the Group will enter into agreements for the sale of its electricity with major industrial and commercial partners and will therefore be exposed to a counterparty risk. With regard to the Anaerobic Digestion business, the sale of the steam produced to industrial clients exposes the Group to a counterparty risk, limited to a fraction of its turnover, in that the default of a steam client would be likely to call into question the contractually defined tariffs for the purchase of electricity (moreover, this risk is limited to the cogeneration plants). The Group carefully selects its clients in both these business sectors in order to substantially reduce the risk, although it cannot be completely eliminated.

The Group is exposed to a limited counterparty risk with regard to its suppliers and subcontractors in connection with its French overseas activities. Despite the care taken when selecting them, the inability of a supplier or subcontractor to deliver an agreed service as a result of a default or failure during the construction of an installation, at the time of maintenance or during the operational phase (delivery of fuel), could result in a delay in the industrial commissioning of the plant or the unavailability of the installation, which would have an adverse impact on the Group's results (see 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 producer is unable to deliver the bagasse needed to operate the plant as the result of an operational failure or financial default, this could have a material adverse impact on the Group's results. The Group is careful to select reliable partners, based on both operational and financial considerations, which should substantially reduce the risk of such an occurrence, although it cannot be completely eliminated.

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1.8. Risk factors and insurance policy

1.8.6.2. Risks associated with supplies

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

- With regard to the Thermal Biomass business, the Group is exposed more specifically to the following risks:
 - in the French overseas departments and Mauritius, a risk of delays and, to a lesser extent given the Group's policy of diversifying suppliers, of an interruption in the supply of coal; the Group builds up and manages a buffer stock of fuel in each of its installations to cover any delays, but it cannot guarantee that it will be able to maintain the availability of its installations in all circumstances;
 - in Brazil a risk of an interruption in the supply of bagasse by the sugar-producer, due to its operational failure or financial default (see additional information above on the counterparty risk) or adverse weather conditions (see additional information in section 1.8.3, 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 (see additional information in section 1.8.10.1, page 39 of this Registration Document).
- With regard to the Anaerobic Digestion business, the Group is essentially exposed to the potential consequences of the poor quality of the inputs, which may contain materials such as metals or stones that could damage the production equipment. Given the collective nature of the anaerobic digestion units operated by the Group, the risk associated with biomass supplies is immaterial.

More generally, the Group is exposed to the risk of a shortage of or delay in supplies of critical parts needed for the proper operation of its installations, which are often located in scarcely industrialised areas. Such supply

shortages or delays could lead to the unavailability of the Group's installations (for example, as a result of extending the technical shutdown periods for maintenance work), which would have an adverse impact on its results. The Group manages a buffer stock of critical parts with long procurement periods, in order to reduce exposure to this risk.

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

The most important supplier during the last financial year was a supplier of fuel oil, due to EDF's very high call rate at the Galion plant in Martinique. In 2015, invoices from this single supplier totalled €24.0 million, excluding tax. In 2015, the total amount invoiced by the Group's ten largest suppliers was €152.1 million, excluding tax.

The Group sells almost all of the electricity it produces under long-term agreements entered into with EDF in France and the Central Electricity Board in Mauritius. The Group's income from EDF came to €315.6 million in 2015, representing 90.3% of consolidated income for the 2015 financial year. This is similar to 2014 (89.6%). Revenue earned with the Central Electricity Board is not included in consolidated income, as the Mauritian power plants are consolidated using the equity method. Any difficulties in relations with these customers could have a material adverse impact on the Group's results.

1.8.7. RISKS RELATING TO RAW MATERIALS

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

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

1.8.8. LITIGATION RISKS AND MAIN DISPUTES

1.8.8.1. Risks associated with changes to the regulatory environment

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

The clauses designed to preserve the economic balance of the long-term electricity sale agreements for its Thermal Biomass businesses in the French overseas departments (see additional information in section 1.3.2.2, pages 13 *et seq.* of this Registration Document) factor in the possibility of such changes to the regulatory framework.

In Brazil (see additional information in section 1.3.2.2, pages 14 *et seq.* of this Registration Document on the contractual framework of the Brazilian business activities), the agreements signed do not include any clauses to protect the Group against unfavourable changes in the regulatory environment. More specifically, if the special tax treatment applicable in Brazil (*lucro presumido*) is withdrawn, this could have a material adverse impact on the Group's results.

In the event of any major unfavourable change in regulations, the Group cannot guarantee - despite the care taken in the management of its contracts - that its installations would remain profitable. More specifically, any unfavourable discretionary and/or retroactive change to the regulations applying to tariffs for electricity produced by photovoltaic installations (see, for example, the information included in section 1.3.2.2, page 15 of this Registration Document on the situation in Spain), to energy generated by anaerobic digestion, or to the tax regulations applying to its business activities (increasing existing taxes), could affect the Group's results for its current and future Solar and Anaerobic Digestion business activities.

1.8.8.2. Risks associated with the ownership of non-controlling interests

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

certain project management functions, for which it receives remuneration).

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

1.8.8.3. Litigation risk

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

- possible failure to meet contractual commitments;
- possible non-compliance with legislative or regulatory provisions, particularly those applicable to classified installations for environmental protection (ICPE);
- possible breach of conditions accompanying the grant of tax benefits;
- questioning of tax benefits granted to investments made overseas;
- possible lodging of appeals by third parties against permits or authorisations obtained;
- possible occurrence at the Group's units of incidents or accidents resulting in bodily injury and/or damage to property and giving rise to claims for compensation.

These risks are managed through:

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

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

- The Group's thermal installations experienced significant labour disputes during 2011, mainly concerning the conditions for application of Article 14-6 of the Conditions of Employment (statut) of the Electricity and Gas Industries (industries électriques et gazières - IEG). Employees were demanding entitlement to the "colonial compensation" available to State employees working in the French overseas territories pursuant to Article

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14-6 of the IEG Conditions of Employment. In 2012, this dispute on the application of the IEG Conditions of Employment was brought before the courts in Guadeloupe and Reunion by the national federation of mining and energy staff (Fédération Nationale des Personnels des Mines et de l'Énergie – FNME-CGT) for each of the Group's thermal power plants, with the trade union demanding a 40% basic wage increase for its members. Similar cases have been initiated by the trade unions representing employees of other electricity producers in the French overseas departments, including EDF. All these cases were then grouped together before the Paris District Court (Tribunal de Grande Instance), which, when preparing the file, asked the Conseil d'Etat for a decision on the legality of certain regulations implementing the IEG Conditions of Employment and for its interpretation of Article 14-6 of the Conditions of Employment. The Conseil d'Etat has dismissed the arguments put forward by FNME-CGT, considering in particular that Article 14-6 of the IEG Conditions of Employment had been deprived of all effect as a result of the adoption of certain laws and regulations post-dating the entry into effect of the IEG Conditions of Employment.

- In 2012, Albioma Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge) initiated proceedings against Alstom Power before the Paris court of first instance seeking compensation for losses incurred in connection with significant damage to the steam turbine acquired from this supplier. The expert appraisal is still ongoing.
- Albioma Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge) was joined to an action brought by Sucrière de la Réunion against its insurer, QBE Insurance Europe Ltd, which was refusing to pay out on a claim by its client for operating losses of approximately €1 million. These operating losses were allegedly the result of the shutdown of the Bois-Rouge plant during the 2009 sugar campaign. Sucrière de La Réunion won the case before the appeal court in 2012, without any consequences for Albioma Bois-Rouge. In 2013, QBE Insurance Europe Ltd filed a new procedural suit before the lower courts. In April 2015, the court again found in favour of Albioma Bois-Rouge; however, QBE Insurance Europe Ltd has appealed the decision.

- In January 2015, Assaupamar initiated two proceedings before the Fort-de-France Administrative Court, disputing the legality of the authorisation to operate the Galion 2 all-biomass power plant issued by Martinique Prefecture on 14 March 2014, within the framework of the regulations on environmentally-classified facilities (ICPE). Assaupamar sought, firstly, to obtain an interim order suspending the ICPE authorisation and, secondly, to obtain a judgement on the merits cancelling the authorisation. In an interim order dated 24 March 2015, the Judge recorded that Assaupamar had withdrawn its action seeking the suspension of the authorisation to operate the plant. The action on the merits seeking its cancellation is ongoing.

There are no other governmental, legal or arbitration proceedings (including any stayed proceedings or potential proceedings of which the Company is aware) that are likely to have, or have had, any material effect on the Group's financial position or profitability in 2015 or since the end of the year.

1.8.9. LIQUIDITY RISK

The Group's Financial Department centralises all its subsidiaries' financing needs and negotiations with financial institutions in order to better control financing terms and conditions. Any transactions carried out directly by subsidiaries are closely monitored. The Financial Department aims to maintain sufficient liquidity at all times by efficiently managing the Group's cash and cash equivalents, in particular by putting in place secure financing 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 23 to the consolidated financial statements for the 2015 financial year in chapter 4, page 183 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 2015, the breakdown of the liquidity position compared with that of previous years was as follows:

€ thousands	31/12/2015	31/12/2014	31/12/2013
Other current financial assets	21,128	75,869	66,870
Bank accounts	27,132	27,268	38,192
Lines of credit not utilised	40,000	40,000	43,500
Liquidity position	88,260	143,137	148,562

1.8.10. MARKET RISKS

1.8.10.1. 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, pages 13 *et seq.* of this Registration Document).

With regard to the Group's Brazilian activities (see additional information in section 1.3.2.2 pages 14 *et seq.* 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 contracts signed

with industrial and commercial partners at predetermined prices for 2016, the Brazilian plants have secured long-term sales on the regulated market (20 years) for 60% of the expected production at excellent prices, which limits 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.

1.8.10.2. Interest rate risk

The Group's interest-rate management policy is coordinated, supervised and managed centrally, with the aim of protecting future cash flows and reducing volatility of financial expenses. As at 31 December 2015, the Group's borrowings were split as follows:

31/12/2015

€ thousands	Bank overdrafts, accrued interest and loan issue costs				Payables relating to call options on non-Group interests		Total	Bank overdrafts, accrued interest and loan issue costs				Payables relating to call options on non-Group interests		Total
	Project debt	Corporate debt	Corporate debt	Corporate debt	Project debt	Corporate debt		Project debt	Corporate debt	Corporate debt	Corporate debt			
DEBTS WITH FINANCIAL INSTITUTIONS														
Fixed rate	-	80,745	1,500	80,000	162,245	(1,617)	80,302	1,500	80,000	160,185				
Variable rate	16	254,756	-	-	254,772	(1,392)	226,985	-	-	225,593				
Total	16	335,501	1,500	80,000	417,016	(3,009)	307,287	1,500	80,000	385,778				
FINANCIAL LEASING DEBT														
Fixed rate	-	12,690	-	-	12,690	-	18,813	-	-	18,813				
Variable rate	-	126,027	-	-	126,027	-	134,887	-	-	134,887				
Total	-	138,717	-	-	138,717	-	153,701	-	-	153,701				
Total financial debt	16	474,217	1,500	80,000	555,733	(3,009)	460,988	1,500	80,000	539,479				

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1.8. Risk factors and insurance policy

Financial debt included variable-rate debt of €380.8 million in 2015, compared with €360.5 million in 2014. This increase can be explained by the use of debt financing for the acquisition of the Codora Energia plant in Brazil and the assumption of the company's existing debts, and by the first drawdowns on the loan for construction of the Galion 2 plant in Martinique.

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

The interest rate hedges are described in Note 24 to the consolidated financial statements for the 2015 financial year, in chapter 4, page 185 of this Registration Document.

Sensitivity of financial assets and liabilities to variations in interest rates is described in Note 32.1 to the consolidated financial statements for the 2015 financial year, in chapter 4, pages 191 *et seq.* of this Registration Document.

1.8.10.3. Currency risk

The Group publishes its consolidated financial statements in euros, and in 2015 96.1% of its income and 91.9% of its EBITDA was recognised in euros.

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

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

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

At 31 December 2015, currency risks were as follows:

Value in euros of assets in BRL

€ thousands	31/12/2015	31/12/2014	31/12/2013
Assets	86,741	57,755	–
Liabilities	(33,235)	(23,230)	–
Net position before management	53,506	34,525	–
Off-balance sheet position	–	–	–
Net position after management	53,506	34,525	–

Value in euros of assets in Mauritian rupees

€ thousands	31/12/2015	31/12/2014	31/12/2013
Assets	24,651	24,467	23,560
Liabilities	–	–	–
Net position before management	24,651	24,467	23,560
Off-balance sheet position	–	–	–
Net position after management	24,651	24,467	23,560

Sensitivity to currency risk in 2015

Euro/Brazilian real

Brazilian real	Impact on net income		Impact on shareholders' equity	
	5% increase	5% decrease	5% increase	5% decrease
	+0.1%	–	+0.7%	-0.6%

Euro/Mauritian rupee

These net positions in Mauritian rupees are subject to a hedge of a net investment in a foreign operation (see additional information in Note 16 to the financial statements for the 2015 financial year, in chapter 4, page 175 of this Registration Document). As such, a movement in the euro / Mauritian rupee exchange rate would have no material impact on shareholders' equity.

1.8.10.4. Risque sur actions

Equity risk is limited due to the nature of the Group's cash investments (money market mutual funds benefiting from good ratings and subscribed with recognised institutions). As at the date of filing of this Registration Document, there are no treasury shares (see additional information on treasury shares in section 7.3.6.2, pages 277 *et seq.* of this Registration Document).

1.8.10.5. Risks relating to significant off-balance sheets commitments

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

See additional information in Note 33 to the consolidated financial statements for the 2015 financial year in chapter 4, pages 193 *et seq.* of this Registration Document.

1.8.11. INSURANCE

1.8.11.1. Insurance policy

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

- "Construction" policies put in place for new investments;

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

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

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

The total amount of premiums paid by the Group in respect of its various insurance policies came to €3.7 million in 2015, as compared to €4.2 million in 2014).

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1.8. Risk factors and insurance policy

1.8.11.2. Summary of main policies

Damage and operating losses policies

Thermal Biomass

As at 31 December 2015, 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 €1,081 million for direct damage and €379 million for operating losses, with a variable excess depending on the plant and the type of loss or damage (minimum of between €400,000 and €800,000 million for direct damage, and between 30 and 45 days for operating losses), with an aggregate pay-out limit per plant (€250 million, limited to two plants) or a specific limit per event (i.e., storms, hurricanes and machine breakage);
- Second-line policy with an insured amount of €620 million for direct damage and €206 million for operating losses, with an excess of €250 million and an aggregate pay-out limit per plant of €150 million.

In Brazil, the facilities are covered by "all risks except" policies for BRL 158 million for direct damage and BRL 47 million for operating losses for Albioma Rio Pardo Termoelétrica, and BRL 130 million for direct damage and BRL 56 million for operating losses for Codora Energia.

Solar Power

As at 31 December 2015, the Group's photovoltaic installations were covered by several insurance policies for a total amount of €167 million for direct damage and €48 million for operating losses.

Anaerobic Digestion

As at 31 December 2015, the Group's Anaerobic Digestion installations were covered by comprehensive construction/assembly-testing policies and are also covered against anticipated operating losses, comprehensive operating risks and consecutive operating losses, which are taken out by each plant for an amount corresponding to the replacement value of each anaerobic digestion unit or the operating losses over a 12-month period, with a variable excess based on the plants and the type of damage or loss.

Operational civil liability

Thermal Biomass and Solar

As at 31 December 2015, the Group's Solar and Thermal Biomass activities in Overseas France were covered by operational civil liability policies for €35 million per claim, and also have civil liability coverage after delivery/professional civil liability coverage of €6 million per claim and per annum.

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

Anaerobic Digestion

As at 31 December 2015, the Group's Anaerobic Digestion installations were covered by an operational civil liability policy per plant for between €3 million and €7.5 million per claim, depending on the scale of the project, and also have civil liability coverage after delivery/professional civil liability coverage per plant of between €1.5 million and €2 million per claim and per annum, depending on the size of the unit.

Civil liability for environmental damage

As at 31 December 2015, the Thermal Biomass activities (excluding Brazil) and Anaerobic Digestion activities were insured for €30 million over three years (€20 million per claim) against environmental damage (including depollution costs, which are covered for up to €5 million).

Civil liability of corporate officers

As at 31 December 2015, the managers of Albioma and its subsidiaries were covered for an amount of €50 million per annum (two lines of €25 million each) against the risk that their civil liability is incurred.

Albioma's Brazilian subsidiaries were covered for BRL 65 million.

¹. Excluding OTEO La Baraque and OTEO Saint-Aubin

CORPORATE GOVERNANCE

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2 • CORPORATE GOVERNANCE

2.1. Principles

2.1. Principles

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

Pursuant to the decisions of the Board of Directors meeting of 19 December 2008, the Company voluntarily complies with the corporate governance code for listed companies published by AFEP and MEDEF (the "AFEP-MEDEF Code"), last updated in November 2015. The Company also applies the principles defined in the AFEP-MEDEF Code's implementation guidelines, published by the High Committee on Corporate Governance and most recently updated in December 2015.

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

In accordance with the recommendations of the French securities regulator (Autorité des Marchés Financiers) and Article L. 225-37 of the French Commercial Code (Code de commerce), the provisions of the AFEP-MEDEF Code that the Company has not applied are summarised in a table (section 2.5, page 116 of this Registration Document) setting out the reasons for this choice.

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

The following includes the report of the Chairman of the Board of Directors, prepared pursuant to Article L. 225-37 of the French Commercial Code, on the composition of the Board of Directors and conditions for the preparation and organisation of its work (see sections 2.1, 2.2, 2.3 and 2.4.1 and 2.6, on pages 44 *et seq.*, 93, 116 *et seq.* of this Registration Document), and on the internal control and risk management procedures implemented by the Company (section 2.7, on pages 118 *et seq.* of this Registration Document)¹.

In accordance with the provisions of this same article, it is noted that the information referred to in Article L. 225-100-3 of the French Commercial Code is shown in section 7.5, on pages 288 *et seq.* of this Registration Document.

The sections of this Registration Document constituting the report of the Chairman of the Board of Directors covered by Article L. 225-37 of the French Commercial Code were specifically approved by the Board of Directors.

2.2. Organisation of general management and status of the Chief Executive Officer

2.2.1. ORGANISATION OF GENERAL MANAGEMENT

As at 31 December 2015, the Chairman of the Board of Directors is responsible for the Company's General Management; this has been the case since 17 May 2006. This principle of combining the functions of Chairman of the Board of Directors and Chief Executive Officer was most recently confirmed by the Board of Directors at its meeting of 30 May 2013, which followed the General Meeting held on the same day, at which the terms of office of Jacques Pétry as Chief Executive Officer and Chairman of the Board of Directors were renewed.

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

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

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

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

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

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

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

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

This decision is a result of the implementation of the succession plan reviewed annually by the Board of Directors on the basis of the work carried out by the Nomination and Remuneration Committee. It reflects the shared desire of the Board of Directors and the current Chairman and Chief Executive Officer to ensure that the succession of the Chief Executive Officer is organised in as efficient a manner as possible, in the interests of both the Company and its shareholders.

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

Frédéric Moynes was appointed Chief Executive Officer with effect from 1 June 2016, for a term of four years expiring at the end of the General Meeting called in 2020 with a view to approving 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 end of the General Meeting called in 2020 with a view to approving the financial statements for the 2019 financial year, to carry out the separate function of Chairman of the Board of Directors. The effectiveness of this new organisation is guaranteed by the close collaboration between the Chief Executive Officer and the Chairman of the Board of Directors, based on the following principles (see additional information in section 2.3.3.1 on page 67 of this Registration Document on the powers and status of the Chairman of the Board of Directors):

- the Chief Executive Officer provides the Chairman of the Board of Directors with regularly updated information on the Group's affairs, the implementation of its strategies and the main investment projects;
- whenever he deems this necessary, the Chairman of the Board of Directors is entitled to obtain from the Chief Executive Officer any information that might shed light on the works of the Board of Directors and its Committees;

- the Chief Executive Officer may seek the opinion of the Chairman of the Board of Directors on any topics, including in particular strategy, communication and governance;
- the Chief Executive Officer systematically consults the Chairman of the Board of Directors with regard to the definition of strategic business policies before they are put to the Board of Directors for approval.

2.2.2. STATUS AND POWERS OF THE CHIEF EXECUTIVE OFFICER

2.2.2.1. Status of the Chief Executive Officer

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

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

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

In addition, the Chief Executive Officer has the same status as the Directors with regard to stock-market ethics (see additional information in section 2.3.1.2 on page 50 of this Registration Document).

2.2.2.2. Powers of the Chief Executive Officer

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

2 • CORPORATE GOVERNANCE

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

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

- Barring special authorisations from the Board of Directors, the Chief Executive Officer was, during 2015, authorised to furnish sureties, pledges and guarantees under the following conditions (at the end of the 2015 financial year this authorisation was renewed by the Board of Directors on identical terms for the 2016 financial year):
 - to any tax and customs authorities, for an unlimited amount;
 - in connection with the purchase of fuel by any Group subsidiary, provided that the total amounts effectively guaranteed at any point in time do not exceed €20 million, or its equivalent value in any other currency;
 - for any other reason, and to any other beneficiary, provided that the total amounts effectively guaranteed at any point in time do not exceed €30 million, or its equivalent value in any other currency, and also provided that such sureties, pledges and guarantees are furnished in connection with commitments entered into by a Group subsidiary.
- Pursuant to the Board of Directors' Internal Regulations, last updated on 1 March 2016, 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.

These principles, which apply with effect from the date of filing of this Registration Document, also apply to the Chief Executive Officer with effect from the separation of functions on 1 June 2016.

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

2.3.1. COMPOSITION OF THE BOARD OF DIRECTORS

2.3.1.1. Composition of the Board of Directors at 31 December 2015

The table below summarises the composition of the Board of Directors at 31 December 2015. Detailed information on the corporate officers in office on this date is provided in section 2.3.2, on page 53 of this Registration Document. Information is also provided in section 2.3.15 *et seq.* of this Registration Document on changes to the composition of the Board of Directors since the beginning of the 2015 financial year and the changes to the composition of the Board of Directors to be put to the General Meeting that will be held on 24 May 2016 with a view to approving the financial statements for the 2015 financial year.

At 31 December 2015, the Company's Board of Directors comprised seven members:

- the Chairman and Chief Executive Officer,
- five independent Directors (including the Deputy Chairman of the Board of Directors),
- and Financière Hélios (controlled by Altamir), the Company's main shareholder, which held 10.36% of the share capital at 31 December 2015¹.

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)²;
- any Directors representing the employee shareholders (Article L. 225-23 of the French Commercial Code), given that the percentage of the share capital held by employees of the Company or of any related companies at 31 December 2015 was lower than 3% (see the information provided in section 7.3.4, on page 277 of this Registration Document).

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

1. As at 31 December 2015, Financière Hélios, in concert with Altamir and several other entities and individuals affiliated to Altamir, held 14.17% of the share capital (see additional information in section 7.3, on pages 274 *et seq.* of this Registration Document).

2. Furthermore, given its size, the Company is not subject to the provisions of Article L. 225-27-1 of the French Commercial Code, arising from law no. 2013-504 of 14 June 2013 on job security and is therefore not required to take, in 2015, any measures that would result in the appointment of salaried Directors.

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

Full name	Offices held within the Company	Date of first appointment	Last renewal date ¹	Expiry date ²
Jacques Pétry	Director	29/10/2011 ³	30/05/2013	2017 GM
	Chairman of the Board of Directors	29/10/2011	30/05/2013	2017 GM
	Chief Executive Officer	29/10/2011	30/05/2013	2017 GM
Michel Bleitrach	Independent Director	17/05/2006	27/05/2014	2018 GM
	Deputy Chairman of the Board of Directors	21/10/2011	27/05/2014	2018 GM
	Chairman of the Commitments and Monitoring Committee	18/01/2012	30/06/2015	2018 GM
	Member of the Audit, Accounts and Risks Committee	09/06/2009	30/06/2015	2018 GM
Jean-Carlos Angulo	Independent Director	30/05/2013	n/a	2017 GM
	Member of the Commitments and Monitoring Committee	30/05/2013	30/06/2015	2017 GM
	Member of the Corporate Social Responsibility Committee	30/05/2013	30/06/2015	2017 GM
Marie-Claire Daveu	Independent Director	28/05/2015	n/a	2019 GM
	Chair of the Corporate Social Responsibility Committee	28/05/2015	n/a	2019 GM
Financière Hélios	Director	12/07/2005 ⁴	30/05/2013	2017 GM
	Member of the Commitments and Monitoring Committee	19/12/2008	30/06/2015	2017 GM
Maurice Tchenio	Permanent representative of Financière Hélios in its capacity as Director	24/06/2015 ⁵	n/a	n/a
Michèle Remillieux	Independent Director	30/05/2013	n/a	2017 GM
	Chair of the Nomination and Remuneration Committee	30/05/2013	30/06/2015	2017 GM
Daniel Valot	Independent Director	30/05/2013	n/a	2017 ⁶ GM
	Chairman of the Audit, Accounts and Risks Committee	30/05/2013	30/06/2015	2017 ⁶ GM
	Member of the Nomination and Remuneration Committee	30/05/2013	30/06/2015	2017 ⁶ GM

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

2. 2017 GM: term of office expiring at the end of the General Meeting to be held in 2017 with a view to approving the financial statements for the 2016 financial year; 2018 GM: term of office expiring at the end of the General Meeting to be held in 2018 with a view to approving the financial statements for the 2017 financial year; 2019 GM: term of office expiring at the end of the General Meeting to be held in 2019 with a view to approving the financial statements for the 2018 financial year.

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

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

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

6. Daniel Valot has informed the Board of Directors that he will not be able to remain in office after the General Meeting of 24 May 2016 and will be tendering his resignation from his office as Director, with effect from 24 May 2016.

2 • CORPORATE GOVERNANCE

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

2.3.1.2. Status of Directors

Appointment of Directors

The Board of Directors is composed of between three and 12 members, appointed by the shareholders at a General Meeting. Their term of office lasts four years and expires at the end of the General Meeting called to approve the financial statements of the year just ended, held in the year in which said term of office expires.

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

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

As at 31 December 2015, two directors, and the permanent representative of Financière Hélios in its capacity as a Director, were older than 70. Accordingly, the number of Directors aged over 70 exceeded the threshold of one-third of all Directors in office, and the average age of the members of the Board was 65.2 years as at that date. However, as Daniel Valot (who is one of the Directors aged over 70 as at that date) has informed the Board of Directors that he will not be able to remain in office after the General Meeting of 24 May 2016 and has tendered his resignation from his office as Director, with effect from 13 April 2016, the number of Directors aged over 70 will no longer exceed the threshold of one-third of the Directors in (see also additional information in section 2.3.1.6, on page 52 of the Registration Document, on the cooptation of Ms Valérie Landon as Director on 13 April 2016).

Pursuant to the Memorandum and Articles of Association, the Directors must hold at least four hundred (400) Company shares in registered form throughout their term of office. In the event a Director does not hold the aforementioned number of shares at the time of his appointment or ceases to hold the aforementioned number at any time during his term of office, he/she shall be deemed to have automatically resigned unless he/she remedies the situation within a period of six (6) months. At 31 December 2015, all the Directors held the minimum number of shares required by the Memorandum and Articles of Association; all such shares are registered shares, held directly or via an intermediary.

Independence of Directors

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

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

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

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

During the annual review of the position of the Directors for the 2014 financial year, undertaken at the Board of Directors meeting of 3 March 2015, the following Directors were deemed to qualify as independent Directors:

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

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

During the 2015 financial year, the Board of Directors reviewed the position of Marie-Claire Daveu and Franck Hagège, who were appointed as Directors at the General Meeting of 28 May 2015 (see additional information in section 2.3.1.5 on pages 51 *et seq.* of this Registration Document). The Board of Directors decided that Marie-Claire Daveu qualified as an independent Director but that Franck Hagège did not, given his role within the Apax Partners group, which is the Company's main shareholder. Marie-Claire Daveu did not have any direct or indirect business relationship with the Company or its Group.

These findings were confirmed during the annual review of the position of the Directors for the 2015 financial year conducted by the Board of Directors at its meeting of 29 March 2016. The changes to the composition of the Board of Directors following the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document) have not affected the findings of the Board of Directors with regard to the independence of the Directors still in office. These changes, which led to the resignation of Franck Hagège and Maurice Tchenio¹ from their offices as Director on 24 June 2015, automat-

ically increased the proportion of independent Directors to 71.4% as at 31 December 2015. As a result, the proportion of independent Directors was significantly greater than the 50% minimum recommended by the AFEP-MEDEF Code for uncontrolled companies, which now applies to the Company following the capital restructuring operations reported above.

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.

The annual review of the position of the Directors for the 2015 financial year conducted at the Board of Directors' meeting of 29 March 2016 did not reveal, based on the declarations made by each Director, the existence of any known conflict of interest.

Multiple offices

At its meeting of 1 March 2016, in line with its decision to separate the functions of Chief Executive Officer and Chairman of the Board of Directors with effect from 1 June 2016, the Board of Directors amended the Directors' Charter, in order to make the rules on the number of offices held in non-Group companies more flexible for the Chairman of the Board of Directors. The rules applying to the Directors and the Chairman of the Board of Directors as set out in the updated Directors' Charter are listed below (see additional information on the rules applicable to the Chief Executive Officer with effect from the separation of the functions on 1 June 2016 in section 2.2.2.1 on page 45 of this Registration Document):

¹. On 24 June 2015, Maurice Tchenio was appointed permanent representative of Financière Hélios in its capacity as a Director.

2 • CORPORATE GOVERNANCE

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

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

On the date of filing of this Registration Document, all Directors of the Company, including its Chairman and Chief Executive Officer, complied with these obligations. The significant terms of office and roles held by corporate officers during the 2015 financial year are set out in section 2.3.2 on pages 53 *et seq.* of this Registration Document.

Stock market ethics

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

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

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

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

Lastly, in accordance with the provisions of Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code and Articles 223-22 to 223-26 of the AMF General Regulations, the Directors and managers, their family and friends are required to disclose to the AMF all transactions in the Company's securities that they carry out when the amount of such transactions exceeds €5,000 in any calendar year.

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

A summary of transactions in the Company's securities disclosed during the 2015 financial year is provided in section 2.5 on page 115 of this Registration Document.

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

During the annual review of the position of the Directors for the 2015 financial year, conducted at the Board of Directors' meeting of 29 March 2016, each Director formally confirmed that he/she:

- is not linked to any other members of the Board of Directors via any family ties;
- has not been convicted of fraud during the last five years;
- has not been associated with any insolvency, receivership or liquidation as a member of an administrative, management or supervisory body or as a senior manager;
- has not been accused and/or publicly and officially sanctioned by any statutory or regulatory authorities (including appointed professional bodies);

- has not been prevented by a court, during the last five years, from acting as a member of an administrative, management or supervisory body of a listed company (or from offering financial securities to the public) or from taking part in managing or running the business of such a company.

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

At 31 December 2015, two women sat on the Board of Directors out of a total of seven Directors, representing 28.6% of the Directors in office, compared to 22.2% as at 31 December 2014. This increase in the proportion of female Directors is the result of changes made to the composition of the Board of Directors following the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document), which led to the resignation on 24 June 2015 of Franck Hagége and Maurice Tchenio¹ from the Board of Directors.

At this date, the gender balance on the Board was therefore consistent with the requirements of Article L. 225-18-1 of the French Commercial Code, arising from law no. 2011-103 of 27 January 2011 on the balanced representation of men and women on boards of directors and supervisory boards and gender equality, and Article 5 (II) of the same law.

In addition, during the 2015 financial year the Board of Directors, assisted by the Nomination and Remuneration Committee, began working towards achieving compliance with the objectives set in the above-mentioned legislation² by no later than the date of the General Meeting to be held in 2017 with a view to approving the financial statements for the 2016 financial year. This mainly resulted in the co-optation, on 13 April 2016, of Mrs. Valérie Landon as a Director (see additional information in section 2.3.1.6 on page 52 of this Registration Document). Considering Mr. Daniel Valot's resignation as Director for health reasons, on 13 April 2016, the Board of Directors was then comprised of 3 women in 7 members. Its composition thus complied in anticipation with Article L. 225-18-1 of the French Commercial Code, as well as with the provisions of the AFEP-MEDEF Code recommending that the

thresholds set out by Article L. 225-18-1 of the French Commercial Code be complied with as from the Shareholders' General Meeting to be held in 2016 to approve the financial statements of the 2015 financial year.

2.3.1.4. Staggering of the terms of office of the Directors

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

The natural staggering of the terms of office of the Directors in office at 31 December 2015, whose renewal was spread over three financial years (2017, 2018 and 2019, see additional information in section 2.3.1 on page 46 of this Registration Document), does not require the implementation of any specific provisions in this regard.

2.3.1.5. Changes made to the composition of the Board of Directors during the 2015 financial year

The composition of the Board of Directors was modified twice during the 2015 financial year.

The General Meeting of 28 May 2015:

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

¹. On 24 June 2015, Maurice Tchenio was appointed permanent representative of Financière Hélias in its capacity as a Director.

². At least 40% of Directors of each gender or, when the Board of Directors has more than eight members, the difference between the number of female and male Directors must be no more than two.

2 • CORPORATE GOVERNANCE

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

At its meeting of 28 May 2015, held after the above-mentioned General Meeting, the Board of Directors accordingly reviewed the composition of its specialised Committees and appointed Franck Hagège as a member of the Audit, Accounts and Risks Committee and a member of the Corporate Social Responsibility Committee, replacing Patrick de Giovanni, and also appointed Marie-Claire Daveu as a member and Chair of the Corporate Social Responsibility Committee, replacing Myriam Maestroni.

Moreover, the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document) led Franck Hagège and Edgard Misrahi to stand down from the Board of Directors. As a result, the composition of the Board of Directors was modified as follows:

- Franck Hagège and Maurice Tchenio tendered their resignations to the Board of Directors from their offices as Directors on 24 June 2015;
- on the same date, Maurice Tchenio was appointed permanent representative of Financière Hélios in its capacity as the Director, replacing Edgard Misrahi.

At its meeting of 30 June 2015, the Board of Directors also took note of Financière Hélios' wish to no longer serve as a member of the Nomination and Remuneration Committee and accordingly decided that, with the exception of this change, there was no need to modify the composition of the specialised Committees as decided at its meeting of 28 May 2015.

2.3.1.6. Changes to the composition of the Board of Directors to be put to the General Meeting of 24 May 2016 for approval

For health reasons, Daniel Valot has tendered his resignation from his office as Director, with effect from 13 April 2016.

As Daniel Valot's expertise in accounting, financial and industrial matters has been invaluable to the Board of Directors, it decided to search for candidates who would be capable of replacing Daniel Valot as a Director in view

of their skills and experience. At the same time, the Board of Directors selected candidates with a view to reducing the average age of Board members and anticipating the need for a higher proportion of female Board members from 2017, without reducing the proportion of independent members.

In view thereof, and on the basis of proposals by the Nomination and Remuneration Committee, the Board of Directors decided to appoint Ms Valérie Landon as a Director for the remainder of the term of office of Mr Franck Hagège, resigning member (see additional information in section 2.3.1.5, on page 52 of this Registration Document), i.e., until the end of the General Meeting to be held in 2019 with a view to approving the financial statements for the 2018 financial year. The General Meeting of 24 May 2016 is called to ratify this temporary appointment (see additional information in the Board of Directors' report to the General Meeting in section 8.2, on pages 296 *et seq.* of this Registration Document).

The Board of Directors has reviewed the position of this candidate as regards her independence and considers that she qualifies as an independent Director Ms Valérie Landon does not have any direct or indirect business relationship with the Company or its Group.

On 13 April 2016, the Board of Directors was thus comprised of seven members, of which:

- five Independent Directors (i.e., 71% of the Directors, which is much higher than the 50% rate recommended by the AFEP-MEDEF Code in uncontrolled companies);
- three female Directors (i.e., 42.9% of the Directors);
- and two Directors aged over 70 (i.e., 29%, with an average age that has fallen to 63 years).

2.3.2. LIST OF THE MAIN OFFICES AND POSITIONS HELD BY THE CORPORATE OFFICERS DURING THE 2015 FINANCIAL YEAR AND THE FIVE PREVIOUS YEARS

2.3.2.1. Directors in office as at 31 December 2015 and as at the date of filing of this Registration Document

Jacques Pétry, Chairman and Chief Executive Officer

- Born on 16 October 1954, who has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): not applicable
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 86,920 Albioma shares as at 31 December 2015¹

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

Other offices and positions

Other offices and positions (information at 31/12/2015)

WITHIN THE ALBIOMA GROUP

Methaneo SAS	Permanent representative of Albioma SA in its capacity as Chairman ¹
Methaneo SAS	Permanent representative of Albioma SA in its capacity as member of the Supervisory Board ¹

OUTSIDE THE ALBIOMA GROUP

Jacques Pétry Strategic Services EURL ²	Manager
Shanks Plc ³	<i>Non-Executive Director</i>

Other terms of office and positions held during the last five years, expired at 31/12/2015

WITHIN THE ALBIOMA GROUP

		Expiry
Methaneo SAS	Member of the Supervisory Board	2014

OUTSIDE THE ALBIOMA GROUP

Idex SA	Member of the Supervisory Board	2011
Idex SA	Chairman of the Supervisory Board	2011
Jacques Pétry Strategic Services Ltd	<i>Director</i>	2011

1. Jacques Pétry ceased to hold office on 15 January 2016.

2. Dormant company

3. Listed company.

1. See further information in section 2.4.5.4. on page 105 of this Registration Document on shares held following their effective acquisition under bonus performance share plans.

2 • CORPORATE GOVERNANCE

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

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

- Born on 09 July 1945, he has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): Chairman of the Supervisory Board of Indigo (formerly Vincipark)
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 425 Albioma shares as at 31 December 2015

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

Other offices and positions

Other offices and positions (information at 31/12/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

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

Other terms of office and positions held during the last five years, expired at 31/12/2015

Expiry

WITHIN THE ALBIOMA GROUP

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

OUTSIDE THE ALBIOMA GROUP

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

1. Listed company.

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

- Born on 13 April 1949, he has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): not applicable
- Business address: Albioma, Tour Opus12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 715 Albioma shares as at 31 December 2015

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 as a Director on 30 May 2013.

Other offices and positions

Other offices and positions (information at 31/12/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Lafarge Cement WAPCO Plc (Nigeria)¹ Director

Other terms of office and positions held during the last five years, expired at 31/12/2015

Expiry

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

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

¹. Listed company.

2 • CORPORATE GOVERNANCE

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

Marie-Claire Daveu, independent Director, Chair of the Corporate Social Responsibility Committee

- Born on 5 April 1971, she has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): Chief Sustainability Officer and Head of International Institutional Affairs, member of the Executive Committee of the Kering group
- Business address: Kering, 10 Avenue Hoche, 75008 Paris
- Holds 400 Albioma shares as at 31 December 2015

After embarking on a career as a senior civil servant in the field of agriculture and the environment, Marie-Claire Daveu occupied the post of Technical Advisor to the Cabinet 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 moving to Development of the Digital Economy and then became Minister for Ecology, Sustainable Development, Transport and Housing. In September 2012 she took up her current position as Chief Sustainability Officer and Head of International Institutional Affairs for the Kering group. She is also a member of the Kering group's Executive Committee. Marie-Claire Daveu, who is 45, holds a degree in agricultural engineering from the Institut National Agronomique Paris-Grignon (INA PG), and an engineering degree in rural engineering, water and forests from École Nationale du Génie Rural, des Eaux et des Forêts (ENGREF). She also holds a Masters (DESS) in public administration from Paris-Dauphine University. She joined Albioma as a Director on 28 May 2015.

Other offices and positions

Other offices and positions (information at 31/12/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Crédit Agricole Corporate and Investment Banking (CACIB) SA

Director

Crédit Agricole Corporate and Investment Banking (CACIB) SA

Chair of the Nomination Committee

Kering SA¹

Chief Sustainability Officer and Head of International Institutional Affairs

Kering SA¹

Member of the Executive Committee

Saft Groupe SA¹

Member of the Supervisory Board

Other terms of office and positions held during the last five years, expired at 31/12/2015

Expiry

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Ile-de-France Regional Council

Regional Councillor

2015

1. Listed company.

Financière Hélios, Director, member of the Commitments and Monitoring Committee

- French simplified limited company (*société par actions simplifiée*) with 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
- Holds 3,086,797 Albioma shares as at 31 December 2015¹

Other offices and positions**Other offices and positions (information at 31/12/2015)****WITHIN THE ALBIOMA GROUP**

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Not applicable.

Other terms of office and positions held during the last five years, expired at 31/12/2015**Expiry****WITHIN THE ALBIOMA GROUP**

Albioma SA	Member of the Nomination and Remuneration Committee	2015
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OUTSIDE THE ALBIOMA GROUP

Not applicable.

1. As at 31 December 2015, Financière Hélios, in concert with Altamir and several other entities and individuals affiliated to Altamir, held 14.17% of the share capital. See additional information in section 7.3.1 and 7.3.2 on pages 274 et seq. of this Registration Document.

2 • CORPORATE GOVERNANCE

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

Maurice Tchenio, permanent representative of Financière Hélios in its capacity as a Director and member of the Commitments and Monitoring Committee

- Born on 19 January 1943, he has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): Chairman and Chief Executive Officer of Altamir Gérance (Managing General Partner of Altamir), Chairman and Chief Executive Officer of Apax Partners
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Holds 2 Albioma shares as at 31 December 2015¹

A graduate of the École des Hautes Études Commerciales (HEC) and Harvard Business School, Maurice Tchenio started his career as Assistant Professor of Finance at HEC, before joining the Institute of Industrial Development (IDI) as Project Manager. In 1972, he was one of the three co-founders of Apax Partners, where he served as Chairman and Chief Executive Officer of the French branch from 1972 to 2010. He is one of the founders of AFIC, the French Private Equity Association, and is a former director of the European Venture Capital Association. In 1995 he founded Altamir, and has served as its Chairman and Chief Executive Officer since that date. In 2010, he set up a foundation with public charity status called AlphaOmega. Maurice Tchenio joined Albioma (then called Séchillienne-Sidec) as a Director in 2011. Since 24 June 2015 he is permanent representative of Financière Hélios in its capacity as Director.

Other offices and positions

Other offices and positions (information at 31/12/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

AlphaOmega SC	Managing Partner
Altamir Gérance SA	Director
Altamir Gérance SA	Chairman of the Board of Directors
Altamir Gérance SA	Chief Executive Officer
Altran Technologies SA	Permanent representative of Apax Partners SA in its capacity as Director
Amboise SNC	Manager
Apax Partners SA	Director
Apax Partners SA	Chairman of the Board of Directors
Apax Partners SA	Chief Executive Officer
Capri SC	Permanent representative of Apax Partners SA in its capacity as Manager
Cimarosa II SC	Manager
Cimarosa SC	Manager
Copernic Partenaires SC	Manager
Etoile II SC	Manager
Fac&In SC	Manager
Financière de l'Echiquier SA	Director
Financière Hélios SAS	Chairman
Firoki SC	Permanent representative of Apax Partners SA in its capacity as Manager
Fondation AlphaOmega	Director
Fondation AlphaOmega	Chairman of the Board of Directors
Immobilière Mauryland SC	Co-Manager
Lion/Seneca France I SAS	Advisory member of the Board
SE Wagram SC	Manager
Team Invest SC	Permanent representative of Apax Partners SA in its capacity as Manager

¹ In addition, Maurice Tchenio declared in 2014 that he holds a unit-linked life-insurance policy invested inter alia in Albioma shares, but is neither the legal owner nor the beneficiary of said shares. 130,000 shares were indirectly held under this policy as at the date of the disclosure.

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

Thom Europe SAS	Member of the Supervisory Board	
Toupargel Groupe SA	Director	
Toupargel SAS	Deputy Chairman	
TT Investissements SC	Partner	
Vizasat SC	Manager	
Other terms of office and positions held during the last five years, expired at 31/12/2015		Expiry
WITHIN THE ALBIOMA GROUP		
Albioma SA	Director	2015
OUTSIDE THE ALBIOMA GROUP		
Carmel SC	Permanent representative of Apax Partners SA in its capacity as Manager	2015
Moussecarrie SC	Manager	2014
Cimarosa Media SC	Manager	2013
Cimarosa Tubes SC	Manager	2013
Gallée Partenaires II SC	Manager	2013
Gallée Partenaires SC	Manager	2013
Longchamp SC	Manager	2013
3AB Optique Développement SAS	Director	2012
3AB Optique Expansion SAS	Director	2012
3AC Finance SAS	Chairman	2012
F2L SAS	Director	2012
Equa SC	Permanent representative of Apax Partners SA in its capacity as Manager	2011
Rue du Commerce SA	Permanent representative of Apax Partners SA in its capacity as Director	2011

2 • CORPORATE GOVERNANCE

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

Michèle Remillieux, independent Director, Chair of the Nomination and Remuneration Committee

- Born on 19 October 1946, she has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): Director of MEDEF Paris, Magistrate at the Paris Labour Relations Court (*Conseil des Prud'hommes*)
- Business address: Albioma, Tour Opus12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 403 Albioma shares as at 31 December 2015

An IT engineer, Michèle Remillieux began her career in IT services and consulting companies before serving as CEO of Promatec from 1975 to 1987. She then joined Hay Group, the HR management consulting firm, and was appointed Chief Operating Officer of Hay Group France in 1999, remaining in office until 2013. She joined Albioma as a Director on 30 May 2013.

Other offices and positions

Other offices and positions (information at 31/12/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Paris Labour Relations court (employers' panel, sundry activities section) Magistrate

MEDEF Paris Director

Other terms of office and positions held during the last five years, expired at 31/12/2015

Expiry

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Hay Group SA Chief Operating Officer 2013

Hay Group SA Director 2013

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

- Born on 24 August 1944, he has French nationality
- Main position held outside the Group at 31 December 2015 (when the position held within the Group is not the main position): Director of CGG (Compagnie Générale de Géophysique-Véritas), Director of Scor
- Business address: 14 Rue du Lac, 1207 Geneva, Switzerland
- Holds 410 Albioma shares as at 31 December 2015

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

Other offices and positions**Other offices and positions (information at 31/12/2015)****WITHIN THE ALBIOMA GROUP**

Not applicable.

OUTSIDE THE ALBIOMA GROUP

CGG (Compagnie Générale de Géophysique-Véritas) SA ¹	Director
CGG (Compagnie Générale de Géophysique-Véritas) SA ¹	Member of the Health, Safety and Environment Committee

Other terms of office and positions held during the last five years, expired at 31/12/2015**Expiry****WITHIN THE ALBIOMA GROUP**

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Scor SE ¹	Director	2015
Scor SE ¹	Chairman of the Audit Committee	2015
Scor SE ¹	Member of the Nomination and Remuneration Committee	2015
Scor SE ¹	Member of the Risk Committee	2015
Scor SE ¹	Member of the Strategic Committee	2015
Scor Reinsurance Asia-Pacific Pte Ltd (Singapore)	Director	2015
Scor Reinsurance Asia-Pacific Pte Ltd (Singapore)	Chairman of the Audit Committee	2015
CGG (Compagnie Générale de Géophysique-Véritas) SA ¹	Member of the Audit Committee	2014
Dietswell SA	Director	2014

1. Listed company.

2 • CORPORATE GOVERNANCE

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

2.3.2.2. Directors who ceased to hold office in the 2015 financial year

Patrick de Giovanni, Director, member of the Audit, Accounts and Risks Committee, member of the Corporate Social Responsibility Committee (until 28 May 2015)

- Born on 4 March 1945, he has French nationality
- Main position held outside the Group as at 28 May 2015 (when the position held within the Group is not the main position): Managing Partner of Apax Partners
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Held 430 Albioma shares as at 28 May 2015

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

Other offices and positions (information as at 28 May 2015)

Other offices and positions (information at 28/05/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

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

Other terms of office and positions held during the last five years, expired at 28/05/2015

Expiry

WITHIN THE ALBIOMA GROUP

Albioma SA	Member of the Nomination and Remuneration Committee	2013
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OUTSIDE THE ALBIOMA GROUP

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

1. Listed company.

Myriam Maestroni, independent Director, Chair of the Corporate Social Responsibility Committee (until 28 May 2015)

- Born on 31 May 1967, she has French nationality
- Main position held outside the Group as at 28 May 2015 (when the position held within the Group is not the main position): Chair of Économie d'Énergie
- Business address: Économie d'Énergie, 67 Boulevard Bessières, 75017 Paris
- Held 400 Albioma shares as at 28 May 2015

A graduate of the École Supérieure de Commerce de Bordeaux and holder of a postgraduate degree in International Business and Financial Techniques from the University of Barcelona and an MBA from ESADE (Barcelona), Myriam Maestroni worked for audit firms (Mazars, Salustro), then from 1991 to 1996, she served as Head of Management Control and then as Executive Managing Director for the Dyneff group (Spain) in the oil products distribution sector. She was then appointed Executive Managing Director of Primagaz Distribution (Spain), International Projects Manager of SHV Gas (Netherlands), Sales Director of Primagaz (France) and, finally, Executive Managing Director of Primagaz and SHV Gas. She is currently the founding Chair of Economie d'Énergie, and is its majority shareholder. In November 2011, she was the recipient of La Tribune Women's Award in the "Green Business" category, and in 2015 she received three awards for her role as an outstanding woman in the environment sector: Femme en Or de l'Environnement, Prix des Femmes Engagées pour l'Environnement, and Prix Vox Femina pour l'Énergie et l'Efficacité Énergétique. She joined Albioma (then called Séchilienne-Sidéc) as a Director in 2011.

Other office and positions (information as at 28 May 2015)**Other offices and positions (information at 28/05/2015)****WITHIN THE ALBIOMA GROUP**

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Boostheat SAS	Independent Director
Mc Phy Energy SA ¹	Independent Director
Mc Phy Energy SA ¹	Member of the Remuneration Committee
Économie d'Énergie SAS	Chairman
On5 Italy SAS	Chairman
The Blue Effect (UK)	Deputy Chairman

Other terms of office and positions held during the last five years, expired at 28/05/2015**Expiry****WITHIN THE ALBIOMA GROUP**

Albioma SA	Chair of the Nomination and Remuneration Committee	2013
Albioma SA	Independent Director	2011

OUTSIDE THE ALBIOMA GROUP

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

1. Listed company.

2 • CORPORATE GOVERNANCE

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

Edgard Misrahi, permanent representative of Financière Hélios in its capacity as Director, member of the Commitments and Monitoring Committee and member of the Nomination and Remuneration Committee (until 24 June 2015)

- Born on 11 December 1954, he has French nationality
- Main position held outside the Group as at 24 June 2015 (when the position held within the Group is not the main position): Chairman and Chief Executive Officer of Apax Partners MidMarket
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- Did not hold any Albioma shares as at 24 June 2015¹

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

Other offices and positions (information as at 24 June 2015)

Other offices and positions (information at 24/06/2015)

WITHIN THE ALBIOMA GROUP

Not applicable.

OUTSIDE THE ALBIOMA GROUP

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

Other terms of office and positions held during the last five years, expired at 24/06/2015

Expiry

WITHIN THE ALBIOMA GROUP

Albioma SA	Permanent representative of Financière Hélios SAS in its capacity as member of the Audit, Accounts and Risks Committee	2012
Albioma SA	Director	2011

¹. Edgard Misrahi held 410 Albioma shares until 11 June 2015.

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

OUTSIDE THE ALBIOMA GROUP

Financière Hélios SAS	Chairman	2015
Carmel SC	Manager	2015
Apax Partners SA	Director	2014
Dxo Labs SA	Director	2013
Financière Hélios SAS	Member of the Executive Committee	2013
Arkadin Holding SAS	Permanent representative of Apax Partners SA in its capacity as member of the Supervisory Board	2012
H Participations SAS	Chairman	2012
Odyfinance SA (Luxembourg)	Director	2012
SE Bizet SC	Manager	2012
Camélia Participations SAS	Director	2011
Groupe Outremer Télécom SA	Director	2011
Prosodie SA	Director	2011

Franck Hagège, Director, member of the Audit, Accounts and Risks Committee, member of the Corporate Social Responsibility Committee (until 24 June 2015)

- Born on 1 September 1974, he has French nationality
- Main position held outside the Group as at 24 June 2015 (when the position held within the Group is not the main position): Managing Partner of Apax Partners MidMarket
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris
- He did not hold any Albioma shares as at 24 June 2015

A graduate of the Hautes Études Commerciales (HEC) business school, Franck Hagège has been a Managing Partner of Apax Partners MidMarket since 1 January 2015. He joined Apax Partners in 2004 in the Retail & Consumer sector team. He began his career in 1998 as a management consultant with A.T. Kearney where he worked on assignments involving strategic and operational issues for major groups and investment funds for five years. He also worked at NetsCapital for one year, where he was involved in M&A transactions in the telecom and media sector. He joined Albioma as a Director on 28 May 2015.

Other offices and positions (information as at 24 June 2015)**Other offices and positions (information at 24/06/2015)****WITHIN THE ALBIOMA GROUP**

Not applicable.

OUTSIDE THE ALBIOMA GROUP

AA Franchise SAS	Member of the Supervisory Board	
Hesphaestus III BV (Netherlands)	<i>Non-Executive Director</i>	
Hesphaestus IV Cooperatief UA (Netherlands)	Director B	
Lion/Seneca France Audio SAS	Member of the Supervisory Board	
Lion/Seneca France I SAS	Member of the Supervisory Board	

Other terms of office and positions held during the last five years, expired at 24/06/2015**Expiry****WITHIN THE ALBIOMA GROUP**

Not applicable.

OUTSIDE THE ALBIOMA GROUP

Financière Season SAS	Permanent representative of Apax Partners SA in its capacity as member of the Executive Committee	2014
Thom Europe SAS	Permanent representative of Apax Partners SA in its capacity as member of the Supervisory Board	2014
Abaco SAS	Permanent representative of Apax Partners SA in its capacity as Representative of the Body of Shareholders	2013
Ginkgo B Company SAS	Member of the Supervisory Board	2013
Heytens Centrale SA	Permanent representative of Apax Partners SA in its capacity as Director	2012

2 • CORPORATE GOVERNANCE

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

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

2.3.3.1. Conditions for the preparation and organisation of the work of the Board of Directors and of the specialised Committees during the 2015 financial year

Internal Regulations of the Board of Directors and the Directors' Charter

The preparation and organisation of meetings of the Board of Directors, together with their remit, stem from application of the rules set by the law, the Company's Memorandum and Articles of Association, and the Board of Directors' Internal Regulations.

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

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

As the Board of Directors decided, at its meeting of 1 March 2016, to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016, it made major modifications to the Board of Directors' Internal Regulations concerning the definition and terms of exercise of the powers of the Chairman of the Board of Directors and the Chief Executive Officer, respectively (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document). The Internal Regulations were also amended at the same time in order to create the function of Lead Director within the Board of Directors (the Deputy Chairman of the Board of Directors has been appointed Lead Director), and to define in detail the powers associated with each function (see additional information in section 2.3.3.1 on page 67 of this Registration Document).

The Directors' Charter lays down a number of rules, in particular relating to ethics, applicable to Directors in the performance of their duties. It was not amended in the 2015 financial year. However, at its meeting of 1 March 2016, in line with its decision to separate the functions of

Chief Executive Officer and Chairman of the Board of Directors with effect from 1 June 2016, the Board of Directors amended the Directors' Charter in order to make the rules on the number of offices held in non-Group companies more flexible for the Chairman of the Board of Directors (see additional information in section 2.3.1.2 on pages 49 *et seq.* of this Registration Document).

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

Preparation and organisation of meetings

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

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

During the meeting, a detailed presentation on the topics appearing on the agenda is made by the Chairman of the Board of Directors, assisted, where applicable, by Group employees with specific knowledge of a given topic. In the absence of the Chairman of the Board of Directors, the meetings are chaired by the Deputy Chairman of the Board of Directors or, in his absence, by a Director specifically appointed by the Board of Directors for this purpose. The Chairmen of the specialised Committees present reports to the Board on the work of their Committees. The Statutory Auditors are also heard at any meetings during which the Board of Directors reviews and approves the Company or consolidated financial statements, as a result of which the Statutory Auditors will prepare a report.

The Works Council representative is systematically invited to all Board meetings and may attend in a non-voting capacity. He/she receives the same information as the Directors.

The Board of Directors can only validly deliberate if at least half of its members are present. The topics appearing on the agenda are discussed prior to putting to the vote any decisions, which are adopted by a majority vote by the Directors present or represented, the Chairman of the meeting having a casting vote in the event of a tied vote.

Written minutes of the Board of Directors' deliberations are prepared by the Secretary of the Board of Directors and are approved by the Board of Directors, usually at the next meeting.

The Board of Directors' Internal Regulations authorise it to deliberate using telecommunication means, under the conditions and in accordance with the limits stemming from the applicable legislative and regulatory provisions.

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

Powers and status of the Chairman of the Board of Directors

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

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

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

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

In line with its decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document), at its meeting of 1 March 2016 the Board of Directors defined the role of Chairman of the Board of Directors as follows. In addition to organising and coordinating the work of the Board of Directors and its specialised Committees and ensuring the Company is governed efficiently and effectively, he will henceforth also be tasked with the following:

- representing the Company with regard to national and international professional organisations, in conjunction with the Chief Executive Officer;

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

Role of the Deputy Chairman of the Board of Directors and Lead Director

Since 21 October 2011, the Board of Directors has a Deputy Chairman, namely Michel Bleitrach. The Deputy Chairman, who is an independent Director, assists the Chairman in consolidating good corporate governance practices, in accordance with the Board of Directors' Internal Regulations.

In the absence of the Chairman of the Board of Directors, he oversees proceedings at meetings of the Board of Directors.

In line with its decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document), at its meeting of 1 March 2016 the Board of Directors decided to create the function of Lead Director within the Board of Directors and to appoint the Deputy Chairman as Lead Director. The Board of Directors' Internal Regulations were amended accordingly to clearly define the powers associated with each function.

In accordance with the Board of Directors' Internal Regulations, as amended, the Deputy Chairman continues to be responsible for assisting the Chairman of the Board of Directors in strengthening the governance of the Company, and leads discussions at Board meetings if the Chairman of the Board of Directors is unable to act.

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

As Lead Director, the Deputy Chairman of the Board of Directors is tasked with:

- coordinating the work of the independent Directors, in particular when they are asked to deliberate without the Chief Executive Officer and the Chairman of the Board of Directors;
- speaking in the name of the independent Directors whenever necessary, in particular to the shareholders.

In this capacity, the Deputy Chairman may demand that the Chairman of the Board of Directors enter any matters falling within his remit on the agenda of meetings of the Board of Directors or its specialised Committees.

Role of the Secretary of the Board of Directors

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

The Secretary of the Board of Directors, who may but need not be a member of the Board of Directors, performs all those tasks necessary for the smooth running of the Board of Directors, including the organisation of relations between the Company, the Directors and the Chairman of the Board of Directors. He ensures that resolutions adopted by the Board of Directors are valid and that it operates in compliance with the applicable laws and regulations and the Memorandum and Articles of Association. 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 also acts as secretary for all specialised Committees created by the Board of Directors. He is responsible for drawing up minutes of meetings of the Board of Directors and minutes of meetings of its specialised Committees.

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

- helps prepare the agendas and send notices of meetings to the members of the Board or its Committees;

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

Directors may seek the assistance of the Secretary of the Board of Directors for the performance of their duties, including their reporting obligations, in particular with regard to the market authorities, and to obtain clarifications concerning their obligations and duties.

The Secretary of the Board of Directors is authorised to certify all documents issued by the Board of Directors, including all minutes or excerpts from minutes of the meetings of the Board of Directors and any reports produced by the Board of Directors.

Principle of collegiality and confidentiality

Above all, the Board of Directors is a collegial body. Its decisions have always resulted from a consensus, reached among its members following in-depth discussions on the topics submitted to it. Since 2012, all the Board of Directors' decisions have been adopted unanimously by the voting Directors.

Pursuant to the Board of Directors' Internal Regulations, the Directors have a duty of confidentiality and non-disclosure. Directors undertake not to speak in an individual capacity, other than during the Board's internal deliberations, on matters discussed at Board meetings.

Over and above this duty of confidentiality and non-disclosure, which applies to all individuals attending the Board of Directors meetings, with respect to information not yet made public of which they become aware in the performance of their duties, the Directors are bound by a comprehensive obligation of confidentiality.

The Board of Directors' areas of intervention

The Board of Directors' remit is set by the applicable legislative and regulatory provisions, supplemented by the provisions of the Company's Memorandum and Articles of Association and the Board of Directors' Internal Regulations.

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

The Board of Directors is tasked with determining the Group's strategy and overseeing its implementation by General Management in the exercise of its own economic and financial management mission. The Directors thus approve the broad lines of the actions that General Management pursues and submits for their authorisation and control.

It collectively represents all the shareholders and acts in the Company's interests in all circumstances. In the performance of its duties, the Board of Directors may consider any matters relating to the Company's proper functioning, subject to the powers expressly attributed to the General Meeting and within the limits of the Company's objects purpose.

The Board of Directors' meetings and work in 2015

Participation in the work of Albioma's Board of Directors calls for a considerable investment from the Directors. Pursuant to the Board of Directors' Internal Regulations, they undertake to devote the necessary time and attention to their mission. When accepting a new appointment, they must ensure that they will remain in a position to meet this commitment.

The Board of Directors was particularly active in 2015, meeting fifteen times as compared to ten times in 2014. The attendance rate of Directors at Board meetings was 87% in 2015, compared with 86% in 2014¹. The table below presents individual attendance rates for each Directors at the Board of Directors' and specialised Committees' meetings during the 2015 financial year:

	Board of Directors	Commitments and Monitoring Committee	Nomination and Remuneration Committee	Audit, Accounts and Risks Committee	Corporate Social Responsibility Committee
DIRECTORS IN OFFICE AS AT 31/12/2015					
Jacques Pétry	100.00%	n/a	n/a	n/a	n/a
Michel Bleitrach	100.00%	100.00%	n/a	75.00%	n/a
Jean-Carlos Angulo	93.33%	90.00%	n/a	n/a	100.00%
Marie-Claire Daveu	87.50%	n/a	n/a	n/a	100.00%
Financière Hélios	80.00%	70.00%	33.33%	n/a	n/a
Michèle Remillieux	80.00%	n/a	100.00%	n/a	n/a
Daniel Valot	93.33%	n/a	100.00%	100.00%	n/a
DIRECTORS WHO CEASED TO HOLD OFFICE IN THE 2015 FINANCIAL YEAR					
Patrick de Giovanni	87.50%	n/a	n/a	100.00%	100.00%
Franck Hagège	100.00%	n/a	n/a	n/a	n/a
Myriam Maestroni	75.00%	n/a	n/a	n/a	100.00%
Maurice Tchenio	55.56%	n/a	n/a	n/a	n/a
Total	86.57%	86.67%	77.78%	91.67%	100.00%

The directors' fees, paid only to independent Directors, include a substantial variable component linked to the Directors' effective attendance of meetings of the Board of Directors. A breakdown of directors' fees is provided in section 2.3.3 on pages 103 *et seq.* of this Registration Document.

Strategic orientations and monitoring of implementation

The definition of strategic orientations and the monitoring of their implementation was once again a key part of the Board of Directors' work in 2015. At its annual seminar, which has been held at the start of each new financial

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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year since 2012, the Board of Directors' reviews implementation of strategic orientations and adjusts medium-term strategic options. In 2015, the Board of Directors confirmed the strategy implemented since 2012, which is based on the following four axes:

- its position as a strategic partner to the sugar industry and, by extension, the agro-industrial sector in terms of energy efficiency;
- its strong identity as a producer of renewable baseload electricity;
- a development framework based on contracts for long-term sales of electricity and local 'non-recourse' financing;
- an ambition to roll out new development projects essentially focusing on biomass and other renewable energies.

The review of the action plans for implementation of the strategic orientations entailed, for example, detailed discussions on the Group's exposure in certain parts of the world where it already operates and the identification of new areas presenting development opportunities, which led to the creation of a team to handle Group development in Asia and Africa, in addition to Mauritius.

The Board's work in 2015 focused particularly on development projects, complementing the work of the Commitments and Monitoring Committee and in line with the intensification of the €1 billion investment programme announced by the Group for 2013-2023.

Significant progress made on the Thermal Biomass projects in France led to several major decisions by the Board of Directors, including:

- final authorisation to invest €170 million in connection with the Galion 2 bagasse/ biomass plant in Martinique, including a long-term loan of €120 million, following the signature at the end of 2014 of a rider with EDF covering bagasse/biomass prices amending the existing contract for the sale of electricity, which was approved by the Energy Regulatory Commission at the end of the same year. Construction work began on the plant following this decision, with a scheduled commissioning date during summer 2017.

- final authorisation to invest €25 million in connection with unit B of the Albioma Le Gol plant on Reunion Island and, more specifically, the work to bring the existing Thermal Biomass facilities into line with the new environmental standards resulting from the transposition into French law of Directive 2010/75/EU of 24 November 2010 on industrial emissions (the so-called "IED Directive"), and authorisation to sign the rider to the existing contract for the purchase of electricity modifying the terms of the payments made to the Group in view of the technical and economic consequences of these solutions implemented. Once again, the Board of Director's decisions triggered the start of work on unit B. This also marked the official launch of a global investment programme for 2014-2019 of approximately €200 million, with the objective of updating all the Group's overseas thermal plants. The Board of Directors also authorised the financing of this project through a long-term bank loan taken out by the plant's operating company, which is currently being finalised;
- the authorisation of a number of industrial commitments associated with the ongoing development of the Saint-Pierre combustion turbine on Reunion Island, pending finalisation of a long-term bank loan. At the end of 2014, the Board of Directors authorised a €50 million investment for construction of this combustion turbine plant, which will operate using ethanol produced from the distillation of sugar cane molasses; at the same time, the Energy Regulatory Commission approved the contract for the purchase of electricity (which was signed at the start of 2015).

In addition, building on its work in 2014, the Board of Directors defined the main strategic axes (investment levels, leveraging and profitability) of its development of the Thermal Biomass activity in French Guiana, more specifically with a view to the possible construction in the medium term of two 100% biomass plants.

The Board of Directors' work on the Thermal Biomass activity in Brazil focused essentially on the authorisation of the investment to acquire 65% of the capital of Codora Energia, which owns a 48 MW bagasse cogeneration plant in the State of Goiás, and the associated financing. The Board worked hard to finalise this acquisition and, more specifically, was consulted with regard to the organisation of the closing of the transaction and the associated risks; the acquisition was finalised in August 2015 after a number of conditions precedent were satisfied.

Development of the Solar business also figured highly on the agenda of several meetings of the Board of Directors in 2015, resulting in it authorising the acquisition of 14 rooftop photovoltaic power plants on Reunion Island from Ciel et Terre and Samfi Invest, representing a total capacity of 3 MWp, and the submission, in response to a call for tenders by the Energy Regulation Commission on 18 May 2015, of a number of projects for photovoltaic plants with integrated storage. The Board of Directors defined the maximum scope of the Group's tender and the minimum acceptable rate of return.

Following a substantial provision for asset impairment in the 2014 financial statements (with an impact of €4.6 million on 2014 net income, Group share) as a result of the review of the business plans for the Anaerobic Digestion business, in 2015 the Board of Directors examined the medium-term strategic orientations for the business, focusing on the adjustment of the purchase prices for electricity produced by existing facilities.

More generally, in 2015 the Board of Directors and the Audit, Accounts and Risks Committee devoted a large amount of time to looking at methods for measuring value creation, enabling it to adjust the profitability targets for new projects as it implemented the strategic orientations.

Strike in Guadeloupe and technical incidents in the overseas departments

The Board of Directors is kept regularly informed of ongoing operations, namely through reports by the Commitments and Monitoring Committee. Exceptional events affecting the normal course of business may be referred to it and it may be asked to review and approve corrective action plans proposed by General Management. In 2015, several such events generated a considerable workload for the Board of Directors.

At the start of the year, the Board closely monitored negotiations with a trade union organisation in Guadeloupe (Fédération de l'Énergie de la Confédération Générale du Travail de la Guadeloupe, FE-CGTG), which was behind the strike by part of the workforce of the Le Moule thermal plant, which began on 21 January 2015. The Board of Directors reviewed and approved the action plans drawn up by General Management. Negotiations were successful and staff returned to work on 5 March 2015. Non-striking employees had enabled power generation at the two plants to continue since 14 February 2015.

The Group's overseas thermal facilities were also hit by two major technical incidents. The first, at the end of April 2015, affected the Albioma Le Moule thermal plant in Guadeloupe (failure of a safety device led to an overspeed event on a turbine generator). The second affected the unit B boiler at the Albioma Le Gol thermal plant on Reunion Island at the end of May 2015. The Board of Directors conducted an in-depth analysis of the financial impact of both events and examined the action plans to be put in place within the Group to address industrial issues, safety and the management of stocks of strategic parts. More specifically, the Board of Directors approved the introduction of a large-scale industrial plan in 2015, following the technical incident at the Albioma Le Moule plant, with the objective of improving safety procedures, modifying certain equipment and increasing the stock of strategic parts.

In view of the considerable impact on Group results of these technical incidents and the measures put in place as a result, the Board of Directors examined the deterioration in 2015 prospects during the year and accordingly approved the decision by General Management to reduce by approximately 10% the previously announced 2015 EBITDA objective of €126-130 million and the net income, Group share, of €34-37 million.

The Group's financial position, cash position and commitments

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

In 2015, the Board of Directors notably examined and approved the 2014 parent company and consolidated financial statements with a view to their presentation to the General Meeting of 28 May 2015. It also reviewed and approved the consolidated financial statements for the first half of the 2015 financial year, and reviewed the results for the first and third quarters of the year, in connection with the publication of quarterly financial information.

Alongside its work on strategic matters, the Board of Directors reviewed and approved the 2016 budget and the business plan for 2016-2020. It also reviewed and approved the objectives for EBITDA and net income, Group share, presented to the market. In 2015, the Board of Directors accordingly approved the decision by General Management to reduce by approximately 10% the previously announced 2015 EBITDA objective of €126-130 million and the net income, Group share, of €34-37 million, in view of the technical incidents at two Group

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plants on Reunion Island and in Guadeloupe during the first half of the year. Similarly, at the start of the year, the Board of Directors reviewed and approved General Management's decision to take a long-term approach (doubling of capital invested should result in the doubling of net income, Group share for the 2013/2023 period).

The Board of Directors was also kept regularly informed of the Group's cash position and funding needs. The intensification of Group investments over the financial year made it necessary to arrange several long-term bank loans during the 2015 financial year, which were authorised by the Board of Directors, namely for the acquisition of Codora Energia in Brazil (BRL 42 million) and the Galion 2 project (€120 million).

The Board of Directors authorised the issue of substantial parent company guarantees, namely in connection with the bank loan for the acquisition of Codora Energia in Brazil and the Galion 2 bank loan (but only for the construction period). More generally, the Board of Directors carefully monitored the Group's off-balance-sheet commitments, and authorised a number of parent company guarantees that were not connected to bank loans (commitments to suppliers of industrial equipment in connection with development projects and construction work).

Risk management and internal control

Alongside the work of the Audit, Accounts and Risks Committee and the Corporate Social Responsibility Committee, one of the tasks of the Board of Directors each year is to review the Group's risk mapping and its insurance covers. It may need to look at new risks identified by General Management, and define with it the appropriate action plans to ensure they are properly managed.

During the 2015 financial year, the Board of Directors focused on analysing the risks associated with the Group's development in Brazil, in view of the current political and economic crisis within this country (increased exchange risk and sharp depreciation of the real, increased interest rates, increased counterparty risk, very substantial decline in spot market electricity prices illustrating the specific market risk associated with the Group's operations in Brazil, etc.). The Board of Directors approved plans to continue Group development in this country, based on very carefully selected potential targets. Moreover, building on its work in 2014 following the Group's first acquisition in Brazil, the Board's unstinting efforts in connection with the strategy to secure long-term sales of electricity produced by the Brazilian plants paid off, with the signature of two contracts for the long-term sale of electricity on the regulated market.

Risk management was another particular focus for the Board of Directors, in particular in connection with the technical incidents that affected the Le Gol and Le Moule thermal plants on Reunion Island and in Guadeloupe during the first half of the year. Alongside the industrial plan put in place following the incident at the Albioma Le Moule thermal plant in Guadeloupe, the Board of Directors conducted a detailed review of buffer stock management issues and of the efficiency of processes for replacing strategic parts and equipment, and also examined whether the Group's insurance covers were adequate.

Sustainable development

In conjunction with the work of the Corporate Social Responsibility Committee, in 2015 the Board of Directors regularly monitored the Group's performances in matters of sustainable development.

The Board of Directors reviewed and approved the corporate social responsibility information published in the Registration Document for the 2014 financial year, as required by Article L. 225-102-1 of the French Commercial Code. Building on the work carried out by the Corporate Social Responsibility Committee, which reported regularly to the Board of Directors, the Board also devoted a significant portion of its work to these topics, with a particular focus on employee safety and a review of the action plans implemented by General Management in order to reduce the number of accidents in the workplace and their severity, the acceptability of new development projects (new biomass supply sources in French Guiana) and the management of relations with stakeholders in connection with the Group's major development projects.

Corporate governance

In 2015, the Board of Directors devoted much of its time to corporate governance matters, in conjunction with the Nomination and Remuneration Committee, to which they were systematically referred.

Early in 2015, the Board of Directors carried out its annual review of the status of Directors in office as at 31 December 2014, looking at their independence and potential conflicts of interest that may arise during performance of their duties. During the year it also reviewed the status of the candidates for directorships, presented to the General Meeting of 28 May 2015.

At the same time, it conducted its annual review of its operation over the 2014 financial year, in the form of a self-assessment, the main findings of which are set out in section 2.3.3.2 on pages 81 *et seq.* of this Registration Document. As required by the applicable laws and regulations, the Board of Directors specifically approved the content of the report by the Chairman of the Board of Directors on corporate governance and internal control during the said financial year.

Alongside this routine work, the work of the Board of Directors focused essentially on its composition, in view of the major changes during the year. As the terms of office as Director of Maurice Tchenio on the one hand, and Patrick de Giovanni and Myriam Maestroni on the other, were due to expire at the General Meeting of 28 May 2015, the Board of Directors asked the General Meeting to resolve as follows, which it did:

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

At its meeting of 28 May 2015, held after the above-mentioned General Meeting, the Board of Directors accordingly reviewed the composition of its specialised Committees and appointed Franck Hagège as a member of the Audit, Accounts and Risks Committee, replacing Patrick de Giovanni, and Marie-Claire Daveu as a member and Chair of the Corporate Social Responsibility Committee, replacing Myriam Maestroni.

Moreover, the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document) led Franck Hagège and Edgard Misrahi to stand down from the Board of Directors. At the same time, Maurice Tchenio resigned from his office as Director so that he could be appointed permanent representative of Financière Hélios in its capacity as a Director, replacing Edgard Misrahi. The Board of Directors then once again reviewed the composition of its specialised Committees, taking into consideration Financière Hélios' wish to no longer serve on the Nomination and Remuneration Committee (see additional information in section 2.3.1.5 on pages 51 *et seq.* of this Registration Document).

The Board of Directors also devoted a considerable amount of time to the preparation of a crisis management plan in the event the Chairman and Chief Executive Officer is temporarily or permanently unable to act, and to reviewing the Chairman and Chief Executive Officer's succession plan, which is updated annually under the supervision of the Nomination and Remuneration Committee. Building on this work, at the end of the financial year the Board of Directors decided to look at whether the succession plan should be implemented in 2016. This led to the appointment of Frédéric Moyne as Chief Executive Officer on 1 March 2016, with effect from 1 June 2016, with Jacques Pétry continuing to hold office as Chairman of the Board of Directors (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document).

The Chairman and Chief Executive Officer's performance and remuneration

In 2015, the Board of Directors assessed the Chairman and Chief Executive Officer's performance in respect of the 2014 financial year, mainly for the purpose of determining the amount of the variable component of his remuneration in respect of said year, on the basis of the recommendations made by the Nomination and Remuneration Committee. The Board of Directors also set the amount of the fixed component of the Chairman and Chief Executive Officer's remuneration for the 2015 financial year, as well as the method for determining the variable component of this remuneration, defining the quantitative and qualitative objectives underpinning payment of this component (see additional information in section 2.4.2 and 2.4.3 on pages 94 *et seq.* of this Registration Document).

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The Board of Directors verified that the AFEP-MEDEF Code's recommendation that shareholders are consulted concerning the remuneration owed or awarded to executive corporate officers for the past financial year was correctly applied. At the General Meeting of 28 May 2015, the shareholders voted by a considerable majority in favour of the remuneration, as presented (see additional information in section 2.4.9 on page 115 of this Registration Document).

As an exceptional measure, following the announcement of the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document), the Board of Directors decided to redefine a number of Jacques Pétry's objectives for 2015, essentially so that his new objectives would have a direct link with the capital restructuring issues that the Group now faces.

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 defined in the Memorandum and Articles of Association, results of the initiatives to identify bearer shareholders) and the share's performance on the market, in particular as a result of the announcement of the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document), which led to a sharp technical decline in the share price.

The Board of Directors received 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.

Following on from the Board of Director's decisions at the end of 2014 to put in place a share buy-back programme as a source of shares to be issued under the bonus performance share plan adopted by the General meeting of 14 March 2012, the Board of Directors decided to continue to buy back shares over the second half of the year, within the limits set in the authorisation granted by the shareholders at the General Meeting of 28 May 2015, for use in connection with future bonus performance plans or for the allotment or transfer of treasury shares under employee savings schemes (see additional information in section 7.3.6.2 on pages 277 *et seq.* of this Registration Document).

Lastly, the Board of Directors presented to the shareholders at the General Meeting of 28 May 2015 an amendment to the Memorandum and Articles of Association confirming the principle of "one share, one vote", pursuant to the exception allowed in Article L. 225-123 of the Commercial Code as amended pursuant to Act 2014-384 of 29 March 2014 aimed at 'recapturing the real economy'. Without this exception, a double voting right would have been attached as of right to all shares held in registered form by a single shareholder for at least two years with effect from the entry into force of the aforementioned law. The proposal put to the shareholders by the Board of Directors, which was adopted by a large majority, has ensured that all shareholders will continue to be equal and prevented any abuse that could arise from the separation of the power to exercise voting rights and the actual financial risk assumed.

Activity of the specialised Committees

The Commitments and Monitoring Committee

The Commitments and Monitoring Committee's remit

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

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

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

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

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

Composition and operating procedures of the Commitments and Monitoring Committee

At 31 December 2015, the Commitments and Monitoring Committee was composed of three Directors, two of whom were independent Directors, including the Committee Chairman:

- Michel Bleitrach, independent Director and Deputy Chairman of the Board of Directors, Committee Chairman;
- Jean-Carlos Angulo, independent Director, Committee member;
- Financière Hélios, Director, represented in that capacity by Maurice Tchenio, Committee member.

This composition was approved by the Board of Directors at its meeting of 30 May 2013, and was most recently confirmed by the Board at its meeting of 30 June 2015, following changes to the composition of the Board of Directors as a result of the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document).

All other Directors have a standing invitation to Committee meetings, and generally do attend. In addition, since 28 April 2015 the Works Council representative for the Board of Directors is also invited to attend Committee meetings.

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

The Commitments and Monitoring Committee's meetings and work in 2015

In 2015, the Commitments and Monitoring Committee met ten times, as compared to eleven in 2014. The attendance rate of members at Committee meetings was 87% in 2015, compared to 88% in 2014¹. Directors who are not Committee members have a standing invitation to its meetings and generally did attend.

In 2015, based on the monthly reports prepared by the Administrative and Financial Department and working with the Board of Directors, the Commitments and Monitoring Committee was responsible for continuous moni-

toring of the operational and financial management of the business, and of the portfolio of current projects.

In view of the intensification of Group investments over the financial year, the Committee examined a number of development projects and recommended in each case that the Board of Directors authorise them. Accordingly, the Committee was kept very busy over the 2015 financial year. Some of the main projects it reviewed included:

- the €170 million investment in connection with the Galion 2 bagasse/biomass plant in Martinique and the associated €120 million long-term bank loan;
- the launch of the €200 million investment programme to bring the Group's overseas thermal plants into line with the new environmental standards resulting from Directive 2010/75/EU of 24 November 2010 on industrial emissions (the so-called "IED Directive"), and the programme's initial €25 million investment to carry out work on unit B at the Albioma Le Gol plant;
- the acceleration of plans for the development of a combustion turbine plant in Saint-Pierre on Reunion Island, which more specifically entailed a commitment to order strategic industrial equipment before finalisation of the long-term bank loan;
- the completion in August 2015 of the Group's second acquisition project in Brazil, consisting of the acquisition of 65% of the capital of Codora Energia, which owns a 48 MW bagasse cogeneration plant in the State of Goiás;
- the continued development of the overseas Solar operations, with the acquisition of 14 rooftop photovoltaic power plants on Reunion Island representing a total capacity of 3 MWp, and the authorisation to submit, in response to a call for tenders by the Energy Regulation Commission during the year, a number of projects for photovoltaic plants with integrated storage.

The Committee also examined several other opportunities, including in particular the development of the Thermal Biomass business in French Guiana and new development opportunities in Brazil and in the Africa/Asia region, and more specifically in Mauritius.

The Committee also spent time monitoring ongoing projects:

- it paid particular attention to the technical incidents at the Albioma Le Moule plant in Guadeloupe and the Albioma Le Gol plant on Reunion Island in the first half of 2015, carefully analysing the causes of both incidents, reviewing the action plans put in place by General

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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Management and analysing the economic and financial consequences;

- it closely monitored the strike by certain employees at the Le Moule site in Guadeloupe at the start of 2015;
- it analysed the performance of the Group's first cogeneration unit in Brazil, more specifically at the start of the 2015/2016 sugar harvesting campaigns;
- another particular focus of its work was the monitoring of the prices of electricity produced by the Group's anaerobic digestion facilities and the analysis of the immediate and future profitability of these facilities.

The Committee also devoted a number of work sessions to an analysis of the deteriorating macroeconomic situation in Brazil and the short- and medium-term impact on Group strategy in that country, in view in particular of the decline in electricity prices on the spot market, the depreciation of the Brazilian real against the euro and the increase in interest rates.

Lastly, in conjunction with the work of the Board of Directors and the Audit, Accounts and Risks Committee to measure the creation of value, the Committee looked at retrospective analyses of the creation of value with regard to projects operated by the Group in the Thermal Biomass and Solar sectors.

The Commitments and Monitoring Committee reported to the Board of Directors on all its work during 2015.

Audit, Accounts and Risks Committee

The Audit, Accounts and Risks Committee's remit

The Audit, Accounts and Risks Committee's remit is determined by the Board of Directors' Internal Regulations. It complies with the provisions of Article L. 823-19 of the French Commercial Code, which calls for a specialised Committee acting under the responsibility of the Board of Directors to monitor matters relating to the preparation and control of accounting and financial information, and in particular, without prejudice to the Board of Directors' scope of activities, regarding:

- the process for the preparation of financial information;
- the effectiveness of internal control and risk management systems;
- the statutory audit of the parent company and consolidated financial statements by the Statutory Auditors;
- the Statutory Auditors' independence.

The Audit, Accounts and Risks Committee thus plays a pivotal role in the control and monitoring of the process for the preparation of the Group's financial statements and in the assessment of the quality and effectiveness of the external control of these financial statements.

It also devotes considerable effort to verifying the effectiveness of the internal control and risk management mechanisms, and assists General Management in the ongoing effort to improve existing mechanisms.

Composition and operating procedures of the Audit, Accounts and Risks Committee

As at 31 December 2015, the Audit, Accounts and Risks Committee was composed of two independent Directors:

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

This composition, which was most recently confirmed by the Board of Directors at its meeting of 30 June 2015, reflects changes to the composition of the Board of Directors as a result of the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document). As a result of this distribution, Franck Hagège resigned from his offices as a Director and as a member of the Audit, Accounts and Risks Committee on 24 June 2015, which he had held since his appointment by the General Meeting of 28 May 2015 and by the Board of Directors at its meeting on the same day (to replace Patrick de Giovanni, whose term of office had expired at the said General Meeting and who did not wish to stand for office again). Following these changes, the Board of Directors considered that the Audit, Accounts and Risks Committee, composed of two members, was still perfectly capable of carrying out its designated tasks.

Given their professional experience, all members of the Audit, Accounts and Risks Committee in office as at 31 December 2015 have proven specific capability in accounting and financial matters (see the details provided in section 2.3.2 on pages 53 *et seq.* of this Registration Document).

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

When the Committee examines the financial statements, it has a minimum period of 48 hours prior to the meeting to perform its review. During the meeting, the Statutory Auditors present their conclusions and observations on the findings of their audit or review and the accounting options used. The review of the financial statements is also preceded by a presentation by the Chief Financial Officer on the Company's significant risks and off-balance sheet commitments.

The Audit, Accounts and Risks Committee's meetings and work in 2015

In 2015, the Audit, Accounts and Risks Committee met four times, i.e., the same as in 2014. The attendance rate of members at Committee meetings was 92% in 2015, and in 2014¹.

In anticipation of the approval of the parent company and consolidated financial statements for the 2014 financial year, the Committee reviewed the highlights for the year, the main closing points, the key figures appearing in the financial statements, the cash position and the Group's level of debt. It paid particular attention to the main accounting options used by General Management, the results of the goodwill impairment tests and the resulting provisions for liabilities and impairment. In this regard, the Committee heard the Statutory Auditors, who presented their audit conclusions. The Committee also reviewed the short- and medium-term objectives for EBITDA and net income, Group share, proposed by General Management, with a view to their presentation to the market.

Particular attention was paid to the provision for asset impairment booked for the Anaerobic Digestion business following the review of its business plans and the adjustment of initial assumptions on the basis of actual figures in 2014. More specifically, the Committee verified that the approach used by General Management for calculation of the impairment properly reflected the actual loss of value of the assets and the activity's future prospects.

Similarly, in anticipation of the approval of the abridged consolidated financial statements for the first half of 2015, the Committee reviewed the highlights for the first half, the main closing points, the key figures appearing in the financial statements, the cash position and the Group's level of debt. It once again examined the main accounting options used by General Management and, on this occasion, heard the Company's Statutory Auditors, which presented to the Committee the conclusions of their limited review. The Committee also reviewed the short-term and medium-term objectives for EBITDA and net income, Group share, proposed by General Management prior to their presentation to the market. These had been adjusted by the Board of Directors in the first half of the year to reflect the impact of the technical problems affecting the Albioma Le Moule thermal plant in Guadeloupe and the Albioma Le Gol thermal plant on Reunion Island.

In addition to examining the financial statements, the Committee's work also covered the following:

- In connection with the assessment of the external audit services, the Committee met with the Statutory Auditors, without the presence of General Management.
- As part of its assignment to monitor risks and insurance policies, the Committee conducted a detailed review of the Group's risk mapping and the main changes to its risk profile, and verified that the Group's insurance programme was suitable in view of its risk profile. In addition, the Committee was more specifically asked to assist the Board of Directors define and implement the strategy to secure in the long term the sale price of electricity produced in Brazil, by responding to calls to tender on the regulated Brazilian market.
- Building on the work started in 2014, the Committee continued to look at methods for measuring value creation. This was also an underlying theme of work by the Commitments and Monitoring Committee and 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.

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- One meeting was devoted to the internal audit function. At this meeting, the Committee interviewed the Head of Internal Audit and verified that action plans drawn up as a result of previous audits it had commissioned had been correctly implemented. It also examined the audit reports produced in connection with the 2015 audit plan (audit of Albioma Galion and audit of IT security), for which it had approved corrective action plans in conjunction with General Management. The Committee also approved the 2016 internal audit plan.
- Lastly, in view of the forthcoming expiry of the terms of office of the principal and alternate Statutory Auditors at the General Meeting of 24 May 2016, the Committee considered whether the shareholders should be asked to renew the appointments of the current Statutory Auditors. The Committee more specifically decided that there was no need to call for tenders, although it wished to ascertain that the renewal of the current Statutory Auditors would not compromise their independence. Following the completion of this work in the first part of 2016, the Board of Directors decided to ask the shareholders to renew the appointments of the principal and alternate Statutory Auditors at the General Meeting of 24 May 2016 (see additional information in section 8.2.2 on pages 309 *et seq.* of this Registration Document).

The Audit, Accounts and Risks reported to the Board of Directors on all its work during 2015.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee's remit

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

The Nomination and Remuneration Committee plays a key role in the preparation of the Board of Directors' deliberations relating to the governance and remuneration of the executive and non-executive corporate officers.

Its work calls for it to consider all matters affecting the composition of the Board of Directors and the position of Directors (selection of candidates, balanced composition of the Board of Directors in terms of independence, skills and gender parity). The Committee also considers the remuneration of the Chairman and Chief Executive Officer and the Directors prior to any discussion of the matter by the Board of Directors. Furthermore, it ensures that it is in a position to propose to the Board of Directors a succession plan in the event of a foreseeable vacancy in the role of Chief Executive Officer.

More generally, the Nomination and Remuneration Committee also reviews matters impacting the Group's human resources. As such, it is notably required to express an opinion on the Group's remuneration policy and on changes in the remuneration of the main senior managers, whose succession plans it also reviews. The Committee also provides its input in respect of employee savings schemes and employee share-ownership plans (bonus performance share plans and share subscription and share purchase option plans).

Composition and operating procedures of the Nomination and Remuneration Committee

As at 31 December 2015, the Audit, Accounts and Risks Committee was composed of two independent Directors:

- Michèle Remillieux, independent Director, Committee Chair;
- Daniel Valot, independent Director, Committee member.

This composition, which was most recently confirmed by the Board of Directors at its meeting of 30 June 2015, reflects changes to the composition of the Board of Directors as a result of the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document). As a result of this distribution, Maurice Tchenio was appointed permanent representative of Financière Hélios in its capacity as a Director on 24 June 2015, replacing Edgard Misrahi. Maurice Tchenio therefore resigned from his office as a Director in a personal capacity on 24 June 2015. At the same time, Financière Hélios indicated through its permanent representative that it wished to stand down as a member of the Nomination and Remuneration Committee, which was duly noted by the Board of Directors. Following these changes, the Board of Directors considered that the Nomination and Remuneration Committee, composed of two members, was still perfectly capable of carrying out its designated tasks.

As the Board of Directors did not include any employees among its members, the Nomination and Remuneration Committee did not include any employee Directors at 31 December 2015 (see additional information in section 2.3.1.1 on page 46 of this Registration Document).

The dossiers are generally presented by the Chairman and Chief Executive Officer, the Director of Human Resources or the Company Secretary. The Chairman and Chief Executive Officer is not a member of the Nomination and Remuneration Committee, which is free to

deliberate without the presence of key figures from within the Group when it deems it necessary. The Committee deliberates without the presence of the Chairman and Chief Executive Officer when his position is under discussion. By contrast, the Chairman and Chief Executive Officer is systematically involved in the Committee's work on the selection and appointment of Directors and preparation of the succession plan. The Secretary of the Board of Directors acts as Committee Secretary.

The Nomination and Remuneration Committee's meetings and work in 2015

In 2015, the Nomination and Remuneration Committee met four times, as compared to five in 2014. The attendance rate of members at Committee meetings was 78% in 2015, compared to 93% in 2014¹.

The Committee devoted one meeting to reviewing the components of the Chairman and Chief Executive Officer's remuneration (variable component in respect of the 2014 financial year, fixed component and procedures for determining the variable component for the 2015 financial year, other components of his remuneration for the 2015 financial year). The Committee's recommendations were finalised at a meeting that was not attended by the Chairman and Chief Executive Officer or the Company Secretary, who is a Company employee.

As a result of the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document), the Committee recommended that a number of Jacques Pétry's objectives for 2015 be re-defined, so that his new objectives would have a direct link with the capital restructuring issues that the Group now faces.

As well as information on the Chairman and Chief Executive Officer's remuneration, the Committee received information on the salary policy applicable within the Group for the 2015 financial year.

The Committee intervened ahead of the Board of Directors' annual review of the status of Directors in the 2014 financial year and, more specifically, their independence and potential conflicts of interest that they may face, and the Board of Directors' self-assessment of the operation of the Board in the 2014 financial year (see additional information in section 2.3.3.2 on pages 81 *et seq.* of this Registration Document). It also reviewed the status of the candidates for directorships presented to the General Meeting of 28 May 2015.

As 2015 saw a series of important changes to the composition of the Board of Directors, the Committee devoted a certain amount of time to the selection of potential candidates. On the basis of its work, the Board of Directors asked the shareholders to appoint Marie-Claire Daveu and Franck Hagège as Directors to replace Myriam Maestroni and Patrick de Giovanni, respectively, as their terms of office were due to expire and they did not wish to stand for office again. These changes, in addition to the changes to the composition of the Board of Directors following the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document) led the Committee to review the composition of the specialised Committees of the Board of Directors on several occasions during the 2015 financial year.

More generally, the Committee carried out valuable work with regard to future changes to the composition of the Board of Directors in the medium-term, in view in particular of Daniel Valot's decision to stand down from the Board of Directors at the General Meeting of 24 May 2016, the age of the Directors currently in office and the obligation to increase the number of female Board members by 2017.

In 2015, the Committee paid particular attention to the General Management succession plan and examined the outlines of the succession plan for the Group's key executives. The Committee carried out valuable preparatory work for the Board of Directors concerning the implementation of the succession plan, which entails the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016, and the appointment of Frédéric Moyne as Chief Executive Officer on the same date (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document). The Committee, assisted by an independent consultant, also issued clear recommendations as to the systems to be put in place for the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer, taking particular account of practices in comparable companies, and the creation of the function of Lead Director within the Board of Directors, held by the Deputy Chairman 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.

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The Committee also carried out preparatory work for the Board of Directors concerning the creation of a crisis management procedure in the event the Chairman and Chief Executive Officer is temporarily or permanently unable to act.

Lastly, the Committee monitored the Group's policy on gender equality and equal pay and the action plans to promote diversity and gender equality.

The Nomination and Remuneration Committee reported to the Board of Directors on all its work during 2015.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee's remit

The Corporate Social Responsibility Committee's remit is determined by the Board of Directors' Internal Regulations.

The Corporate Social Responsibility Committee was formed on 24 September 2012 in order to allow the Board of Directors to become more involved in matters concerning the Group's sustainable development. As such, the Committee examines the Group's policies and commitments on matters relating to the environment (energy transition and optimising the energy performance of natural resources, reduction in environmental impacts), staff (safety, training and diversity), and society (local initiatives and responsible procurement). It constantly monitors their implementation and any associated risks, where applicable in liaison with the Audit, Accounts and Risks Committee.

The Committee also examines the non-financial information published by the Group pursuant to its legislative and regulatory obligations and in connection with its general policy on institutional communications.

Furthermore, the Committee reviews application of the ethics rules established by the Group.

Composition and operating procedures of the Corporate Social Responsibility Committee

As at 31 December 2015, the Corporate Social Responsibility Committee was composed of two independent Directors:

- Marie-Claire Daveu, independent Director, Committee Chair;
- Jean-Carlos Angulo, independent Director, Committee member;

This composition, which was most recently confirmed at the meeting of the Board of Directors on 30 June 2015, is the result of the two successive changes to the composition of the Board of Directors during the 2015 financial year.

Firstly, Myriam Maestroni, whose term of office as Director expired at the General Meeting of 28 May 2015 and who did not wish to stand for office again, was replaced by Marie-Claire Daveu, who was appointed as Director by the same General Meeting.

Secondly, the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document) led to the resignation by Franck Hagège from his offices as a Director and a member of the Corporate Social Responsibility Committee on 24 June 2015, which he had held since his appointment by the General Meeting of 28 May 2015 and by the Board of Directors at its meeting on the same day (to replace Patrick de Giovanni, whose term of office had expired at the said General Meeting and who did not wish to stand for office again). Following these changes, the Board of Directors considered that the Corporate Social Responsibility Committee, composed of two members, was still perfectly capable of carrying out its designated tasks.

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

Meetings and work of the Corporate Social Responsibility Committee in 2015

In 2015, the Corporate Social Responsibility Committee met four times, i.e., the same as in 2014. The attendance rate of members at Committee meetings was 100% in 2015, compared to 92% in 2014¹.

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.

During the 2015 financial year a number of important matters relating to the pillars of the Group's sustainable development strategy were referred to the Committee. In addition to its routine review of the Group's main sustainable development indicators, the Committee's work focused on:

- monitoring the Group's performance in terms of safety, paying particular attention to the indicators showing the frequency and severity of accidents in the workplace and, working in close collaboration with General Management, analysing the causes of the main accidents that occurred during the year and implementing ambitious action plans that aim to improve the Group's results in these areas; the sharp decline in Group safety indicators in 2014 also prompted General Management to conduct a comprehensive audit of the Group's thermal plants. The findings, which were presented to the Committee by the independent consultant who conducted the audit, formed the basis for the above-mentioned action plans;
- the acceptability of new supply channels for wood biomass in the context of the plans to expand the Group's activities in French Guiana;
- monitoring the main risks falling within its remit, in collaboration with the Audit, Accounts And risks Committee;
- managing the implementation of the Group's ethical programme;
- anticipating the consequences of safety risk assessments on some of the Group's thermal plants;
- the scope of verification of non-financial data in this Registration Document;
- preparation of a sustainable development roadmap, embodying a long-term sustainable development approach that is integrated into the Group's activities and strategy.

Following the appointment of Marie-Claire Daveu as Chair of the Committee, one Committee meeting was devoted in its entirety to presenting the Group's sustainable development strategy and the main topics falling within the remit of the Committee (safety, environmental compliance, stakeholders, energy transition, energy efficiency).

The Corporate Social Responsibility Committee reported to the Board of Directors on all its work during 2015.

2.3.3.2. Assessment of the operation of the Board of Directors

Assessment frequency and methods

In accordance with the recommendations of the AFEP-MEDEF Code and the Board of Directors' Internal Regulations, the Board of Directors performs an annual review of its operation, in particular with a view to:

- reviewing its operating procedures;
- verifying that important matters are suitably prepared and debated;
- assessing each Director's effective contribution to the Board's work as a result of his/her skills and involvement in discussions.

This approach takes the form of a self-assessment by the Board of Directors, carried out by means of questionnaires, whose results are analysed by the Board of Directors after they are reviewed by the Nomination and Remuneration Committee. In accordance with the recommendations of the AFEP-MEDEF Code, a documented assessment is performed at least once every three years with the help of an external consultant.

As the assessments conducted in 2013 and 2014 were conducted by the Board of Directors without any external assistance, the Nomination and Remuneration Committee decided to use the services of a non-Group consulting firm (Sodali) for the 2015 assessment.

Consideration of the conclusions of the 2014 self-assessment examined by the Board of Directors on 3 March 2015

In general, the 2014 assessment highlighted a very positive perception of the operation of the Board of Directors, and continued improvements in the areas identified during previous assessments.

More specifically, the Board of Directors:

- clarified its needs with regard to the use of independent specialists other than those from General Management, and took note that the Board of Directors was free to formally request the appointment of any specialist at any time;
- noted that the organisation of General Management (separation or combination of the functions of Chief Executive Officer and Chairman of the Board of Directors) would be discussed on a more regular basis and, in particular, when the Nomination and Remuneration

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Committee and the Board of Directors review the succession plan; indeed, implementation of the General Management succession plan, in the form of the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, provided the Board of Directors with an opportunity to discuss the organisation of this method of governance (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document);

- took note of the measures put in place by General Management with immediate effect in order to provide the Directors with more frequent information on the shareholding structure and documents drawn up by financial analysts concerning the Company;
- approved the proposal by General Management to adjust the timing of strategy reviews, which have always been carried out at the start of each financial year at the Board of Directors' seminar; this annual seminar, at which the strategy is reviewed, is now held in November, in conjunction with the budget process;
- requested that efforts be made to enhance the skills and expertise of the Board of Directors in the medium term and increase the number of female Directors; to this end, the Nomination and Remuneration Committee has undertaken substantial work on short and medium-term changes to the composition of the Board of Directors (see additional information in section 2.3.1.6 on page 52 of this Registration Document).

Conclusions of the 2015 self-assessment conducted with the assistance of an external consultant and examined by the Board of Directors on 29 March 2016

In 2016, an external consultant conducted the assessment of the 2015 financial year. The Board of Directors examined his findings at its meeting of 29 March 2016.

The report praises the excellent quality of the Company's governance practices, including in particular:

- the high level of expertise and motivation of members of the Board of Directors;
- the quality of governance leadership;
- the effective operation of the Board of Directors and its Committees;
- the quality of relations between the Board of Directors and executive management.

Areas for improvement were identified, as a result of which action plans were drawn up and will be implemented from 2016.

- Changes to the composition of the Board of Directors during the 2015 financial year prompted the Board of Directors to identify possibilities for improvement including, as a priority objective, a return to nine members in the medium term, instead of its seven current members. The action plan adopted by the Board of Directors builds on the work achieved by the Nomination and Compensation Committee on this issue over the past few months, aimed at further improving gender parity on the Board of Directors in anticipation of the regulatory deadlines and reducing the average age of Directors.
- In terms of the functioning of governance, most of the areas for improvement identified were addressed in the Board of Directors' decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016 and to create the position of Lead Director (held by the Deputy Chairman of the Board of Directors). In addition, the Board of Directors has decided that it will hold an executive meeting once a year under the aegis of the Lead Director. During the Board of Directors' review, it considered the advisability of changing the characteristics and method of operation of the Commitments and Monitoring Committee, in line with the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer: the Board of Directors has accordingly decided to modify and limit the role of the Committee, which will conduct detailed examinations of the Group's material commitments prior to their authorisation by the Board of Directors, and to task the Board of Directors with the monitoring of operations on the basis of reports presented by the Chief Executive Officer. The Committee, which will be renamed the Commitments Committee, will be composed of a select number of Directors who will carry out detailed analyses before the Board of Directors authorises major investments.
- The Board of Directors has adopted principles to improve information received by Directors concerning a number of topics (including the Group's competitive positioning) and to draw up a documented induction programme for new Directors.

2.3.3.3. Appendix: full text of the Board of Directors' Internal Regulations and of the Directors' Charter updated on 1 March 2016

Board of Directors' Internal Regulations

Recitals

At its meeting of 19 December 2008, the Board of Directors of Albioma (the "Company") adopted these Internal Regulations (the "Internal Regulations"), which were subsequently supplemented on several occasions.

The Internal Regulations apply to all current and future Directors. Their purpose is to supplement the provisions of the statutes, regulations and Memorandum and Articles of Association in order to specify the operating conditions of the Board of Directors and its Committees, in the interests of the Company and its shareholders.

The Directors' Charter, which stipulates Directors' duties and obligations, is appended hereto.

For the purposes of these Internal Regulations:

- "Directors" means the members of the Company's Board of Directors;
- "General Meeting" means the General Meetings of the Company's shareholders;
- "Board of Directors" or "Board" means the Company's Board of Directors;
- "Group" means the Company and any company it controls within the meaning of Article L. 233-3 of the French Commercial Code;
- "Chairman" means the Chairman of the Board of Directors; and
- "Chief Executive Officer" means the Company's Chief Executive Officer.

The Internal Regulations are for internal use and do not replace the Company's Memorandum and Articles of Association, but implement them in a practical manner. This means that they are not binding on third parties. Shareholders will be informed of the existence of the Internal Regulations in the Company' annual report and on the Company's website.

The Internal Regulations may be amended by a decision of the Board of Directors.

1. Composition of the Board of Directors

The Board of Directors shall be composed of at least three members and no more than twelve members, subject to statutory provisions that apply to mergers. To the extent possible, the majority of the members of the Board of Directors should be independent Directors.

A Director is considered to be independent if he/she has no relationship of any type with the Company, its Group or its management that could compromise his/her ability to freely exercise his/her judgment. Thus, an independent Director is not simply a "non-executive" director (i.e. a director who does not hold a management position with the Company or its Group), but must also not have any specific ties (significant shareholder, employee, customer, supplier, etc.).

The Board of Directors has the authority to determine whether a Director is independent.

The Board of Directors shall regularly review its composition. Once a year, it shall assess its operation, assisted by an external consultant if need be. The findings of this assessment shall be recorded in writing at least every three years.

It shall meet once a year without the Company's internal Directors (i.e., those who are employees or executive corporate officers of the Company or in the Group) to assess the performance of the Chairman and Chief Executive Officer, if the functions of Chairman of the Board of Directors and Chief Executive Officer are combined, or the performance of both the Chairman and the Chief Executive Officer, if these functions are separate.

2. Powers of the Board of Directors

The Board of Directors is the Company's primary decision-making and control body. Its powers, which it exercises within the limit of those powers conferred upon the General Meeting, include:

- determining the strategic business policies of the Company and its Group, and ensuring they are carried out;
- authorising the furnishing of sureties, pledges and guarantees;
- authorising so-called 'regulated' agreements and undertakings before they are concluded, in accordance with the applicable laws and regulations and the Memorandum and Articles of Association;
- preparing and approving Company and consolidated financial statements, as well as half-yearly financial statements;
- reviewing interim management documents;
- authorising all major investments, with the exception of capital expenditure for maintenance work, necessary for industrial or external growth projects during the year and, if applicable, the financing thereof;

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- authorising all capital expenditure for maintenance work that entails immediate or future commitments that significantly exceed the amounts budgeted therefor, as stated in the budget approved by the Board of Directors;
- authorising all sales or contributions of significant assets;
- more generally, authorising any significant transaction that is not part of the strategy approved by the Board of Directors or that entails immediate or future commitments that significantly exceed the budget approved by the Board of Directors;
- studying all proposed merger, spinoff or contribution transactions;
- setting the remuneration of the Chairman and Chief Executive Officer;
- creating Committees charged with studying issues that the Board itself or its Chairman submit for their review and opinion.

As a general rule, the Board of Directors shall consider all matters necessary for the smooth operation of the Company and its Group and shall carry out any controls and checks it considers necessary.

The Board of Directors shall review and approve the information published in the Company's Registration Document relating to its structures and corporate governance practices.

3. Operation of the Board of Directors

3.1. Meetings of the Board of Directors

The Board of Directors shall meet as often as required by the Company's interests, and at least four times a year, at the registered office or any other place specified in the notice of meeting. Once every financial year, the Directors shall meet prior to the approval of the annual budget and the medium-term business plan in order to review the strategic business policies.

Notices of meetings shall be given by the Chairman or half of the Board's members, by any means, including orally, in principle at least 48 hours before the Board meeting, except in the event of an emergency.

3.2. Information provided to Directors

The Chairman, or the Chief Executive Officer if requested by the Chairman, shall provide each Director with all documents and information necessary for him/her to perform his/her duties.

Directors may obtain all documents they deem necessary. Requests for additional information shall be made to the Chairman of the Board of Directors, who will assess whether the documents requested are necessary.

Before each Board of Directors' meeting, the Directors shall receive, in a timely manner and subject to confidentiality requirements, a dossier on the matters on the agenda that require prior analysis and reflection.

Between Board meetings, Directors shall regularly receive all important information concerning the Company, and shall be informed of any event or change that significantly affects the transactions or information previously reported to the Board. In particular, the Directors shall be provided with the Company's press releases, as well as with significant press articles and financial analysis reports.

The Directors may meet the Group's main managers, if appropriate without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, provided they submit a request for such meeting to the Chairman of the Board of Directors, who will inform the Chief Executive Officer thereof.

3.3. Proxies

Any Director may be represented by another Director at any given meeting. Proxies must be appointed in writing, which may include by e-mail. Each Director may only represent one other Director at any given meeting.

The foregoing provisions apply to permanent representatives of legal entities that are Directors.

3.4. Deliberations

The deliberations of the Board of Directors shall be valid only if at least half its members are present.

Decisions shall be adopted by a majority of the members present or represented. A Director who has been appointed as a proxy by a fellow Board member shall hold two votes.

The Chairman of the Board of Directors or, in his/her absence, the Deputy Chairman shall lead the discussions. If both are absent, the meeting shall be chaired by a Director specially appointed for such purpose by the members of the Board present at the meeting.

In the event of a tied vote, the chairman of the meeting shall have the casting vote.

3.5. Participation at meetings by videoconference or other means of telecommunication

For the purposes of calculating the quorum and majority, Directors who participate in Board meetings by videoconference or other means of telecommunication that allow them to be identified and enable them to participate effectively, in accordance with the conditions below, shall be deemed present.

- videoconference systems or other means of telecommunication may be used at all Board of Directors' meetings. However, in accordance with the provisions of Article L. 225-37, paragraph 3, of the French Commercial Code, these methods of participation may not be used to prepare the annual financial statements and the management report, or the consolidated financial statements and the Group management report.
- before the start of deliberations, it must be ensured there are no third parties, microphones or any other element that would be contrary to the confidential nature of deliberations.
- each participant must be able to speak and to hear what is said.
- the videoconference system or other means of telecommunication used must possess technical features enabling them to continuously and simultaneously retransmit the deliberations so as to enable the Directors to actually take part in the Board's deliberations.
- in the event the chairman of the meeting notes a malfunction of the videoconference system or other means of telecommunication, the Board of Directors may validly deliberate and/or continue the meeting with only the members who are physically present, provided the quorum requirement is met.

3.6. Attendance register

An attendance register shall be kept, which shall be signed by the Directors who attended the Board meeting in person, and which, if applicable, shall state the names of Directors who took part in the deliberations by videoconference or other means of telecommunication (on their own behalf and on behalf of the Directors they represent).

3.7. Minutes

The deliberations of the Board of Directors shall be recorded in minutes kept in a special register maintained in accordance with the statutes in force, and shall be signed by the chairman of the meeting and at least one Director. If the chairman of the meeting is unable to sign the minutes, they shall be signed by at least two Directors.

The minutes shall be approved at the next meeting. For such purpose, the draft minutes shall be sent in advance to each Director.

Minutes of meetings shall state the names of the Directors who are present or deemed present, those who sent their apologies and those who are absent. The minutes shall record the presence or absence of persons who were given notice of the Board meeting and the presence of any other person who attended all or part of the meeting.

The minutes shall mention any videoconference system or other means of telecommunication used, the name of each Director who participated in the Board meeting using such means and, if applicable, any technical incident that disrupted the conduct of the meeting, including the interruption and re-establishment of remote participation.

If applicable, the minutes shall record any dissenting opinions expressed by Directors.

Copies or extracts of minutes may be validly certified true by the Chairman of the Board of Directors, the Chief Executive Officer, the Director temporarily appointed to chair the meeting, the secretary of the Board of Directors or an agent appointed for such purpose by the Board.

4. Chairman of the Board of Directors

The Chairman of the Board of Directors shall organise and oversee the work of the Board of Directors. When he calls a Board meeting, he shall draw up the agenda for the meeting with the assistance of the Chief Executive Officer. He shall ensure that the documentation supplied to the Directors prior to the meeting enables them to express opinions on the matters put to them in full knowledge of the facts.

The Chairman of the Board of Directors shall coordinate the work of the Board of Directors and that of its Committees.

The Chairman of the Board of Directors shall ensure the Company is governed efficiently and effectively, and shall in particular ensure that the Company's practices comply with the recommendations set out in the AFEP-MEDEF Code and, more generally, best corporate governance practices. If need be, he shall seek the help of the Deputy Chairman of the Board of Directors, who shall assist him in strengthening the Company's governance.

Moreover, the Chairman of the Board of Directors shall be tasked with the following:

- representing the Company with regard to national and international professional organisations, in conjunction with the Chief Executive Officer;

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

For the purpose of the above tasks:

- the Chief Executive Officer shall provide the Chairman of the Board of Directors with regularly updated information on the Group's affairs, the implementation of its strategies and the main investment projects;
- whenever he deems this necessary, the Chairman of the Board of Directors 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 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. Deputy Chairman of the Board of Directors

The Board of Directors may appoint one of its members as Deputy Chairman, who shall be responsible for assisting the Chairman of the Board of Directors in strengthening the governance of the Company.

If the Chairman of the Board of Directors is unable to act, the Deputy Chairman shall chair Board meetings and lead discussions.

6. Lead Director

The Board of Directors shall appoint a Lead Director, who must be an independent Director. The Deputy Chairman of the Board of Directors may also be the Lead Director. The Chairman of the Board of Directors may not be the Lead Director.

The Lead Director shall:

- coordinate the work of the independent Directors, in particular when they are asked to deliberate without the executive corporate officers or, as applicable, the non-independent Directors;
- speak in the name of the independent Directors whenever necessary, in particular to the shareholders.

He may demand that the Chairman of the Board of Directors enter any matters falling within his remit on the agenda of meetings of the Board of Directors or its Committees.

7. Secretary of the Board of Directors

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

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

The Secretary of the Board of Directors shall assist the Chairman of the Board of Directors and the chairmen of the specialised Committees in the organisation of the work of the Board of Directors and the specialised committees, and in this connection the Secretary shall:

- help prepare the agendas and send notices of meetings to the members of the Board or its Committees;
- 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 to organise proceedings at meetings of the Board of Directors and specialised Committees;
- organise remote attendance and facilitate the representation of absent members;
- manage payment of directors' fees.

Directors may seek the assistance of the Secretary of the Board of Directors for the performance of their duties, including their reporting obligations, in particular with regard to the market authorities, and to obtain clarifications concerning their obligations and duties.

The Secretary of the Board of Directors 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.

8. The Board of Directors' Committees

The Board of Directors may create Committees comprised of Directors, or managers, or of both Directors and managers of the Company. Committee members, who shall be appointed by the Board of Directors, shall be tasked with studying the matters that the Board or its Chairman submit for their review.

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

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

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

The Committees act in a non-binding capacity. The Board of Directors shall have full discretion to decide on any action to be taken on the proposals or recommendations submitted by the Committees. Each Director shall remain free to vote as he/she sees fit, and is not bound by the studies, investigations or reports of the Committees or any recommendations they may make.

The composition of these Committees may be modified at any time by a decision of the Board.

9. Audit, Accounts and Risks Committee

9.1. Composition

The Audit, Accounts and Risks Committee shall be comprised of at least two Directors. At least two-thirds of the Committee's members must be independent Directors.

Based on their training and/or professional experience, the Committee members shall have accounting and financial expertise.

The Committee shall not include any corporate officer of the Company.

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

9.2. Operating procedures

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

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

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

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. It may also interview Directors, Chief Operating Officers, the heads of internal control and internal audit, and the external auditors of the Company and its subsidiaries, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its Chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

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9.3. Powers

The Audit, Accounts and Risks Committee shall monitor matters in connection with the preparation and control of accounting and financial information and shall prepare the deliberations of the Board of Directors by monitoring the matters listed below and reporting to the Board on its activities.

- **Monitoring the process for preparing financial information:** reporting on the financial position, financial policy and financial strategy of the Company and its subsidiaries; reporting on the procedures used to prepare, collect, analyse and verify accounting and financial information, in particular information communicated to the shareholders and the market; reviewing the communications of the Company and its subsidiaries on accounting and financial matters; reviewing all issues of an accounting or financial nature submitted to it by the Chairman of the Board of Directors, General Management or the statutory auditors; approving the architecture of all systems used to prepare financial information; reviewing the conformity of accounting measurements and choices made with the accounting standards framework and reviewing the means implemented to achieve the objectives set (accurate and complete picture of the position of the Company and its subsidiaries, transparency, clarity and consistency over time).
- **Monitoring the effectiveness of internal control and risk management systems:** reviewing the organisation and application of internal control procedures within the Company and its subsidiaries; reviewing the work and analyses carried out in this respect, and the work, analyses and reports of external auditors; meeting with the internal control managers and the external auditors; reviewing the procedures used to identify and monitor risks; reviewing and monitoring risks identified, their classification and prevention plans and actions; reviewing the report of the Chairman of the Board of Directors on the operations of the Board of Directors and internal control and risk management systems.
- **Overseeing the annual and half-yearly financial statements, as well as quarterly financial information:** reporting on the consolidation scope, accounting methods and control procedures; reviewing the financial statements and, in particular, analysing provisions, risks and significant off-balance sheet commitments; reporting on accounting positions taken in recording significant transactions; overseeing the external audi-

tors' review of the Company and consolidated financial statements; conducting a prior review of draft accounting documents submitted to the Board of Directors; reviewing major transactions that may have resulted in a conflict of interests.

- **Overseeing the manner in which the external auditors perform their assignments:** supervising the procedure for selecting or reappointing statutory auditors; reviewing the manner in which they perform their assignments and the fees paid to external auditors; monitoring their independence and the updated declarations and information with respect to such independence.

10. Nomination and Remuneration Committee

10.1. Composition

The Nomination and Remuneration Committee shall be comprised of at least two Directors. At least half of the members must be independent Directors.

No executive corporate officers may sit on the Committee. However, the Chairman of the Board of Directors shall collaborate closely with the Committee with regard to the selection of Directors and the renewal of governing bodies.

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

10.2. Operating procedures

The Nomination and Remuneration Committee shall meet before every meeting of the Board of Directors at which matters falling within its remit are to be discussed, and in any event at least once a year, before the Board of Directors' meetings at which the performance of executive corporate officers over the previous financial year is to be reviewed and their remuneration for the current financial year is to be determined.

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

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. They shall not attend meetings at which their personal situations will be discussed. It may also interview Directors, Chief Operating Officers and the Human Resources Director, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

10.3. Powers

The Nomination and Remuneration Committee is tasked with studying the following matters: composition of the Board, appointments of Directors and renewal of their terms of office, Directors' fees, the Group's organisation and structure, appointments, career management and all types of remuneration (including benefits of all types) of corporate officers, members of the General Management Committee and the Group's top 50 managers.

It shall make proposals to the Board with respect to appointments of Directors and renewal of their terms of office, after a detailed review of all information it is required to take into account, including in particular the desired balance in the composition of the Board in light of changes to the Company's shareholder structure and business activities, gender balance and the types of expertise represented, and on the basis of the search for and assessment of possible candidates. In particular, the Committee shall set up a procedure for selecting future independent Directors and shall study potential candidates before they are approached.

The Committee shall also propose succession solutions to the Board in the event of a foreseeable vacancy in executive Director positions and study the succession plans for the principal corporate officers.

The Board of Directors shall decide the remuneration of executive corporate officers, and the Chairman and Chief Executive Officer shall decide the remuneration of executives who are members of the General Management Committee, after having obtained the comments of the Nomination and Remuneration Committee, and on the basis of observations on actual changes in the modulation factors adopted in light of the expectations concerning each of them.

The duties of the Nomination and Remuneration Committee shall include making recommendations and proposals on the Company's policy with respect to options to subscribe or purchase shares and bonus share allotments.

In performing its duties, the Board shall examine inter alia the practices of comparable companies and the rules for calculating the variable component of remuneration consistent with performance evaluations.

11. The Commitments and Monitoring Committee

The Commitments and Monitoring Committee shall be comprised of at least two Directors, including the Chairman of the Board of Directors, provided he does not also hold the office of Chief Executive Officer. Subject to this condition, the Chairman of the Board of Directors may chair the Committee.

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

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

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. It may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall meet on a regular basis to inform itself of the Company's commitments and to review and assess factors resulting in changes thereto, to examine development projects at their various stages, and to regularly review all significant matters in respect of the Company and the Group.

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

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.

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12. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be composed of at least three Directors. At least half of the members must be independent Directors.

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

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

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. It may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall meet to consider any matters referred to it by General Management and, in any event, before any meeting of the Board of Directors at which matters falling within its remit are to be discussed.

Its tasks are to:

- Review the Group's principal opportunities and risks in social and environmental matters in light of the issues specific to its strategy and businesses, and give its opinion to the Board on policies recommended in this field with respect to the sustainable development policy.
- Review the Company's sustainable development and social and environmental responsibility policies and commitments, if necessary, propose changes thereto prompted by the Group's growth, and assess results obtained vis-à-vis objectives set.
- Review non-financial information published by the Group, in particular on social and environmental matters.
- Monitor application of the rules of conduct defined by the Group.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

13. Remuneration of Directors

All Directors may receive Directors' fees as remuneration for the performance of their duties, the total amount of which shall be determined by the General Meeting of the Company's shareholders. The Board of Directors shall have full discretion to decide the allocation of such Directors' fees, in light of the recommendations or proposals of the Nomination and Remuneration Committee.

Directors' Charter (appended to the Board of Directors' Internal Regulations)

This Charter sets out the rights and obligations of Directors.

Each Director and, if applicable, each permanent representative of a legal entity that is a Director, shall comply with this Charter.

1. Representation of shareholders

All the Directors and, if applicable, each permanent representative of a legal entity that is a Director, shall comply with this Charter. All the Directors, regardless of the manner in which they were appointed, shall represent all the shareholders.

2. Knowledge of duties and obligations

Before accepting office, Directors must become familiar with the laws and regulations relevant to their position, the Company's Memorandum and Articles of Association, this Charter and the Board of Directors' Internal Regulations.

Directors may consult the Secretary of the Board of Directors at any time regarding the scope of such rules and the rights and obligations attached to their office.

3. Holding a minimum number of shares in the Company

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

4. Information

Directors must ensure that they receive in a timely manner all information necessary to perform their duties. They must, at the appropriate times, apply to the Chairman of the Board of Directors and request the information they deem necessary to perform their duties and to speak on matters on the agenda of Board of Directors' meetings.

5. Regular attendance

Directors must devote the necessary time and attention to their office and, when they accept another office, must consider whether they will still be able to meet this duty. Save where physically impossible, they must attend all meetings of the Board of Directors and of any committees on which they sit, as well as the general meetings of shareholders.

6. Conflicts of interest

Directors must inform the Board of Directors of any conflict of interest situation or potential conflict of interest as of the time they become aware thereof, and, when a conflict of interest situation exists, must refrain from participating in the discussion and voting on the corresponding resolution. Any Director in a permanent conflict of interest must resign.

7. Number of offices held by the Directors

The Directors, including the Chairman of the Board of Directors, may hold no more than four other offices in listed companies outside the Group, including abroad.

The Chairman of the Board of Directors must inform the Board of Directors before accepting any office in any listed or unlisted non-Group company.

The Chairman of the Board of Directors must obtain the Board of Directors' consent before accepting any office in a listed non-Group company.

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

8. Duty of confidentiality and non-disclosure

Directors undertake not to speak in an individual capacity, other than during the Board's internal deliberations, on matters discussed at Board meetings.

With respect to non-public information of which they become aware in the performance of their duties, Directors should consider themselves bound by an obligation of professional secrecy that goes beyond the mere duty of discretion (obligation de discrétion) provided for by Article L. 225-37 paragraph 5, of the French Commercial Code (*Code de commerce*).

This duty of non-disclosure applies to all persons who are invited to attend Board meetings with respect to information of a confidential nature that is presented as such by the Chairman of the Board.

9. Stock market ethics

Inside information

In accordance with the provisions of Article 621-1 of the General Regulation of the Autorité des Marchés Financiers, 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 precise if it indicates a set of circumstances or event that has occurred or is likely to occur and a conclusion may be drawn as to the possible effect of such circumstances or event on the prices of financial instruments or related financial instruments.

Information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments or related financial instruments is information that a reasonable investor would be likely to use as part of the basis of his investment decisions.

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

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. Composition 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 carrying out, directly or through an intermediary, on his/her own behalf or on behalf of a third party, transactions in the Company's securities, until such time as the information is made public.

Any Director who holds inside information concerning the Group must refrain from recommending that any other person buy or sell the Company's securities, on his/her own behalf or on behalf of a third party, directly or indirectly, until such time as the information is made public.

Directors shall be personally responsible for determining whether information they hold is inside information and, in consequence thereof, deciding whether or not they are entitled to use or disclose such information and whether or not they are entitled to carry out any transaction in the Company's securities.

Blackout periods

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

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

The criminal offence and administrative breach of insider dealing

Each Director acknowledges that he/she has been informed of the laws and regulations that concern the prevention and punishment of the criminal offence and administrative breach of insider dealing (including in particular Article 621-1 *et seq.* of the General Regulation of the Autorité des Marchés Financiers and Article L. 465-1 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.

Obligation to disclose transactions in the Company's securities

In accordance with Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code, Articles 223-22 to 223-26 of the General Regulation of the Autorité des Marchés Financiers and Instruction no. 2006-05 of the Autorité des Marchés Financiers of 3 February 2006 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 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 €5,000 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 online platform (ONDE). They must create an access account if they do not already have one.

If disclosure is made to the Autorité des Marchés Financiers, the person disclosing a transaction must provide the Secretary of the Company's Board of Directors with a copy of the disclosed information. By virtue of a written document, which may be an e-mail, Directors may authorise the Secretary of the Board of Directors to make any necessary disclosures on their behalf. For that purpose, the Director must provide the Secretary of the Board of Directors with details of the transactions to be disclosed as and when they are executed. The Secretary of the Board of Directors will use his own access account to log onto the ONDE platform and disclose the transactions.

The Autorité des Marchés Financiers displays disclosed transactions on its website, and a yearly summary is included in the management report submitted to the Company's Registration Document.

2.3.4. SPECIFIC PROCEDURES RELATING TO TAKING PART IN GENERAL MEETINGS OF SHAREHOLDERS

The procedures for taking part in General Meetings of shareholders are specified in Article 32 of the Company's Memorandum and Articles of Association, which was amended by the shareholders at the General Meeting of 27 May 2014 in order to:

- ensure that the drafting of this article complies with applicable laws and regulations regarding proof of shareholder status at General Meetings;
- authorise the Board of Directors to give shareholders the opportunity to vote electronically prior to General Meetings, if it deems fit; the Board of Directors first granted the Company shareholders this right at the General Meeting of 28 May 2015.

The Company's Memorandum and Articles of Association are available on its website www.albioma.com, and the principal provisions (including those of Article 32) are described in section 7.1.2 on pages 258 *et seq.* of this Registration Document.

2.4. Remuneration of corporate officers

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

The information referred to in Articles L. 225-184 and L. 225-197-4 of the French Commercial Code relating to, respectively, stock options allotted during the financial year to the Company's employees and stock options exercised by said employees, and to bonus performance shares allotted during the financial year to the company's employees and shares effectively acquired by said employees, is presented in sections 7.4.2 and 7.4.3, on pages 283 *et seq.* of this Registration Document.

It should be noted that no remuneration was due to corporate officers by companies controlled by Albioma in respect of the 2014 and 2015 financial years, nor was any paid to corporate officers by these companies during said financial years.

2.4.1. CORPORATE OFFICER REMUNERATION POLICY

Only the Board of Directors has the authority to determine, based on the recommendations of the Nomination and Remuneration Committee, the remuneration and benefits of any kind awarded to the executive corporate officers. The Board of Directors and the Nomination and Remuneration Committee are responsible for determining said remuneration and benefits, on the basis of the following principles since 2012:

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

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

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

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

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2.4. Remuneration of corporate officers

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors also determined the bonus performance share allotments to be made to the executive corporate officers, ensuring, in particular, that these allotments, valued in accordance with IFRS 2 accounting standards, do not represent a disproportionate portion of executive corporate officers' total remuneration and that the portion of the allotments reserved for executive corporate officers within a bonus performance share plan is in accordance with market practices.

Non-executive corporate officers receive remuneration in the form of directors' fees. The maximum amount to be allocated between the Directors as directors' fees is set by the General Meeting, and the actual apportionment of the fees between Directors is decided by the Board of Directors alone, in view of recommendations by the Nomination and Remuneration Committee. Amounts allocated may reflect specific tasks assigned to certain Directors, in which case the Directors may not all receive the same amount. Only independent Directors receive directors' fees. A majority of the fees constitutes variable remuneration, paid to award actual attendance of Board meetings.

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

€ thousands ¹	2015	2014
JACQUES PÉTRY - CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
Remuneration for the financial year ²	680.90	899.00
Value of multi-year variable remuneration awarded during the financial year ³	–	–
Value of stock options awarded during the financial year ⁴	–	–
Value of bonus performance shares awarded during the financial year ⁵	–	900.80
Total	680.90	1 799.80

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

2. The total amount of the annual fixed and variable remuneration due in respect of the performance of the duties of Chairman and Chief Executive Officer from 1 January to 31 December of the financial year concerned. See additional information in section 2.4.3 on pages 95 et seq. of this Registration Document.

3. There was no mechanism for allocating multi-year, variable remuneration to the Chairman and Chief Executive Officer in respect of the 2014 and 2015 financial years.

4. Value, on their allotment date, of the options allotted during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.5 on pages 104 et seq. of this Registration Document.

5. Value, on their allotment date, of the bonus performance shares allotted during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.6 on pages 106 et seq. of this Registration Document.

2.4.3. SUMMARY OF REMUNERATION RECEIVED BY EACH EXECUTIVE CORPORATE OFFICER

€ thousands ¹	2015		2014	
	Amounts due ²	Amounts paid ³	Amounts due ²	Amounts paid ³
JACQUES PÉTRY - CHAIRMAN AND CHIEF EXECUTIVE OFFICER				
Fixed remuneration ⁴	430.00	430.00	430.00	430.00
Annual variable remuneration ⁵	211.46	430.00	430.00	400.00
Multi-annual variable remuneration ⁶	–	–	–	–
Exceptional remuneration ⁷	–	–	–	–
Directors' fees ⁸	–	–	–	–
Benefits in kind ⁹	39.44	39.44	39.00	39.00
Total	680.90	899.44	899.00	869.00

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

2. Remuneration components due in respect of the performance of the duties of Chairman and Chief Executive Officer from 1 January to 31 December of the financial year concerned.

3. Remuneration components actually paid between 1 January and 31 December of the financial year concerned. The fixed remuneration due in respect of a financial year is paid in 12 equal instalments during said year. The variable remuneration due in respect of a financial year is paid during the following financial year.

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

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

6. There was no mechanism for allocating multi-year, variable remuneration to the Chairman and Chief Executive Officer in respect of the 2014 and 2015 financial years.

7. No exceptional remuneration was due in respect of the 2014 and 2015 financial years, nor was any paid during these financial years, to the Chairman and Chief Executive Officer.

8. More detailed information is provided in section 2.4.4 on pages 103 et seq. of this Registration Document.

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

2.4.3.1. Exercice 2015

The principles and rules applied for the 2015 financial year by the Board of Directors to determine the remuneration and benefits of any kind received by the Chairman and Chief Executive Officer are described in section 2.4.1 on pages 93 et seq. of this Registration Document.

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

In respect of the 2015 financial year, Jacques Pétry, in his capacity as Chairman and Chief Executive Officer, received gross annual fixed remuneration of €430,000, paid monthly over 12 months. The amount of this fixed remuneration, which was approved by the Board of Directors at its meeting of 4 March 2014, was not modified for the 2015 financial year, in line with the Board of Directors' practice, reiterated at its meeting of 3 March 2015, to only review the fixed remuneration received by the Chairman and Chief Executive Officer every three years. At its meeting of 4 March 2014, the Board of Directors decided, in accordance with the recommendations of the Nomination and Remuneration Committee, to increase the fixed component of Jacques Pétry's remuneration (which had remained unchanged since 2011) by 7.5 % with effect from the 2014 financial year; the increase was based in

particular on a positioning study carried out by an independent firm of consultants at the request of the Nomination and Remuneration Committee.

In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors also decided, at the same meeting, to adopt for the 2015 financial year the same principles for determining the variable component of Jacques Pétry's remuneration as those applied in respect of the 2012, 2013 and 2014 financial years:

- the maximum amount of the variable component of Jacques Pétry's remuneration was set at €430,000, i.e. 100% of the amount of the fixed component of his remuneration;
- receipt of the variable component of Jacques Pétry's remuneration and the calculation of its amount are dependent upon the achievement of quantitative objectives linked to the 2015 objectives for EBITDA and net income, Group share, announced to the market on 4 March 2015 when the 2014 results were published and also to free cash flow from operating activities budgeted for the 2015 financial year, and of the qualitative objectives set for him by the Board of Directors at the beginning of the financial year.

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2.4. Remuneration of corporate officers

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

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

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

1. Net income, Group share.

2. Free cash flow from operating activities

Minimum values applicable to each of the quantitative indicators

Minimum value for allocation of amount linked to EBITDA indicator	90% of EBITDA objective announced to market ³
Minimum value for allocation of amount linked to NIGS indicator ¹	80% of NIGS objective announced to market ³
Minimum value for allocation of amount linked to FCF indicator ²	90% of budgeted FCF ³

1. Net income, Group share.

2. Free cash flow from operating activities.

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

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

	0 point: variable component €0 ³	Target point: variable component 85% of €94,600 ³	High point: variable component 110% of €94,600 ³
EBITDA indicator	P < 95% of the objective	P = 100% of the objective	P ≥ 110% of the objective
NIGS indicator ¹	P < 90% of the objective	P = 100% of the objective	P ≥ 110% of the objective
FCF indicator ²	P < 95% of the objective	P = 100% of the objective	P ≥ 110% of the objective

1. Net income, Group share.

2. Free cash flow from operating activities.

3. For each indicator, when the performance (P) achieved is less than 100% of the objective, the amount to be allocated (subject to the capping rules) in respect of the indicator concerned is determined by linear interpolation between the 0 point (0%) and the target point (85%). When the performance (P) achieved is greater than or equal to 100% of the objective, the amount to be allocated (subject to the capping rules) in respect of the indicator concerned is determined by linear interpolation between the target point (85%) and the high point (110%).

At its meeting of 1 March 2016, the Board of Directors, deciding on the basis of the recommendations of the Nomination and Remuneration Committee and the consolidated financial statements for the 2015 financial year approved by it, noted the following performance levels for the indicators:

In millions of euros	Objective determined by Board of Directors on 03/03/2015	Level at 31/12/2015	Performance (P)
EBITDA indicator	126	120	95.2%
NIGS indicator ¹	34	30	88.8%
FCF indicator ²	80	85	106.3%

1. Net income, Group share.

2. Free cash flow from operating activities.

Given the performance levels achieved for the quantitative objectives set for Jacques Pétry in respect of the 2015 financial year, the Board of Directors awarded Jacques Pétry gross variable remuneration of €97,744 based on the said objectives, corresponding to 34.4% of the maximum variable remuneration payable in connection with the quantitative objectives.

Calculation of the amount to be allocated in respect of the qualitative indicators

At its meeting of 1 March 2016, the Board of Directors, deciding on the basis of the recommendations of the Nomination and Remuneration Committee, conducted

an assessment of Jacques Pétry's overall performance in view of the qualitative objectives set for him in respect of the 2015 financial year by the Board of Directors at its meeting of 3 March 2015. Some of these objectives had been redefined by the Board of Directors during the year, following the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors (see additional information in section 7.3.2 on pages 274 *et seq.* of this Registration Document), essentially so that his new objectives would have a direct link with the capital restructuring issues that the Group will face. These objectives were defined as follows:

Category of objectives	Number of objectives
Employee safety	1
International development and external growth	3
Management of issues specific to the overseas departments (energy transition, labour relations, etc.)	2
Launch of construction of Galion 2 plant	1
Definition of the Anaerobic Digestion strategy	1
Preparation of capital restructuring	1
Total	9

Based on this analysis, the Board of Directors noted that seven of the nine objectives set for the Chairman and Chief Executive Officer for the 2015 financial year had been achieved in full, and decided to pay him gross variable remuneration of €113,711 based on these objectives, corresponding to 77.8% of the maximum variable remuneration payable in connection with the qualitative objectives.

Total variable remuneration

In view of the foregoing, Jacques Pétry's gross variable remuneration for 2015, as decided by the Board of Directors on the basis of recommendations by the Nomination and Remuneration Committee, was €211,455, i.e., 49.2% of his fixed remuneration for 2015.

Benefits in kind, welfare and retirement benefits

Jacques Pétry's benefits in kind in respect of the 2015 financial year corresponded to:

- the value of the provision of a company car;
- the payment by the Company of the contributions in respect of the insurance cover for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* - GSC); and

- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

In respect of the 2015 financial year, Jacques Pétry was, by assimilation, a member of the insurance welfare plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory collective supplementary pension plan, like all the Company's employees categorised as executive staff. Jacques Pétry is also registered with the mandatory collective supplementary defined contribution pension plan open to all Company employees.

2.4.3.2. 2016 financial year

In view of its decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016 (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document), at its meeting of 1 March 2016 the Board of Directors determined, on the basis of recommendations by the Nomination and Remuneration Committee, the respective terms of remuneration for the Chairman of the Board of Director and the Chief Executive Officer for the 2016 financial year, applicable with effect from June 2016.

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2.4. Remuneration of corporate officers

The terms of remuneration of the Chairman of the Board of Directors and the Chief Executive Officer are based on a detailed study of the practices of comparable listed companies and of listed companies that have also separated the functions of chairman of the board of directors and chief executive officer, carried out by an independent consultant commissioned with the approval of the Nomination and Remuneration Committee.

The Board of Directors intends that the financial burden of the cumulated remuneration of the Chairman of Board of Directors and the Chief Executive Officer will not exceed the financial burden previously borne by the Company with respect to the remuneration of the Chairman and Chief Executive Officer. Accordingly, the Board of Directors has ensured that the remuneration system introduced properly reflects the level of responsibility and experience of both the Chairman of the Board of Directors and the Chief Executive Officer.

The Board of Directors also takes the view that Jacques Pétry's effective contribution to the organisation of his succession is essential, not only by helping Frédéric Moyné 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. Accordingly, the Board of Directors has decided that the Chairman of the Board of Directors and the Chief Executive Officer should receive bonus performance shares under plans to be put in place if the shareholders approve the corresponding authorisation at the General Meeting of 24 May 2016 (see additional information in section 8.2.2 on pages 309 *et seq.* of this Registration Document). These plans will be based on stringent internal and external performance criteria over a minimum three-year period, and will guarantee the Chairman's strong commitment to the delivery of the business plan until at least 2019.

Lastly, the Board of Directors decided, in conjunction with Jacques Pétry, to cancel his severance payment and non-compete obligation in the event he is removed from office as Chairman and Chief Executive Officer, with effect from 1 June 2006. See the additional information in section 2.4.7.2 on pages 112 *et seq.* of this Registration Document on Frédéric Moyné's position and, more specifically, the maintenance of the employment contract under

which he previously worked for the Group during the first year of his office as Chief Executive Officer and the payment package he could receive if he is removed from office as Chief Executive Officer.

Jacques Pétry's remuneration as Chairman and Chief Executive Officer (from 1 January 2016 to 31 May 2016)

The Board of Directors, ruling on the basis of the recommendations of the Nomination and Remuneration Committee, decided, for the period from 1 January 2016 to 31 May 2016, to maintain the components of Jacques Pétry's remuneration at the level applicable for 2015.

Fixed remuneration

In respect of the 2016 financial year, Jacques Pétry, in his capacity as Chairman and Chief Executive Officer, will receive all-inclusive gross annual fixed remuneration of €430,000 (i.e., for the period from 1 January 2016 to 31 May 2016, all-inclusive gross fixed remuneration of €179,167), payable in 12 instalments.

Variable remuneration

In addition to the fixed remuneration received by Jacques Pétry in his capacity as Chairman and Chief Executive Officer in respect of the 2016 financial year, he will also receive variable remuneration which may not exceed the amount of his fixed remuneration (i.e., for the period from 1 January 2016 to 31 May 2016, variable remuneration of a maximum of €179,167).

The actual amount of this variable remuneration is calculated as shown below, and is dependent on the degree to which Jacques Pétry achieves the quantitative and qualitative objectives set for him by the Board of Directors for the 2016 financial year.

Quantitative objectives set for Jacques Pétry for the 2016 financial year (for the period from 1 January 2016 to 31 May 2016)

The quantitative objectives set for Jacques Pétry in his capacity as Chairman and Chief Executive Officer for the 2016 financial year (period from 1 January 2016 to 31 May 2016) are related to the 2016 objectives for EBITDA and net income, Group share, presented to the market on 2 March 2016 when the 2015 annual results were published, and to the free cash flow from operating activities budgeted for the 2016 financial year.

Simplified presentation of the qualitative objectives set for Jacques Pétry for the 2016 financial year (period from 1 January 2016 to 31 May 2016)

Category of objectives	Number of objectives
Human resources and staff safety	2
Industrial and economic performance in France and Brazil	2
Completion of the Galion 2 project	1
Expansion of the Solar Power business	1
Strategic development of the Anaerobic Digestion business	1
Financing of the 2013-2023 investment plan	2
Sustainable development	2
Total	11

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

	As % of the maximum variable component	In euros (annualised amounts)	In euros (for the period from 01/01/2016 to 31/05/2016)
Portion corresponding to the EBITDA indicator	22%	94,600	39,417
Portion corresponding to the NIGS indicator ¹	22%	94,600	39,417
Portion corresponding to the FCF indicator ²	22%	94,600	39,417
Portion corresponding to quantitative indicators	66%	283,800	118,250
Portion corresponding to qualitative indicators	34%	146,200	60,917
Total	100%	430,000	179,167

1. Net income, Group share.

2. Free cash flow from operating activities.

Minimum values applicable to each of the quantitative indicators

Minimum value for allocation of amount linked to EBITDA indicator	90% of the objective ³
Minimum value for allocation of amount linked to NIGS indicator ¹	80% of the objective ³
Minimum value for allocation of amount linked to FCF indicator ²	90% of the objective ³

1. Net income, Group share.

2. Free cash flow from operating activities.

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

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

	0 point: variable component €0 ³	Target point: variable component 85% of €94,600 ^{3,4}	High point: variable component 110% of €94,600 ^{3,4}
EBITDA indicator	P < 95% of the objective	P = 100% of the objective	P ≥ 110% of the objective
NIGS indicator ¹	P < 90 % of the objective	P = 100% of the objective	P ≥ 110% of the objective
FCF indicator ²	P < 95% of the objective	P = 100% of the objective	P ≥ 110% of the objective

1. Net income, Group share.

2. Free cash flow from operating activities.

3. For each indicator, when the performance (P) achieved is less than 100% of the objective, the amount to be allocated (subject to the capping rules) in respect of the indicator concerned is determined by linear interpolation between the 0 point (0%) and the target point (85%). When the performance (P) achieved is greater than or equal to 100% of the objective, the amount to be allocated (subject to the capping rules) in respect of the indicator concerned is determined by linear interpolation between the target point (85%) and the high point (110%).

4. Annualised amounts.

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2.4. Remuneration of corporate officers

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Jacques Pétry will be entitled in his capacity as Chairman and Chief Executive Officer for the 2016 financial year (period from 1 January 2016 to 31 May 2016) 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 company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC*); and
- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

Jacques Pétry will remain a member of the insurance welfare plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory collective supplementary pension plan open to all the Company's employees categorised as executive staff. His membership of the mandatory collective supplementary defined contribution pension plan open to all Company employees will be maintained.

Jacques Pétry's remuneration as Chairman of the Board of Directors (from 1 June 2016 to 31 December 2016)

Fixed remuneration

In respect of the 2016 financial year, Jacques Pétry, in his capacity as Chairman of the Board of Directors, will receive all-inclusive gross annual fixed remuneration of €300,000 (i.e., for the period from 1 June 2016 to 31 December 2016, all-inclusive gross fixed remuneration of €175,000), payable in 12 instalments.

Variable remuneration

None.

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Jacques Pétry will be entitled in his capacity as Chairman of the Board of Directors for the 2016 financial year (period from 1 June 2016 to 31 December 2016) will correspond exclusively to:

- the value of the provision of a company car;
- the payment by the Company of the contributions to the welfare plan (covering healthcare, incapacity, disability and death).

In accordance with the applicable legislation and regulations, Jacques Pétry, who will have claimed his rights to pensions benefits under the general old-age pension scheme, will remain a member of the AGIRC-ARRCO mandatory collective supplementary pension plan open to all Company employees categorised as executive staff, although the contributions paid in this regard cannot entitle him to additional benefits.

Frédéric Moyne's remuneration as Chief Executive Officer (from 1 June 2016 to 31 December 2016)

Fixed remuneration

In respect of the 2016 financial year, Frédéric Moyne, in his capacity as Chief Executive Officer, will receive all-inclusive gross annual fixed remuneration of €285,000 (i.e., for the period from 1 June 2016 to 31 December 2016, all-inclusive gross fixed remuneration of €166,250), payable in 12 instalments.

Variable remuneration

In addition to the fixed remuneration received by Frédéric Moyne in his capacity as Chief Executive Officer in respect of the 2016 financial year, he will also receive variable remuneration capped at 75% of his fixed remuneration (i.e., for the period from 1 June 2016 to 31 December 2016, variable remuneration of a maximum of €124,688).

The actual amount of this variable remuneration is calculated as shown below, depending on the degree to which Frédéric Moyne achieves the quantitative and qualitative objectives set for him by the Board of Directors for the 2016 financial year.

Quantitative objectives set for Frédéric Moyne for the 2016 financial year (for the period from 1 June 2016 to 31 December 2016)

The quantitative objectives set for Frédéric Moyne in his capacity as Chief Executive Officer for the 2016 financial year (for the period from 1 June 2016 to 31 December 2016) are related to the 2016 objectives for EBITDA and net income, Group share, presented to the market on 2 March 2016 when the 2015 annual results were published and to the free cash flow from operating activities budgeted for the 2016 financial year.

Simplified presentation of the qualitative objectives set for Frédéric Moyné for the 2016 financial year (period from 1 June 2016 to 31 December 2016)

Category of objectives	Number of objectives
Human resources and staff safety	2
Industrial and economic performance in France and Brazil	2
Completion of the Galion 2 project	1
Expansion of the Solar Power business	1
Strategic development of the Anaerobic Digestion business	1
Financing of the 2013-2023 investment plan	2
Sustainable development	2
Total	11

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

	As % of the maximum variable component	In euros (annualised amounts)	In euros (for the period from 01/06/2016 to 31/12/2016)
Portion corresponding to the EBITDA indicator	22%	47,025	27,431
Portion corresponding to the NIGS indicator ¹	22%	47,025	27,431
Portion corresponding to the FCF indicator ²	22%	47,025	27,431
Portion corresponding to quantitative indicators	66%	141,075	82,294
Portion corresponding to qualitative indicators	34%	72,675	42,394
Total	100%	213,750	124,688

1. Net income, Group share.

2. Free cash flow from operating activities.

Minimum values applicable to each of the quantitative indicators

Minimum value for allocation of amount linked to EBITDA indicator	90% of the objective ³
Minimum value for allocation of amount linked to NIGS indicator ¹	80% of the objective ³
Minimum value for allocation of amount linked to FCF indicator ²	90% of the objective ³

1. Net income, Group share.

2. Free cash flow from operating activities.

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

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

	0 point: variable component €0 ³	Target point: variable portion 85% of portion corresponding to indicator ²	High point: variable portion 110% of portion corresponding to indicator ²
EBITDA indicator	P < 95% of the objective	P = 100% of the objective	P ≥ 110% of the objective
NIGS indicator ¹	P < 90% of the objective	P = 100% of the objective	P ≥ 110% of the objective
FCF indicator ²	P < 95% of the objective	P = 100% of the objective	P ≥ 110% of the objective

1. Net income, Group share.

2. Free cash flow from operating activities.

3. For each indicator, when the performance (P) achieved is less than 100% of the objective, the amount to be allocated (subject to the capping rules) in respect of the indicator concerned is determined by linear interpolation between the 0 point (0%) and the target point (85%). When the performance (P) achieved is greater than or equal to 100% of the objective, the amount to be allocated (subject to the capping rules) in respect of the indicator concerned is determined by linear interpolation between the target point (85%) and the high point (110%).

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Frédéric Moyne will be entitled in his capacity as Chief Executive Officer for the 2016 financial year (period from 1 June 2016 to 31 December 2016) 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 company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* - GSC); and

- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

Frédéric Moyne will remain a member of the insurance welfare plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory collective supplementary pension plan open to all the Company's employees categorised as executive staff. His membership of the mandatory collective supplementary defined contribution pension plan open to all Company employees will be maintained.

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

€ thousands ¹	2015		2014	
	Amount due ²	Amounts paid ³	Amount due ²	Amounts paid ³
Jean-Carlos Angulo	26.47	24.40	24.40	13.48
Directors' fees	26.47	24.40	24.40	13.48
Other remuneration	–	–	–	–
Michel Bleitrach	55.00	53.45	53.45	50.00
Directors' fees	55.00	53.45	53.45	50.00
Other remuneration	–	–	–	–
Marie-Claire Daveu⁴	14.40	–	n/a	n/a
Directors' fees	14.40	–	n/a	n/a
Other remuneration	–	–	n/a	n/a
Patrick de Giovanni⁵	–	–	–	–
Directors' fees	–	–	–	–
Other remuneration	–	–	–	–
Franck Hagège⁶	–	–	n/a	n/a
Directors' fees	–	–	n/a	n/a
Other remuneration	–	–	n/a	n/a
Financière Hélios	–	–	–	–
Directors' fees	–	–	–	–
Other remuneration	–	–	–	–
Myriam Maestroni⁷	11.07	32.37	27.50	23.58
Directors' fees ⁸	11.07	32.37	27.50	23.58
Other remuneration	–	–	–	–
Michèle Remillieux	24.40	27.50	27.50	13.48
Directors' fees	24.40	27.50	27.50	13.48
Other remuneration	–	–	–	–
Maurice Tchenio⁹	–	–	–	–
Directors' fees	–	–	–	–
Other remuneration	–	–	–	–
Daniel Valot	26.47	22.85	22.85	13.48
Directors' fees	26.47	22.85	22.85	13.48
Other remuneration	–	–	–	–
Sub-total directors' fees	157.80	160.57	155.70	133.03
Sub-total other remuneration	–	–	–	–
Total	157.80	160.57	155.70	133.03

1. Directors' fees are presented on a gross, pre-tax basis.

2. Directors' fees due in respect of the performance of the duties of Director from 1 January to 31 December of the financial year concerned.

3. Directors' fees actually paid between 1 January and 31 December of the financial year. Unless a Director leaves office mid-year, the directors' fees owed for a given financial year are paid during the next financial year.

4. Marie-Claire Daveu held office as a Director in 2015 only as from her appointment by the General Meeting of 28 May 2015.

5. Patrick de Giovanni held office as a Director in 2015 only until the General Meeting of 28 May 2015, at which his term of office expired; he did not wish to stand for office again.

6. Franck Hagège held office as a Director in 2015 only as from his appointment by the General Meeting of 28 May 2015 until 24 June 2015 on which date he resigned.

7. Myriam Maestroni held office as a Director in 2015 only until the General Meeting of 28 May 2015, at which her term of office expired; she did not wish to stand for office again.

8. The fixed portion of Myriam Maestroni's directors' fees were paid to her immediately when her term of office expired. The directors' fees paid for the 2015 financial year accordingly include the amount of directors' fees owed to Myriam Maestroni for the 2014 financial year (€27,500) and the fixed portion of the directors' fees owed to her for the 2015 financial year (€4,870).

9. With respect to the 2015 financial year, Maurice Tchenio held office as a Director only until 24 June 2015, on which date he resigned as a Director in a personal capacity and was appointed permanent representative of Financière Hélios in its capacity as a Director.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

Further information on the directors' fees paid to the non-executive corporate officers

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

The Board of Directors decided at its meeting of 1 March 2016 that the procedures for apportioning this increased total amount between the Directors, as modified by the Board of Directors at its meeting of 4 March 2014, would continue to apply for 2015:

- as was previously the case, only the independent Directors will receive directors' fees;
- independent Directors are entitled to a fixed lump-sum directors' fee, calculated on a prorata basis if their appointment relates to part of a financial year only, of:
 - €12,000 per financial year for independent Directors other than the Deputy Chairman of the Board of Directors. These fixed fees are only payable if they are members of at least one of the Board of Directors' specialised Committees;
 - €39,500 per financial year for the Deputy Chairman of the Board of Directors, who is also Chairman of the Commitments and Monitoring Committee and a member of the Audit, Accounts and Risks Committee;
- independent Directors are entitled to variable directors' fees up to a maximum of €15,500 per financial year, adjusted on the basis of the number of meetings of the Board of Directors attended during the financial year compared to the total number of Board meetings held during the said financial year.

2.4.5. OPTIONS TO SUBSCRIBE OR PURCHASE SHARES

The information that follows, together with the information in section 7.4.2, pages 283 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-184 of the Commercial Code.

2.4.5.1. Further information on the share subscription and share purchase option plans for corporate officers

The table above shows only data relating to the stock option plans still in effect as at 31 December 2015, i.e. the plan set up as a result of the resolutions adopted at the General Meeting of 18 May 2010 (Board of Directors' meeting of 27 August 2010), under the terms of which a maximum of 200,000 subscription options can be allotted (each option entitles its holder to one share, so, if exercised, these options would represent 0.64 % of the share capital at 31 December 2015).

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

Details of the characteristics of the stock option plan set up as a result of the resolutions adopted at the General Meeting of 18 May 2010 (Board of Directors' meeting of 27 August 2010) are provided in section 7.4.2.1 on page 283 of this Registration Document (further details are provided in section 2.3.5.4 on page 105 of this Registration Document).

2.4.5.2. Options to subscribe or purchase shares allotted during the 2015 financial year to each corporate officer by the Company or by any Group company

None.

2.4.5.3. Options to subscribe or purchase shares exercised during the 2015 financial year by each corporate officer

None.

2.4.5.4. History of options to subscribe or purchase shares allotted

	As % of capital as at 31/12/2015	
Date of the General Meeting	18/05/2010	
Date of meeting of the Board of Directors	27/08/2010	
Total number of initial beneficiaries	82	
Total number of options allotted	190,000	0.64%
Total number of shares available for subscription	190,000	0.64%
of which, by the top 10 employees who are not corporate officers	68,000	0.23%
of which, by corporate officers	33,500	0.11%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	30,000	0.10%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%
Start of option exercise period	28/08/2014	
End of option exercise period	28/08/2017	
Subscription price (in euros) ¹	21.306	
Terms and conditions of exercise	See note 2	
Number of shares subscribed as at 31/12/2015	–	–
of which, by the top 10 employees who are not corporate officers	–	–
of which, by corporate officers	–	–
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
Total number of stock options cancelled or lapsed as at 31/12/2015	91,600	0.31%
of which, by the top 10 employees who are not corporate officers	33,000	0.11%
of which, by corporate officers	30,000	0.10%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	30,000	0.10%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
Number of stock options remaining as at 31/12/2015	98,400	0.33%
of which, by the top 10 employees who are not corporate officers	35,000	0.12%
of which, by corporate officers	3,500	0.01%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%

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

2. The exercise of options by all beneficiaries is subject to a performance condition relating to the change in the installed capacity of the Group's photovoltaic fleet: the installed capacity of the photovoltaic fleet of the Company and its subsidiaries, as at 31 December 2011, must have increased by at least 30% per annum compared to the fleet capacity as at 31 December 2009. This condition was met as at 31 December 2011.

3. When, at its meeting of 12 October 2011, the Board of Directors removed Nordine Hachemi from office as Chairman and Chief Executive Officer due to strategic differences, it recorded the cancellation of the 30,000 stock options he had been allotted.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.6. BONUS PERFORMANCE SHARES ALLOTTED

The information that follows, together with the information in section 7.4.3, pages 284 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-4 of the Commercial Code.

2.4.6.1. Further information on the performance share plan for corporate officers

The table below shows only data relating to the performance share plans still in effect as at 31 December 2015 and open to corporate officers, i.e. relating:

- to the plan set up as a result of the resolutions adopted at the General Meeting of 14 March 2012 (Board of Directors' meetings of 26 July 2012, 28 November 2012, 17 January 2013, 18 March 2013, 26 July 2013, 24 September 2013 and 17 December 2013, and decisions taken on 13 January 2014 by the Chairman and Chief Executive Officer pursuant to a delegation of authority by the Board of Directors), under the terms of which a maximum of 810,000 shares can be allotted, i.e., 2.72 % of the share capital at 31 December 2015;
- to the plan set up as a result of the resolutions adopted by the General Meeting of 27 May 2014 (Board of Directors' meetings of 27 May 2014 and 27 July 2015), for members of the Group's Executive Committee only (including the Chairman and Chief Executive Officer), for an initial total of 430,000 shares, corresponding to 1.44 % of the capital as at 31 December 2015, out of the 830,000 shares that could be allotted under the authorisation granted by the General Meeting, corresponding to 2.79 % of the capital as at 31 December 2015¹.

The bonus performance share plan set up as a result of the resolutions adopted at the General Meeting of 16 June 2009 (Board of Directors' meetings of 28 August 2009, 25 January 2010, 28 July 2010 and 21 October 2011) was cancelled in full as at 31 December 2012: 145,136 bonus performance shares allotted to Nordine Hachemi were cancelled by the Board of Directors at its meeting of 21 October 2011 when he was removed

from office due to strategic differences, 121,330 bonus performance shares allotted were cancelled as a result of the departure of 13 employees who had received their shares between the date of allotment and 31 December 2012, and the 141,650 remaining bonus performance shares were expressly and irrevocably waived by the 37 employees to whom they had been allotted when they accepted the bonus share plan set up as a result of the decision taken at the General Meeting of 14 March 2012.

The features of the bonus performance share plan set up as a result of the resolutions adopted at the General Meeting of 14 March 2012 are described in section 7.4.3.1 on pages 284 *et seq.* of this Registration Document (see additional information in section 2.4.6.4 on page 108 of this Registration Document). The following provisions apply in particular to the allotment made to the Chairman and Chief Executive Officer:

- the number of bonus performance shares that may be allotted to the Chairman and Chief Executive Officer is limited to 225,000, i.e. 27.78% of the total number of bonus performance shares that may be allotted;
- effective acquisition of the bonus performance shares allotted to the Chairman and Chief Executive Officer is not subject to the obligation to acquire a pre-determined number of the Company's shares in the market (see additional information in section 2.6 on pages 116 *et seq.* of this Registration Document);
- the Chairman and Chief Executive Officer is required, in the event of the effective acquisition of bonus performance shares, to comply with an obligation to retain in registered form 25% of the number of shares effectively acquired until the expiry of his term of office; this obligation is in addition to the general obligation, which relates to all effectively acquired performance shares, to retain said shares for a period of two years as from the effective acquisition date.

The features of the bonus performance share plan set up as a result of the resolutions adopted at the General Meeting of 27 May 2014 for members of the Executive

1. Further information concerning the bonus performance share plan set up on the same day for Group employees who are not members of the Executive Committee is provided in section 7.4.3.1 on page 287 of this Registration Document.

Committee only are described in section 7.4.3.1 on page 286 of this Registration Document (see additional information in section 2.4.6.4 on page 109 of this Registration Document). The following provisions apply in particular to the allotment made to the Chairman and Chief Executive Officer:

- the number of bonus performance shares that may be allotted to the Chairman and Chief Executive Officer is limited to 166,000, i.e. 20 % of the total number of bonus performance shares that may be allotted;
- effective acquisition of the bonus performance shares allotted to the Chairman and Chief Executive Officer is not subject to the obligation to acquire a pre-determined number of the Company's shares in the market (see additional information in section 2.6 on pages 116 *et seq.* of this Registration Document);
- the Chairman and Chief Executive Officer is required, in the event of the effective acquisition of bonus performance shares, to comply with an obligation to retain in registered form 25% of the number of shares effectively acquired until the expiry of his term of office; this obligation is in addition to the general obligation, which relates to all effectively acquired performance shares, to retain said shares for a period of two years as from the effective acquisition date.

2.4.6.2. Bonus performance shares allotted during the 2015 financial year to each corporate officer

None.

2.4.6.3. Bonus performance shares vesting during the 2015 financial year for each corporate officer

None.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.6.4. History of bonus performance shares allotted

Bonus performance share plan adopted by the General Meeting of 14 March 2012

		As % of capital as at 31/12/2015
Date of the General Meeting	14/03/2012	
Date of meeting of the Board of Directors	See note 1	
Total number of initial beneficiaries	See note 2	
Total number of performance shares allotted³	826,613	2.78%
of which, to the top 10 employees who are not corporate officers	220,000	0.74%
of which, to corporate officers	240,000	0.81%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	225,000	0.76%
• Xavier Lencou-Barème (Director until 30/05/2013)	15,000	0.05%
Date of effective acquisition of performance shares	See note 4	
End date of lock-in period for performance shares	See note 5	
Number of performance shares effectively acquired as at 31/12/2015	225,471	0.76%
of which, for the top 10 employees who are not corporate officers	73,335	0.25%
of which, for corporate officers	80,000	0.27%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	75,000	0.25%
• Xavier Lencou-Barème (Director until 30/05/2013)	5,000	0.02%
Total number of cancelled or lapsed performance shares as at 31/12/2015⁴	563,550	1.89%
of which, for the top 10 employees who are not corporate officers	146,665	0.49%
of which, for corporate officers	160,000	0.54%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	150,000	0.50%
• Xavier Lencou-Barème (Director until 30/05/2013)	10,000	0.03%
Number of performance shares remaining as at 31/12/2015⁷	37,592	0.13%
of which, for the top 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–

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

2. As the performance shares were allotted gradually, between 26 July 2012 and 13 January 2014, the number of initial beneficiaries is irrelevant. As at 31 December 2015, 329 Group employees, along with the Chairman and Chief Executive Officer, had been allotted bonus performance shares (aggregate total of the beneficiaries named between 26 July 2012 and 13 January 2014, without factoring in the fact that certain beneficiaries left, and that accordingly, the Board of Directors recorded, where applicable, that their rights had been cancelled and allotted them to new beneficiaries).

3. Aggregate total of bonus performance shares allotted between 26 July 2012 and 13 January 2014 without factoring in the fact that certain beneficiaries left, and that accordingly, the Board of Directors recorded, where applicable, that their rights had been cancelled and allotted them to new beneficiaries. Shares were allotted in three equal tranches. Different performance conditions must be met to trigger the effective acquisition of each tranche.

4. The effective acquisition of the performance shares allotted on 26 July 2012 is subject to the following performance conditions being met (see additional information in section 7.4.3.1, pages 284 et seq. of this Registration Document):

- achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the performance shares are acquired on the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period.

- the completion, at any time during a period of two years and six months starting on the date of allotment, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche; in such instances, the performance shares are acquired at the later of the following two dates: the date of the last settlement-delivery transaction in connection with the takeover, or the expiry of a two-year period from the allotment date.

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

Given the amendments made by the Board of Directors at its meeting of 17 December 2013 to the regulations governing the bonus performance share plan, which were accepted by each beneficiary concerned at the beginning of the 2014 financial year, effective acquisition of the performance shares allotted after 26 July 2012 is subject to the following performance conditions being met (see additional information in section 7.4.3.1 on pages 284 et seq. of this Registration Document):

- achievement, at any time during a period from 26 July 2014 to 26 January 2015, of a six-month moving average of the Albioma share closing price of €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the performance shares are acquired at the later of the following two dates: the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period, or the end of a two-year period from the date of allotment;

- the completion, at any time during a period from the date of allotment to 26 January 2015, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche; in such instances, the performance shares are acquired at the later of the following two dates: the date of the last settlement-delivery transaction in connection with the takeover, or the end of a two-year period from the allotment date.

5. Two years from the date of the effective acquisition of the performance shares, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in registered form 25% of the performance shares effectively acquired until he stands down.
6. At its meeting of 3 March 2015, the Board of Directors recorded that the allotments of bonus performance shares under the second and third tranches had lapsed on 27 January 2015, because the performance conditions for the effective acquisition of the performance shares had not been satisfied by 26 January 2015.
7. The effective acquisition of the 37,592 remaining performance shares allotted to employees of the Group's operating companies on 13 January 2014 was recorded by the Chairman and Chief Executive Officer on 9 January 2016. As at the date of filing of this Registration Document, the bonus performance share plan set up as a result of the resolutions adopted by the General meeting of 14 March 2012 has expired.

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

		As % of capital as at 31/12/2015
Date of the General Meeting	27/05/2014	
Date of meeting of the Board of Directors	See note 1	
Total number of initial beneficiaries	14	
Total number of performance shares allotted²	440,000	1.48%
of which, to the top 10 employees who are not corporate officers	266,000	0.89%
of which, to corporate officers	160,000	0.54%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	160,000	0.54%
Date of effective acquisition of performance shares	See note 3	
End date of lock-in period for performance shares	See note 4	
Number of performance shares effectively acquired as at 31/12/2015	–	–
of which, for the top 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Total number of cancelled or lapsed performance shares as at 31/12/2015	2,000	0.01%
of which, for the top 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Number of performance shares remaining as at 31/12/2015	438,000	1.47%
of which, for the top 10 employees who are not corporate officers	266,000	0.89%
of which, for corporate officers	160,000	0.54%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	160,000	0.54%

1. The allotment of shares was decided as part of a plan open to members of the Group Executive Committee only (including the Chairman and Chief Executive Officer) at the meetings of the Board of Directors held on 27 May 2014 (430,000 performance shares) and 27 July 2015 (10,000 additional performance shares allotted to an employee already benefiting from the plan, following changes to his position within the Group).

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

3. The effective acquisition of the shares is subject to the following performance conditions being met (see additional information in section 7.4.3.1 on page 286 of this Registration Document):

- The performance shares corresponding to the first tranche of one-third will only be effectively acquired following a change of at least 20% in the six-month moving average of the Albioma share closing price compared with the six-month moving average of the Albioma share closing price on 27 May 2014, recorded at any time during the acquisition period specified in the plan rules and no later than 29 May 2017. However, the bonus performance shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- The performance shares corresponding to the second tranche of two-thirds will only be effectively acquired following a change of more than 20% in the six-month moving average of the Albioma share closing price compared with the six-month moving average of the Albioma share closing price on 27 May 2014, recorded at any time during the acquisition period specified in the plan rules and no later than 29 May 2017. If the aforementioned variation remains below 60% at all times until expiry of the acquisition period, the number of shares allotted under this tranche to be effectively acquired will be determined at the end of the acquisition period by linear interpolation, on the basis of the greatest variation in the six-month moving average achieved during the acquisition period within a range of 20% to 60%. If the above-mentioned variation reaches or exceeds 60% at any given time during the acquisition period, all of the shares of the relevant tranche will be effectively acquired on the date set in the plan's rules. However, the bonus performance shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- If a takeover bid is issued for all of the Company's shares and voting rights at any time during the acquisition period defined in the plan's rules, the performance shares corresponding to the first tranche will be effectively acquired if the final price per share of the takeover is 120% or more of the six-month average closing price of the Albioma share on 27 May 2014. Performance shares corresponding to the second tranche will be effectively acquired if the final price per share of the takeover is 160% or more of the said average. However, the bonus performance shares may not be effectively acquired during the two-year period immediately following the date of allotment.

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

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

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

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

2.4.7.1. Situation as at 31 December 2015 and as at the date of filing of this Registration Document

	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 non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
JACQUES PÉTRY CHAIRMAN AND CHIEF EXECUTIVE OFFICER¹		✓		✓ ²	✓ ³			✓ ⁴

1. Jacques Pétry was appointed Chairman of the Board of Directors and Chief Executive Officer on 21 October 2011, and his appointment was most recently renewed on 30 May 2013 for a four-year term of office to expire at the close of the General Meeting to be held in 2017 with a view to approving the financial statements for the 2016 financial year.

2. Jacques Pétry does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1, paragraph 6 of the French Commercial Code.

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

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

Further information on the severance payment and non-compete obligation in the event Jacques Pétry is removed from office as Chairman and Chief Executive Officer or if his appointment is not renewed

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

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

On the renewal of Jacques Pétry's term of office as a Director pursuant to resolutions adopted by the General Meeting of 30 May 2013, and the resulting renewal of his

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

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

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

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

Maximum amount of severance payment

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

Performance conditions

In accordance with Article L. 225-42-1 of the French Commercial Code, Jacques Pétry will only be entitled to receive the all-inclusive severance payment mentioned above if the amounts owed to him in connection with the variable component of his remuneration in respect of the two financial years preceding his removal from office as Chief Executive Officer or as Chairman and Chief Executive Officer or the non-renewal of his appointment represent, on average, a percentage equal to or greater than 50% of the maximum possible variable component that could be awarded in respect of said financial years.

Exception: departure for misconduct

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

- any wrongdoing or misconduct characterised under employment law as:
 - serious misconduct (*faute grave*), wherein the degree of seriousness derives from the deliberate nature of the misconduct and the seriousness – assessed in view of the size of the Group and its business activities – of the resulting consequences, or
 - gross misconduct (*faute lourde*), including in particular the intentional or repeated breach of limitations placed on his statutory powers or by resolutions adopted by the shareholders at General Meetings, or any action constituting a criminal offence perpetrated personally by Jacques Pétry when a Group company is the victim or this could harm the Group's reputation;
- Jacques Pétry's failure to comply with any exclusivity and/or non-compete obligations incumbent upon him in connection with his corporate office.

Non-compete obligation

In the event severance pay is owed

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

Term

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

Jacques Pétry's obligations

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

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

Geographic area

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

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

Amount of financial compensation

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

In the event severance pay is not owed

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

Term

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

Jacques Pétry's obligations

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

Geographic area

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

Amount of financial compensation

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

Right to waive the benefit of the non-compete obligation

The Company has the right, within a period of one month as from the termination of Jacques Pétry's term of office as Chief Executive Officer or Chairman and Chief Executive Officer, to waive the benefit of the aforementioned non-compete obligation.

2.4.7.2. Situation with effect from the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer

	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 DIRECTORS¹		✓		✓ ²		✓ ³		✓ ⁴
FRÉDÉRIC MOYNE CHIEF EXECUTIVE OFFICER⁵	✓ ⁶			✓ ⁷	✓ ⁸			✓ ⁹

1. Jacques Pétry was appointed Chairman of the Board of Directors on 1 March 2016, with effect from 1 June 2016, for a four-year term of office to expire at the close of the General Meeting to be held in 2020 with a view to approving the financial statements for the 2019 financial year.

2. Jacques Pétry does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1, paragraph 6 of the French Commercial Code.

3. With effect from 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. With effect from 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 be bound by a non-compete obligation in the event he is removed from office as Chairman of the Board of Directors or his appointment is not renewed.

5. Frédéric Moyné was appointed Chief Executive Officer on 1 March 2016, with effect from 1 June 2016, for a four-year term of office to expire at the close of the General Meeting to be held in 2020 with a view to approving the financial statements for the 2019 financial year.

6. At its meeting of 1 March 2016, the Board of Directors decided to maintain Frédéric Moyné's contract of employment for a limited period of one year from the effective date of his appointment as Chief Executive Officer, and recorded its automatic suspension. See the additional information below.

7. Frédéric Moyné does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1, paragraph 6 of the French Commercial Code.

8. With effect from 1 June 2016, Frédéric Moyné will be entitled to severance pay from 1 June 2017 in the event he is removed from office as Chief Executive Officer or his appointment is not renewed, the terms and conditions of which are described below. The shareholders will be asked to approve this severance pay at the General Meeting of 24 May 2016, in accordance with Article L.225-42-1 of the French Commercial Code (Code de commerce).

9. With effect from 1 June 2016, Frédéric Moyné will be bound by a non-compete obligation in the event he is removed from office as Chief Executive Officer or his appointment is not renewed, the terms and conditions of which are described below. The shareholders will be asked to approve this non-compete obligation at the General Meeting of 24 May 2016, in accordance with Article L.225-42-1 of the French Commercial Code (Code de commerce).

Further information on the maintenance and suspension of Frédéric Moyne's employment contract during his first year of office as Chief Executive Officer

At its meeting of 1 March 2016, the Board of Directors reviewed the position of Frédéric Moyne with regard to the status of his employment contract with the Company. In this regard, the Board of Directors noted that:

- by 1 June 2016, Frédéric Moyne would have completed more than 17 years' service within the Group;
- under the loss of employment insurance taken out on his behalf as from 1 June 2016, he would only become entitled to compensation of any form as from 1 June 2017 in the event he is removed from office or his appointment is not renewed;
- the contractual provisions applicable to the termination of Frédéric Moyne's employment contract would guarantee him, in the event of termination of said contract for just cause (excluding serious or gross misconduct), compensation of around 8.4 months' remuneration;
- it would be 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, 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.

Frédéric Moyne has resigned from his salaried duties with deferred with effect from 1 June 2017 subject to the sole condition precedent that he is still the Company's Chief Executive Officer on that date.

Further information on the severance payment and non-compete obligation in the event Frédéric Moyne is removed from office as Chief Executive Officer or if his appointment is not renewed

Severance pay

Principles

At its meeting of 1 March 2016, the Board of Directors put in place, for the benefit of Frédéric Moyne in his capacity as Chief Executive Officer, all-inclusive severance pay which would be implemented as from the first day of the second year following the date on which his appointment as the Company's Chief Executive Officer came into effect (i.e. 1 June 2017). The terms and conditions of this severance pay are set out below;

it is subject to the condition precedent of its approval by the General Meeting of 24 May 2016 called to approve the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

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 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 (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 the termination of the term of office occurs, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

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 performances during the period prior to the termination of his term of 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 obligation

Principles

At its meeting of 1 March 2016, the Board of Directors put in place, for the benefit of Frédéric Moyne, a mechanism for compensation for a non-compete obligation which would 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; it is subject to the condition precedent of its approval by the General Meeting of 24 May 2016 called to approve the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

Non-compete obligation: implementation procedures

In the event of the termination of Frédéric Moyne's term of office as Chief Executive Officer, the Board of Directors shall meet in the month following said termination to decide, at its discretion, whether it wishes to waive the non-compete obligation.

Nature and duration of Frédéric Moyne's obligations

If the non-compete obligation is implemented, Frédéric Moyne will not be permitted, for the period of 12 months following the termination, for whatever reason, of his term of office as the Company's Chief Executive Officer, to:

- work, in any form whatsoever (contract of employment, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (significant with regard to their turnover) compete with the business activities of the Company and its Group on the date on which the termination of the term of office takes effect and is communicated to the market

(as of 1 March 2016, these activities are thermal biomass, anaerobic digestion and solar power), this prohibition applying only:

- in those countries in which at least one of said activities of the Company and its Group represents installed capacity of at least 40 MW on the date the termination of the term of office takes effect; 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 the termination of the term of office takes effect;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the capital or voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Company or its Group, as at the effective date of his departure;
- incite any customer, supplier or partner of the Company or its Group to break off or curtail its business relationships with the Company or its Group, or incite any prospective customer not to enter into a business relationship with the Company or its Group;
- hire any officer, senior manager or employee of the Company or its Group, or incite any such officer, senior manager or employee to terminate his/her contract of employment or leave the Company or its Group.

Financial compensation

If the non-compete obligation 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 termination of the term of office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the termination of the term of 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 the termination of the term of office takes place;
- 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 the termination of the term of office occurs, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

2.5. Summary of transactions carried out in 2015 in the company's shares by the corporate officers, their family and friends

2.4.8. SERVICE AGREEMENTS ENTERED INTO WITH THE CORPORATE OFFICERS

None.

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

In accordance with the recommendation of paragraph 24.3 of the AFEP/MEDEF Code most recently amended in December 2015, at the General Meeting of 28 May 2015 the shareholders were asked to give, in the form of an advisory vote, a favourable opinion on the components of the remuneration owing or awarded to the Chairman and Chief Executive Officer in respect of the 2014 financial year, as presented at the meeting. The shareholders voted in favour of the proposal by a very large majority (98.05% for, as compared to 98.84% at the General Meeting of 27 May 2014).

The shareholders will once again be asked, at the General Meeting of 24 May 2016, to give, in the form of an advisory vote, a favourable opinion on the components of the remuneration owing or awarded to the Chairman and Chief Executive Officer in respect of the 2015 financial year, as presented at the meeting.

Summary information on the remuneration components to be voted on is provided in the report by the Board of Directors to the General Meeting in section 8.2 on pages 296 *et seq.* of this Registration Document.

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

2.5. Summary of transactions carried out in 2015 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 2015 financial year by the corporate officers, their family and friends in accordance with Article L. 621 18 2 of the French Monetary and Financial Code.

Person reporting transaction	Financial instrument	Type of transaction	Date of transaction	Execution venue	Price per share (in euros)	Amount (in euros)	Number of shares	AMF decision and information number
Jacques Pétry	Shares	Subscription ¹	02/07/15	Euronext Paris	16.4800	15,227.52	924	2015DD380290
Michel Bleitrach	Shares	Subscription ¹	02/07/15	Euronext Paris	16.4800	82.40	5	2015DD380291
Marie-Claire Daveu	Shares	Acquisition	02/07/15	Euronext Paris	13.9941	5,597.64	400	2015DD380477

1. Payment of dividend for 2014 financial year in the form of shares.

2 • CORPORATE GOVERNANCE

2.6. AFEP/MEDEF Code recommendations not applied by the Company

2.6. AFEP/MEDEF Code recommendations not applied by the Company

AFEP/MEDEF Code recommendations	Company's explanations
REQUIREMENT TO RETAIN SHARES	
<p>§ 23.2.1 of the AFEP-MEDEF Code: <i>"The Chairman of the Board, the Chief Executive Officer, the Chief Operating Officers, the members of the Management Board or the Manager of a limited stock partnership are required to hold in registered form until the end of their term of office a significant number of shares periodically determined by the Board of Directors or the Supervisory Board. The number of shares, which may be made up of exercised stock options or performance shares, must be significant and must increase, where necessary, to a level determined by the Board. [...]"</i></p>	<p>The Chairman and Chief Executive Officer is only formally required to keep in registered form, until the end of his term of office, 25% of the performance shares he has effectively acquired, as the Board of Directors has not introduced any separate rule that would require him to hold an increasing number of shares throughout his term of office.</p> <p>However, the large number of shares held by the Chairman and Chief Executive Officer as at 31 December 2015 is sufficient to act as an incentive for the Chairman and Chief Executive Officer to take a long-term approach and exposes him to a significant level of risk that ensures his interests are aligned with those of the shareholders.</p> <p>The additional information in section 2.4.6 on pages 106 <i>et seq.</i> of this Registration Document.</p>
STOCK OPTIONS AND PERFORMANCE SHARES	
<p>§ 23.2.4 of the AFEP-MEDEF Code: <i>"Furthermore, it is necessary to ensure that, [...] in accordance with terms determined by the Board and announced at the time of the allotment, the performance shares allotted to executive corporate officers are conditional upon the acquisition of a defined quantity of shares once the allotted shares are available."</i></p>	<p>The allotment of bonus performance shares to the Chairman and Chief Executive Officer resulting from the decisions made by the Board of Directors at its meeting of 26 July 2012 is not conditional upon the acquisition of a defined quantity of shares when the bonus shares are effectively acquired. This is also true for the allotment of bonus performance shares decided by the Board of Directors on 27 May 2014.</p> <p>The Company considers that the Chairman and Chief Executive Officer's obligation to retain in registered form, until the end of his term of office, 25% of the performance shares effectively acquired in connection with this allotment constitutes a mechanism whose effect is equivalent to the AFEP/MEDEF Code's recommendation, and which will act as an incentive for the Chairman and Chief Executive Officer to take a long-term approach, while exposing him to a significant level of risk that ensures his interests are aligned with those of the shareholders.</p> <p>In addition, in 2011 and 2012 the Chairman and Chief Executive Officer, on his own initiative, acquired a significant number of the Company's shares, which he still retains.</p> <p>For the same reason, the bonus performance share plans that will be set up if the corresponding authorisation is approved by the shareholders at the General Meeting of 24 May 2016 will not make the effective acquisition of the performance shares allotted to the executive corporate officers conditional upon the purchase on the market of a set number of Company shares.</p> <p>See additional information in sections 2.4.6 on pages 106 <i>et seq.</i> of this Registration Document.</p>

AFEP/MEDEF Code recommendations

Company's explanations

STOCK OPTIONS AND PERFORMANCE SHARES

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

With regard to the bonus share plan set up as a result of the resolutions adopted at the General Meeting of 14 March 2012, the achievement of thresholds based on the six-month moving average closing share price over a defined period and the completion of a takeover involving the acquisition of all the Company's share capital and voting rights are the only criteria governing the effective acquisition of the bonus shares allotted to the Chairman and Chief Executive Officer by the Board of Directors at its meeting of 26 July 2012.

The bonus performance share plan open to members of the Executive Committee set up as a result of the resolutions adopted at the General Meeting of 27 May 2014 applies similar performance conditions governing the effective acquisition of the bonus performance shares allotted to the Chairman and Chief Executive Officer by the Board of Directors at its meeting of 27 May 2014.

These performance conditions, although serious and demanding and to be met over a period of several consecutive years, are not supplemented by internal performance conditions specific to the Company or by external performance conditions related to the performance of other companies or a benchmark sector.

The Company considers, however, that given the Group's activity and its positioning, the meeting of performance conditions thus defined, relating exclusively to the market, fully reflects the market's objective assessment of the Group's economic and financial position and its outlook.

However, the bonus performance share plans that will be set up if the corresponding authorisation is approved by the shareholders at the General Meeting of 24 May 2016 will be based, with effect from 2016, on a combination of purely internal performance conditions and external performance conditions relating to a benchmark sector (change of share price in comparison to a benchmark index).

See additional information in sections 2.4.6 on pages 106 *et seq.* and 8.2.2, on page 309 of this Registration Document.

2 • CORPORATE GOVERNANCE

2.7. Internal control and risk management procedures implemented by the company

2.7. Internal control and risk management procedures implemented by the company

The following overview forms an integral part of the Board of Directors' report prepared pursuant to Article L. 225-37 of the French Commercial Code (see additional information in section 2.1.2 on page 44 of this Registration Document).

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

2.7.1. DEFINITION AND OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

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

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

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

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

2.7.2. GROUP STRUCTURE

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

In 2015, the Group was structured around operating divisions, created by combining its three businesses (Thermal Biomass, Solar Energy and Anaerobic Digestion) and the areas in which it operates:

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

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

- Purchasing and Maintenance Department;
- Technical and Construction Department;
- Industry and Innovation Department;

- Administrative and Financial Department, including the Contracts and Legal Affairs Department, the Accounting Department and the Management Control and Information Systems Department;
- Corporate Social Responsibility Department;
- Human Resources Department;
- Company Secretariat.

The Chairman and Chief Executive Officer, three Chief Operating Officers who are responsible for France, Brazil and Africa/Asia, respectively, and the Chief Financial Officer, form the General Management Committee. A larger body – the Executive Committee - comprises, in addition to the members of the General Management Committee, the main Heads of Corporate Development and Heads of Centralised Support Services.

2.7.3. 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 Executive Committee members, for senior management and for operational staff) and internal information documents, providing all employees with important information on the latest developments within the Group and updates on strategy implementation. All employees are therefore able, regardless of their position, to ensure that their actions, on a day-to-day basis, are at all times consistent with the Group's values and strategy.

The following bodies responsible for internal control procedures are:

- the Board of Directors and its specialised Committees, whose operating methods and main tasks are described in section 2.3.3 on pages 66 *et seq.* of this Registration Document;
- General Management, the General Management Committee and the Executive Committee;
- the Administrative and Financial Department and the other functional departments;
- the internal audit function.

Throughout 2015, 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.

2.7.3.1. The Board of Directors and its specialised Committees

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

The Board of Directors is responsible for the ongoing monitoring of the Group's operating performance and financial position, progress on projects and the main sustainable development indicators, based on the work of the Commitments and Monitoring Committee, which reviews the monthly reporting packages drawn up by the Administrative and Financial Department.

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

Lastly, the Audit, Accounts and Risks Committee has a key role to play in the internal audit function (see additional information in section 2.7.3.6 on pages 120 *et seq.* of this Registration Document).

2.7.3.2. General management

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

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

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

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2.7. Internal control and risk management procedures implemented by the company

2.7.3.3. The General Management Committee

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

2.7.3.4. The Executive Committee

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

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

2.7.3.5. The Administrative and Financial Department and the other functional departments;

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

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

Since 2014 the Administrative and Financial Department also encompasses the internal audit function, which was given a formal structure over the 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 Contracts and Legal Affairs Department, by ensuring, in particular, the legal security of operations;
- the Human Resources Department, by ensuring that the Group's operations are carried out in accordance with the legislative and regulatory provisions applicable to the Group and those of its Memorandum and Articles of Association, by regularly ensuring that the Group's human resources are suitable for its needs, by helping to draw up succession plans and by ensuring employees receive an adequate level of training to enable them to fulfil their duties;
- the Information Systems Department, by ensuring that the Group's information systems offer a level of security that is adequate to guarantee data integrity and retention;
- the Technical and Construction Department, the Industry and Innovation Department and the Purchasing and Maintenance Department, whose actions are vital for preserving the value of the Group's assets;
- the Corporate Social Responsibility Department (formerly the Environmental and Social Responsibility Department), which is responsible for monitoring the compliance of the Group's operations with environmental requirements and the implementation of resulting action plans, also verifies the consistency of non-financial data communicated to the market and ensures the interests of the Group's stakeholders are properly taken into consideration in its business operations;
- the Company Secretariat, which is responsible for the Secretariat of the Board of Directors and the specialised Committees and for monitoring matters associated with company law, stock market laws, compliance and ethics, assists the Administrative and Financial Department in the financial communication control process and oversees internal, institutional and regulatory communication.

2.7.3.6. The internal audit function

Functionally, the internal audit function forms part of the Administrative and Financial Department, and reports to General Management and the Audit, Accounts and Risks Committee.

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

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

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

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

In 2015 the internal audit function conducted three audits which focused on the key operational processes within the Group's production units in Martinique and Brazil and on IT security at head office. In addition, audit issues identified in the previous year were carefully followed up as part of the work of the Audit, Accounts and Risks Committee.

2.7.3.7. Changes to the internal control structure in view of the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016

The separation of the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016 (see additional information in section 2.2.1 on pages 44 *et seq.* of this Registration Document) will result 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.

With effect from 1 June 2016, the Chairman of the Board of Directors will be 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 will continue to be part of the Administrative and Financial Department, which reports to General Management and is ultimately responsible for the implementation and proper operation of the Group's internal control and risk management systems.

2.7.4. THE RISK MANAGEMENT PROCESS

In the performance of its day-to-day activities, the Group is exposed to a variety of risks. The main risk factors the Group faces and the main measures for controlling these risks are described in section 1.8 on page 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.

In 2009, the Group initiated the introduction of a risk mapping system that provides it with a summarised, standardised framework enabling it to identify the risks to which it is exposed, and to assess, in a matrix format, the likelihood of their occurrence and the magnitude of their impact. On the basis of the work of the Audit, Accounts and Risks Committee and, with regard to employment, social and environmental risks, that of the Corporate Social Responsibility Committee, the Board of Directors regularly reviews this risk mapping to ensure that it is comprehensive and that the action plans implemented by General Management are effective as a result.

The Group is committed to continuously improving the completeness and effectiveness of this risk mapping. In conjunction with the work carried out by the Corporate Social Responsibility Committee, the Group has introduced unified mapping incorporating employment, environmental and social risks. The Corporate Social Responsibility Committee is now involved, together with the Audit, Accounts and Risks Committee, in reviewing this unified risk mapping. The Audit, Accounts and Risks Committee and the Corporate Social Responsibility Committee are both closely involved in reviewing risk mapping and therefore improving both the level of detail of the analysis (modulation of standard risks according to geographic areas as well as probability of occurrence and impact) and the comprehensiveness of risks managed. The process for identifying risks and defining

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preventative or corrective actions requires more significant involvement on the part of the operational managers, as part of a bottom-up approach enabling the risk management process and the mapping of risks to be managed at the lowest possible level within the Group.

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

2.7.5. CONTROL ACTIVITIES AND PROCEDURES

2.7.5.1. Business management procedures

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

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

- as regards technical or operating information (daily and monthly reports submitted by the heads of the production units, special reports analysing incidents, regular reports on the maintenance and servicing of production equipment, reports on construction projects and reports on accidents in the workplace);
- as regards financial information, in line with the procedures for producing accounting and financial information (see below), but also to ensure the monitoring of budget performance, the Group's commitments, debt and cash; as from 2013, financial debt is monitored using a dedicated IT platform enabling the Group's debt to be monitored on a global and long-term basis;
- as regards non-financial information, in line with the procedures for producing non-financial information, verified by an independent third-party body (see information on corporate social responsibility measures in

section 6 on pages 236 *et seq.* of this Registration Document), which since last year is obtained using an integrated data compilation and analysis tool for non-financial information, which was put in place last year and will be gradually adapted to be used by the Management Control Department to compile and analyse production data.

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

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

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

Since 2009, the Company has been committed to continuously improving its procedures for deciding on, making and monitoring investments, which are intended to formalise the steps to be taken and the resources involved in each stage of the project (expression of interest, feasibility study, commercial proposal, making the investment and transferring it to the internal or external operator). This methodology involves meetings that are held as projects move from one stage to the other. Accordingly, investment decisions are approved only at the conclusion of a standardised cycle punctuated by launch, finalisation and commitment meetings, involving the Commitments and Monitoring Committee and, subsequently, the Board of Directors.

With respect to projects, a risk control by project process enables the Group to anticipate at an early stage the impacts of various risks to the forecast internal rate of return, to ensure that it remains consistent with the standards approved by the Board of Directors and, where relevant, to size the investment accordingly. Cross-functional project management enables decisions to be made about critical resources (financial and human) and thereby securing completion of the projects concerned.

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

The procurement policy focuses, in particular, on applying in practice the combined principles of looking for quality offers, choosing the best offers in the Group's interest, and making an equitable selection of suppliers. Particular attention is paid to the ethical reputation of suppliers and the compliance of their practices with the Group's corporate social responsibility commitments. In 2013, the Group drew up general procurement terms and conditions setting the Group's procurement standards and comprising a specific clause dealing with the corporate social responsibility of its suppliers. It also introduced a standard framework agreement for use by its suppliers.

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

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

In addition, maintenance of the Group's plants is monitored by means of Computer-Aided Maintenance Management (CAMM), which was significantly strengthened in 2013. This enables the Group to ascertain the age of its equipment, formalise purchase requisitions associated with maintenance (issue of work orders discussed before approval, to which are attached the purchase requisitions)

and to impose approval levels pre-determined on the basis of restricted access rights, by complying with the main segregation of duties principles. It can also be used as a budget control tool to monitor financial commitments.

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

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

2.7.5.4. Procedures applicable to the operation of the production units

The implementation, since 2011, of the production unit management process in connection with the Quality-Safety-Environment (QSE) process enabled the Group to obtain, in 2012 and 2013, AFNOR certification with respect to the three QSE standards for the following facilities: Albioma Le Gol (certification obtained in 2011) and Albioma Bois-Rouge (certification obtained in 2013). The same triple certification was also obtained by Terragen in Mauritius in 2014. OTEO Saint-Aubin obtained ISO 14001:2004 certification in 2014. This process is part of an overall approach that seeks to adopt and maintain sustainable development policies for all of the Group's activities, limit negative environmental impacts and preserve biodiversity. The Group intends to extend it in the medium term to the Albioma Le Moule and Albioma Caraïbes facilities, then to all its activities, regardless of their location. Work is ongoing to ensure the Indian Ocean Solar business obtains triple certification.

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2.7. Internal control and risk management procedures implemented by the company

In addition to this certification work, the Group continued to implement the employee safety management process in 2015. The increase in accidents in the workplace observed in 2014 led the Group to carry out a general audit of its employee safety procedures, assisted by an independent firm of consultants, at the end of 2014, and the findings were presented in 2015. As a result of the audit, the Group put in place a number of priority initiatives to be implemented by each Group entity on a daily basis; the considerable resources allocated to this problem have resulted in a substantial decline in the number of accidents in the workplace and their severity, although there is still some way to go before we reach our targets. The audit was completed by the end of 2014 and the findings will be available in 2015. Safety Committees, which have responsibility for monitoring the key indicators, conducting in-depth analysis of the causes of any accidents and drawing up and monitoring implementation of action plans, were set up throughout the Group over the year. The results of their work are presented to the Corporate Social Responsibility Committee on a regular basis.

2.7.5.5. Procedures applicable to the production of the accounting and financial information

Organisation of the Administrative and Financial Department

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

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

Accounting standards

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

Management tools

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

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

Processes used in the preparation of the accounting and financial information

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

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

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

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

2.8. Report by the statutory auditors prepared in accordance with article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors

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

Audit, Accounts and Risks Committee

The role of the Audit, Accounts and Risks Committee is described in detail in section 2.3.3.1 on pages 76 *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.

2.8. Report by the statutory auditors prepared in accordance with article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English 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 Courbevoix

Year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of Albioma, and in accordance with article L. 225 235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code, for the year ended 31 December 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and

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2.8. Report by the statutory auditors prepared in accordance with article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors

- to attest that the report sets out the other information required by article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consist of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no observations regarding the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We attest that the Chairman's report sets out the other information required by article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, 28 April 2016

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Mazars

Manuela Baudoin-Revert
Partner

2.9. Regulated agreements and commitments, and transactions with related parties

2.9.1. SPECIAL REPORT BY THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English 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

General Meeting held to approve the financial statements for the financial year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we are pleased to present our report on the regulated agreements and commitments.

We are required to present to you, on the basis of information provided to us, the features and main terms and conditions of the agreements we have been informed of or that we have identified in the course of our audit work, and the reasons why they are in the interest of the Company. We are not required to comment as to whether they are beneficial or appropriate, or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the benefits of these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to provide you with the information referred to in Article R. 225-31 of the Commercial Code concerning the continued performance during the last financial year of the agreements previously approved by the shareholders at a General Meeting.

We followed the procedures which we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures consisted in verifying that the information provided to us is consistent with the original documentation from which it was extracted.

I. AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS

Agreements and commitments approved during the past financial year

We have not been advised of any agreement or commitment authorised during the past financial year and submitted for approval by the shareholders at the General Meeting in accordance with Article L. 225-38 of the Commercial Code.

Agreements and commitments approved since the end of the financial year

In accordance with Article L. 225-40 of the Commercial Code, we have been advised of the following agreements and commitments approved since the close of the past financial year, which were submitted to your Board of Directors for prior authorisation.

Severance payment in the event Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (effective from 1 June 2016)

Officer concerned

Mr 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

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2.9. Regulated agreements and commitments, and transactions with related parties

Reason for prior authorisation by the Board of Directors

The Board of Directors decided 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 (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) with effect from 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).

Description

Principles

In his capacity as Chief Executive Officer, Frédéric Moyne will benefit from 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. The terms and conditions of this severance pay are set out below; it is subject to the condition precedent of its approval by the General Meeting of 24 May 2016 called to approve the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

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 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 (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 the termination of the term of office occurs, 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 performances during the period prior to the termination of his term of 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 Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (effective from 1 June 2016)

Officer concerned

Mr 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

Reason for prior authorisation

The Board of Directors decided 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 (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) with effect from 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).

Description

Principles

Frédéric Moyne will benefit from a mechanism for compensation for a non-compete obligation which would be implemented as from the date on which his appointment as the Company's Chief Executive Officer comes into effect. The terms and conditions of this mechanism are set out below; it is subject to the condition precedent of its approval by the General Meeting of 24 May 2016 called to approve the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

Non-compete obligation: implementation procedures

In the event of the termination of Frédéric Moyne's term of office as Chief Executive Officer, the Board of Directors shall meet in the month following said termination to decide, at its discretion, whether it wishes to waive the non-compete obligation.

Nature and duration of Frédéric Moyne's obligations

If the non-compete obligation is implemented, Frédéric Moyne will not be permitted, for the period of 12 months following the termination, for whatever reason, of his term of office as the Company's Chief Executive Officer, to:

- work, in any form whatsoever (contract of employment, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (significant with regard to their turnover) compete with the business activities of the Company and its Group on the date on which the termination of the term of office takes effect and is communicated to the market (as of 1 March 2016, these activities are thermal biomass, anaerobic digestion and solar power), this prohibition applying only:
 - in those countries in which at least one of said activities of the Company and its Group represents installed capacity of at least 40 MW on the date the termination of the term of office takes effect; and

2 • CORPORATE GOVERNANCE

2.9. Regulated agreements and commitments, and transactions with related parties

- 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 the termination of the term of office takes effect;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the capital or voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Company or its Group, as at the effective date of his departure; incite any customer, supplier or partner of the Company or its Group to break off or curtail its business relationships with the Company or its Group, or incite any prospective customer not to enter into a business relationship with the Company or its Group;
- hire any officer, senior manager or employee of the Company or its Group, or incite any such officer, senior manager or employee to terminate his/her contract of employment or leave the Company or its Group.

Financial compensation

If the non-compete obligation 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 termination of the term of office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the termination of the term of 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 the termination of the term of office takes place;
- 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 the termination of the term of office occurs, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

II. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in earlier financial years, which performance was continued in the past financial year

Pursuant to Article R. 225-30 of the Commercial Code, we have been advised of the continued performance in the last financial year of the following agreements and commitments, which have already been approved by the shareholders in previous financial years.

Grant to Methaneo of shareholder current-account advances

Director concerned Jacques Pétry, Chairman and Chief Executive Officer of the Company and permanent representative of Albioma as Chairman and member of Methaneo's Supervisory Board (until 15 January 2016).

Date of authorisation by the Board of Directors

27 April 2012

Date of approval by the shareholders

30 May 2013

Description

Pursuant to undertakings entered into in a shareholders' agreement signed by the Company and the founding shareholders of Methaneo on 19 May 2012, as amended on 27 October 2014, grant to Methaneo, by the Company, which holds 60% of its capital, of shareholder current-account advances in an initial total amount of €7 million over the 2012-2016 period, with a 9% annual interest rate. During its re-examination of the above-mentioned agreement in accordance with Article L. 225-40-1 of the Commercial Code, the Board of Directors noted that the current account advances made in the 2015 financial year were particularly justified during the current transitional period following regulatory changes to the price of energy produced by the anaerobic digestion units in the portfolio, given that these regulatory changes have not yet enabled the operating units to achieve profitability levels consistent with Group standards.

Performed during 2015

Current account advance of €5,473,000 (including interest of €1,299,000 for 2015 and 2014), bringing the Company's total shareholder current account advances to €11,655,000 as at 31 December 2015.

Agreements and commitments already approved in earlier financial years without being performed in the past financial year

Furthermore, we have been advised of the existence of the following agreements and commitments, which have already been approved by the shareholders in previous financial years, and which were not performed during the last financial year.

Severance pay and the non-compete agreement of Jacques Pétry**Director concerned**

Mr Jacques Pétry, Chairman and Chief Executive Officer of the Company

Date of authorisation by the Board of Directors

21 October 2011, 30 May 2013 (reiteration of the authorisation under the same conditions), 4 March 2014 (modification of the terms and conditions of the above-mentioned severance pay and non-compete agreement)

Date of approval by the shareholders

31 May 2012, 30 May 2013 (approval of reiteration of the above-mentioned authorisation concerning severance pay and the non-compete agreement by the Board of Directors at its meeting of 30 May 2013), 27 May 2014 (approval of the modification of the terms and conditions of the above-mentioned severance pay and non-compete agreement by the Board of Directors at its meeting of 4 March 2014)

Description of the terms and conditions of the severance pay and non-compete agreement as authorised by the Board of Directors at its meeting of 4 March 2014.**Maximum amount of severance payment**

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

Performance conditions

In accordance with Article L. 225-42-1 of the Commercial Code, Jacques Pétry will only be entitled to receive the all-inclusive severance payment mentioned above if the sums due to Jacques Pétry as the variable component of his remuneration for the two full financial years preceding the date of his removal from office or non-renewal of his appointment as Chief Executive Officer or Chairman and Chief Executive Officer represent, on average, a percentage that is equal to or greater than 50% of the maximum amount of variable remuneration that he could receive for the said financial years.

Exception: departure for misconduct

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

- any wrongdoing or misconduct characterised under employment law as:
 - serious misconduct (*faute grave*), wherein the degree of seriousness derives from the deliberate nature of the misconduct and the seriousness – assessed in view of the size of the Group and its business activities – of the resulting consequences, or
 - gross misconduct (*faute lourde*), including in particular the intentional or repeated breach of limitations placed on his statutory powers or by resolutions adopted by the shareholders at General Meetings, or any action constituting a criminal offence perpetrated personally by Jacques Pétry when a Group company is the victim or this could harm the Group's reputation;
- Jacques Pétry's failure to comply with any exclusivity and/or non-compete obligations incumbent upon him in connection with his corporate office.

2 • CORPORATE GOVERNANCE

2.9. Regulated agreements and commitments, and transactions with related parties

Non-compete obligation

In the event severance pay is owed

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

Term

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

Jacques Pétry's obligations

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

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

Geographic area

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

Amount of financial compensation

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

In the event severance pay is not owed

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

Term

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

Jacques Pétry's obligations

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

Geographic area

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

Amount of financial compensation

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

Right to waive the benefit of the non-compete obligation

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

Neuilly-sur-Seine and Courbevoie, 28 April 2016.

The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Jean-Christophe Georghiou
Partner

Manuela Baudoin-Revert
Partner

2.9.2. AGREEMENTS GOVERNED BY ARTICLE L. 225-102-1 PARAGRAPH 13 OF THE FRENCH COMMERCIAL CODE

None.

2.9.3. RELATED PARTY TRANSACTIONS

Detailed information about related parties is disclosed in note 34 to the consolidated financial statements for the 2015 financial year, in section 4 on page 196 of this Registration Document.

ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

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3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

3.1. Key figures

3.1. Key figures

3.1.1. FINANCIAL DATA

<i>In millions of euros</i>	2015	2014
Revenue	349.6	354.0
EBITDA	119.9	129.0
Net income	32.3	31.7
Net income, Group share	30.2	38.0

3.1.2. OPERATED CAPACITY AND PRODUCTION

	Operated capacity (in gross MW)			Production (in GWh)		
	2015	2014	Change	2015	2014	Change
Albioma Bois-Rouge	108	108	–	683	668	15
Albioma Le Gol	122	122	–	755	794	(39)
Albioma Le Moule	64	64	–	285	334	(49)
Albioma Caraïbes	38	38	–	177	215	(38)
Albioma Galion	40	40	–	111	82	28
Thermal Biomass – France	372	372	–	2,011	2,093	(82)
OTEO La Baraque	90	90	–	471	493	(22)
Terragen	70	70	–	426	401	25
OTEO Saint-Aubin	35	35	–	221	231	(10)
Mauritius	195	195	–	1,118	1,125	(7)
Brazil ¹	108	60	48	186	105	81
Thermal Biomass	675	627	48	3,315	3,323	(8)
French overseas departments	62	59	3	81	80	1
Outside France	4	4	–	7	6	–
Metropolitan France	8	8	–	10	10	–
Solar Power	75	71	3	98	97	2
Anaerobic Digestion	3	3	–	20	13	7
Group Total	753	701	52	3,433	3,433	–

1. Codora Energia plant's production consolidated as from 4 August 2015.

3.1.3. AVAILABILITY RATE

	2015	2014
Albioma Bois-Rouge	88.3%	85.3%
Albioma Le Gol	88.8%	92.6%
Albioma Le Moule	73.9%	83.7%
Albioma Caraïbes	85.4%	99.5%
Albioma Galion	95.8%	96.0%
French Overseas Departments Total	86.6%	90.1%
Terragen	92.2%	93.8%
OTEO Saint-Aubin	90.5%	91.0%
OTEO La Baraque	93.1%	93.6%
Mauritius Total	92.3%	93.2%
Group Total	88.3%	91.1%

3.2. Highlights of the Year

3.2.1. FRANCE – THERMAL BIOMASS BUSINESS

3.2.1.1. Return to normal operation after a first half-year disrupted by industrial action and technical incidents

At 31 December 2015, total installed thermal capacity in Overseas France was 372 MW, unchanged from 2014.

Despite the resumption of normal operation in the second half, the full-year plant availability rate of 86.6% was lower than in 2014 (90.1%), due to strike action by some staff in Guadeloupe as well as two operational incidents during the first half, respectively affecting the Albioma Le Moule plant in Guadeloupe and Albioma Le Gol on Reunion Island.

On 21 January 2015, part of the Thermal Biomass workforce at the Le Moule plant in Guadeloupe went on strike in response to a call by the trade union Fédération de l'Énergie de la Confédération Générale du Travail de la Guadeloupe (FE-CGTG). Extensive negotiations conducted under the aegis of the Guadeloupe Department for Business, Competition, Consumption, Work and Employment (DIECCTE) established converging positions and a number of decisions agreed by the parties. These positions and decisions were confirmed in a dispute resolution protocol with the FE-CGTG. Work restarted on 5 March. The two facilities had been operated by non-striking workers since 14 February 2015.

In late April 2015, a major operational incident occurred at unit 1 of the Le Moule thermal power plant in Guadeloupe. During a scheduled maintenance outage, a safety device malfunctioned, causing the turbine generator to accelerate to overspeed conditions. Following an inspection and investigation of the damaged equipment, the plant was able to restart on 5 August 2015. The cost of this incident is covered under the Group's insurance policy, subject to the contractual excess amount.

An unrelated incident affecting the boiler at unit 3 of the Le Gol thermal power plant on Reunion Island occurred on 25 May 2015. To minimise disruption to the power grid, Albioma and EDF decided to bring forward the restart date for the plant's other two units, which were shut down for scheduled maintenance at the time of the incident. Emergency repairs were carried out and the unavailable heat exchanger was replaced as a preventive measure during a scheduled outage in August.

All base-load power plants delivered strong performance during the second half, despite a reduction in duty rates resulting in slightly lower output.

In the light of the aforementioned technical incidents - particularly the unprecedented, exceptional incident at Le Moule - the Group decided to implement an action plan to enhance safety procedures and modify certain components, with the goal of restoring availability to 90-92%. This action plan focuses primarily on rotating machinery and condition-based maintenance. In particular, it provides for an audit of the turbine generators across the thermal fleet, as well as a review of the strategic replacement parts stockpile, to limit downtime.

In Martinique, the duty rate at the Galion peaking power plant was very high (32.9%), up significantly year-on-year, despite the already-high level achieved in 2014 (24.5%). This duty rate was attributable to the maintenance work carried out by EDF at its own plants in Martinique.

A total of 2,011 GWh of electric power was generated, 4% lower than the 2014 figure, essentially as a result of the strike, the technical incidents and the slightly lower duty rates at the base-load power plants.

3.2.1.2. Changes in the economic and regulatory context

Coal prices remained stable from 2014, averaging €79 per tonne over the year and having no significant impact on Group revenues (positive contribution of €0.6 million). Oil prices, on the other hand, slid further, to an average of €727 per cubic metre, compared with €871 per cubic metre in 2014, resulting in a negative impact of €5.5 million on Group revenues; this had no direct effect on profit margins, however, as electricity sale prices are contractually indexed to fuel costs at the Le Galion plant.

Concerning carbon emissions, the contracts between all of the Group's thermal power plants in French overseas departments 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 plants were awarded 141,361 tonnes in free carbon quotas for 2015, in recognition of their cogeneration activity.

3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

3.2. Highlights of the Year

In the context of the works initiated over the past two years, an agreement was entered into with the French regional environment, planning and housing authority (DREAL) to classify combustion by-products from power plants as inert waste and to establish approved disposal activities, significantly decreasing treatment costs.

In early 2015, Albioma applied to EDF for compensation for the additional costs generated by the preparation, transport and storage of such products (in application of safeguard clauses to maintain economic balance); this request resulted, in December 2015, in an agreement between Albioma Le Gol and EDF relating to draft amendments to the power purchase agreements between EDF and the Le Gol plant, which were signed in February 2016 following approval by the French energy regulation commission (Commission de Régulation de l'Énergie). The Group aims to agree further amendments for the other impacted plants in 2016.

On Reunion Island, the new industrial water treatment and monitoring facilities installed at the Bois-Rouge and Le Gol plants in order to comply with regulations stipulating special treatment for process water and runoff water have now begun operating. The aforementioned amendments to the power purchase agreements for the Le Gol plant fully compensate for the additional costs and capital expenditure. Negotiations are currently in progress in relation to the Bois-Rouge power plant.

3.2.1.3. Project development

The Group has arranged banking credit for the Galion 2 bagasse/biomass plant in Martinique (representing an investment of €170 million). In April 2015, Albioma entered into a long-term loan agreement (€120 million repayable over 20 years) with BNP Paribas, Auxifip, l'Agence Française de Développement, BPI France and Société Générale, for which very favourable market terms were obtained. The balance of the investment will be funded from equity, with 80% supplied by Albioma and the remaining 20% by the Group's partner, COFEPP. Construction work (including civil engineering activities) for this 36 MW facility is in progress, with the plant scheduled to begin operating during summer 2017.

In January 2015, the Group and EDF concluded a 25-year power purchase agreement for the combustion turbine project in Saint-Pierre on Reunion Island. This innovative 40 MW facility will be the first French peaking power plant to operate essentially with 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 Omnicane on Mauritius. In the longer term, the plant may also use third-generation biofuels from locally produced microalgae, developed in partnership with the Reunion-based company Bioalgastral Océan

Indien. Fuel oil will be used as a supplement. Based on the duty rate assumptions adopted by the energy regulation commission (Commission de Régulation de l'Énergie), 80% of the plant's fuel requirements are expected to be covered by bioethanol. The corresponding investment of approximately €50 million will be made by Albioma Saint-Pierre, a joint subsidiary of Albioma (51%) and the Group's longstanding sugar refining partners, COFEPP and Tereos (49%). Construction work is expected to last 12 months, to begin upon completion of the licensing application process currently in progress.

Albioma has submitted the necessary licensing applications for the Marie-Galante project in Guadeloupe, which represents an investment of €80 million for an installed capacity of 12 MW. Discussions with potential partners are in the process of being finalised. Planning permission was granted on 26 September 2015.

On 5 June 2015, an amendment to the power purchase agreement was agreed between Albioma Le Gol and EDF, relating to works to make unit B compliant with incoming environmental standards arising out of the EU industrial emissions directive (IED). The €26 million investment will be remunerated at the customary rate for the Group's contracts in the French overseas departments. The new facility will be commissioned in September 2016. The agreement between Albioma Le Gol and EDF, signed in December 2015, regarding the draft amendments on combustion by-products and liquid waste signed in February 2016, also addressed the issue of remunerating the capital investment in work to make unit A compliant with the aforementioned environmental standards (a €52 million system scheduled to begin operating in 2018). These operations are part of a broader programme to modernise and adapt Albioma's existing thermal power plants in the French overseas departments to comply with the latest standards. This programme will have required a total investment of around €200 million by the end of 2019, remunerated on the same terms as the other power generating facilities in overseas France.

The Energy Transition Act, adopted by the French parliament in August 2015, sets a target of generating 50% of energy from renewable sources in each of the French overseas departments by 2020. Albioma's existing facilities and new all-biomass cogeneration projects will help to achieve these targets.

3.2.2. FRANCE AND SOUTHERN EUROPE – SOLAR POWER

3.2.2.1. Growth in Solar Power

The Solar Power business, based mainly in Overseas France, benefits from very long sunshine hours and purchase prices that are higher than in metropolitan France.

Photovoltaic electricity generation totalled 98 GWh in 2015, slightly higher than the 2014 figure of 97 GWh. This performance was attributable to the ongoing rollout of the Solar Power business as well as the good sunshine conditions enjoyed by the Group's plants in France and Spain.

Albioma acquired 14 rooftop photovoltaic power plants from Ciel et Terre and Samfi Invest. The new facilities, located on Reunion Island, have a combined power generating capacity of 3 MWp. Electricity generated by these installations, which were commissioned in 2010/2011, is sold via contracts with a residual term of 16 years. As the new facilities are located close to Albioma's existing photovoltaic power plants, they benefit from the proximity and technical expertise of the Group's operating teams, generating significant synergies. This acquisition has increased the Group's photovoltaic installed capacity on Reunion Island to 26.5 MWp, representing 16% of total local capacity. Albioma is henceforth the island's leading photovoltaic power generator. The 14 recently acquired photovoltaic facilities have delivered strong operational performance, contributing €1.7 million to Group revenues in the space of nine months.

Albioma now operates photovoltaic power plants with a total capacity of 75 MWp.

3.2.2.2. Changes in the economic and regulatory context

None.

3.2.2.3. Project development

The Group responded to a request for proposals relating to the installation of new generating capacity issued in 2015 by the French energy regulation commission (Commission de Régulation de l'Énergie). The result of this bidding process is expected to be announced during Q2 2016.

3.2.3. FRANCE – ANAEROBIC DIGESTION BUSINESS

In France, addressing the sizeable potential market for anaerobic digestion of livestock rearing and agribusiness waste was a priority of the Energy Transition Bill. However, many anaerobic digestion stakeholders, including Albioma, are currently faced with operational and economic challenges.

The Tiper Méthanisation (2 MW) and Cap'ter Méthanisation (0.5 MW) facilities, respectively located in Thouars and Saint-Varent in the Deux-Sèvres department have reported significant improvements in their industrial performance.

The Sain'ter Méthanisation (0.5 MW) plant, located in Sainte-Hermine in the Vendée, began operating on 1 July 2015.

New power purchase prices came into effect at the end of October 2015; the new pricing, which also applies to existing facilities, improves the economic outlook for this business. Nevertheless, prices are still too low and the profitability of the units already in operation remains unsatisfactory. The new pricing framework should, however, make it possible to bid for new projects on better economic terms.

3.2.4. MAURITIUS

The Group's plants in Mauritius had a combined thermal capacity of 195 MW at 31 December 2015, unchanged from 2014. The Mauritian plants are booked using the equity method.

Operational performance over the course of the year was strong, resulting in a high availability rate of 92.3% (compared with 93.2% in 2014) and total production of 1,118 GWh (up from 1,125 GWh in 2014).

An experimental "carbon burn-out" project, which aims to use unburnt coal residues as a substitute for imported additives in cement and concrete is currently under construction. This approximately €15 million unit, funded by the Mauritian plants, is scheduled to begin operating in Q3 2016.

Mechanised sugar cane straw harvesting has been trialled at the Bellevue plant, with the goal of achieving a 10% reduction in the share of exported electricity generated from coal.

3.2.5. BRAZIL

3.2.5.1. Albioma Rio Pardo Termoelétrica

Albioma Rio Pardo Termoelétrica, the Group's first bagasse-fuelled cogeneration plant in Brazil, took advantage of the period between sugar harvests, from January to March 2015, to carry out annual maintenance and invest in performance-enhancing improvements. Production resumed in late March 2015, coinciding with the start of the sugar harvest on 26 March. In 2014, the harvest began on 22 April.

The plant exported 114 GWh in 2015, an increase of 9% over the 2014 figure of 105 GWh.

3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

3.3. Comments on the consolidated financial statements

On 27 April 2015, in response to a request for proposals (*leilão de fontes alternativas* 2015), Albioma Rio Pardo Termoeletrica secured the sale on the regulated market of 82 GWh per year (representing approximately 50% of the plant's target output), at an inflation-indexed price of 212 reals per MWh, for 20 years with effect from 2016. The remaining production forecast for 2016 has already been earmarked for industrial customers under the terms of contracts agreed in the second half of 2014.

3.2.5.2. Codora Energia

On 4 August 2015, Albioma finalised the acquisition of a 65% stake in Codora Energia, which owns a 48 MW bagasse-fuelled cogeneration plant located in the Brazilian State of Goiás. The Jalles Machado group, the world's second-largest organic sugar producer, is to retain a 35% interest in the company.

Codora Energia benefits from a long-term power purchase agreement (guaranteed until 2026) covering the injection of 87 GWh/year at an attractive, inflation-indexed price of 205 reals per MWh. Additionally, anticipating the installation of a new 20 MW turbine in 2017, Codora Energia has secured the sale of 54 GWh annually over a 20-year period beginning in 2020, at a historically high, inflation-linked price of 278 reals per MWh.

The plant has exported 72 GWh to the grid since it was acquired by the Group. Output has been significantly increased by using cane straw from the distillery.

3.2.5.3. Project development

The economic recession in Brazil will continue to affect the sugar-making sector, which is carrying short-term debt (impact of higher interest rates) denominated in dollars (impact of the rise in the dollar exchange rate), despite the devaluation of the real restoring the Brazilian sugar industry's status as the world's most competitive.

This context is a source of opportunities for Albioma, which continues to select partners with great discipline.

3.2.6. HOLDING COMPANY

Changes in shareholder structure

In 2005, operating directly as well as indirectly via Financière Hélios, the private equity fund Apax France VI (managed by Apax Partners) and Altamir acquired a participating interest of approximately 42.5% in Albioma.

On 5 June 2015, Apax Partners announced its intention to distribute approximately 30% of the Albioma shares held directly and indirectly by the private equity fund Apax France VI to the limited partners of the latter, thereby making Apax France VI limited partners direct shareholders in Albioma.

The post-distribution participating interest of Altamir remained unchanged at around 12% (see further details in section 7.3.2, page 274 of this Registration Document).

3.3. Comments on the consolidated financial statements

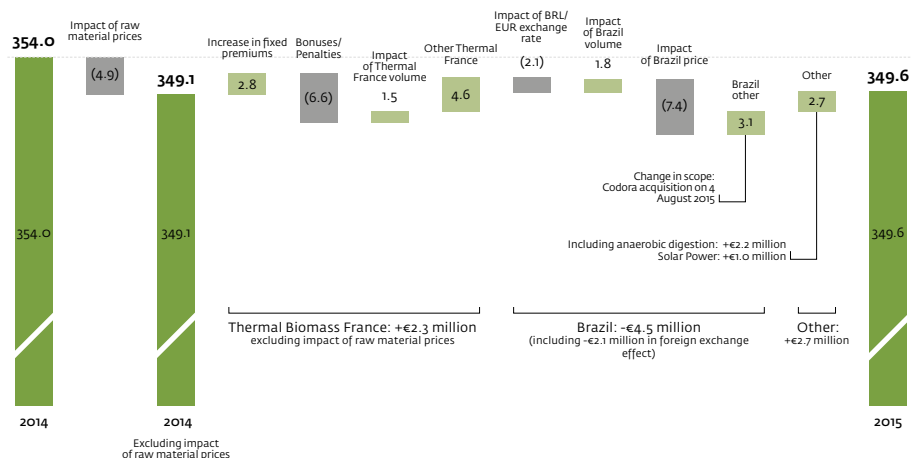
3.3.1. INCOME STATEMENT

3.3.1.1. Revenue

<i>In millions of euros</i>	2015	2014	Change
France – Thermal Biomass	288.1	290.7	-1%
France and Southern Europe – Solar Power	42.6	41.6	2%
Brazil	13.7	18.2	-25%
Holding company, Anaerobic Digestion and Other	5.3	3.6	49%
Revenue	349.6	354.0	-1%

Revenue is down 1% compared with 2014. The change can be analysed as follows:

In millions of euros



Stripping out the negative impact of changes in raw materials prices of €4.9 million linked mainly to the decline in the average price of fuel oil between 2015 and 2014, but with no direct effect on the margin due to electricity sales prices being contractually indexed to fuel costs, revenue was in line with that of 2014. This stability was due to the combined effects of:

- the €6.6 million increase in penalties resulting from the strike by some of the workforce at the Le Moule site at the start of the year and technical incidents that occurred during the first half of the year at the Le Gol and Le Moule plants leading to unscheduled shutdowns;
- the significant decrease in revenue from the Albioma Rio Pardo Termoeletrica plant in Brazil which had benefited from the high electricity price during 2014 due to the drought and resulting low levels at hydroelectric reservoirs;

almost fully offset by:

- the indexation and revision of fixed premiums for the plants in the French overseas departments;
- a positive volume effect of €1.5 million due to the increase in the duty rate at the Galion peaking power plant as compared with 2014;
- €3.1 million due to a change in the consolidation scope in Brazil: this resulted from the acquisition of the Codora Energia plant, consolidated since 4 August 2015;
- a high level of photovoltaic generation due to good plant availability and the acquisition of an additional 3 MWp in capacity on Reunion Island;
- the increase in revenue from the Anaerobic Digestion plants due to a full year of production for the Tiper Méthanisation and Cap'ter Méthanisation plants, which were commissioned on 30 June 2014, and the commissioning of the Sain'ter Méthanisation plant on 1 July 2015.

3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

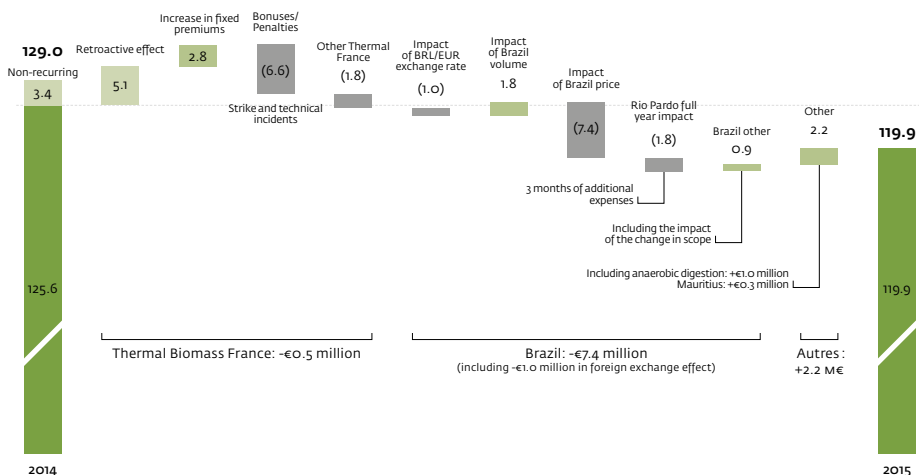
3.3. Comments on the consolidated financial statements

3.3.1.2. EBITDA

In millions of euros	2015	2014	Change
France – Thermal Biomass	83.9	84.3	-1%
France and Southern Europe – Solar Power	32.6	36.6	-11%
Mauritius	3.1	2.8	11%
Brazil	4.6	12.0	-62%
Holding company, Anaerobic Digestion and Other	(4.3)	(6.7)	36%
EBITDA	119.9	129.0	-7%

In 2014, EBITDA included non-recurring items totalling €3.4 million. Excluding non-recurring items, EBITDA came to €125.6 million. In 2015, EBITDA came to €119.9 million, a decrease of 7% compared with 2014.

In millions of euros



EBITDA for the Thermal Biomass France business was down 1% compared with 2014. This decline was due mainly to the €6.6 million increase in penalties following technical incidents at the Le Gol and Le Moule plants, which led to unscheduled shutdowns, and to the strike by some staff at the Le Moule plant at the beginning of the year. The excellent performance of the Galion peaking power plant partly offset this negative effect. In addition, the Le Gol plant benefited from retroactive rate adjustments totalling €5.1 million resulting from EDF assuming the additional costs of processing the combustion by-products following the signing of a new amendment to the contract for the purchase of electricity.

After an excellent start in 2014, activity was down in Brazil, mainly because of the fall in revenue compared with 2014 and the consolidation of the results for the first quarter of 2015, which corresponds to the period between harvests when maintenance is carried out and during which no revenue is recognised since the plant is shut down. No operating charges are recognised during this period. The first quarter of business of the unit, which was acquired on 1 April 2014, was not consolidated in 2014.

Excluding non-recurring items, EBITDA for the Solar Power business was also up, due mainly to the acquisition of an additional 3 MWp in capacity on Reunion Island. In 2014, EBITDA for the Solar Power business included non-recurring income associated with the compensation received under the terms of the settlement agreement relating to the supply of solar panels.

3.3.1.3. Charges for depreciation, amortisation and provisions, and financial result

The 19% fall in charges for depreciation, amortisation and provisions to €43.8 million was due mainly to impairment losses recognised in 2014 in respect of the Anaerobic Digestion business. In addition, the provision that had been set up in 2013 for the disposal of ashes from the Le Gol plant on Reunion Island (since Reunion Island has insufficient storage capacity at authorised storage sites) was reversed. As a result of an agreement reached with the French regional environment, planning and housing authority (DREAL) at the end of 2014, to classify combustion by-products from power plants as inert waste, these ashes were processed in 2015 at a lower cost than had been provided for.

Net financial expense was up 9% compared with 2014, due mainly to the full year interest expense on the corporate debt issued at the end of the first half of 2014, as well as the interest expense of the Brazilian entities that were consolidated for the full first-half 2015. In the previous financial year, repayment of the Brazilian debt took effect only from the second quarter.

3.3.1.4. Tax charge

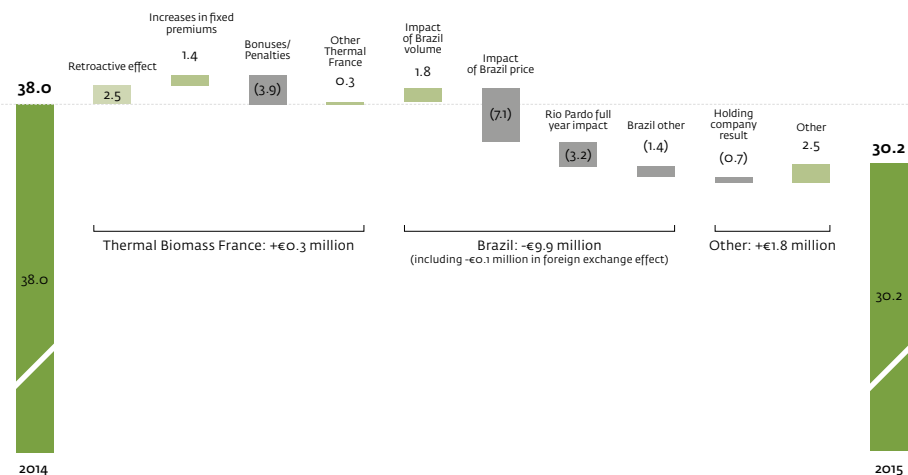
The tax charge came to €17.8 million, compared with a charge of €19.4 million in 2014.

The effective tax rate came to 38.0%. Excluding the effect of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term and excluding Brazil, the effective tax rate would be 35.1%.

3.3.1.5. Net income, Group share

In 2014, net income, Group share, came to €38 million. In 2015, net income, Group share, came to €30.2 million. In addition to the retroactive items totalling €2.5 million, it included the depreciation and financial expenses of Albioma Rio Pardo Termoelétrica, as well as the cost of the corporate debt (Euro PP bond issue in June 2014) for the full year.

In millions of euros



3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

3.3. Comments on the consolidated financial statements

3.3.2. STATEMENT OF CASH FLOWS

<i>In millions of euros</i>	2015	2014
Cash flow	120.9	132.0
Change in the working capital requirement	(8.2)	(3.4)
Tax paid	(10.8)	(25.5)
Cash flow from operating activities	102.0	103.1
Operating capex	(17.0)	(20.9)
Free cash-flow from operating activities	85.0	82.2
Development capex	(59.5)	(13.0)
Other/acquisitions/disposals	(38.6)	(37.3)
Net cash flow from investing activities	(98.1)	(50.3)
Dividends paid to Albioma shareholders	(18.2)	(11.1)
Borrowings (increases)	49.6	99.0
Borrowings (repayments)	(41.6)	(90.4)
Cost of financial debt	(23.9)	(24.8)
Other	(5.7)	(4.3)
Net cash flow from financing activities	(39.8)	(31.7)
Currency effect on cash and cash equivalents and other changes	(2.0)	(1.4)
Net change in cash and cash equivalents	(55.0)	(1.2)
Opening net cash and cash equivalents	103.1	104.3
Closing net cash and cash equivalents	48.2	103.1

3.3.2.1. Cash flow from operating activities

This item amounted to €102.0 million in 2015 compared with €103.1 million in 2014. This slight fall resulted mainly from the reduction in cash flow from operations connected with the strike at the start of the year, the incidents that occurred at the Le Moule site in Guadeloupe and the Le Gol site on Reunion Island and the decline in net income in Brazil. This was partially offset by the reduction in the amount of tax paid. In 2014, the tax paid was based on net income for the 2013 year, which included non-recurring retroactive items (€13.1 million) received by the Group's plants.

At 31 December 2015, the negative change in the working capital requirement was due mainly to trade receivables, since payment had not been received at 31 December 2015 in respect of the EDF receivables resulting from the signing of the new amendments in 2016.

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 programme for the Thermal Biomass business. These expenses totalled €17.0 million, compared with

€20.9 million in 2014. This decrease is linked to the end of the work programme to bring plants into compliance with regulations, particularly in terms of fire detection and protection;

- development investment expenses: these totalled €59.5 million, compared with €13.0 million in 2014. These related mainly to the start of work on the Galion 2 project, expenses relating to the combustion turbine facility on Reunion Island, the Marie-Galante project, the upgrade of the Albioma Rio Pardo Termoeléctrica plant, the end of investments in the Sain'ter Méthanisation Anaerobic Digestion plant and the launch of the programme to bring the Thermal Biomass plants into compliance with the Industrial Emissions Directive (IED) standards following the signing of new amendments to the contracts for the purchase of electricity entered into with EDF;
- expenses related to the acquisition on 10 April of 14 photovoltaic plants on Reunion Island and on 4 August of the Codora Energia plant in Brazil. In 2014, these cash flows included the cost of acquiring shares in the company Rio Pardo Termoeléctrica in Brazil.

3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

3.4. Significant changes in the financial or commercial position

3.3.2.3. Cash flow from financing activities

Financing activities generated negative cash flow of €39.8 million compared with negative cash flow of €31.7 million in 2014.

They comprised €49.6 million of new borrowings issued in connection with the acquisition of photovoltaic plants on Reunion Island and the Codora Energia plant in Brazil. The start of the work on the Galion 2 plant also resulted in the initial drawdowns of the borrowings for this project. In 2014, these cash flows included the refinancing of the holding company via an €80 million Euro PP bond issue and the new borrowings related to the acquisition of the Albioma Rio Pardo Termoeléctrica plant.

At the same time, repayments of borrowings amounted to €41.6 million.

3.3.3. FINANCIAL STRUCTURE

At 31 December 2015, total equity stood at €409 million compared with €395 million at 31 December 2014. This increase was due to the transfer to reserves of part of the 2014 net income. The portion attributable to non-controlling interests increased from €53 million to €61 million as a result of the acquisition of Codora Energia, which is only 65%-owned by the Group.

Gross borrowings stood at €556 million, up compared with €539 million at 31 December 2014. They consisted mainly of project debt of €474 million and corporate debt of €80 million. Most of the project debt is without recourse to shareholders with the exception of the Brazilian debt.

Consolidated net borrowings came to €502 million after taking into account net cash and cash equivalents of €48 million and security deposits (€6 million of deposits at 31 December 2015). They increased from €431 million at 31 December 2014.

At 31 December 2015, Albioma had consolidated cash and cash equivalents of €54 million (including €6 million of security deposits), and still had appropriate resources to pursue its development.

3.4. Significant changes in the financial or commercial position

Néant.

3.5. Key events since 1 January 2016 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 billion, will focus mainly on new renewable energy production projects in France, Mauritius and Brazil. Opportunities for development in new countries are also being examined.

3.5.2.2. 2016 targets

<i>In millions of euros</i>	2015	2016 ¹
EBITDA	120	122-130
Net income, Group share	30	25-30

1. Based on exchange rates at 26 February 2016.

3 • ACTIVITIES AND RESULTS FOR THE 2015 FINANCIAL YEAR

3.6. Company financial statements

3.6. Company financial statements

The Company reported net income of €18.2 million, 46% higher than in 2014, a year during which impairment losses had been recognised in respect of the Anaerobic Digestion business.

3.6.1. INCOME STATEMENT

At €7.3 million, the operating loss remained stable as compared with the previous year (€7.0 million).

Net financial income increased from €17.9 million in 2014 to €22.6 million in 2015, mainly due to lower financial charges for provisions due to the impairment provisions recognised in respect of the Anaerobic Digestion business in 2014. By contrast, financial expenses were up. The Company bore a full year of expenses, after the signing in June 2014 of an agreement to refinance the existing long-term corporate debt, which led to an increase in outstanding debt via the private placement of an €80 million bond issue. Income from participating interests totalled €26.1 million, down 8% on 2014, a year during which the dividends paid by the subsidiaries had benefited from retroactive income received in 2013.

The tax consolidation scope did not change in 2015. It includes the Company and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule in accordance with the tax conventions signed on 31 March 2005 and 22 April 2009 respectively, as well as Albioma Solaire Guyane and Albioma Solaire Fabrègues.

3.6.2. STATEMENT OF FINANCIAL POSITION

3.6.2.1. Main items

Equity investments represented €241.9 million. This amount was higher than at 31 December 2014 due to the capital increase carried out by Albioma Participações do Brasil in connection with its acquisition of the Codora Energia cogeneration plant in Brazil.

Equity totalled €148.3 million.

Borrowings from financial institutions fell from €82.1 million in 2014 to €80.2 million in 2015.

3.6.2.2. Supplier settlement times

The tables below show the positions concerning trade payables at 31 December 2015 and 31 December 2014.

As at 31 December 2015

<i>In thousands of euros</i>	Total Trade payables	Payables due	Payables due in 0 to 60 days	Payables due in 31 to 60 days	Payables due in 61 days and more
Trade payables	1,285	216	98	971	-
Non-Group	1,225	206	98	921	-
Group	60	10	-	50	-
Payables due to non-current asset suppliers	1	1	-	-	-
Non-Group	1	1	-	-	-
Group	-	-	-	-	-

As at 31 December 2014

<i>In thousands of euros</i>	Total Trade payables	Payables due	Payables due in 0 to 60 days	Payables due in 31 to 60 days	Payables due in 61 days and more
Trade payables	1,093	696	2	395	-
Non-Group	887	490	2	395	-
Group	206	206	-	-	-
Payables due to non-current asset suppliers	136	108	-	28	-
Non-Group	136	108	-	28	-
Group	-	-	-	-	-

3.6.3. APPROPRIATION OF INCOME AND DIVIDENDS

Given the growth prospects, the Board of Directors will ask the General Meeting of shareholders to approve the payment of a dividend of €0.57 per share, with an option for 50% of this dividend to be paid in new shares.

Appropriation of 2015 net income

Sources of amounts to be appropriated (in euros)	
Net income for the year	18,222,101.73
Retained earnings brought forward	81,388,774.00
Total	99,610,875.73
Appropriation (in euros)	
To the legal reserve	187.98
To the payment of a dividend of €0.57 per share	16,827,919.05
To retained earnings	82,782,768.70
Total	99,610,875.73

3.6.4. FIVE YEAR FINANCIAL SUMMARY FOR THE COMPANY

<i>In thousands of euros</i>	2015	2014	2013	2012	2011
CLOSING SHARE CAPITAL					
Share capital	1,147	1,145	1,123	1,102	1,095
Number of shares in issue	29,783,757	29,734,932	29,167,899	28,632,445	28,446,645
OPERATIONS AND RESULTS FOR THE YEAR					
Revenue excluding taxes	21,664	21,781	19,432	14,600	93,456
Income before tax, depreciation, amortisation and provisions	16,820	23,033	21,474	16,554	43,683
Tax charge (income)	(1,856)	(1,539)	(1,643)	(1,803)	(2,233)
Income after tax, depreciation, amortisation and provisions	18,222	12,488	17,914	18,110	43,291
Distributions	16,828 ^{1,2}	18,942 ¹	17,472 ¹	16,846 ¹	16,153 ¹
EARNINGS PER SHARE (IN EUROS)					
Income after tax but before depreciation, amortisation and provisions	0.63	0.83	0.79	0.64	1.61
Income after tax, depreciation, amortisation and provisions	0.61	0.42	0.61	0.63	1.52
Dividend paid	0.57 ²	0.64	0.60	0.59	0.57
HEADCOUNT	94³	80³	75³	61³	56³

1. With option for 50% of the dividend to be paid in new shares.

2. Proposed to the General Meeting of 24 May 2016.

3. Including one corporate officer.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

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4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.1. Consolidated income statement

4.1. Consolidated income statement

<i>€ thousands</i>	Notes	2015	2014
Revenue	6	349,615	354,049
Purchases (including change in stocks)		(111,668)	(111,020)
Logistics costs		(11,866)	(9,423)
Staff costs	8	(37,050)	(39,260)
Other operating expenses	7	(83,363)	(76,781)
Other operating income	7	6,129	5,018
Amortisation of electricity and steam supply agreements	14	(5,264)	(4,538)
Depreciation and amortisation of other fixed assets	14, 15	(39,412)	(35,796)
Net reversals of/(charges to) provisions		2,657	(2,303)
Share of net income of equity-accounted companies	16	3,247	2,805
Current operating income		73,025	82,751
Other operating expenses	9	(3,395)	(15,285)
Other operating income	9	6,437	7,446
Operating income		76,067	74,912
Cost of financial debt	10	(26,533)	(24,846)
Other financial income	11	1,161	1,733
Other financial expenses	11	(636)	(688)
Profit before tax		50,058	51,111
Tax charge	12	(17,779)	(19,379)
Net income		32,279	31,732
Net income attributable to:			
shareholders of Albioma		30,249	38,048
non-controlling interests		2,030	(6,316)
Basic and diluted earnings per share (in euros)	22	1.022	1.283

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.

€ thousands	Notes	2015	2014
Net income		32,279	31,732
Actuarial gains and losses on employee benefits	25	(1,474)	(3,097)
Deferred tax on actuarial gains and losses	27	372	1,034
Items not available for recycling through profit or loss		(1,102)	(2,063)
Translation adjustments ¹		(7,726)	(292)
Cash flow hedges (interest rate swaps)	24	6,209	(18,087)
Deferred tax relating to cash flow hedges	27	(2,121)	6,093
Items available for recycling through profit or loss		(3,638)	(12,286)
Comprehensive income		27,539	17,383
Attributable to:			
shareholders of Albioma		25,612	24,568
non-controlling interests		1,927	(7,185)

1. Translation adjustments are presented after taking account of the effect of hedges of a net investment in a foreign operation, which amounted to €0.4 million in 2015.

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.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.3. Consolidated statement of financial position

4.3. Consolidated statement of financial position

ASSETS

<i>€ thousands</i>	Notes	31/12/2015	31/12/2014
NON-CURRENT ASSETS			
Goodwill	13	12,990	10,594
Intangible assets	14	108,043	88,789
Property, plant and equipment	15	849,926	792,015
Non-current financial assets	17	6,517	5,966
Participating interests in equity-accounted companies	16	26,237	25,900
Deferred tax assets	27	9,552	11,077
Total non-current assets		1,013,264	934,341
CURRENT ASSETS			
Stocks and assets in progress	20	48,728	47,318
Trade receivables	19	57,895	41,579
Other current operating assets	21	29,876	24,436
Cash and cash equivalents	18	48,260	103,137
Total current assets		184,759	216,470
Total assets		1,198,023	1,150,811

The notes form an integral part of the consolidated financial statements.

EQUITY AND LIABILITIES

€ thousands	Notes	31/12/2015	31/12/2014
SHAREHOLDERS' EQUITY, GROUP SHARE			
Share capital	22	1,147	1,145
Additional paid-in capital		30,472	29,607
Reserves		302,189	282,412
Translation reserves		(15,662)	(8,306)
Profit for the year		30,249	38,048
Total shareholders' equity, Group share		348,395	342,906
Non-controlling interests		60,815	52,585
Total equity		409,211	395,491
NON-CURRENT LIABILITIES			
Employee benefits	25	22,817	19,952
Provisions for liabilities	26	2,437	5,773
Deferred tax liabilities	26	58,050	57,006
Non-current financial debt	23	472,040	485,469
Non-current derivatives	24	40,186	46,410
Total non-current liabilities		595,530	614,610
CURRENT LIABILITIES			
Trade payables	28	64,328	43,825
Tax and social security liabilities	29	26,283	23,975
Current financial debt	23	83,693	54,010
Other current operating liabilities	30	18,978	18,900
Total current liabilities		193,283	140,710
Total equity and liabilities		1,198,023	1,150,811

The notes form an integral part of the consolidated financial statements.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.4. Statement of changes in shareholders' equity

4.4. Statement of changes in shareholders' equity

<i>€ thousands</i>	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2013	1,123	23,191	329,538	(16,811)	(8,013)	329,028	64,611	393,638
Dividends paid	22	6,416	(17,534)	–	–	(11,096)	(4,898)	(15,994)
Stock options and performance shares	–	–	840	–	–	840	–	840
Transactions between shareholders	–	–	508	–	–	508	(294)	214
Treasury shares	–	–	(938)	–	–	(938)	–	(938)
Other changes	–	–	(4)	–	–	(4)	352	348
Total transactions with shareholders	22	6,416	(17,128)	–	–	(10,690)	(4,840)	(15,530)
Change in translation adjustment	–	–	–	–	(293)	(293)	1	(292)
Change in actuarial gains and losses	–	–	(1,844)	–	–	(1,844)	(219)	(2,063)
Change in fair value of hedging derivatives	–	–	–	(11,343)	–	(11,343)	(651)	(11,994)
Sub-total of items recognised in equity	–	–	(1,844)	(11,343)	(293)	(13,480)	(869)	(14,349)
Net income for the period	–	–	38,048	–	–	38,048	(6,316)	31,732
Total comprehensive income for the period	–	–	38,048	(11,343)	(293)	24,568	(7,185)	17,383
Shareholders' equity at 31/12/2014	1,145	29,607	348,614	(28,154)	(8,306)	342,906	52,585	395,491
Dividends paid	2	803	(18,955)	–	–	(18,150)	(3,838)	(21,988)
Stock options and performance shares	–	–	665	–	–	665	–	665
Transactions between shareholders	–	–	(299)	–	–	(299)	299	–
Treasury shares	–	–	(2,465)	–	–	(2,465)	–	(2,465)
Other changes	–	62	(62)	–	–	–	–	–
Changes in the consolidation scope	–	–	126	–	–	126	9,843	9,969
Total transactions with shareholders	2	865	(20,990)	–	–	(20,123)	6,304	(13,819)
Change in translation adjustment	–	–	–	–	(7,356)	(7,356)	(370)	(7,726)
Change in actuarial gains and losses	–	–	(1,001)	–	–	(1,001)	(101)	(1,102)
Change in fair value of hedging derivatives	–	–	–	3,720	–	3,720	368	4,088
Sub-total of items recognised in equity	–	–	(1,001)	3,720	(7,356)	(4,637)	(103)	(4,740)
Net income for the period	–	–	30,249	–	–	30,249	2,030	32,279
Total comprehensive income for the period	–	–	29,248	3,720	(7,356)	25,612	1,927	27,539
Shareholders' equity at 31/12/2015	1,147	30,472	356,873	(24,434)	(15,662)	348,396	60,815	409,211

The notes form an integral part of the consolidated financial statements.

4.5. Statement of consolidated cash flows

<i>€ thousands</i>	2015	2014
OPERATING ACTIVITIES		
Net income from continuing operations	30,249	38,048
Non-controlling interests	2,030	(6,316)
Adjustments		
Changes to depreciation, amortisation and provisions	44,058	55,676
Change in deferred tax	(611)	(153)
Share of net income of associates net of dividends received	(700)	(176)
Gains and losses on disposals	258	(39)
Other non-cash items	–	(278)
Share-based payments	665	839
Capitalised financial income	–	–
Cost of financial debt	26,533	24,846
Current tax charge for the year	18,390	19,531
Cash flow	120,872	131,978
Impact of the change in the working capital requirement	(8,157)	(3,358)
Tax paid	(10,750)	(25,524)
Net cash from operating activities	101,965	103,096
INVESTING ACTIVITIES		
Acquisitions of non-current assets	(76,486)	(33,893)
Increase in financial assets	(276)	–
Sales proceeds from non-current assets	307	37
Sales proceeds from and reductions in financial assets	33	452
Acquisitions and disposals of subsidiaries less any cash acquired or sold	(38,674)	(37,805)
Net cash from/(used by) investing activities	(115,096)	(71,209)
FINANCING ACTIVITIES		
Transactions between shareholders	–	261
Capital increases subscribed by non-Group shareholders	–	–
Change in treasury shares	(2,092)	(938)
Dividends paid to shareholders of Albioma	(18,152)	(11,097)
Dividends paid to non-controlling interests	(3,800)	(4,894)
Borrowings and financial debt issued or subscribed	49,575	98,970
Cost of financial debt	(23,923)	(24,846)
Borrowings and financial debt repaid	(41,621)	(90,389)
Other	236	1,282
Net cash from/(used by) financing activities	(39,777)	(31,651)
Impact of currency movements on cash and other changes	(2,048)	(1,448)
Net change in cash and cash equivalents including activities held for sale	(54,955)	(1,212)
Net change in cash and cash equivalents as shown in the statement of financial position	(54,955)	(1,212)
Opening cash and cash equivalents	103,137	104,349
Closing cash and cash equivalents	48,183	103,137
Change in cash and cash equivalents	(54,955)	(1,212)
CASH AND CASH EQUIVALENTS		
Cash	27,132	27,268
Cash equivalents	21,128	75,869
Total cash and cash equivalents	48,260	103,137
Bank overdrafts	(77)	–
Net cash and cash equivalents	48,183	103,137

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

The highlights of the period are as follows:

- Despite the resumption of normal operation in the second half, the full-year plant availability rate of the Thermal Biomass France business, at 86.6 %, was lower than in 2014 (90.1 %), due to strike action by some staff in Guadeloupe as well as two operational incidents during the first half, respectively affecting the Albioma Le Moule plant in Guadeloupe and Albioma Le Gol on Reunion Island.
- In December 2015, Albioma Le Gol and EDF agreed on draft amendments to the power purchase agreements for the two units of the plant with a view to the remuneration of the investments related to fume treatment (bringing into compliance with the provisions of the European Directive on industrial emissions) and the compensation of extra costs related to combustion by-products and liquid effluents. These amendments were signed in February 2016 after approval by the French energy regulatory commission (CRE).
- On 4 August 2015, Albioma finalised the acquisition of a 65% stake in Codora Energia, which owns a 48 MW bagasse-fuelled cogeneration plant located in the Brazilian State of Goiás. The Jalles Machado group, the world's second-largest organic sugar producer, is to retain a 35% interest in the company. Codoria Energia benefits from a long-term power purchase agreement (guaranteed until 2026) covering the injection of 87 GWh/year at an attractive, inflation-indexed price of 205 reals per MWh. Additionally, anticipating the installation of a new 20 MW turbine in 2017, Codora Energia has secured the sale of 54 GWh annually over a 20-year period beginning in 2020, at a historically high, inflation-linked price of 278 reals per MWh. The plant has exported 72 GWh to the grid since it was acquired by the Group. Output has been significantly increased by using cane straw from the distillery.
- Albioma acquired 14 rooftop photovoltaic power plants from the Ciel et Terre and Samfi Invest groups. The new facilities, located on Reunion Island, have a combined power generating capacity of 3 MWp. Electricity generated by these installations, which were commissioned

in 2010/2011, is sold via contracts with a residual term of 16 years. As the new facilities are located close to Albioma's existing photovoltaic power plants, they benefit from the proximity and technical expertise of the Group's operating teams, generating significant synergies. The 14 recently acquired photovoltaic facilities have delivered strong operational performance, contributing €1.7 million to Group revenues in the space of nine months.

- In 2005, operating directly as well as indirectly via Financière Hélios, the private equity fund Apax France VI (managed by Apax Partners) and Altamir acquired a participating interest of approximately 42.5% in Albioma. On 5 June 2015, Apax Partners announced its intention to distribute approximately 30% of the Albioma shares held directly and indirectly by the private equity fund Apax France VI to the limited partners of the latter, thereby making Apax France VI limited partners direct shareholders in Albioma. The post-distribution participating interest of Altamir remained unchanged at around 12%.

NOTE 2. ACCOUNTING POLICIES

2.1. Changes to the accounting framework in 2015

The Group's consolidated financial statements for the year ended 31 December 2015 have been prepared in accordance with the framework of International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2015, available on the following website:

http://ec.europa.eu/internal_market/accounting/ias/standards_fr.htm

The financial statements are presented in thousands of euros and were approved by the Board of Directors at its meeting of 1 March 2016.

The accounting principles used for the preparation of the consolidated financial statements for the year ended 31 December 2015 are identical to those used by the Group for the preparation of the consolidated financial statements for the year ended 31 December 2014, with the exception of the following standards that are now applicable.

Standards, interpretations and amendments to standards subject to mandatory application with effect from 1 January 2015

The following standards come within this category:

- IFRIC 21 “Levies”;
- amendments resulting from the 2011-2013 IFRS annual improvements process, which were published in December 2014.

These standards and interpretations did not have a material impact on the Group’s consolidated financial statements.

Standards, interpretations and amendments published and approved by the European Union but whose application was not yet mandatory at 1 January 2015

The following standards come within this category:

- amendments resulting from the 2010-2012 IFRS annual improvements process, which were published in December 2013 and whose application is mandatory for the Albioma Group as from the 2016 financial year;
- amendments resulting from the 2021-2014 IFRS annual improvements process, which were published in September 2014 and whose application is mandatory as from 2016;
- amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”, published in May 2014, whose application is mandatory as from 2016.

The Group has not opted to apply in advance the standards and interpretations approved by the European Union but whose application was not mandatory at 1 January 2015.

Other standards and interpretations not yet approved by the European Union

These standards and interpretations are as follows:

- IFRS 9 “Financial Instruments” and the amendments to IFRS 9, IFRS 7 and IAS 39 “An Overview of Hedge Accounting”, whose application the International Accounting Standards Board (IASB) has made mandatory as from 1 January 2018. These standards and their amendments establish the principles for the recognition and disclosure of financial assets and financial liabilities and will replace those currently laid down by IAS 39 “Financial Instruments”;
- IFRS 15 “Revenue from Contracts with Customers”, whose application the IASB has made mandatory as from 1 January 2018. This standard defines the model for recognising revenue and will replace IAS 18 “Revenue” and IAS 11 “Construction contracts”;
- IFRS 16: “Leases”.

The Group is currently analysing the impacts expected from the first-time application of these new standards, amendments and interpretations. In the case of IFRS 15 and 16, the assessment process will begin in 2016.

2.2. Consolidation methods

Exclusively-controlled subsidiaries are fully consolidated. Control by the Group derives from its ability to direct activities with a significant impact on returns, its exposure or rights to variable returns and its ability to affect those returns. Control is presumed to exist when the Group owns, directly or indirectly, the majority of the voting rights in the company.

The equity method is applied to associates over which the Group has significant influence (usually more than 20%) but does not have control, as well as entities under joint control that meet the definition of a joint venture pursuant to IFRS 11 “Joint Arrangements”. Under the equity method, the company’s net assets and net income are consolidated in proportion to the participating interest held by the parent company in the share capital, as well as, where applicable, related goodwill.

The financial statements of all consolidated companies are drawn up to 31 December of each year shown.

Inter-company receivables and payables as well as inter-company income and expenses relating to fully-consolidated companies are eliminated in full. Internal margins generated between such companies are also eliminated. Internal results generated between companies that are equity-accounted or fully consolidated are eliminated to the extent of the percentage interest held by the Group in the share capital of the equity-accounted company.

2.3. Income from ordinary activities

Income from ordinary activities of the Group comes from:

- sales of electricity and steam under energy supply agreements for terms ranging from 15 to 35 years, mainly entered into with EDF but also with sugar refineries for the power plants fuelled by bagasse and coal. Income for the year corresponds to the remuneration stipulated by these agreements in respect of each accounting period;
- sales of electricity to various distributor and industrial customers by Albioma Rio Pardo Termoelétrica and Codora Energia in Brazil;
- services provided by the parent company to companies not under its control.

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4.6. Notes to the consolidated financial statements

Contractual riders with EDF, in addition to agreements with sugar refineries, allowed for the operation of the "bagasse premium" established in 2009 by the authorities in favour of sugar cane growers indirectly contributing to the production of electricity from bagasse. Under this mechanism, the premium is collected by the producers of this electricity (therefore the Group's bagasse/coal power plants) and subsequently paid over to its beneficiaries (the growers) via the sugar refineries to which they deliver their sugar cane. The Group thereby acts as an intermediary and does not bear the risks and rewards associated with this premium. As such, in accordance with IAS 18, collection of this premium has no impact on the Group's revenue. Nor does it have any effect on net income.

The amounts collected from EDF and paid over to the sugar refineries are recognised in the statement of financial position in third-party accounts.

2.4. Operating segments

Segment information is presented based on the internal organisation and reporting structures used by Group management.

The Group uses the following split for operating segments:

- France - Thermal Biomass: this segment comprises the thermal power plants that produce electricity and steam in the French overseas departments;
- France - Solar Power: this segment comprises the various photovoltaic panel farms in France, Spain and Italy, as well as the sale of photovoltaic installations and panels to third parties and joint ventures for the share held by third parties;
- Brazil: this segment comprises the activities conducted in Brazil, including the development activities, the holding company activities and the operation of its thermal power plants;
- Mauritius: this segment comprises the thermal power plants that produce electricity on Mauritius;
- Holding Company, Anaerobic Digestion and Other: this segment comprises the operating activities of Albioma, as well as the activities of Methaneo.

2.5. Classification and presentation principles

Certain one-off transactions for material amounts are classified in "Other operating income" and "Other operating expenses". In particular, these include:

- disposal gains and losses and significant but unusual impairment of non-current assets, property, plant and equipment and intangible assets;
- other operating income and expenses for material amounts.

Cash and cash equivalents comprise cash, current bank accounts, term deposits (with withdrawal options that can be exercised within three months with no penalty), and marketable securities that can be realised in the very short term, are readily convertible into cash and do not present a significant risk of a change in value. The change in cash and cash equivalents analysed in the statement of consolidated cash flows corresponds to cash and cash equivalents net of bank overdrafts. Short-term loans are included in the change in debt.

2.6. Business combinations

In accordance with the provisions of IFRS 3 revised, business combinations are recognised using the acquisition method. Under this method, the assets acquired and the liabilities and contingent liabilities assumed are measured at fair value. Goodwill corresponds to the difference between the acquisition price paid at the time of the business combination and the fair value of identifiable assets acquired net of any liabilities and contingent liabilities assumed. These are determined on a provisional basis at the time of acquisition and are revised within a period of 12 months with effect from the acquisition date. Goodwill is not amortised and is subject to impairment testing at least once a year.

Pursuant to IFRS 3 (revised):

- acquisition costs are expensed in the period in which they are incurred;
- contingent consideration is estimated at fair value at the date on which control is taken and included in the acquisition price of the shares.

The Group presents acquisition costs in the line "Other operating expenses" in the income statement.

For each business combination, the Group can choose to measure non-controlling interests either at fair value or on the basis of their share of the identifiable net assets of the entity acquired measured at fair value on the acquisition date.

2.7. Intangible assets

Intangible assets acquired during a business combination are recognised separately when they meet the recognition criteria stipulated in IAS 38.

The fair value of contracts acquired during business combinations is determined by discounting the estimated net cash flows generated by the asset.

Following their initial recognition, contracts are recognised at cost less accumulated amortisation and impairment. Contracts are amortised on a straight-line basis over their residual term, but not exceeding 35 years.

2.8. Property, plant and equipment

Property, plant and equipment mainly comprise installations for the production of steam and electricity. Such items are recognised at cost including all expenses incurred to bring them into service, less any recoverable unpaid VAT, less depreciation and any impairment losses, where applicable. For property, plant and equipment produced internally, the cost includes directly attributable project development costs.

In accordance with IAS 23, the Group capitalises financial charges incurred during the asset construction phase. The interest thus capitalised relates to specific debt assumed to finance the projects in question or pre-financing granted by the lessors during the construction phase.

When the components of an asset have different useful lives, they are recognised separately and depreciated over their specific useful lives when their value is material.

Subsequent expenses incurred for the replacement or improvement of a component of an item of property, plant or equipment are recorded in property, plant and equipment. In the event of replacement, the old component replaced is expensed.

Major spare parts relating to plant safety, so-called strategic parts, are capitalised and depreciated over the useful lives of the plants in question.

Plant maintenance expenditure aimed at maintaining the plants in good working order is expensed as incurred.

Production installations are depreciated on a straight-line basis over their estimated useful lives with effect from the date on which the asset is ready to be brought into service, i.e. as soon as it is in the location and necessary condition to be able to be operated as intended by Management. These installations are depreciated over a period of 40 years for the bagasse/coal thermal power plants, 35 years for the thermal power plants using fuel oil, 20 years for plants in Brazil and 20 years for the photovoltaic installations.

Other property, plant and equipment is depreciated on a straight-line basis over periods ranging from two to ten years. Where applicable, the Group revises the useful lives.

Investment grants received are recognised as a reduction against the cost of property, plant and equipment. They are recognised in profit or loss over the useful life of the asset they finance.

2.9. Leases

Asset leases for which the Group is lessee and bears substantially all the risks and enjoys the economic benefits incident to ownership are recognised as leases, in particular, agreements relating to the financing of power plants.

To restate finance leases, the Group determines the present value of the minimum lease payments. These are the payments that the lessee is, or may be, required to make during the lease term, excluding any conditional lease payments, cost of services and taxes to be paid or reimbursed to the lessor.

The Group identifies agreements that, although not taking the legal form of a lease, can be regarded as leases in accordance with IFRIC 4. Agreements regarded as leases are then analysed in accordance with IAS 17 "Leases" to determine whether they qualify as operating leases or finance leases. Income from finance lease activities is treated as income from ordinary activities.

2.10. Impairment of assets

In accordance with IAS 36, goodwill is tested for impairment every year and the Company regularly looks for indications of impairment of property, plant and equipment and intangible assets. When such an indication exists, the Company performs an impairment test to determine whether the carrying amount of the asset exceeds its recoverable amount, defined as the higher of the fair value less disposal costs and the value in use.

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

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- Group business plans established annually and covering the term of the agreements (from 15 to 40 years).

These tests are based on the following key assumptions:

- electricity selling prices, which are set contractually;
- for the photovoltaic installations, equivalent full-power hours (EFPH);
- for the anaerobic digestion installations, the period of production build-up preceding entry into service and subsequently the availability rate during operation.

2.11. Stocks

Stocks mainly comprise fuels, supplies and non-strategic spare parts needed for operation of the power plants as well as solar panels and inverters. Note that strategic parts are recognised under non-current assets. Stocks are measured at cost price or net realisable value (market price) if this is lower than the purchase cost.

2.12. Financial assets

Financial assets comprise operating receivables, deposits and cash collateral relating to leases, term deposits, loans, non-consolidated investments, short-term investments and cash equivalents and derivatives with a positive value. The measurement methods applied to financial assets are as follows:

- except for term deposits, short-term investments and cash equivalents are measured at fair value, fair value adjustments being recorded in profit or loss;
- operating receivables, security deposits and term deposits are recognised at amortised cost. Impairment losses are recognised if there is an objective indication of impairment.

The methods used for derivatives with a positive market value are explained in note 2.14 to the consolidated financial statements.

2.13. Financial liabilities

Financial liabilities comprise financial debt, operating liabilities and derivatives with a negative market value. The specific case of derivatives with a negative market value is covered in note 2.14 to the consolidated financial statements.

In accordance with IAS 39, applied since 1 January 2005, financial debt is initially measured at fair value less transaction costs and subsequently according to the amortised cost method using the effective interest rate. This method does not result in material differences compared with their face value.

Financial liabilities are split between current and non-current liabilities. Current liabilities essentially consist of financial liabilities falling due within the 12 months following the reporting date.

2.14. Derivatives

The purpose of the derivatives used by the Group is to hedge interest rate risks on the borrowings and leases entered into at variable interest rates. In accordance with IAS 32 and IAS 39 covering the measurement and recognition of financial instruments, derivatives with a positive market value are recognised in assets, while those with a negative market value are recognised in liabilities. When they are not considered for accounting purposes as cash flow hedges, changes in the fair value of such instruments are recorded in profit or loss. Otherwise, they are recognised in other comprehensive income (recyclable components) for the effective portion of the hedge and in profit or loss for the ineffective portion.

In accordance with IAS 39, embedded derivatives are recognised separately from their host contract on the contract start date and are measured at fair value, in the same way as stand-alone derivatives entered into with a bank. These derivatives are recorded in the statement of financial position at their fair value, in assets or liabilities depending on whether this value is positive or negative. Changes in the fair value of such instruments are recorded in profit or loss, except for derivatives that qualify as hedges of a net investment in a foreign operation, for which the change in fair value of the effective portion is recorded in translation reserves (in other comprehensive income). On disposal of a foreign entity covered by a net investment hedge, the currency loss or profit recognised in translation reserves is recognised in profit or loss.

In accordance with IAS 39 and in the absence of IFRS stipulations, the Group recognises put options on non-controlling interests as derivatives. When applying this standard, changes in fair value are recognised under net financial income for the period.

2.15. 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 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;
- defined benefit plans reserved for certain employees of the parent company in addition to the previous plan;
- specific pensions for the employees of certain subsidiaries in connection with the Electricity and Gas Industries plan and the guarantee to maintain certain specific benefits after their retirement.

In accordance with IAS 19 "Employee benefits", they are measured annually using the projected unit credit method, with length of service being taken into account on a pro rata basis.

The discount rate used on the 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 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 2015, the Group is not planning to cease the activities of any of its installations currently in operation.

For the Solar Power sector, dismantling costs are considered to be immaterial.

2.17. CO₂ allowances

The Group's thermal power plants located in the overseas departments are included in operations subject to regulations regarding carbon dioxide (CO₂) emission allowances. The following thermal power plants are concerned: Albioma Bois-Rouge (units 1 and 2), Albioma Le Gol (units A and B), Albioma Le Moule, Albioma Galion and Albioma Caraïbes.

In accordance with contractual terms, the Group signed riders on electricity sale contracts with EDF to take these regulatory changes into account and to cover excess costs relating to shortfalls between allowances allocated and allowances used.

The allowances acquired and used in respect of the shortfalls for the period are presented in other operating expenses, as are the amounts billed to EDF pursuant to the riders.

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4.6. Notes to the consolidated financial statements

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 either 2015 or 2014.

Allowances acquired during the financial year and unused are recognised in stocks. At 31 December 2015, they were valued at €0.2 million, compared with €0.1 million at 31 December 2014.

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 relating to the following:

- for deferred tax liabilities: the revaluation of electricity sale contracts, the neutralisation of accelerated depreciation for tax purposes and the effect of the restatement of finance leases;
- for deferred tax assets: tax losses and the effect of neutralising internal margins relating to installation development.

Deferred taxes are measured at the tax rate enacted or almost enacted by the relevant body at the 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 territorial economic contribution incorporates two new contributions: a tax on enterprise land value (*cotisation 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 options and bonus share allotments is determined based on methods suited to their characteristics:

- Istock subscription options, not subject to any share price performance conditions, are measured using the Black and Sholes model;
- subscription options allotted in 2010, with performance conditions, are measured using a binomial-based mathematical model;
- bonus shares allotted in 2009 and 2012, subject to share price performance conditions, are measured using the Monte-Carlo model;
- bonus shares allotted in 2014, subject to share price performance conditions, are measured using the Monte-Carlo model, while shares whose final allotment depends on internal performance (power plant availability rates and EBITDA target) are measured using the Black and Sholes model.

The fair value on the allotment date of the share subscription options is recognised in expenses over the option acquisition period, based on the probability of these options being exercised before their expiry, with a corresponding increase in consolidated reserves.

For allotments of bonus shares and stock subscription options subject to performance conditions, the rights acquisition period corresponds to the most probable time frame for fulfilment of the performance conditions. The parameters used in this model are described in note 22.1 to the consolidated financial statements.

At each reporting date, the Group assesses the probability of loss of rights to the stock subscription options or bonus shares prior to the end of the acquisition period. Where applicable, the impact of the revision of these estimates is recognised in profit or loss with a corresponding movement in consolidated reserves. Performance conditions are not revised if market conditions are involved (as these are taken into account on the allocation date as part of the fair value measurement of the equity instruments to be issued).

2.20. Currency translation

Transactions denominated in foreign currency are recognised at the exchange rate prevailing on the transaction date. At the year end, receivables and payables in foreign currency are translated at the exchange rate prevailing on this date, with any resulting differences being recognised in profit or loss.

Investments in the Mauritian companies are equity-accounted in the statement of financial position based on the exchange rate prevailing at the end of the

accounting period, while the share of profit or loss attributable to the Group is translated at the average rate for the year. Resulting translation differences are recorded directly in equity.

The Brazilian entities' results and cash flows for the period are translated at the average rate for the period. The statement of financial position is translated at the closing rate of the period concerned. Resulting translation differences are recorded directly in equity.

The following rates were used by the Group to translate Brazilian reals into euros for the periods presented:

<i>Euro/real</i>	Opening rate	Average rate	Closing rate
31/12/2014	3.03	3.08	3.22
31/12/2015	3.22	3.69	4.31
Companies joining the consolidation scope in 2015	3.52	4.18	4.31

NOTE 3. MANAGEMENT ESTIMATES

Preparation of the financial statements requires the Group to make best estimates and assumptions that affect the carrying amounts of assets and liabilities, information relating to contingent assets and liabilities, and the amount of income and expenses recorded during the period. Actual future results may differ from these estimates.

The main items in the financial statements for which the Group uses material estimates are as follows.

3.1. IAS 17: "Leases" and IFRIC Interpretation 4: "Determining Whether an Arrangement Contains a Lease"

The Group may enter into an agreement, including a transaction or a series of related transactions, that does not take the legal form of a lease but which confers the right to use an asset (e.g. a piece of property, plant or equipment) in return for a payment or a series of payments. IFRIC Interpretation 4 indicates the approach to be followed to determine whether agreements of this kind constitute or contain leases to be recognised in accordance with IAS 17. To determine whether an agreement constitutes or contains a lease, one must consider the substance of the agreement and assess if execution of the agreement depends on the use of one or more specific assets and if the agreement confers a right to use the asset. The analysis of these criteria assumes that Management makes use of estimates. Given their characteristics, some of the Group's sale contracts may fall within the scope of IFRIC 4. To classify a contract, Management must exercise its judgement in order to determine whether the agreement results in the transfer to the customer of

virtually all the risks and rewards inherent in ownership of the asset by assessing whether execution of the agreement depends on the use of a specific asset and if the agreement confers the right to use the asset.

Group Management believes that there is no transfer of virtually all the risks and rewards attached to the agreements for sale of electricity to EDF and that, as a result, any leases that exist are not treated as finance leases.

When a contract meets the criteria for a finance lease in accounting terms, determining the fair value of the leased asset and the present value of minimum lease payments also implies the formulation of a judgement by Management.

3.2. SIC 27: "Evaluating the substance of transactions with the legal form of a lease"

The Group may enter into a transaction or a structured series of transactions (an agreement) taking the legal form of a lease with one or more investors in order to finance its property, plant and equipment. A series of transactions assuming the legal form of a lease are related and must be recognised for accounting purposes as a single transaction when their overall economic impact cannot be understood without reference to the series of transactions as a whole. Analysis of the substance of agreements assumes that Management makes estimates and formulates judgements. If the agreement does not meet the conditions to be recognised for accounting purposes as a lease, Management's estimates and judgements concern the facts and circumstances specific to each agreement, so as to determine when a fee received

by the Group, where applicable, must be recognised in income. Such a fee is recognised only when it is probable that the economic benefits associated with the transaction will accrue to the entity and the outcome of the transaction can be reliably assessed, which assumes that Management relies on estimates and formulates judgements. This analysis is performed on a case-by-case basis.

3.3. IFRS 3: "Business Combinations"

All business combinations are recognised using the acquisition method. As a result, the Group recognises the acquired entity's identifiable assets, liabilities and contingent liabilities at their fair value on the acquisition date, and also recognises the goodwill. The values attributed to the assets acquired and liabilities assumed are subject to Management estimates, e.g. the expected cash flows on the assets and discount rates used.

3.4. IAS 16: "Useful lives of property, plant and equipment and intangible assets"

Property, plant and equipment and intangible assets other than goodwill are recognised at cost and are depreciated or amortised over their economic useful lives based on estimates made by Management. When Management observes that the actual useful lives differ substantially from the estimates used to calculate the depreciation or amortisation, this difference gives rise to adjustments in subsequent periods. Given the significance of the Group's non-current assets, differences between actual useful lives and estimated useful lives could have a material impact, positive or negative, on its operating income.

3.5. IAS 36: "Impairment of Assets"

Goodwill is tested for impairment annually, and property, plant and equipment and intangible assets are subject to impairment testing when circumstances indicate that the asset's carrying amount may not be fully recoverable. When such indications exist, the Company performs impairment tests in order to verify that the asset's carrying amount does not exceed its recoverable amount, which is defined as the higher of the fair value less costs to sell and the value in use. An asset's value in use is generally determined by discounting the future cash flows expected to be generated by the asset. To estimate the future cash flows on property, plant and equipment and intangible assets, Management formulates a judgement according to its intended use of the asset, notably as regards future income, expenses, or even discount rates.

The impairment tests are performed on the basis of business plans approved by the Board of Directors.

3.6. IAS 12: "Income Taxes"

The Group previously benefited directly from certain tax advantages corresponding to a percentage of eligible direct investments made in the form of capital contributions in assets located in the French overseas departments. These capital contributions were deductible from the taxable profit according to the date on which the tax benefits were approved. Approval from the public authorities was conditional on the continuing operation of the asset and conservation for a period of five years, in all cases, of the shares received in exchange for the capital contributions.

These tax benefits did not fall directly within the scope of application of either IAS 12 "Income Taxes" or IAS 20 "Accounting for Government Grants". Management therefore exercised its judgement to determine the accounting treatment to be applied and concluded that an analogy with IAS 12 was appropriate. The tax benefit was therefore recognised as a reduction of the tax on current income when there was reasonable assurance that the Group would meet all the conditions for grant of the tax relief and the capital contribution became deductible from the taxable income for the current year.

Deferred tax assets are recognised for the amounts of tax on the profit recoverable in future years in respect of deductible temporary differences and the carry forward of unused tax losses and tax credits. To determine if a deferred tax asset is to be recognised in respect of the carry forward of unused tax losses and tax credits, Management examines the probability of these unused tax losses and tax credits being used against a future taxable profit. Management takes into account past and projected results, the future taxable profit and the combination of results and strategies, both existing and realisable, in matters of tax planning.

3.7. IAS 39: "Fair value of financial derivatives and embedded derivatives"

The best indication of the fair value of a contract is the price that would be agreed between knowledgeable, willing parties in an arm's length transaction. On the transaction date, fair value generally corresponds to the transaction price. Subsequently, fair value is determined based on observable market data, which provide the most reliable indications concerning the change in a contract's fair value.

Market-based measurements, particularly those that are not based on readily available listed prices, include an intrinsic margin of uncertainty. This uncertainty increases with the term of the underlying contracts and when the underlying market is limited due to low transaction volumes. Market-based measurements may also differ substantially from the actual profits and losses realised on maturity of the contract due to changes in market conditions or specific events such as changes made to the underlying contract. More generally, any changes in the facts and circumstances relating to market conditions and the underlying assumptions used for measurement purposes may have an impact on the Group's net financial income and equity.

Derivatives are traded in OTC markets in which there is no listed price. As a result, they are valued according to models commonly used by operators to evaluate these financial instruments (discounted cash flow models).

3.8. Other estimates

Concerning retrocessions of tax benefits, the Group recognises the impact of tax relief measures only when it is probable that the economic benefits associated with the transaction will accrue to the Group and the outcome of the transaction can be reliably measured. The Group considers the economic benefits associated with the transaction to be probable as soon as it receives the necessary approvals, the installations meet the conditions required, notably regarding grid connection, and investors have committed to the operations.

NOTE 4. CHANGES IN THE CONSOLIDATION SCOPE

Material changes in the consolidation scope are shown below.

4.1. Acquisition of 14 photovoltaic power plants on Reunion Island

On 10 April 2015, Albioma acquired from the Ciel et Terre and Samfi Invest groups 14 rooftop photovoltaic power plants on Reunion Island, with a power generating capacity of 3 MWp (see further information in note 1 to the consolidated financial statements).

Control was obtained through the acquisition of all of the equity securities and voting rights making up the share capital of the entities in the consolidation scope. The fair values of the assets and liabilities acquired and of the consideration paid are shown in the following table:

<i>€ thousands</i>	
Electricity sales contracts	4,432
Non-current assets	11,282
Cash	434
Financial debt	(5,427)
Deferred tax liabilities	(1,531)
Other assets and liabilities	531
Net assets acquired	9,721
Fair value of consideration paid	9,721
Goodwill	–

The price was paid in full on the acquisition date. It included the repayment of the current account balances due to the former shareholders. The financial debt relating to the financing of the installations in operation was taken over by the Group. This acquisition is not subject to any contingent consideration.

The goodwill was provisionally allocated at 31 December 2015 to the electricity sales contracts. The Group has a period of 12 months from the acquisition date to arrive at a definitive fair value of the assets and liabilities acquired.

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4.2. Acquisition of Codora Energia

On 4 August 2015, Albioma Participações do Brasil and Albioma Codora Participações acquired 11,477,066 and 17,215,599 shares respectively in Codora Energia from Jalles Machado. Following the acquisition, these companies jointly held 65% of the share capital of Codora Energia (composed of 44,142,562 shares), the rest of the share capital being retained by Jalles Machado. The shares were acquired as a result of the payment in cash of BRL 106.3 million.

Following the acquisition, Codora Energia absorbed Albioma Codora Participações.

This business combination has been accounted for on a provisional basis, as the amounts allocated to the identifiable assets and liabilities acquired and to goodwill are liable to change within the year following the acquisition date. The impact on the consolidated financial statements of this transaction as at the date of entry into the consolidation scope was as follows:

	In thousands of reais	In thousands of euros
Electricity sales contracts	85,099	24,188
Technical installations	101,632	28,887
Cash and cash equivalents	2,946	837
Financial debt	(36,884)	(10,484)
Other assets and liabilities acquired	(4,400)	(1,251)
Fair value of net assets acquired	148,393	42,178
Fair value of Group share (65%) of net assets acquired	96,449	27,414
Fair value of consideration paid	106,335	30,224
Goodwill	9,886	2,810

The goodwill was accounted for in accordance with the partial goodwill method, resulting in the amount of goodwill recognised being equal only to the Group's ownership percentage, i.e. 65%.

In connection with its operating activities and the management of the cash flows between the sugar refinery and Codora Energia, a consortium has been set up comprising the latter and the sugar refinery. This consortium is under the Group's control.

In addition, Albioma gave Jalles Machado an option enabling it, at the end of the consortium agreement, to acquire the Codora Energia shares held by Albioma or the assets held by Codora Energia for a price of BRL 1. The exercise price will be increased by the carrying amount of the investments made with the agreement of Jalles Machado and not fully depreciated on the date the option is exercised.

NOTE 5. OPERATING SEGMENTS

5.1. Information by operating segment and region

Year ended 31 December 2015

€ thousands	France - Thermal Biomass	France - Solar Power ¹	Brazil	Mauritius	Holding Company, Anaerobic Digestion and Other	Eliminations	Total
INCOME STATEMENT							
Income from ordinary activities	288,052	42,575	13,691	–	5,297	–	349,615
Inter-sector	–	–	–	–	13,016	(13,016)	–
Income from ordinary activities	288,052	42,575	13,691	–	18,313	(13,016)	349,615
EBITDA²	83,892	32,612	4,561	3,094	(4,266)	–	119,893
Operating income	61,471	17,249	1,401	3,094	(7,148)	–	76,067
Financial expenses and income							(26,009)
Tax charge							(17,779)
Net income for the year							32,279
STATEMENT OF FINANCIAL POSITION							
Goodwill	7,313	950	3,390	–	1,337	–	12,990
Intangible assets	80,776	7,892	19,303	–	72	–	108,043
Property, plant and equipment	570,908	208,912	56,091	–	14,015	–	849,926
Participating interests in equity-accounted companies	403	1,183	–	24,651	–	–	26,237
Current assets	115,549	28,174	7,839	–	33,246	–	184,807
Other non-current assets (including deferred tax)	13,469	3,349	119	–	(868)	–	16,069
Total assets	788,438	250,460	86,741	24,651	47,734	–	1,198,023
Equity	220,041	63,715	11,047	12,500	101,907	–	409,211
Non-current financial debt	212,067	153,891	26,238	–	79,844	–	472,040
Other non-current liabilities (including deferred tax)	96,784	27,294	94	–	(682)	–	123,490
Current liabilities	115,285	22,649	6,903	1	48,445	–	193,283
Inter-sector eliminations ³	144,261	(17,090)	42,459	12,150	(181,780)	–	–
Total liabilities	788,438	250,460	86,741	24,651	47,734	–	1,198,023
OTHER INFORMATION							
Tangible and intangible investments	68,977	1,202	2,862	–	2,172	–	75,213
Depreciation and amortisation	(24,351)	(15,077)	(3,160)	–	(4,535)	–	(47,123)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals.

3. Inter-sector eliminations include intra-group payables and receivables, as well as the elimination of consolidated equity investments.

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Year ended 31 December 2014

€ thousands	France - Thermal Biomass	France - Solar Power ¹	Brazil	Mauritius	Holding Company, Anaerobic Digestion and Other	Eliminations	Total
INCOME STATEMENT							
Income from ordinary activities	290,665	41,607	18,219	–	3,558	–	354,049
Inter-sector	–	–	–	–	19,132	(19,132)	–
Income from ordinary activities	290,665	41,607	18,219	–	22,690	(19,132)	354,049
EBITDA²	84,328	36,601	11,968	2,786	(6,673)	–	129,010
Operating income	59,364	22,868	10,210	2,786	(20,316)	–	74,912
Financial expenses and income							(23,801)
Tax charge							(19,379)
Net income for the year							31,732
STATEMENT OF FINANCIAL POSITION							
Goodwill	7,313	950	994	–	1,337	–	10,594
Intangible assets	85,103	3,316	41	–	329	–	88,789
Property, plant and equipment	521,547	212,086	42,420	–	15,962	–	792,015
Participating interests in equity- accounted companies	337	1,096	–	24,467	–	–	25,900
Current assets	91,186	30,480	14,264	–	80,540	–	216,470
Other non-current assets (including deferred tax)	13,552	3,185	35	–	271	–	17,043
Total assets	719,038	251,113	57,754	24,467	98,439	–	1,150,811
Equity	197,382	57,317	8,425	24,467	107,901	–	395,491
Non-current financial debt	225,939	157,519	17,743	–	84,268	–	485,469
Other non-current liabilities (including deferred tax)	100,278	27,426	112	–	1,325	–	129,141
Current liabilities	78,798	(8,674)	5,378	–	65,208	–	140,710
Inter-sector eliminations ³	116,641	17,526	26,096	–	(160,263)	–	–
Total liabilities	719,038	251,114	57,754	24,467	98,439	–	1,150,811
OTHER INFORMATION							
Tangible and intangible investments	26,170	4,566	872	–	1,707	–	33,315
Depreciation and amortisation	(24,318)	(13,937)	(1,758)	–	(13,253)	–	(53,266)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals.

3. Inter-sector eliminations include intra-group payables and receivables, as well as the elimination of consolidated equity investments.

Other segment assets comprise stocks, trade receivables and other debtors.

Segment liabilities comprise specific liabilities relating to operating sites, provisions for employee benefits, other provisions for liabilities and charges (excluding provisions for risks relating to non-consolidated entities), trade payables and other creditors.

A reconciliation between operating income and EBITDA is shown below.

<i>€ thousands</i>	2015	2014
Operating income	76,067	74,912
Amortisation of contracts	5,264	4,538
Depreciation of non-current assets	38,073	35,966
Charges to/reversals of provisions (including employee benefits)	(1,271)	2,272
Charges to/reversals of provisions recognised in "Other operating income and expenses"	1,760	12,878
Other non-monetary items	–	(1,555)
EBITDA from continuing operations	119,893	129,010

5.2. Other segment information

The Group sells virtually all the electricity it produces under agreements entered into with EDF in France, other distributor or industrial customers authorised as the Câmara de Comercialização de Energia Elétrica (CCEE) agents by the Agência Nacional de Energia Elétrica (ANEEL) for the Albioma Rio Pardo Termoeleétrica and Codora Energia plants in Brazil and, for the companies consolidated at equity, the Central Electricity Board (CEB) in Mauritius.

NOTE 6. INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities can be broken down as follows.

<i>€ thousands</i>	2015	2014
Sales of electricity and steam	347,657	351,620
Services	1,958	2,429
Income from ordinary activities	349,615	354,049

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

7.1. Other operating income

Other operating income includes the amount of insurance indemnities received following claims and income from the disposal of non-current assets.

7.2. Other operating expenses

Other operating expenses comprise all expenses other than purchases, logistics costs and staff costs. They also include the expenses and income associated with the CO₂ allowances.

NOTE 8. STAFF COSTS

Staff costs break down as follows.

<i>€ thousands</i>	2015	2014
Wages and salaries	(23,192)	(23,034)
Social security charges	(10,268)	(11,926)
Profit-sharing and incentive schemes	(2,925)	(3,462)
Share-based payments	(665)	(839)
Total staff costs	(37,050)	(39,260)
Net charges to provisions related to employee benefits	(821)	(2,535)
Total staff costs including employee benefits	(37,871)	(41,795)

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4.6. Notes to the consolidated financial statements

The change in staff costs reflects:

- the effect of the consolidation for a full year of Albioma Rio Pardo Termoeléctrica and of Codora Energia joining the consolidation scope;
- non-recurring social security contributions recognised in the first half of 2014 as a result of the conditional allocation of bonus shares (€0.9 million);
- the change in the charges to provisions in respect of employee benefits;
- the reduction in the expense in respect of profit-sharing and incentive arrangements related to the strike action taken by staff in Guadeloupe in 2015.

NOTE 9. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses can be broken down as follows.

€ thousands	2015	2014
Reversal of impairments of projects and assets	–	492
Reversal of litigation provisions	837	415
Other income	5,600	6,539
Other operating income	6,437	7,446
Impairments of projects and assets	(2,597)	(13,785)
Litigation provisions	–	–
Other expenses	(798)	(1,500)
Other operating expenses	(3,395)	(15,285)

For the year ended 31 December 2015, the main components of other income were:

- the effect of the amendment to the Le Gol power plant agreement compensating for the extra costs associated with combustion by-products;
- the reversal of a provision in respect of a liabilities guarantee no longer required.

Other expenses mainly comprise asset impairment losses in respect of the Anaerobic Digestion business as a result of the commissioning of plants during the year and the costs of acquiring the equity investments concerned.

For the year ended 31 December 2014, other income included the effect of the change in the fair value of put options on non-controlling interests as well as compensation received by a supplier to settle a dispute.

Other operating expenses mainly included:

- impairment losses recognised for the Anaerobic Digestion business relating to operating installations, some projects in development and the goodwill registered for Methaneo following impairment testing;
- acquisition costs for Albioma Rio Pardo Termoeléctrica, and a charge relating to bonus share allocations.

NOTE 10. COST OF FINANCIAL DEBT

Cost of financial debt comprises the flowing items.

<i>€ thousands</i>	2015	2014
Financial expenses on financial debt	(19,446)	(16,596)
Financial expenses on leases	(7,087)	(8,250)
Cost of financial debt	(26,533)	(24,846)

For the year ended 31 December 2015, the amount recognised in financial expenses in respect of hedging instruments amounted to €8.2 million, compared with €4.7 million in 2014. 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 €3.7 million in 2015 compared with €3.3 million in 2014.

NOTE 11. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses comprise the following items.

<i>€ thousands</i>	2015	2014
Currency gains	1	52
Income from marketable securities disposal	677	693
Other financial income and reversals of provisions	483	988
Other financial income	1,161	1,733
Impact of unwinding the discount on the provision for employee benefits	(476)	(505)
Change in the fair value of financial instruments - ineffective portion	-	(137)
Other financial expenses	(160)	(46)
Other financial expenses	(636)	(688)

NOTE 12. TAX

The corporation tax charge breaks down as follows.

<i>€ thousands</i>	2015	2014
Operating income	76,067	74,912
Share of net income of equity-accounted companies	(3,247)	(2,805)
Cost of financial debt	(26,533)	(24,846)
Other financial income and expenses	524	1,045
Income before tax and share in equity-accounted companies (A)	46,812	48,305
Tax charge (B)	(17,779)	(19,378)
Effective tax rate (B/A)	37.98%	40.12%

The tax charge for the period comprises the following.

<i>€ thousands</i>	2015	2014
Current tax charge	(17,239)	(18,786)
Tax on dividend payments	(1,151)	(746)
Deferred tax	611	153
Total corporation tax	(17,779)	(19,379)

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A reconciliation between the actual tax charge and the theoretical tax charge is shown below.

€ thousands	2015			2014		
	Base	Rate	Tax	Base	Rate	Tax
Theoretical tax charge	46,812	34.43%	(16,117)	48,305	33.33%	(16,100)
Difference between local tax rate and common law rate including LODEOM allowance ¹	–	4.3%	2,016	–	9.5%	4,610
Tax on dividend payments	–	2.5%	(1,151)	–	1.5%	(746)
Non-deductible interest	–	1.2%	(549)	–	1.7%	(821)
Unrecognised deferred tax assets	–	4.8%	(2,265)	–	12.76%	(6,164)
Other	–	0.6%	287	–	0.32%	(158)
Tax charge recognised	46,812	37.98%	(17,779)	48,305	40.12%	(19,378)

1. LODEOM : 2009-594 law of 27 May 2009 for the economic development of Overseas France (loi pour le développement économique des Outre-mer).

Differences between local tax rates and common law rates mainly derive from Brazil. This line also includes additional contributions that some Group entities have to make and the effect of the allowance in respect of the 2009-594 Law of 27 May 2009 for the economic development of Overseas France (loi pour le développement économique des Outre-mer).

Excluding the effect of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term and excluding Brazil, the effective tax rate for the year ended 31 December 2015 was 35.08%.

NOTE 13. GOODWILL

€ thousands	Net value
Year ended 31/12/2013	11,300
Acquisition	991
Amortisation	(1,700)
Translation differences	3
Year ended 31/12/2014	10,594
Acquisition	2,810
Amortisation	–
Translation differences	(414)
Year ended 31/12/2015	12,990

The increase in goodwill reflects the entry of Codora Energia into the consolidation scope (see further information in note 3.1 to the consolidated financial statements).

For the year ended 31 December 2014, the amortisation recorded for the period related to the Anaerobic Digestion business.

The breakdown of goodwill by activity is as follows.

€ million	
Thermal Biomass France	7.3
Thermal Biomass Brazil	3.4
Anaerobic Digestion	1.3
Solar Power	1.0

This goodwill is subject to an impairment test based on the assumptions presented in note 2.10 and note 15 to the consolidated financial statements.

NOTE 14. INTANGIBLE ASSETS

<i>€ thousands</i>	Electricity and steam supply agreements	Other intangible assets	Total intangible assets
GROSS AMOUNTS			
At 31/12/2013	135,032	1,442	136,474
Acquisitions	–	506	506
Changes in the consolidation scope	833	–	833
Other movements	–	(2)	(2)
Reclassifications	–	(469)	(469)
At 31/12/2014	135,865	1,477	137,342
Acquisitions	–	502	502
Disposals	–	(282)	(282)
Changes in the consolidation scope	28,619	755	29,374
Other movements	–	–	–
Translation differences	(4,443)	(7)	(4,450)
At 31/12/2015	160,041	2,445	162,486
AMORTISATION AND IMPAIRMENT			
At 31/12/2013	(43,417)	(141)	(43,558)
Amortisation charge for the period	(4,538)	(457)	(4,995)
At 31/12/2014	(47,955)	(598)	(48,553)
Amortisation charge for the period	(5,264)	(386)	(5,650)
Reversals of impairments	–	156	156
Changes in the consolidation scope	(54)	(155)	(209)
Translation differences	14	(201)	(187)
At 31/12/2015	(53,260)	(1,184)	(54,444)
NET AMOUNTS			
At 01/01/2014	91,615	1,301	92,916
At 31/12/2014	87,910	879	88,789
At 31/12/2015	106,781	1,261	108,042

The gross amount of intangible assets comprises:

- the fair value of agreements for the delivery of electricity entered into by Codora Energia in connection with the acquisition of control over this entity (see further information in note 3.1 to the consolidated financial statements);
- the fair value of agreements for the delivery of energy entered into by the thermal power plants (Albioma Bois-Rouge, Albioma Le Moule and Albioma Le Gol) with EDF when acquiring control of these entities on 1 October 2004, amortised over the residual lives of said agreements;

- the fair value of agreements entered into by the entities of the ElecSol sub-group, Albioma Solaire Réunion, Plexus Sol and Albioma Power Alliance recognised when allocating the acquisition price of these entities. These agreements are amortised over a period of 20 years.

Impairment of other intangible assets is presented in the line “Charges to provisions” in the income statement. Reversals of impairment losses are presented in the line “Reversals of provisions” in the income statement.

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NOTE 15. PROPERTY, PLANT AND EQUIPMENT

<i>€ thousands</i>	Installations in service	Non-current assets in progress	Total
GROSS AMOUNTS			
At 31/12/2013	979,797	40,360	1,020,157
Acquisitions	5,834	26,943	32,777
Disposals	(22)	–	(22)
Changes in the consolidation scope	55,412	(603)	54,809
Reclassifications	32,302	(32,077)	225
Translation differences	(2,020)	(6)	(2,026)
Other changes	–	–	–
At 31/12/2014	1,071,303	34,617	1,105,920
Acquisitions	3,284	71,427	74,711
Disposals	(653)	(91)	(744)
Changes in the consolidation scope	49,282	–	49,282
Reclassifications	25,317	(25,701)	(384)
Translation differences	(18,299)	(19)	(18,318)
Other changes	188	–	188
At 31/12/2015	1,130,422	80,233	1,210,655
DEPRECIATION AND IMPAIRMENT			
At 31/12/2013	(261,478)	(2,754)	(264,232)
Depreciation charge for the period	(36,186)	–	(36,186)
Impairment of assets and projects	(11,060)	(1,025)	(12,085)
Reversals of impairments	–	452	452
Disposals	22	2	24
Changes in the consolidation scope	(2,546)	(624)	(3,170)
Merger	–	–	–
Translation differences	99	–	99
Reclassifications	660	533	1,193
At 31/12/2014	(310,489)	(3,416)	(313,905)
Depreciation charge for the period	(38,412)	–	(38,412)
Impairment of assets and projects	(2,712)	(525)	(3,237)
Reversals of impairments	–	1,209	1,209
Disposals	372	90	462
Changes in the consolidation scope	(8,992)	–	(8,992)
Translation differences	1,845	–	1,845
Reclassifications	300	–	300
At 31/12/2015	(358,088)	(2,642)	(360,730)
NET AMOUNTS			
At 01/01/2014	718,319	37,606	755,925
At 31/12/2014	760,814	31,201	792,015
At 31/12/2015	772,334	77,591	849,925

At 31 December 2014 and 31 December 2015, the Group carried out impairment tests on the Anaerobic Digestion business, which showed indications of impairment, in accordance with the methodology described in note 2.10 to the consolidated financial statements.

The test was carried out using the discounted cash flow method and based on business plans established by the new management. These incorporate feedback from the first months of operation.

The cash flows thus calculated were discounted at a rate of 8%. These tests resulted in the recognition of impairment amounting to €12.3 million in 2014 and €2.6 million in 2015.

With regard to the sensitivity of these assets to the discount rate, it should be noted that an increase of 100 basis points would decrease the value of the assets tested by €0.9 million and that a decrease of 100 basis points would increase the value of the assets tested by €1.0 million.

With regard to the sensitivity of these assets to the availability rate during the operation period, it should be noted that an increase of 100 basis points would increase the value of the assets tested by €0.2 million and that a decrease of 100 basis points would decrease the value of the assets tested by €0.2 million.

<i>€ thousands</i>	31/12/2015	31/12/2014
Amount at the start of the period (restated)	25,900	27,045
Dividends paid	(2,547)	(2,629)
Share of net income of associates	3,247	2,805
Changes in the consolidation scope	–	(1,662)
Translation differences on the Mauritian interests	(363)	341
Amount at the end of the period	26,237	25,900

Agreements for the sale of the electricity produced by the Mauritian entities include price indexation clauses that are treated as currency derivatives. Under these clauses, sale prices for part of the electricity delivered are indexed to changes in the Mauritian rupee/euro exchange rate.

Pursuant to IAS 39, these embedded derivatives are recognised separately from their host contract (the agreement for the sale of electricity) on the contract start date and are measured at fair value, in the same way as stand-alone derivatives entered into with a bank.

Pursuant to IAS 39 “Financial instruments” and IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”, these derivatives have been classified as a hedge of a

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 €240.7 million at 31 December 2015, compared with €257.6 million at 31 December 2014.

Financial debt in respect of finance leases is presented in note 23 to the consolidated financial statements.

NOTE 16. PARTICIPATING INTERESTS IN EQUITY-ACCOUNTED COMPANIES

Equity-accounted investments include entities under significant influence, mainly comprising interests in the Mauritian entities and interests under joint control, essentially Quantum Caraïbes. The financial information for the main equity-accounted companies is as follows:

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 2015, 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 is €1.7 million, compared with €1.9 million at 31 December 2014. The change in fair value for 2015 was €(0.2) million net of tax on the Group share compared with €(1.1) million in 2014.

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At 31 December 2015

€ thousands	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	<i>Mauritius</i>	<i>Mauritius</i>	<i>Mauritius</i>		
Activity	<i>Thermal Biomass</i>	<i>Thermal Biomass</i>	<i>Thermal Biomass</i>		
Percentage interest	27%	25%	25%		
STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	775	2,241	5,573		
Other current assets	10,473	8,628	24,508		
Non-current assets	41,739	23,308	72,529		
Current liabilities	4,078	5,377	18,853		
Non-current liabilities	1,201	13,458	52,365		
Net assets	47,708	15,342	31,392		
Contribution to the Group's investments in equity-accounted companies	12,881	3,836	7,848	1,672	26,237
Dividends paid to the Group	1,219	464	859	–	2,547
INCOME STATEMENT					
Revenue	29,187	18,329	42,409		
Net income for the year	5,191	1,936	4,834		
Group share of net income	1,402	484	1,208	153	3,247
Net income for the year	5,191	1,936	4,834		
Other comprehensive income (net of tax)	(1,880)	(30)	(562)		
Total comprehensive income	3,311	1,906	4,272		

At 31 December 2014

€ thousands	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal Biomass	Thermal Biomass	Thermal Biomass		
Percentage interest	27%	25%	25%		
STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	845	2,124	8,509		
Other current assets	16,145	13,202	23,383		
Non-current assets	40,620	20,898	72,180		
Current liabilities	3,722	3,335	10,878		
Non-current liabilities	5,756	17,521	62,718		
Net assets	48,133	15,368	30,476		
Contribution to the Group's investments in equity-accounted companies	12,996	3,842	7,619	1,443	25,900
Dividends paid to the Group	1,167	396	811		
INCOME STATEMENT					
Revenue	28,099	18,745	42,438		
Net income from ordinary operations	4,009	2,032	4,782		
Net income after tax from discontinued operations					
Net income for the year	4,009	2,032	4,782		
Group share of net income	1,082	508	1,196	19	2,805
Net income for the year	4,009	2,032	4,782		
Other comprehensive income (net of tax)	(392)	–	–		
Total comprehensive income	3,617	2,032	4,782		

NOTE 17. NON-CURRENT FINANCIAL ASSETS

€ thousands	Notes	31/12/2015	31/12/2014
Security deposits		5,928	5,598
Non-consolidated investments		297	248
Loans due in more than one year		219	32
Financial instruments	24	73	88
Total		6,517	5,966

Security deposits relate to finance leases used to finance the thermal power plants. These deposits and collateral bear interest, most of which is capitalised. These items are repayable on fixed dates or on the call option exercise date. The security deposit also generates interest that is capitalised.

All non-current financial assets are due in more than five years.

NOTE 18. CASH AND CASH EQUIVALENTS

€ thousands	31/12/2015	31/12/2014
Cash equivalents	21,128	75,869
Cash	27,132	27,268
Total	48,260	103,137

Cash equivalents comprise available money market mutual funds and term deposits, for which changes in fair value are recognised in profit or loss. These cash equivalents consist of overnight placements of cash, whose value presents a negligible risk of change over time.

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4.6. Notes to the consolidated financial statements

NOTE 19. TRADE RECEIVABLES

At 31 December 2015, trade receivables stood at €57.9 million compared with €41.6 million at 31 December 2014. The increase in trade receivables includes the effect of the recognition of unbilled receivables in respect of the amendments to the Le Gol power plant agreement.

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 Termoeleétrica and 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 2015 or 31 December 2014.

NOTE 20. STOCKS

Stocks break down as follows.

€ thousands	31/12/2015	31/12/2014
STOCKS - GROSS AMOUNT		
Raw materials and fuels	15,917	14,576
Non-strategic spare parts	33,101	34,109
Other stocks in progress	13	225
Total stocks – gross amount	49,031	48,910
IMPAIRMENT OF STOCKS		
Non-strategic spare parts	(303)	(1,592)
Total impairment of stocks	(303)	(1,592)
STOCKS - NET AMOUNT		
Raw materials and fuels	15,917	14,576
Non-strategic spare parts	32,798	32,517
Other stocks in progress	13	225
Total stocks – net amount	48,728	47,318

NOTE 21. OTHER CURRENT ASSETS

Other current operating assets break down as follows.

€ thousands	31/12/2015	31/12/2014
Tax and social security receivables	15,676	13,776
Current tax receivables	4,611	3,522
Prepayments	2,531	1,859
Other debtors	7,058	5,279
Total	29,876	24,436

"Other debtors" include, in particular, current account balances due from, and advances paid to, suppliers.

NOTE 22. SHARE CAPITAL AND POTENTIAL SHARES

22.1. Share capital, stock options and performance shares

At 31 December 2015, the share capital comprised 29,784,757 shares with a nominal value of €0.0385, fully paid up, including 261,092 treasury shares held in connection with a liquidity contract and the share buyback programme.

At 31 December 2014, the share capital comprised 29,734,932 shares with a nominal value of €0.0385, fully paid up, including 78,075 treasury shares held under a liquidity contract.

22.2. Stock option plans and bonus share plans

	2014 bonus share plan in favour of employees who are not members of the Executive Committee	2014 bonus share plan in favour of Executive Committee members	2012 bonus share plan	2010 stock option plan
Date of the Board of Directors' meeting (allotment)	27/05/2014	27/05/2014	From 26/07/2012 to 13/01/2014	27/08/2010
Exercise period	n/a	n/a	n/a	from 28/08/2014 to 28/08/2017 subject to conditions
End of acquisition period	See details hereafter	See details hereafter	See details hereafter	
Total number of options and shares originally authorised	305,100	440,000	826,613	190,000
Original exercise price	n/a	n/a	n/a	21
Total number of options after adjustment	n/a	n/a	n/a	n/a
Number of instruments in issue at 31/12/2010	-	-	-	189,500
Rights cancelled in the period	-	-	-	(66,900)
Number of instruments in issue at 31/12/2011	-	-	-	122,600
Options and bonus shares allotted	-	-	617,400	-
Rights cancelled in the period	-	-	-	(18,000)
Number of instruments in issue at 31/12/2012	-	-	617,400	104,600
Options and bonus shares allotted	-	-	92,000	-
Rights cancelled in the period	-	-	(19,000)	(5,200)
Number of instruments in issue at 31/12/2013	-	-	690,400	99,400
Options and bonus shares allotted	259,000	430,000	117,213	-
Rights cancelled in the period	(7,000)	(2,000)	(26,265)	(1,000)
Effective acquisitions in the period	-	-	(198,302)	-
Number of instruments in issue at 31/12/2014	252,000	428,000	583,046	98,400
Options and bonus shares allotted	46,100	10,000	-	-
Rights cancelled in the period	(7,800)	-	(518,285)	-
Effective acquisitions in the period	-	-	(27,169)	-
Number of instruments in issue at 31/12/2015	290,300	438,000	37,592	98,400
Initial unit fair value (in euros)	2.91	5.63	0.33	5.0
Life of the conditional allotment	2.8 years	3 years	2.25 years	4 years
Fair value of the conditional allotment (in € thousands)	744	2,419	226	939
AMOUNT RECOGNISED IN EXPENSES (IN € THOUSANDS)				
2015	(148)	807	6	-
2014	148	481	109	101
2013	-	-	120	153
2012	-	-	39	153
2011	-	-	19	122
2010	-	-	-	88
ASSUMPTIONS USED FOR EVALUATION				
Volatility	26%	26%	29%	29%
Stock lending/borrowing rate	7.5%	7.5%	7.5%	7.5%
Dividends	The expected dividend yield was estimated using a forward-looking approach, based on the distribution policy announced by the Group			

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2010 stock option plans

On 27 August 2010, using the authorisation granted to it by the Combined Ordinary and Extraordinary General Meeting of shareholders of 18 May 2010, Albioma's Board of Directors allotted 189,900 stock subscription options to employees and Corporate Officers of the Company and its subsidiaries present on 15 August 2010.

Effective acquisition of options for all beneficiaries is subject to a performance condition relating to increases in the installed power of the Group's photovoltaic fleet. The installed power of the photovoltaic fleet of the Company and its subsidiaries at 31 December 2011 must show an increase of at least 30% a year compared with the installed power of the fleet at 31 December 2009. This condition was met as at 31 December 2011.

In accordance with IFRS 2, the presence conditions and other performance conditions that are unrelated to the market have no impact on the measurement of the fair value of goods and services received but they do adjust the number of equity instruments actually allotted and therefore the final cost recognised.

2012 bonus share plan

The share allotments were approved as part of a single plan at meetings of the Board of Directors held on 26 July 2012 (616,400 shares), 28 November 2012 (1,000 shares), 17 January 2013 (4,500 shares), 18 March 2013 (3,500 shares), 30 May 2013 (2,000 shares), 23 July 2013 (12,500 shares), 24 September 2013 (54,500 shares) and 17 December 2013 (15,000 shares).

The share allotments were divided into three equal tranches. Different performance conditions must be met to trigger the effective acquisition of each tranche.

At its meeting on 26 July 2012, the Board of Directors also decided, on the recommendation of the Nomination and Remuneration Committee, to allot bonus shares at the beginning of 2014 to all employees of the operating companies if the average availability of the facilities during 2012 and 2013 was greater than 91.5%. A reserve of 120,000 shares was accordingly set aside for the purpose of these allotments. The Chairman and Chief Executive Officer, acting pursuant to the delegation granted to him by the Board of Directors, confirmed that this condition had been met and, on 13 January 2014, approved the allotment of 117,213 bonus shares to all the employees of the Group's operating companies, confirming the Group's desire to involve all its personnel in long-term value creation.

The effective acquisition of the shares allotted on 26 July 2012 is subject to the following performance conditions:

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

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

Given the changes made to the rules of the bonus share plan by the Board of Directors during its meeting of 17 December 2013, accepted by each beneficiary concerned at the beginning of 2014, the effective acquisition of shares allotted after 26 July 2012 is subject to the following performance conditions:

- achievement, at any time during the period from 26 July 2014 to 26 January 2015, of a six-month moving average of the Albioma share closing price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the following two dates: either the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period, or the expiry of a period of two years from the allotment date;

- the completion, at any time during the period between the allotment date and 26 January 2015, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the two following dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the allotment date.

The retention period is set at two years from the effective acquisition date of the shares; however, the Chairman and Chief Executive Officer is required to retain in registered form 25% of the shares effectively acquired until he stands down from office.

At its meeting of 3 March 2015, the Board of Directors recorded that the allotments of bonus performance shares under the second and third tranches had lapsed on 27 January 2015, because the performance conditions for the effective acquisition of the performance shares had not been satisfied by 26 January 2015.

The effective acquisition of the remaining 37,592 performance shares, allotted on 13 January 2014 to the employees of the Group's operating companies, was noted in the decision of the Chairman and Chief Executive Officer of 9 February 2016.

2014 bonus share plan

On 27 May 2014, the Board of Directors allocated bonus shares with the following features.

Bonus share allotment plan in favour of the Executive Committee members

The allotments were approved as part of a plan open to the Group's Executive Committee members only (including the Chairman and Chief Executive Officer) at the Board of Directors' meeting of 27 May 2014 (430,000 shares). The allotments are divided up into two tranches, the first tranche covering one third and the second tranche the remaining two thirds of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

- Shares of the first one-third tranche will not be effectively acquired unless there is a variation of at least 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- Shares of the second two-third tranche will not be effectively acquired unless there is a variation of more than 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. If the above-mentioned variation remains below 60% until the end of the said acquisition period, on a strict basis, the number of shares of the relevant tranche that will be effectively acquired will be calculated at the end of the acquisition period by linear interpolation based on the highest value of the variation of the six-month moving average reached over the acquisition period within a 20% to 60% range. If the above-mentioned variation reaches or exceeds 60% at any given time during the acquisition period, all of the shares of the relevant tranche will be effectively acquired on the date set in the plan's rules. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.
- If a takeover bid is issued for all of the Company's shares and voting rights at any time during the acquisition period defined in the plan's rules, the shares of the first tranche will be effectively acquired if the final price per share of the takeover is 120% or more of the six-month average closing price of the Albioma share on 27 May 2014. Shares of the second tranche will be effectively acquired if the final price per share of the takeover is 160% or more of the said average. However, the bonus shares may not be effectively acquired during the two-year period immediately following the date of allotment.

Shares that have been effectively acquired are subject to a two-year lock-in commitment, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the shares effectively acquired until he stands down from office.

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Bonus share plan in favour of Group employees who are not members of the Executive Committee

The allotments were approved as part of a plan open to all Group employees who are not members of the Executive Committee at the Board of Directors' meetings of 27 May 2014 (256,000 shares), 22 July 2014 (2,000 shares), 28 October 2014 (1,000 shares), 3 March 2015 (19,300 shares), 28 April 2015 (14,300 shares) and 27 July 2015 (12,500 shares).

The allotments are divided up into two tranches, and each tranche covers one half of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

- Shares of the first tranche will not be effectively acquired unless an average availability rate of more than 91.5% is recorded for the facilities for 2014-2016. If this performance condition is satisfied, the shares of the first

tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

- Shares of the second tranche will not be effectively acquired unless the Group's 2016 consolidated EBITDA exceeds €153.5 million for the 2016 financial year, on a strict basis, and the number of shares effectively acquired under this second tranche will be calculated by linear interpolation based on the level of the Group's 2016 consolidated EBITDA within a €153.5 to €169.5 million range. If this performance condition is satisfied, all or part of the shares of the second tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

Shares that have been effectively acquired are subject to a two-year lock-in commitment.

22.3. Number of shares

Movements in the number of shares making up the share capital are shown below.

31/12/2013	29,109,706
Shares issued due to the payment of dividends in shares	368,731
Effective allocation of shares under 2012 share plan	198,302
Treasury shares	(58,306)
31/12/2014	29,618,433
Shares issued due to the payment of dividends in shares	48,825
Treasury shares	(144,593)
31/12/2015	29,522,665

Calculation of the dilution

The diluted weighted average number of shares is calculated using the share buyback method. The funds received on exercise of the rights attached to the dilutive instruments are assumed to be allocated to the buyback of shares at market price on the last day of the financial year. The number of shares thus obtained is deducted from the total number of shares resulting from exercise of the rights.

Shares whose issuance is conditional are included in the calculation of diluted earnings per share only when, at the end of the period in question, the acquisition conditions are met.

The dilutive effects are created by the issuance of stock subscription options as well as by the allotment of performance shares.

	31/12/2015	31/12/2014
Weighted average number of shares	29,594,962	29,647,586
Dilution	-	-
Diluted weighted average number of shares	29,594,962	29,647,586
GROUP TOTAL		
Net income, Group share:	30,249	38,048
Net income/weighted average number of shares (in euros)	1.022	1.283
Net income/diluted weighted average number of shares (in euros)	1.022	1.283

22.4. Dividends

On 28 May 2015, Albioma's Combined General Meeting resolved to allow each shareholder the option of payment of half of the dividend distributed, the total amount of which was set at €0.64 per share, either in cash or in new shares under the conditions described below.

Each shareholder had the option of:

- either payment of 50% of the dividend (€0.32 per share) in new shares, with the remaining 50% (€0.32 per share) being paid in cash; or

- full payment of the dividend in cash (€0.64 per share).

The issue price of the new shares provided as payment in this respect was set at €16.48. The subscription period closed on 22 June 2015.

The option for payment of the dividend in shares therefore resulted in the creation of 48,825 new shares.

The new shares were delivered and admitted for trading on Euronext Paris on 2 July 2015. The dividend payment in cash took place on the same date.

NOTE 23. FINANCIAL DEBT

23.1. Analysis by type (current and non-current)

The Group's financial debt can be broken down as follows.

€ thousands	31/12/2015					31/12/2014				
	Project debt	Payables relating to call options on non-Group interests	Corporate debt	Bank loans, accrued interest and debt issuance costs	Total	Project debt	Payables relating to call options on non-Group interests	Corporate debt	Bank loans, accrued interest and debt issuance costs	Total
Debts with financial institutions	335,500	1,500	80,000	16	417,016	307,287	1,500	80,000	(3,009)	385,778
Lease liabilities	138,717	-	-	-	138,717	153,701	-	-	-	153,701
Total	474,217	1,500	80,000	16	555,733	460,988	1,500	80,000	(3,009)	539,479
Non-current financial debt					472,040					485,469
Current financial debt					83,693					54,010

At 31 December 2015, the Group's average interest rate outside Brazil was 4.3% compared with 4.4% in 2014. The average interest rate in Brazil was 15.5% compared with 12.4% in 2014.

Financial debt included variable-rate debt of €380.8 million in 2015, compared with €360.5 million in 2014. Fixed-rate debt (after hedging is taken into account) represents 92% of total financial debt (see details in note 24 of the consolidated financial statements).

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Project debt is non-recourse debt in respect of the Company, except in the case of Brazil, where the Company has granted parent company guarantees. It is borne by dedicated project entities.

The change in the current portion of the financial debt includes the effect of the reclassification of the leasing debt in respect of Albioma Bois-Rouge tranche 2 in the amount of €28 million maturing in 2016 and which will be refinanced.

The change in financial debt during the period is broken down below.

<i>€ thousands</i>	Lease liabilities	Bank and other borrowings	Total
31/12/2013 (restated)	175,494	344,502	519,996
Bond issues	–	98,970	98,970
Acquisition debt (BNDES)	–	7,470	7,470
Repayments	(10,993)	(73,459)	(84,452)
Exercise of finance lease options	(10,800)	10,800	–
Changes in the consolidation scope	–	178	178
Translation differences	–	(980)	(980)
Other movements	–	(1,555)	(1,555)
Net change	–	(148)	(148)
31/12/2014	153,701	385,778	539,479
Bond issues	–	49,575	49,575
Repayments	(10,920)	(31,354)	(42,274)
Exercise of finance lease options	(7,645)	7,645	0
Changes in the consolidation scope	3,582	12,337	15,919
Translation differences	(1)	(7,569)	(7,571)
Other movements	–	605	605
31/12/2015	138,717	417,016	555,733

In 2015, issues mainly related to:

- the financing of the Galion 2 project (€34 million out of a total financed of €120 million). This variable rate debt with a 20-year term is the subject of interest rate hedging;
- the financing of the acquisition of the ElecSol sub-group shares (€5.4 million);
- the financing of the acquisition of the Codora Energia shares (€10.2 million, or BRL 42 million). This variable rate debt matures in seven years;
- the financing of the photovoltaic projects under development (€0.4 million).

In 2014, issues mainly related to:

- refinancing Albioma's corporate debt in the amount of €80 million, by issuing a "Euro PP" bond loan maturing in December 2020 with an annual coupon of 3.85%;
- the financing of the acquisition of shares of Albioma Rio Pardo Termoelétrica for €24 million and the financing of Anaerobic Digestion projects.

The Itaú loan issued to acquire the Albioma Rio Pardo Termoelétrica 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.

Furthermore, finance leases entered into by Group companies may make provision for the usual financial commitments pertaining to such operations.

Debt relating to call options on non-Group interests corresponds to the options granted by Albioma to the founding shareholders of Methaneo.

23.2. Maturity analysis of total repayments of financial debt

The breakdown by maturity of total undiscounted repayments of financial debt (including repayment of principal and payment of interest) is as follows:

At 31 December 2015

€ thousands	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total
Financial debt	50,103	277,602	171,795	499,499
Lease liabilities	38,250	38,975	94,003	171,229
Total	88,353	316,577	265,798	670,728

At 31 December 2014

€ thousands	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total
Financial debt	61,093	188,437	237,621	487,151
Lease liabilities	19,038	79,054	114,917	213,009
Total	80,131	267,491	352,538	700,160

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.

23.3. Net borrowings

€ thousands	31/12/2015	31/12/2014
BORROWINGS AND FINANCIAL DEBT		
Finance leases	138,717	153,701
Bank loans	415,500	387,287
Other liabilities	1,516	(1,509)
Total	555,733	539,479
CASH AND CASH EQUIVALENTS		
Cash	(27,132)	(27,268)
Cash equivalents	(21,128)	(75,869)
Total	(48,260)	(103,137)
Finance lease deposits	(5,925)	(5,598)
Net financial debt after deducting deposits paid	501,548	430,744

The project companies of the anaerobic digestion business also benefit from shareholder advances recognised in "Other current liabilities" in the amount of €4.5 million at 31 December 2015, compared with 3.4 million at 31 December 2014.

NOTE 24. FINANCIAL DERIVATIVES

24.1. 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 subsidiaries Albioma Caraïbes and Albioma Bois-Rouge for the purposes of hedging the residual value of the lease have been recognised as cash flow hedges.

Analysis of electricity sale agreements entered into with the Central Electricity Board (CEB) in Mauritius by OTEO La Baraque, OTEO Saint-Aubin and Terragen indicated the presence of embedded currency derivatives that have been recognised at fair value in the financial statements of these equity-accounted subsidiaries. They have been classified as hedges of a net investment. The amounts recognised in respect of these derivatives are presented in note 16 to the consolidated financial statements.

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The amount recognised in profit or loss in respect of the ineffective portion of hedging instruments is immaterial.

€ thousands	Maturity	Notional amount in millions of euros	Fair values in the statement of financial position				Recognition of changes in 2015	
			31/12/2014		31/12/2015		Profit or loss	Transitory account in shareholders' equity
			Assets	Liabilities	Assets	Liabilities		
Hedging of variable-rate loans through interest-rate swaps	2016 to 2035	355	88	(46,410)	72	(40,186)	-	6,209
Total cash flow hedge derivatives		355	88	(46,410)	72	(40,186)	-	6,209

A 100bp decline in interest rates would increase the amount of financial liabilities relating to hedging instruments by €24.4 million. A 100bp increase in interest rates would decrease the amount of financial liabilities relating to hedging instruments by €21.7 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 2015, this valuation was immaterial (around €0.4 million).

24.2. Albioma Rio Pardo Termoelétrica call options

Albioma granted call options to the sugar refinery relating to 40% of the share capital of Albioma Rio Pardo Termoelétrica for a period of five years from 31 March 2014.

In the first three years, the exercise price for the options will be based on a benchmark price that takes account of changes in the shareholders' equity of Albioma Rio

Pardo Termoelétrica, an inflation index and shareholder remuneration.

After the third year, the exercise price will be based on the greater of i) the calculation based on the benchmark price and ii) the calculation based on EBITDA multiplied by the company's net debt at the option exercise date.

These options meet the definition of derivatives set forth in IAS 39 "Financial Instruments" and must be recognised at fair value in the Group's financial statements. For the financial years presented, as the exercise price of the options was close to the market value of the shares, the fair value of the options was not material.

In addition, the Group gave Usina Rio Pardo an option enabling it, at the end of the consortium agreement, to acquire the Albioma Rio Pardo Termoelétrica shares held by the Group or the assets held by Albioma Rio Pardo Termoelétrica 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 25. EMPLOYEE BENEFITS

The amount of contributions paid in respect of defined contribution retirement plans amounted to €4,883,000 for the year ended 31 December 2015 compared with 4,511,000 for 2014.

Employee benefits break down as follows.

€ thousands	31/12/2015	31/12/2014
Post-employment benefits	20,692	17,940
Other long-term benefits	2,125	2,012
Total	22,817	19,952

25.1. Post-employment benefits

The provision for retirement obligations (defined benefit plan granted to employees) relates to the lump-sum retirement payment plan (régime des indemnités de départ en retraite – IDR) applicable to French companies, the defined benefit plan put in place for employees of the parent company, and the Electricity and Gas Industry (Industries Électriques et Gazières – IEG) plan applicable to the employees of certain subsidiaries (specific pensions and guarantee to preserve specific benefits following their retirement).

The net expense recognised in the income statement in respect of defined benefit post-employment benefit plans breaks down as follows.

<i>€ thousands</i>	2015	2014
Cost of services rendered during the year	1,483	2,501
Financial cost	431	448
Net expense for the year	1,914	2,949

The cost of services rendered net of benefits paid is presented in the line “Charges to provisions” in the income statement. The financial cost is presented in the line “Other financial expenses” in the income statement.

The change in the net amounts recognised in the statement of financial position is analysed below.

<i>€ thousands</i>	31/12/2015	31/12/2014
Opening obligation	17,940	12,771
Net expense for the year	1,914	2,949
Contributions paid	(634)	(736)
Actuarial gains and losses recognised in reserves	1,474	2,991
Other changes	–	(35)
Closing obligation	20,694	17,940

The amount of plan assets is immaterial.

For the year ended 31 December 2015, actuarial gains and losses stem from experience effects for an amount of €0.2 million and the impact of changes in actuarial assumptions for an amount of €1.3 million.

For the year ended 31 December 2014, actuarial gains and losses stem from experience effects for an amount of €0.3 million and the impact of changes in actuarial assumptions for an amount of €2.7 million, due to lower interest rates, as the discount rate decreased from 3.5% in 2013 to 2.2% in 2014.

25.2. 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>€ thousands</i>	31/12/2015	31/12/2014
Present value of the liability	2,125	2,012
Net amount recognised in the statement of financial position	2,125	2,012

The net expense recognised in the income statement in respect of other long-term benefits breaks down as follows:

<i>€ thousands</i>	2015	2014
Cost of services rendered during the year	98	417
Financial cost	45	57
Net expense for the year	143	474

The cost of services rendered net of benefits paid is presented in the line “Charges to provisions” in the income statement. The financial cost is presented in the line “Other financial expenses” in the income statement.

The change in the net amounts recognised in the statement of financial position is analysed below.

<i>€ thousands</i>	31/12/2015	31/12/2014
Net amount recognised in the opening statement of financial position	2,012	1,654
Net expense for the year	143	474
Contributions paid	(126)	(151)
Other changes	96	35
Net amount recognised in the closing statement of financial position	2,125	2,012

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25.3. 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) plan are as follows.

	31/12/2015	31/12/2014
Discount rate	2.20%	2.20%
Inflation rate	1.75%	2.00%
Life expectancy table	INSEE generational	INSEE generational

A 50bp increase in the discount rate would decrease the amount of employee benefit obligations by around €1.8 million, while long-term benefit obligations would fall by around €0.1 million.

NOTE 26. PROVISIONS FOR LIABILITIES

The change in provisions for liabilities and charges during the year comprises the following items.

€ thousands	Provisions to hedge industrial and other risks	Other provisions	Total non-current provisions
Provision at 31/12/2013	3,125	4,080	7,205
Charges	–	198	198
Reversals - utilised	(789)	(426)	(1,215)
Reversals - not utilised	(415)	–	(415)
Provision at 31/12/2014	1,921	3,852	5,773
Charges	284	380	664
Reversals - utilised	–	(170)	(170)
Reversals - not utilised	(1,837)	(2,065)	(3,902)
Reclassification	239	(239)	–
Change in consolidation scope and other changes	–	72	72
Provision at 31/12/2015	607	1,830	2,437

The reversals of "Other provisions" relate to the costs of the removal and processing of ash from the Le Gol power plant for which a provision had been raised in 2013 as a result of the obligation to bury by-products from coal combustion.

The reversals of the "Provisions to hedge industrial and other risks" relate mainly to the risks of payment of compensation in respect of disputes or litigation that have been resolved during the period.

NOTE 27. DEFERRED TAX

Deferred tax assets and liabilities recognised in the statement of financial position break down as follows.

€ thousands	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
DIFFERENCE BETWEEN AMOUNTS FOR ACCOUNTING AND TAX PURPOSES						
Non-current assets	9,176	10,868	(34,757)	(35,872)	(25,581)	(25,004)
Provisions	5,276	4,902	(13)	–	5,263	4,902
Other items	5,475	4,962	(788)	(883)	4,687	4,079
Finance leases	475	182	(49,978)	(49,412)	(49,503)	(49,230)
Derivatives	13,289	15,378	(31)	(57)	13,258	15,321
Tax losses	3,378	4,003	–	–	3,378	4,003
Total	37,069	40,295	(85,567)	(86,224)	(48,498)	(45,929)
Impact of offsetting	(27,517)	(29,218)	27,517	29,218	–	–
Net deferred tax	9,552	11,077	(58,050)	(57,006)	(48,498)	(45,929)

The tax losses were generated by the application of Article 39 AB of the French Tax Code (Code général des impôts), resulting in the accelerated depreciation for tax purposes of certain installations. These tax losses will be utilised over the term of the agreements for the sale of electricity applicable to these installations. This recovery is supported by the business plans established by the Group.

For the Anaerobic Digestion business, deferred tax assets on losses relating to operating losses and non-recurring impairment losses have not been recognised.

Deferred tax assets on unrecognised losses amounted to €3.6 million at the end of 2015. They are deferred for an indefinite period.

The change in deferred tax is broken down below.

<i>€ thousands</i>	Total
Net deferred tax at 31/12/2013	(52,048)
Profit or loss	611
Impact of business combinations	–
Other movements	7,258
Equity	(1,749)
Activities held for sale	–
Net deferred tax at 31/12/2014	(45,928)
Profit or loss	611
Impact of business combinations	(1,432)
Equity	(1,749)
Net deferred tax at 31/12/2015	(48,498)

NOTE 28. TRADE PAYABLES

These liabilities break down as follows.

<i>€ thousands</i>	31/12/2015	31/12/2014
Trade payables	62,860	40,387
Suppliers of non-current assets	1,468	3,438
Total	64,328	43,825

NOTE 29. CORPORATION TAX, DUTIES, AND TAX AND SOCIAL SECURITY LIABILITIES

These liabilities break down as follows.

<i>€ thousands</i>	31/12/2015	31/12/2014
Current tax liabilities	10,037	920
Other tax and social security liabilities	16,246	23,055
Total	26,283	23,975

NOTE 30 OTHER CURRENT OPERATING LIABILITIES

Other current liabilities break down as follows.

<i>€ thousands</i>	31/12/2015	31/12/2014
Deferred income	9,199	8,222
Other creditors	9,779	10,678
Total	18,978	18,900

The main components of "Other creditors" are current accounts and other operating liabilities.

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NOTE 31. FINANCIAL INSTRUMENTS

The fair values of financial instruments are as follows.

€ thousands	Carrying amount		Fair value	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
FINANCIAL ASSETS				
Non-current financial assets	6,517	5,966	6,517	5,966
Trade receivables	57,895	41,579	57,895	41,579
Other current assets	29,876	24,436	29,876	24,436
Cash and cash equivalents	48,260	103,137	48,260	103,137
Total financial assets	142,549	175,118	142,549	175,118
FINANCIAL LIABILITIES				
Non-current financial debt	472,040	485,469	559,041	561,191
Current financial debt	83,693	54,010	83,693	54,010
Trade payables	64,328	43,825	64,328	43,825
Other current financial liabilities	45,262	42,875	45,262	42,875
Financial derivatives	40,186	46,410	40,186	46,410
Total financial liabilities	705,509	672,589	792,510	748,311

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 swaps, the fair value of derivatives is determined based on the discounted contractual cash flows. The fair value of borrowings is determined by discounting the contractual cash flows at market interest rates.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the statement of financial position as the impact of discounting the future cash flows is immaterial.

31 December 2015

€ thousands	Level ²	Carrying amount	Fair value through profit or loss	Fair value through equity	Amortised cost
FINANCIAL ASSETS					
Non-current financial assets	2	6,517	–	73	6,444
Trade receivables	2	57,895	–	–	57,895
Other current assets		29,876	–	–	29,876
Cash and cash equivalents	1 and 2	48,260	48,260	–	–
Total financial assets		142,549	48,260	73	94,216
FINANCIAL LIABILITIES					
Non-current financial debt ¹	2	472,040	1,500	–	470,540
Current financial debt	2	83,693	–	–	83,693
Trade payables		64,328	–	–	64,328
Other current financial liabilities	2	45,262	–	–	45,262
Financial derivatives	2	40,186	–	40,186	–
Total financial liabilities		705,509	1,500	40,186	663,823

1. Non-current financial debt relating to call options on non-Group interests is valued on the basis of discounted cash flows.

2. The classification levels are defined as follows:

- Level 1: prices quoted on an active market;
- Level 2: prices quoted on an active market for a similar instrument, or another valuation technique based on observable parameters;
- Level 3: evaluation technique incorporating non-observable parameters.

31 December 2014

€ thousands	Level ²	Carrying amount	Fair value through profit or loss	Fair value through equity	Amortised cost
FINANCIAL ASSETS					
Non-current financial assets	2	5,966	–	88	5,878
Trade receivables	2	41,579	–	–	41,579
Other current assets	–	24,436	–	–	24,436
Cash and cash equivalents	1 and 2	103,137	103,137	–	–
Total financial assets		175,118	103,137	88	71,893
FINANCIAL LIABILITIES					
Non-current financial debt ¹	2	485,469	1,500	–	483,969
Current financial debt	2	54,010	–	–	54,010
Trade payables	–	43,825	–	–	43,825
Other current financial liabilities	2	42,875	–	–	42,875
Financial derivatives	2	46,410	–	46,410	–
Total financial liabilities		672,589	1,500	46,410	624,679

1. Non-current financial debt relating to call options on non-Group interests is valued on the basis of discounted cash flows.

2. The classification levels are defined as follows:

- Level 1: prices quoted on an active market;
- Level 2: prices quoted on an active market for a similar instrument, or another valuation technique based on observable parameters;
- Level 3: evaluation technique incorporating non-observable parameters.

In accordance with the provisions of the amendment to IFRS 7, the tables presented above indicate the Group's assets and liabilities that are measured at fair value according to their measurement method.

NOTE 32. RISK AND CAPITAL MANAGEMENT

32.1. Risk management

Interest rate risk

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

Net financial debt after deducting finance lease deposits came to €501.5 million at 31 December 2015 compared with €430.7 million at 31 December 2014. Interest rate hedging instruments are presented in note 24 to the consolidated financial statements.

Financial debt included variable-rate debt of €380.8 million in 2015, compared with €360.5 million in 2014. Fixed-rate or hedged debt represents 92% of total financial debt.

Sensitivity of financial assets and liabilities to changes in interest rates

After taking into account interest rate hedges, a 25 basis points increase in interest rates would result in an additional expense of €0.1 million. This amount corresponds to 0.4% of the total amount of financial expenses for the year under review (€26.5 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

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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 move-

ment 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 2015, currency risks were as follows.

€ thousands	31/12/2015	31/12/2014
Value in euros of net assets denominated in Mauritian rupees	24,651	24,467
Value in euros of net assets denominated in Brazilian real	49,282	34,525
Total net assets denominated in foreign currencies	73,934	58,992

Net assets denominated in Mauritian rupees are subject to hedging of a net investment in a foreign operation as described in note 16 to the consolidated financial statements.

Counterparty risk

Given the high quality of the parties to the agreements, particularly the subsidiaries, the counterparty risk relating to trade receivables is immaterial. The statement of financial position included no overdue trade receivables at

31 December 2015. Moreover, the Group does not have any specific dependence on its suppliers.

Regarding its investments and borrowings, the Group deals only with top-tier financial institutions.

Liquidity risk

The Group monitors its liquidity on a regular basis and has sufficient resources to enable it to meet any significant financial obligations.

The liquidity position can be broken down as follows.

€ thousands	31/12/2015	31/12/2014
Cash equivalents	21,128	75,869
Cash	27,132	27,268
Lines of credit not utilised	40,000	40,000
Liquidity position	88,260	143,137

Legal, industrial and environmental risks

The general legal risk incurred as a result of the Group's activities, its industrial and environmental risks as well as the risks relating to the location of its assets are presented in section 1.8 of the 2015 Registration Document, dealing with risk factors. Furthermore, the Group has benefited from certain favourable tax measures in the French overseas departments that are subject to meeting various conditions relating to investment, employment, training and reporting and administrative formalities. As part of its day-to-day activities, the Group regularly reviews these risks, including social and tax risks.

Risks stemming from regulatory changes

The energy production industry is highly regulated and largely driven by contractual arrangements. Regulatory changes (including tax regulations) rendering certain investments less attractive could adversely impact the Group's development.

32.2. Capital management

The Group's main objective is to ensure the maintenance of a good credit risk rating and healthy capital ratios in order to facilitate its activity and maximise shareholder value.

The Group manages its capital by using a ratio, equal to net debt excluding non-recourse project financing and pre-financing of new units divided by the amount of consolidated equity.

The Group's policy is to maintain this ratio below 1 and to maximise the return on the Company's shares, to maintain appropriate ratios for the statement of financial position and to ensure the capacity to finance its ambitious development programmes by adapting according to the availability of borrowings in any given period.

Equity includes the Group 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.

On 29 June 2015, Albioma announced that it had appointed Rothschild & Cie Banque, in place of Exane BNP Paribas, to implement a liquidity contract. This liquidity contract, which complies with the Financial Markets Association (Association des Marchés Financiers – AMAFI) code of conduct approved by the Financial Markets Authority (Autorité des Marchés Financiers), is in line with the share buyback programme approved by the General Meeting of the shareholders on 28 May 2015, a description of which was published on the Company's website. The purpose of the contract is to stimulate the market for Albioma securities on Euronext Paris.

At 31 December 2015, the cash and shares allocated to the liquidity contract between the Company and Rothschild & Cie Banque were as follows:

- 149,300 shares;
- €2,820,566.47.

NOTE 33. OFF-BALANCE SHEET COMMITMENTS

33.1. Off-balance sheet commitments given

€ thousands	31/12/2015	31/12/2014
Guarantees given to suppliers	45,737	3,000
Fixed leases	17,944	17,971
Guarantees concerning the classified installations for environmental protection (ICPE) safety decree	581	664
Sundry guarantees	–	595
Commitments given relating to operating activities	64,262	22,230
Assets pledged as collateral	–	2,200
Guarantee on environmental risks	4,175	3,105
Sundry guarantees	713	1,413
Commitments given relating to financing activities	4,887	6,717
Liabilities guarantees	–	6,363
Commitments given relating to changes in the consolidation scope	–	6,363
Total	69,149	35,311

The commitments given in relation to the Brazilian entity Codora Energia are described in note 4.2 to the consolidated financial statements. In addition, the options granted in connection with the acquisition of control of Albioma Rio Pardo Termoelétrica are presented in note 24.2 to the consolidated financial statements entitled.

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. The change compared with 2014 was due mainly to the orders in

progress for capital expenditure to be incurred in respect of the Gallon 2 and Albioma Saint-Pierre thermal power plant projects.

Leases

Leases relate to the photovoltaic installations in operation. These leases include fixed lease payments as indicated in the table above and conditional lease payments indexed to revenue or production volumes. Concerning the conditional lease payments, the best estimate of future lease payments is €26.1 million at 31 December 2015 compared with €27.0 million at 31 December 2014.

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Guarantees concerning the decree for the safety of classified installations for the protection of the environment (ICPE)

For the Thermal Biomass sector, the Group has filed with the examining administrative bodies a case justifying the financial guarantees to be provided for the safety of classified installations for the protection of the environment (ICPE). At 31 December 2015, these guarantees amounted to €0.6 million.

Sundry guarantees

The settlement of this commitment was related to the rebuilding in 2015 of a photovoltaic plant that had been damaged.

Commitments given relating to financing activities

Assets pledged as collateral

Debts contracted by the Group in connection with project financing are guaranteed by collateral (industrial assets, mortgages, pledges of shares and receivables) to ensure their repayment.

As such, all future receivables from EDF, Endesa (Spain) and GSE (Italy) are given as collateral in an amount of €474 million (compared with €461 million at 31 December 2014). This amount corresponds to the principal outstanding at 31 December 2015 in respect of debts relating to projects in operation or under construction benefiting from bank funding. The last of these liabilities is payable in 2035.

Pledges of subsidiaries' shares

Société	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in thousands of euros)	Value of securities in the parent company's financial statements (in thousands of euros)	Corresponding %	Number of shares pledged	% of capital pledged
OSEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100%
OSEO St-Aubin	15/04/2004	31/12/2020	1,886	1,886	100%	637,500	100%
Albioma Solaire Guyane	18/12/2009	26/12/2026	40	40	100%	4,000	100%
Albioma Solaire Lasalle	22/04/2010	31/12/2025	32	32	100%	3,200	100%
Albioma Solaire Matoury	17/12/2010	30/11/2029	1,813	1,813	100%	1,600,240	100%
Albioma Solaire Pierrelatte	29/10/2009	30/06/2028	1,956	3,836	51%	195,636	51%
Tiper Méthanisation	27/09/2011	31/07/2026	171	339	51%	1,207	51%
Cap'ter Méthanisation	13/12/2012	30/06/2028	25	58	43%	2,477	43%
Sain'ter Méthanisation	05/03/2013	04/04/2027	39	89	44%	3,911	44%
Unité de Méthanisation Agricole de Pauvres (UMAP)	31/03/2014	31/12/2028	66	141	47%	6,627	47%
Elecsol La Réunion 10	08/07/2015	02/04/2025	100	1,554	100%	196	100%
VoltaRéunion	08/07/2015	02/04/2025	30	6,878	100%	29,600	100%

Guarantee on environmental risks

This commitment relates to guarantees on environmental risks issued to the banks that financed the acquisitions of the Albioma Rio Pardo Termoelectrica and Codora Energia power plants.

Sundry guarantees

The change by comparison with 2014 is mainly due to the settlement of a commitment to contribute additional own funds to a development project.

Commitments given relating to changes in the consolidation scope

In connection with earlier sales of businesses, the Group granted liabilities guarantees.

The change compared with 2014 is mainly attributable to the settlement of two liabilities guarantees with a total value of €6.4 million relating to the sale of companies in the Wind Power business in 2007 and 2012.

33.2. Off-balance sheet commitments received

<i>€ thousands</i>	31/12/2015	31/12/2014
Shareholders' counter-guarantees	8,099	–
Reserve account: end of 2014 sugar harvest compensation	3,446	–
Commitments received for electricity purchases	Not evaluated	Not evaluated
Commitments received from customers	–	–
Commitments received relating to operating activities	11,545	–
Lines of credit granted but not utilised	40,000	40,000
Lines of credit granted for projects	86,000	4,657
Sundry guarantees	479	–
Commitments received relating to financing activities	126,479	44,657
Liabilities guarantees	2,918	–
Earn-outs on sales in 2013	Not evaluated	Not evaluated
Commitments received relating to changes in the consolidation scope	2,918	Not evaluated
Total	140,942	44,657

Commitments received relating to operating activities

Reserve account: end of 2014 sugar harvest compensation

Following the signing of an agreement dated 9 December 2015 between Albioma Rio Pardo Termoelétrica and the Usina Rio Pardo sugar refinery, the Group decided to allocate contractual compensation due to the sugar refinery in respect of the 2014 sugar harvest to a reserve account.

The balance on this reserve account was €3.4 million at 31 December 2015 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 Termoelétrica to offset any penalties due to the sugar refinery arising at the end of the sugar harvest.

Shareholders' counter-guarantees

In order to cover the obligations of the Albioma Saint-Pierre thermal power plant in respect of an investment, a parent company guarantee was issued (see further information in note 33.1 to the consolidated financial statements) and a counter-guarantee received from the company's shareholders. The commitment received amounted to €8.1 million at 31 December 2015.

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 2015, the Group benefited from commitments received for the financing of projects and operations for an amount of €126 million, undrawn at this date (including €86 million for the Galion 2 thermal power plant project and €40 million for Albioma).

Commitments received relating to changes in the consolidation scope

Liabilities guarantees

A €2.9 million liabilities guarantee with a two-year maturity was received following the acquisition on 10 April 2015 of 14 rooftop photovoltaic power plants from the Ciel et Terre and Samfi Invest groups. The new facilities, located on Reunion Island, have a combined power generating capacity of 3 MWp.

Earn-outs on 2013 sales

Following the sale of its Wind Power business to EDF Energies Nouvelles on 11 February 2013, the Group received a conditional earn-out commitment, valid for five years, related to projects under development. This earn-out is conditional on the success of these projects.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

NOTE 34. RELATED PARTIES

The consolidated financial statements comprise the financial statements of Albioma and the subsidiaries mentioned in note 37 to the consolidated financial statements.

Albioma is the parent company of the Group. At 31 December 2015, Albioma's financial statements were no longer fully consolidated in the consolidated financial statements of Financière Hélios. There are no transactions between Financière Hélios and the companies of the Albioma Group.

Transactions entered into with related parties correspond to transactions with equity-accounted companies. The table below shows the amount of these transactions for the years ended 31 December 2015 and 31 December 2014.

<i>€ thousands</i>	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
2015	1,840	7,149	2,626	1,750
2014	2,183	6,013	1,615	1,450

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 2015 and 31 December 2014, the Group has not raised any provisions for non-performing receivables relating to amounts due from related parties.

Remuneration of key Group executives

The remuneration for the Group's key executives comprising the Executive Committee and the directors' fees paid to the directors of the Company in respect of 2015 and 2014 are shown below.

<i>€ thousands</i>	2015	2014
Remuneration	3,425	3,237
Directors' fees	157	156
Share-based payments	807	504
Total	4,389	3,897

In the event that the Board of Directors resolved to revoke or not renew his functions as Chairman and Chief Executive Officer, Jacques Pétry would benefit from a lump-sum termination payment. This payment would correspond to the amount of his net fixed remuneration for the last six months prior to termination of his term of office and the variable remuneration received (or due) in respect of the last six months prior to termination of his term of office, these amounts being net of any employers' social security contributions and GSC unemployment insurance cover for company managers and executives. In connection with the 2012 and 2014 bonus share allotment plans, Jacques Pétry received 225,000 bonus shares and 160,000 bonus shares respectively. The other members of the Executive Committee benefited from a conditional allotment of 235,000 shares within the framework of the 2012 plan and 280,000 shares within the framework of the 2014 plan.

Executives do not benefit from a specific plan for post-employment benefits.

NOTE 35. GAS EMISSION ALLOWANCES

The Group's power plants located in the French overseas departments are included in operations subject to regulations on carbon dioxide (CO₂) emission allowances.

<i>In thousands of tonnes</i>	2015	2014
Opening allowances	27	24
Allowances allocated free of charge	141	290
CO ₂ emitted	(2,054)	(2,170)
CO ₂ allowances acquired	1,909	1,883
Closing allowances	23	27

The contracts between all of the Group's thermal power plants in 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 141,361 tonnes of free quotes in respect of 2015 in recognition of their cogeneration activity.

NOTE 36. EVENTS AFTER THE REPORTING PERIOD
None.

NOTE 37. CONSOLIDATION SCOPE

Fully consolidated companies	Percentage interest at 31/12/2015	Percentage control at 31/12/2015	Percentage interest at 31/12/2014	Percentage control at 31/12/2014
Albioma (formerly Séchilienne-Sidec)	Parent	Parent	Parent	Parent
REUNION ISLAND				
Plexus Sol	100%	100%	100%	100%
Plexus 2009	100%	100%	–	–
Albioma Solaire Réunion	100%	100%	100%	100%
Elect 12	100%	100%	–	–
Elect 16	100%	100%	–	–
Albioma Solaire Bethléem	100%	100%	100%	100%
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%
Elecsol Cambaie	100%	100%	–	–
Elecsol La Réunion 1	100%	100%	–	–
Elecsol La Réunion 10	100%	51%	–	–
Elecsol La Réunion 13	100%	100%	–	–
Elecsol La Réunion 16	100%	100%	–	–
Elecsol La Réunion 18	100%	100%	–	–
Elecsol Les Avirons	100%	100%	–	–
Elecsol Les Tamarins	100%	100%	–	–
Elecsol Saint-Pierre 1	100%	100%	–	–
Elecsol Sainte-Suzanne	100%	100%	–	–
Elecsol Saint-André	100%	100%	–	–
VoltaRéunion	100%	100%	–	–
Voltacane-Invest	100%	100%	–	–
GADELOUPE				
Albioma le Moule	100%	100%	100%	100%
Albioma Caraïbes	100%	100%	100%	100%
Albioma Guadeloupe Logistique ¹	–	–	100%	100%
Albioma Marie-Galante	65%	65%	65%	65%
Énergipole Quantum	50%	50%	50%	50%
Albioma Solaire Kourou	100%	100%	100%	100%

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

FRENCH GUIANA					
Albioma Solaire Guyane	100%	100%	100%	100%	100%
Albioma Solaire Matoury	100%	100%	100%	100%	100%
Albioma Guyane Énergie	100%	100%	100%	100%	100%
MARTINIQUE					
Albioma Galion	80%	80%	80%	80%	80%
Albioma Solaire Antilles	80%	80%	80%	80%	80%
Albioma Solaire Habitat	80%	80%	80%	80%	80%
Albioma Solaire Lasalle	80%	80%	80%	80%	80%
MAYOTTE					
Albioma Solaire Mayotte	100%	100%	100%	100%	100%
SPAIN					
Sun Developers 3	100%	100%	100%	100%	100%
Sun Developers 15	100%	100%	100%	100%	100%
Sun Developers 16	100%	100%	100%	100%	100%
Sun Developers 17	100%	100%	100%	100%	100%
Sun Developers 18	100%	100%	100%	100%	100%
Sun Orgiva 1 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 2 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 3 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 4 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 5 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 6 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 7 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 8 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 9 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 10 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 11 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 12 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 13 (subsidiary of Sun Developers 15)	100%	100%	100%	100%	100%
Sun Orgiva 14 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 15 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 16 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 17 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 18 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 19 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 20 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 21 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 22 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
Sun Orgiva 23 (subsidiary of Sun Developers 16)	100%	100%	100%	100%	100%
ITALY					
Quantum Energia Italia	100%	100%	100%	100%	100%
Quantum 2008A (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%	100%
Quantum Energia Pettovallone (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%	100%
Quantum Energia Cingoli Treia (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%	100%

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

BRAZIL					
Albioma Participações do Brasil	100%	100%	100%	100%	
Albioma Rio Pardo Termoeletrica	100%	100%	100%	100%	
Albioma Rio Pardo	–	–	100%	100%	
Codora Energia	65%	100%	–	–	
MAINLAND FRANCE					
Agrimaine Méthanisation	24%	40%	24%	40%	
Biogaz de Vignes	30%	100%	30%	100%	
Cap'ter Méthanisation	26%	50%	26%	50%	
Methaneo ENR	36%	60%	36%	60%	
Methaneo	60%	60%	60%	60%	
Carentan Méthanisation	33%	55%	33%	55%	
Perla	54%	90%	54%	90%	
Sain'ter Méthanisation	26%	44%	26%	44%	
Teras Méthanisation	30%	50%	30%	50%	
Tiper Méthanisation	30%	51%	30%	51%	
Unité de Méthanisation Agricole de Pauvres (UMAP)	28%	47%	28%	47%	
Méthaval	30%	50%	30%	50%	
Mater Biogaz ¹	–	–	60%	100%	
Méthanagri ¹	–	–	60%	60%	
Énergic Méthanisation	25%	50%	25%	50%	
Bordères Méthanisation	36%	60%	36%	60%	
Retz'Nergie Méthanisation ¹	–	–	60%	100%	
Lisieux Méthanisation ¹	–	–	60%	100%	
Pays de Falaise Méthanisation	29%	49%	29%	49%	
Pays de Honfleur Méthanisation	60%	100%	60%	100%	
Biogazillac Méthanisation	24%	100%	24%	100%	
Éoliennes des Quatre-Vents	100%	100%	100%	100%	
Albioma Solaire Pierrelatte	100%	100%	100%	100%	
Quantum Énergie Marsillargues	100%	100%	100%	100%	
Albioma Solaire Fabrègues	100%	100%	100%	100%	
Albioma Biomasse Mimizan	100%	100%	100%	100%	
Quantum Énergie SMDC	100%	100%	100%	100%	
Fare Location 1	100%	100%	–	–	
Fare Location 2	100%	100%	–	–	
Fare Location 3	100%	100%	–	–	
Fare Location 4	100%	100%	–	–	
Fare Location 5	100%	100%	–	–	

1. Company dissolved early with transfer of all its assets and liabilities to its sole shareholder in 2015.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

Entities representing a control percentage of less than 50% that are fully consolidated are either controlled indirectly by Albioma, usually through Methaneo, or controlled by Albioma under agreement or due to the governance structure in place.

Equity-accounted companies	Percentage interest at 31/12/2015	Percentage control at 31/12/2015	Percentage interest at 31/12/2014	Percentage control at 31/12/2014
MAURITIUS				
Omnican Thermal Energy Operations La Baraque	27%	27%	27%	27%
Terragen	25%	25%	25%	25%
Omnican Thermal Energy Operations Saint-Aubin	25%	25%	25%	25%
Terragen Management	28%	28%	28%	28%
GUADELOUPE				
Élect'Sécurité	30%	30%	30%	30%
Quantum Caraïbes	50%	50%	50%	50%
REUNION ISLAND				
Compagnie Industrielle des Cendres et Mâchefers	34%	34%	34%	34%

NOTE 38. INFORMATION ON EQUITY INVESTMENTS WITH SIGNIFICANT SHAREHOLDERS EXCLUDING THE GROUP

38.1. Breakdown of subsidiaries with significant non-controlling interests

€ thousands	Business sector	Country	Percentage held in non-controlling interests		Cumulative amount of non-controlling interests		Share of net income pertaining to non-controlling interests	
			2015	2014	2015	2014	2015	2014
Albioma Le Gol	Thermal Biomass France	France (Reunion Island)	35%	35%	51,839	50,236	5,207	3,493
Other non-significant subsidiaries	n/a	n/a	n/a	n/a	8,976	2,349	(3,177)	(9,797)

The significance is assessed on the basis of the contributions of the entities concerned to operating income from ordinary activities, non-current assets, net debt and total consolidated equity.

For the years ended 31 December 2015 and 31 December 2014, net income attributable to non-controlling interests of the subsidiaries deemed not material included, in particular, the impairment provisions recognised in respect of the Anaerobic Digestion activity, as described in note 9 to the consolidated financial statements.

The figures in the table below are the full amounts for each item, before elimination of intra-Group transactions.

€ thousands	Albioma Le Gol	
	31/12/2015	31/12/2014
INCOME STATEMENT		
Revenue	95,152	95,122
Net income	14,711	9,874
Net income, Group share	9,506	6,381
Net income, attributable to non-controlling interests	5,205	3,493
Total comprehensive income	15,272	9,432
Group share	9,871	6,093
Attributable to non-controlling interests	5,401	3,339
Dividends paid to non-controlling interests	(3,800)	(4,894)
STATEMENT OF FINANCIAL POSITION		
Non-current assets	204,237	199,227
Current assets	55,838	65,238
Total assets	260,075	264,465
Equity, Group share	68,240	65,375
Equity, attributable to non-controlling interests	51,804	50,236
Non-current liabilities	72,142	83,820
Current liabilities	67,889	65,034
Total equity and liabilities	260,075	264,465
STATEMENT OF CASH FLOWS		
Cash from operating activities	36,100	32,212
Cash used by investing activities	(13,742)	(9,217)
Cash used by financing activities	(22,260)	(23,444)

38.2. Restrictions on the control of assets, liabilities and cash

None.

4.7. Statutory Auditors' report on the consolidated financial statements

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

Mazars
Tour Exaltis - 61. rue Henri Regnault
92400 Courbevoie

For the year ended 31 December 2015

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Albioma;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 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.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- Note 2.9 to the consolidated financial statements sets out the accounting methods used for leases. In connection with our assessment of the accounting principles used by your Group, we have verified the appropriateness of the methods used and the procedures for the classification and treatment of leases.
- Notes 2.7, 2.8 and 2.10 to the consolidated financial statements set out the procedures used for measuring and impairing goodwill, property, plant and equipment and intangible assets. We reviewed the methods used by the Group to test these assets for impairment as well as the assumptions used, and verified that Notes 13, 14 and 15 to the consolidated financial statements provided appropriate disclosures.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 28 April 2016.

The Statutory Auditors.

PricewaterhouseCoopers Audit

Mazars

Jean-Christophe Georghiou
Partner

Manuela Baudoin-Revert
Partner

COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

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5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.1. Income statement

5.1. Income statement

<i>€ thousands</i>	France	Export	31/12/2015	31/12/2014
Sales of goods purchased for resale	115	–	115	61
Production sold – Goods	–	–	–	3,572
Production sold – Services	21,549	–	21,549	18,148
Net revenue	21,664	–	21,664	21,781
Production transferred to stocks	–	–	–	(475)
Depreciation and provisions written back, charges transferred	–	–	1,634	1,816
Other income	–	–	1,594	1,199
Operating income	–	–	24,891	24,321
EXTERNAL CHARGES				
Purchases of goods for resale including excise duties	–	–	657	703
Purchases of raw materials and other consumables	–	–	610	3,126
Change in stocks	–	–	1,565	–
Other purchases and external charges	–	–	12,046	11,093
Total external charges	–	–	14,878	14,923
TAXED, DUTIES AND SIMILAR PAYMENTS				
	–	–	666	642
STAFF COSTS				
Wages and salaries	–	–	9,579	8,895
Social security charges	–	–	4,794	5,432
Total staff costs	–	–	14,373	14,327
OPERATING PROVISIONS				
Depreciation and amortisation of non-current assets	–	–	783	579
Provisions on current assets	–	–	686	–
Provisions for liabilities and charges	–	–	518	1,100
Total operating provisions	–	–	1,986	1,679
Operating charges	–	–	31,903	31,571
Operating income	–	–	(7,011)	(7,250)

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.../...

€ thousands	31/12/2015	31/12/2014
Operating income	(7,011)	(7,250)
FINANCIAL INCOME		
Income from participating interests	26,070	28,487
Income from other marketable securities and receivables from non-current assets	1,232	1,182
Provisions written back and charges transferred	152	40
Net income on disposals of marketable securities	180	278
Total financial income	27,635	29,987
FINANCIAL EXPENSES		
Impairment of financial assets	1,591	9,764
Interest payable and similar expenses	3,209	2,153
Net expenses on disposals of marketable securities	244	208
Total financial expenses	5,044	12,126
Net financial income	22,590	17,861
Pre-tax profit on ordinary activities	15,579	10,611
NON-RECURRING INCOME		
On revenue transactions	10	1,048
On capital transactions	–	261
Provisions written back and charges transferred	1,337	–
Total non-recurring income	1,347	1,309
NON-RECURRING EXPENSES		
On revenue transactions	–	–
On capital transactions	373	20
Depreciation, amortisation and impairment	–	680
Total non-recurring expenses	373	700
Net non-recurring income/(expense)	974	609
Employee profit-sharing	187	270
Corporation tax	(1,856)	(1,539)
Total income	53,873	55,617
Total expenses	35,651	43,128
NET INCOME	18,222	12,488

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.2. Statement of financial position

5.2. Statement of financial position

ASSETS

€ thousands	Net			
	Gross	Depreciation and amortisation	31/12/2015	31/12/2014
INTANGIBLE ASSETS				
Concessions, patents and similar rights	352	257	95	144
Other intangible assets	73	73	–	19
Total intangible assets	425	330	95	163
PROPERTY, PLANT AND EQUIPMENT				
Land	1,032	–	1,032	1,032
Buildings	680	217	463	240
Technical installations, equipment and industrial tooling	547	544	2	3
Other property, plant and equipment	1,642	1,297	345	848
Property, plant and equipment in progress	–	–	–	10
Total property, plant and equipment	3,900	2,059	1,841	2,133
LONG-TERM INVESTMENTS				
Other participating interests	247,254	5,365	241,888	226,213
Loans	228	–	228	193
Other long-term investments	1,604	320	1,284	1,253
Total long-term investments	249,086	5,685	243,400	227,660
Non-current assets	253,411	8,075	245,336	229,956
STOCKS AND WORK-IN-PROGRESS				
Work-in-progress - goods	–	–	–	212
Goods purchased for resale	–	–	–	193
Total stocks and work-in-progress	–	–	–	405
RECEIVABLES				
Advances and payments on account of orders	90	–	90	69
Trade receivables	12,620	312	12,308	11,281
Other receivables	27,106	9,224	17,882	9,723
Total receivables	39,817	9,536	30,281	21,073
CASH, CASH EQUIVALENTS AND OTHER				
Marketable securities	15,804	91	15,713	60,998
Cash and cash equivalents	10,876	–	10,876	12,518
Prepayments	81	–	81	141
Total cash, cash equivalents and other	26,761	91	26,670	73,657
Current assets	66,578	9,627	56,951	95,134
Borrowing costs to be deferred	1,292	–	1,292	1,580
Total	321,280	17,702	303,579	326,670

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.2. Statement of financial position

EQUITY AND LIABILITIES

€ thousands	Net		
	31/12/2015	31/12/2014	
EQUITY			
Share capital	<i>of which, paid: 1,145</i>	1,147	1,145
Additional paid-in capital		30,472	29,607
Revaluation differences	<i>of which, equity accounting reserve: –</i>	3	3
Legal reserve		114	112
Statutory and contractual reserves		922	922
Regulated reserves		1	1
Other reserves		15,905	15,905
Retained earnings		81,389	87,858
Net income for the year		18,222	12,488
Total equity		148,175	148,042
Regulated provisions		134	134
Shareholders' equity		148,309	148,176
Provisions for liabilities		3,161	2,998
Provisions for charges		2,487	2,211
Provisions for liabilities and charges		5,648	5,210
FINANCIAL LIABILITIES			
Borrowings from financial institutions		80,194	82,064
Other borrowings		54,463	74,713
Total financial liabilities		134,657	156,777
OTHER LIABILITIES			
Trade payables		4,090	3,164
Tax and social security liabilities		7,038	6,711
Liabilities on non-current assets		1	136
Other liabilities		2,642	5,401
Total other liabilities		13,771	15,412
DEFERRED INCOME		1,194	1,095
Liabilities		149,622	173,284
Total		303,579	326,670

5.3. Notes to the annual financial statements

NOTE 1. SIGNIFICANT EVENTS

- Albioma acquired 14 rooftop photovoltaic power plants from Ciel et Terre and Samfi Invest. The new facilities, located on Reunion Island, have a combined power generating capacity of 3 MWp. Electricity generated by these installations, which were commissioned in 2010/2011, is sold via contracts with a residual term of 16 years. As the new facilities are located close to Albioma's existing photovoltaic power plants, they benefit from the proximity and technical expertise of the Group's operating teams, generating significant synergies. This acquisition has increased the Group's photovoltaic installed capacity on Reunion Island to 26.5 MWp, representing 16% of total local capacity. Albioma has therefore become the island's leading photovoltaic power generator.
- In April, Albioma announced it had signed the final documentation with a view to acquiring, in August 2015, in Brazil, 65% of the share capital of Codora Energia, which owns a 48 MW bagasse-fuelled cogeneration plant located in the State of Goiás.
- The terms of the agreement with the vendor provide for the installation of a new 20 MW turbine that will be commissioned in 2017. In this context, on 30 April 2015 and in close cooperation with Albioma's teams in Brazil, Codora Energia secured the sale on the regulated market of 54 GWh per year for 20 years from 2020, at a historically high price of BRL278/MWh, linked to inflation. This was part of a request for proposals (*leilão de energia nova A-5*).
- In April 2015, Albioma Guadeloupe Logistique transferred all of its assets and liabilities to the Company, which became its sole shareholder.
- In 2005, operating directly as well as indirectly via Financière Hélios, the private equity fund Apax France VI and Altamir acquired a participating interest of approximately 42.5% in Albioma. On 5 June 2015, Apax Partners, the management company of the private equity fund Apax France VI, announced its intention to distribute approximately 30% of the Albioma shares held directly and indirectly by the Apax France VI fund to the limited partners of the latter. As a result, the limited partners of Apax France VI are now direct shareholders of Albioma. The post-distribution participating interest of Altamir remained unchanged at around 12%.

NOTE 2. ACCOUNTING POLICIES AND METHODS

The financial statements are presented in accordance with French accounting principles, particularly on the basis of Regulation 2014-03 of 5 June 2014 issued by 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. These assets comprise fixtures and fittings, vehicles, furniture and equipment, and IT hardware and software. The straight-line method of depreciation is used.

Non-currents assets	Depreciation period
Software	2 years
IT hardware	3 years
Other property, plant and equipment	5 years

Where applicable, an impairment provision is raised if the value in use of intangible assets and property, plant and equipment is lower than their cost.

2.2. Long-term investments

Equity investments and other long-term investments are initially recognised at their acquisition cost.

A review of internal indicators of impairment of participating interests is performed annually on a line-by-line basis. If there is evidence of impairment, the measurements are updated and the current value of the relevant participating interest is compared with its net book value. The current value is an estimate based on the market and the asset's utility for the company.

Valuation methods depend on the characteristics of participating interests, their profitability and their future prospects. Participating interests may be measured according to the share in recorded net assets or the share in restated net assets, the calculation of which may be based on discounted future cash flows.

If the current value falls below the net carrying amount, an impairment loss is recognised to bring the participating interests back down to their current value.

An impairment provision is booked against receivables from participating interests if the restated net asset value of the subsidiary (or the net carrying position if it is deemed representative of a recoverable amount) becomes negative, taking into account the subsidiary's prospects for development and the characteristics of the receivables.

2.3. Stocks

Stocks are measured at purchase cost. If the estimated net realisable amount of stocks is lower than the purchase cost, an impairment loss is recognised.

2.4. Current accounts and other receivables

Current accounts and 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. Financial instruments

The Company hedges its interest rate risk (borrowings at variable interest rates) using swaps. Interest expense on borrowings and the net impact of the swap transaction are recorded in financial expenses.

2.7. Provisions for liabilities and charges

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be estimated reliably.

2.8. Pensions and other retirement obligations

The expenses corresponding to the Company's obligations in respect of pensions and other retirement benefits have been provisioned.

Furthermore, two supplementary pension plans were put in place in 2004: a defined contribution plan covering 86 employees at 31 December 2015, supplemented by a defined benefit plan for those individuals employed by the Company prior to 1 January 1983.

Charges relating to defined contribution plans are expensed in the year in which they are incurred.

Charges relating to lump-sum retirement payment plans and defined benefit plans are provisioned using the projected unit credit method, treating length of service on a pro rata basis.

The actuarial calculations mainly take into account assumptions concerning wage increases, staff turnover rates, retirement dates and projected changes in remuneration and life expectancy, together with an appropriate discount rate.

2.9. Tax consolidation

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.

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Additional changes in Albioma's consolidation scope were the following:

Company	Consolidation date	Deconsolidation date
Albioma Solaire Pierrelatte	01/01/2011	31/12/2013
Albioma Solaire Fabrègues	01/01/2011	n/a
Éoliennes de la Porte de France	01/01/2011	31/12/2012
Albioma Solaire Guyane	01/01/2014	n/a

NOTE 3. STATEMENT OF FINANCIAL POSITION - ASSETS

3.1. Non-current assets

Intangible assets

€ thousands	31/12/2014	Increases	Decreases	Transfers	31/12/2015
Concessions and similar rights, patents, licences, brands, processes, software, rights	279	109	36	-	352
Other intangible assets	73	-	-	-	73
Gross amount	352	109	36	-	425
Concessions and similar rights, patents, licences, brands, processes, software, rights	135	122	-	-	257
Other intangible assets	54	19	-	-	73
Depreciation and impairment	189	141	-	-	330
Concessions and similar rights, patents, licences, brands, processes, software, rights	144	-	-	-	95
Other intangible assets	19	-	-	-	-
Net amount	163	-	-	-	95

Property, plant and equipment

€ thousands	31/12/2014	Increases	Decreases	Transfers	31/12/2015
Land	1,032	–	–	–	1,032
Buildings	680	–	–	–	680
Technical installations, equipment and industrial tooling	4	–	–	542	547
General installations, fixtures and fittings	571	27	–	2	599
Vehicles	14	–	–	–	14
Office equipment and IT hardware, furniture	974	40	1	15	1,028
Property, plant and equipment in progress	10	–	10	–	–
Gross amount	3,285	67	11	559	3,900
Land	–	–	–	–	–
Buildings	190	27	–	–	217
Technical installations, equipment and industrial tooling	1	1	–	542	544
General installations, fixtures and fittings	260	88	–	2	349
Vehicles	14	–	–	–	14
Office equipment and IT hardware, furniture	436	238	–	9	684
Property, plant and equipment in progress	–	–	–	–	–
Impairment of property, plant and equipment	250	–	–	–	250
Depreciation and impairment	1,152	354	–	554	2,059
Land	1,032	–	–	–	1,032
Buildings	240	–	–	–	213
Technical installations, equipment and industrial tooling	3	–	–	–	2
General installations, fixtures and fittings	311	–	–	–	251
Vehicles	–	–	–	–	–
Office equipment and IT hardware, furniture	538	–	–	–	344
Property, plant and equipment in progress	10	–	–	–	–
Net amount	2,133	–	–	–	1,841

The items shown in the column headed «Transfers» correspond to the acquisition of Albioma Guadeloupe Logistique's non-current assets as a result of the transfer of all its assets and liabilities to the Company.

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Long-term investments

Equity investments

<i>€ thousands</i>	31/12/2014	Increases	Decreases	31/12/2015
Investments in subsidiaries and associates	–	–	–	–
Non-Group participating interests	217	–	151	66
Group participating interests	231,514	16,360	686	247,188
Gross amount	231,731	16,360	837	247,254
Investments in subsidiaries and associates	–	–	–	–
Non-Group participating interests	–	–	–	–
Group participating interests	5,518	–	152	5,365
Impairment	5,518	–	152	5,365
Investments in subsidiaries and associates	–	–	–	–
Non-Group participating interests	217	–	–	66
Group participating interests	225,996	–	–	241,822
Net amount	226,213	–	–	241,888

The increase in participating interests relates mainly to the acquisition, in August 2015, of 65% of the share capital of the Brazilian company Codora Energia, made through the subsidiary Albioma Participações do Brasil, in which the capital has increased from €26,100 thousand to €42,460 thousand.

The decrease in participating interests relates mainly to the derecognition of the participating interest in Albioma Guadeloupe Logistique as a result of the transfer of all its assets and liabilities to the Company, which took place in April 2015.

€4,582 thousand of the impairment loss on securities as at 31 December 2015 relates to the investment in the Anaerobic Digestion sector.

Other long-term investments

<i>€ thousands</i>	31/12/2014	Increases	Decreases	31/12/2015
Long-term loans	193	35	–	228
Deposits and guarantees paid	1,573	82	51	1,604
Gross amount	1,767	116	51	1,832
Long-term loans	–	–	–	–
Deposits and guarantees paid	320	–	–	320
Impairment	320	–	–	320
Long-term loans	193	–	–	228
Deposits and guarantees paid	1,253	–	–	1,284
Net amount	1,447	–	–	1,512

3.2. Current assets

Goods purchased for resale

<i>€ thousands</i>	31/12/2015	31/12/2014	Change
Work-in-progress	–	212	(212)
Goods purchased for resale	–	1,565	(1,565)
Total stocks	–	1,777	(1,777)
Impairment: work-in-progress	–	–	–
Impairment: goods purchased for resale	–	(1,372)	1,372
Total impairment	–	(1,372)	1,372
Net amount	–	405	(405)

During the first half of 2015, goods purchased for resale, which consisted mainly of photovoltaic panels and amounted to €1,565 thousand, were sold and the impairment provision at 31 December 2014 of €1,372 thousand was reversed.

Other receivables

<i>€ thousands</i>	31/12/2015	31/12/2014	Change
Employees - Advances and payments on account	54	140	(86)
VAT accounts receivable	370	182	188
VAT deductible on non-current assets	–	9	(9)
Accounts receivable from the State	676	1,804	(1,128)
Income accounts receivable	48	417	(369)
Current accounts	25,767	14,586	11,181
Tax consolidation current accounts	180	1,118	(938)
Receivables due from employee welfare bodies	–	4	(4)
Sundry accounts receivable	11	1	10
Impairment of current accounts	(9,224)	(8,538)	(686)
Total	17,882	9,723	8,159

At 31 December 2015, the change in impairment was attributable to the readjustment of the impairment of a current account recognised in 2014 in the Anaerobic Digestion business following the initial commissioning of the plants.

Marketable securities

At 31 December 2015, the marketable securities item stood at €15,805 thousand.

It consisted of €11,829 thousand in mutual funds and €3,976 thousand in treasury shares.

Prepayments and accrued income

Prepayments, of €81 thousand, related primarily to insurance and subscriptions.

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

NOTE 4. LIABILITIES AND EQUITY

4.1. Shareholders' equity

€ thousands	31/12/2014	Increases	Decreases	Appropriation of 2014 net income (in euros)	31/12/2015
Share capital	1,145	–	–	1,880	1,147
Additional paid-in capital	29,607	62	–	802,756	30,472
Revaluation differences	3	–	–	–	3
Legal reserve	112	–	–	2,183	114
Statutory reserves - Contractual	922	–	–	–	922
Other reserves	15,906	–	–	–	15,906
Retained earnings	87,858	–	–	(6,469,718)	81,389
Net income for the year	12,488	18,222	–	(12,488,262)	18,222
Dividends paid	–	–	–	18,955,797	–
Total equity	148,042	18,284	–	–	148,175
Regulated provisions	134	–	–	–	134
Total shareholders' equity	148,176	18,284	–	–	148,309

Share capital

At 31 December 2015, the share capital consisted of 29,783,757 shares with a nominal value of €0.0385 per share, fully paid-up and held for 14.17% by a group acting together and comprising, in addition to Financière Hélios (which itself held 10.36% of the share capital), Altamir and various individuals and corporate bodies affiliated to it, and for 85.83% by various shareholders on the market.

At this same date, the Company held 261,092 of its own shares (representing 0.88% of the share capital and stripped of voting rights), including 149,300 shares in connection with a liquidity agreement managed by Rothschild & Cie Banque and 111,792 shares purchased on the market (including 43,928 shares to provide shares for a bonus performance share plan).

Appropriation of 2014 net income

In accordance with the decisions of the 28 May 2015 General Meeting, the net income for 2014 was appropriated as follows:

€ thousands	
Transfer to the legal reserve	2
Dividends paid	18,956
Retained earnings	(6,470)

The General Meeting set the amount of the 2014 dividend at €0.64 per share and resolved to grant each shareholder an option for the payment of 50% of the dividend, i.e. €0.32 per share, in new shares, the remainder having been paid in cash.

€18,117 thousand was settled in cash and €805 thousand in shares; 48,825 new shares were issued at a unit price of €16.48.

Net income for the year

€ thousands	
Operating income	(7,011)
Net financial income	22,590
Net non-recurring income/(expense)	974
Profit-sharing	(187)
Tax	1,856
Total	18,222

4.2. Provisions for liabilities and charges

€ thousands	31/12/2014	Reversal related to the transfer of all the assets and liabilities of Albioma Guadeloupe Logistique	Charge	Reversals - Used	Reversals - Unused	31/12/2015
Provisions for liabilities	2,998	–	1,500	–	1,337	3,161
Provisions for retirement benefits	1,351	19	226	–	–	1,597
Provisions for defined benefit retirement plans	180	–	–	–	–	180
Other provisions for charges	680	–	292	262	–	710
Provisions for liabilities	5,210	19	2,018	262	1,337	5,648
Of which operating	2,211	19	518	262	1,337	2,487
Of which financial	–	–	1,500	–	–	–
Of which non-recurring	2,998	–	–	–	–	3,161
Total provisions for liabilities and charges	5,210	19	2,018	262	1,337	5,648

Provisions for liabilities

Provisions for liabilities, which essentially cover the projected risks of payment of compensation relating to disputes or legal action, increased from €2,998 thousand at 31 December 2014 to €3,161 thousand at 31 December 2015.

Provisions for liabilities comprise a €1,500 thousand provision set up to cover the risks associated with participating interests held.

Provisions for charges

Lump-sum retirement payments

At 31 December 2015, lump-sum retirement benefits represented an amount of €1,597 thousand.

These charges relate to 87 individuals and are based on the collective agreement applied to Company employees. The main assumptions used are as follows:

- Life expectancy table: INSEE table;
- staff turnover: 2.5% for employees less than 46 years of age, and no turnover for employees more than 46 years of age;
- increase in wages and salaries of 3% per annum;
- discount rate of 2.2 % per annum.

Defined benefit retirement plan

This relates to the introduction in 2004 of a defined benefit retirement plan for executives employed by the Company prior to 1983. The provision stood at €180 thousand at 31 December 2015.

Other provisions for charges

This item, amounting to €710 thousand, relates to the provision recorded following Albioma's buyback of 66,930 of its own shares (purchases made on 31 December 2014 and in 2015) to partly cover the servicing of the bonus share plan adopted by the General Meeting of 14 March 2012.

4.3. Liabilities

Borrowings from financial institutions

In May 2014, the Company refinanced all of its borrowings.

To do this, Albioma carried out the private placement of a "Euro PP" bond issue totalling €80 million and maturing in December 2020 (bullet redemption) with an annual coupon of 3.85%.

At the same time, Albioma renewed its short-term bank funding lines in the form of a €40 million five-year confirmed revolving credit facility at the variable interest rate of Euribor plus 1.40%.

At 31 December 2015, borrowing costs to be deferred totalled €1,292 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 2015.

Drawdowns

At 31 December 2015, the drawdowns were as follows:

€ thousands	
Euro PP	80,000
Revolving credit facility	–

Interest-rate hedging

Not applicable (main corporate debt is at a fixed rate).

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Trade payables

Trade payables amounted to €4,090 thousand at 31 December 2015, including €2,802 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.

€ thousands	31/12/2015	31/12/2014	Change
Tax liabilities	442	133	309
Social security/employee-related liabilities	4,067	4,102	(35)
Social security/employee welfare body liabilities	2,529	2,476	53
Total tax and social security liabilities	7,038	6,711	327

Liabilities on non-current assets

At 31 December 2015, amounts due to suppliers of non-current assets totalled €1,000. All of these liabilities are due within one year.

Other liabilities

€ thousands	31/12/2015	31/12/2014	Change
Other creditors	71	24	48
Tax consolidation current accounts	419	2,801	(2,383)
Accrued expenses	2,104	2,542	(438)
Dividends payable	48	34	14
Total other liabilities	2,642	5,401	(2,759)

Deferred income

Deferred income, amounting to €1,194 thousand, relates to billing for services performed after 31 December 2015 or accrued income relating to future periods.

NOTE 5. INCOME STATEMENT

5.1. Revenue

Revenue amounted to €21,664 thousand at 31 December 2015 and comprised.

€ thousands	31/12/2015	31/12/2014	Change
Sales of goods purchased for resale	115	61	54
Production sold – goods	–	3,572	(3,572)
Production sold – services	21,549	18,148	3,400
Revenue	21,664	21,781	(118)

5.2. Net financial income

Net financial income breaks down as follows.

€ thousands	31/12/2015	31/12/2014	Change
Interest on loans and borrowings	–	–	–
Interest and financial charges	3,209	2,153	1,056
Net expenses on disposals of marketable securities	244	208	36
Provisions for financial liabilities and charges	1,500	–	1,500
Impairment of financial assets	91	9,764	(9,673)
Financial expenses	5,044	12,126	(7,082)
Income from participating interests	26,070	28,487	(2,417)
Other financial income	1,232	1,182	50
Provisions written back and charges transferred	152	40	112
Net income on disposals of marketable securities	180	278	(98)
Financial income	27,635	29,987	(2,352)
Net financial income	22,590	17,861	4,729

5.3. Net non-recurring income/(expense)

Net non-recurring income/(expense) breaks down as follows.

€ thousands	31/12/2015	31/12/2014	Change
Net book value of transferred assets - Intangible	–	–	–
Net book value of transferred assets - Financial	373	20	353
Provisions for non-recurring liabilities and charges	–	680	(680)
Non-recurring expenses	373	700	(326)
Proceeds from the sale of transferred assets - Financial	–	261	(261)
Other non-recurring income	10	1,048	(1,038)
Reversals of provisions for non-recurring liabilities and charges	1,337	–	1,337
Non-recurring income	1,347	1,309	39
Net non-recurring income/(expense)	974	609	365

5.4. Tax

The scope of the tax consolidation at 31 December 2015 includes the company Albioma and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule, in accordance with the tax grouping agreements signed on 31 March 2005 and 22 April 2009 respectively, Albioma Solaire Fabrègues, which was added to the scope on 1 January 2011, and Albioma Solaire Guyane, which was added to the scope on 1 January 2014.

At 31 December 2015, for the Company, the head of the tax group, these agreements resulted in a tax credit of €6,145 thousand, corresponding to the tax saving stemming from the tax consolidation.

Albioma also recognised in expenses €4,156 thousand in respect of tax, corresponding to the Group's taxable profit.

NOTE 6. HEADCOUNT

At 31 December 2015, Albioma employed a total of 94 staff (including one corporate officer) compared with 80 (including one corporate officer) at 31 December 2014.

NOTE 7. REMUNERATION OF THE ADMINISTRATIVE AND EXECUTIVE BODIES

Remuneration paid by the Company in 2015 to Corporate Officers totalled €895 thousand, compared with €869 thousand in 2014.

Corporate Officers do not benefit from a specific plan for post-employment benefits.

A charge of €158 thousand was recognised in 2015 in respect of attendance fees allocated to members of the Board of Directors.

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

NOTE 8. STOCK OPTION AND BONUS SHARE PLANS

	2014 bonus share plan for employees who are not members of the Executive Committee	2014 bonus share plan for members of the Executive Committee	2012 bonus share plan	2010 stock option plan
Total number of options and shares originally authorised	400,000	430,000	810,000	190,000
Number of instruments in issue at 31/12/2010	–	–	–	189,500
Rights cancelled during the period	–	–	–	(66,900)
Number of instruments in issue at 31/12/2011	–	–	–	122,600
Options and bonus shares allotted	–	–	617,400	–
Rights cancelled during the period	–	–	–	(18,000)
Number of instruments in issue at 31/12/2012	–	–	617,400	104,600
Options and bonus shares allotted	–	–	92,000	–
Rights cancelled during the period	–	–	(19,000)	(5,200)
Number of instruments in issue at 31/12/2013	–	–	690,400	99,400
Options and bonus shares allotted	259,000	430,000	117,213	–
Rights cancelled during the period	(7,000)	(2,000)	(26,265)	(1,000)
Effective acquisitions for the period	–	–	(198,302)	–
Number of instruments in issue at 31/12/2014	252,000	428,000	583,046	98,400
Options and bonus shares allotted	46,100	10,000	–	–
Rights cancelled during the period	(7,800)	–	(518,285)	–
Effective acquisitions for the period	–	–	27,169	–
Number of instruments in issue at 31/12/2015	290,300	438,000	37,592	98,400
Number of options exercisable at the year end	n/a	n/a	n/a	98,400
Value used for the employer's contribution base (in euros)	2.91	5.63	0.33	5.0

8.1. Stock option plans

Only the stock option plan adopted by the General Meeting of 18 May 2010 (meeting of the Board of Directors of 27 August 2010) concerning a maximum of 200,000 attributable stock options (corresponding to one share for each option exercised, i.e. 0.67% of the capital as at 31 December 2015) was in operation as at 31 December 2015.

These options are exercisable at the price of €21.31 from 28 August 2014 to 28 August 2017. The exercise of options by all beneficiaries is subject to a performance condition relating to the change in the installed capacity of the Group's photovoltaic fleet: the installed capacity of the photovoltaic fleet of the Company and its subsidiaries, as at 31 December 2011, must have increased by at least 30% per annum compared to the fleet capacity as at 31 December 2009. This condition was met as at 31 December 2011.

8.2. Bonus share plans

Only the following bonus share plans were in operation as at 31 December 2015:

- a bonus share plan adopted by the General Meeting of 14 March 2012 concerning a maximum of 810,000 attributable shares;
- a bonus share plan adopted by the General Meeting of 27 May 2014 exclusively for members of the Group's Executive Committee (including the Chairman and Chief Executive Officer), concerning a total initial attributable amount of 430,000 shares;
- a bonus share plan adopted by the General Meeting of 27 May 2014 for Group employees who are not members of the Executive Committee, concerning a total initial attributable amount of 352,525 shares.

Bonus share plan adopted by the General Meeting of 14 March 2012

The bonus share plan adopted by the General Meeting of 14 March 2012 concerning a maximum of 810,000 attributable shares was continued in 2015.

The effective acquisition of the shares is subject to performance conditions being met, in particular the achievement, during a reference period, of a six-month moving average of the Albioma share closing price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche.

The bonus shares allotted under the second and third tranches of the plan were cancelled on 27 January 2015, as the performance conditions for effective acquisition of the said shares had not been met on the date specified under the plan rules.

Since the performance conditions for the first tranche of the plan were met during 2014, 198,302 shares were effectively vested in favour of the beneficiaries who, during the year, met the presence conditions specified in the plan rules. These shares were created through a capital increase.

In order to service the remainder of the first tranche of the plan, the Board of Directors made use of the authorisation granted by the General Meeting of 27 May 2014 to buy back 66,930 shares. As at 31 December 2014, 38,424 shares had been bought back on this basis. A charge of €680 thousand was recognised in relation to this in 2014. The 28,506 additional shares were acquired early in 2015. An additional charge of €30,000 (net of the reversal for the bonus shares delivered in 2015) was recognised in 2015.

Bonus share plan adopted at the General Meeting of 27 May 2014 for members of the Executive Committee

A bonus share plan adopted by the General Meeting of 27 May 2014 was implemented during 2014 for the members of the Group's Executive Committee (including the Chairman and Chief Executive Officer), concerning a total initial attributable amount of 430,000 shares.

Effective acquisition of the shares is subject to performance conditions being met, in particular:

- for the first of three equal tranches, a change of at least 20% in the six-month moving average of the Albioma share closing price compared with the six-month moving average of the Albioma share closing price on 27 May 2014, recorded at any time during the acquisition period specified in the plan rules and no later than 29 May 2017;
- for the second of three equal tranches, a change of between 20% and 60% in the six-month moving average of the Albioma share closing price compared with the six-month moving average of the Albioma share closing price on 27 May 2014, recorded at any time during the acquisition period specified in the plan rules and no later than 29 May 2017.

None of the performance conditions for this plan had been met as at 31 December 2015.

Bonus share plan adopted at the General Meeting of 27 May 2014 for employees who are not members of the Executive Committee

A bonus share plan adopted by the General Meeting of 27 May 2014 was implemented during 2014 for Group employees who are not members of the Executive Committee, concerning a total initial attributable amount of 352,525 shares.

Effective acquisition of the shares is subject to performance conditions being met, in particular:

- for a first tranche of 50%, achieving an average availability rate of installations of more than 91.5% over the period 2014-2016;
- for a second tranche of 50%, achieving consolidated EBITDA within the range of €153.5 million to €169.5 million for 2016.

At 31 December 2015, Management took the view that these targets would probably not be achieved.

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

NOTE 9. OFF-BALANCE SHEET COMMITMENTS

<i>€ thousands</i>	2015	2014
OFF-BALANCE SHEET COMMITMENTS GIVEN		
Guarantees given to suppliers	45,737	3,000
Financing of project companies	–	818
Joint and several loan repayment guarantees	50,535	17,617
Option to repurchase shares held by non-controlling interests	1,500	1,500
Liabilities guarantees	–	6,363
Sundry commitments	622	622
Total off-balance sheet commitments given	98,394	29,920
OFF-BALANCE SHEET COMMITMENTS RECEIVED		
Shareholders' counter-guarantees	8,099	–
Lines of credit granted but not utilised	40,000	40,000
Earn-outs on disposal of the Wind Power business	Not measured	Not measured
Total off-balance sheet commitments received	48,099	40,000

9.1. Off-balance sheet commitments given

Guarantees given to suppliers

This commitment concerns guarantees for payment given to suppliers in connection with supply agreements entered into by the subsidiaries. The change compared with 2014 was due mainly to the orders in progress for capital expenditure to be incurred in respect of the Galion 2 and Albioma Saint Pierre thermal power plant projects.

Financing of project companies

This commitment concerns the financing of projects and the operation of developing subsidiaries. The non-financed commitment at 31 December 2014 was cleared in 2015.

Joint and several loan repayment guarantees

This commitment concerns joint and several guarantees of loans and environmental liabilities issued through banks on behalf of the Brazilian subsidiaries Albioma Rio Pardo Termoelétrica and Codora Energia, and the subsidiary Albioma Galion, in connection with the financing of the construction of the Galion 2 thermal power plant.

Option to repurchase shares held by non-controlling interests

In order to guarantee the founders of Methaneo a liquid market for the shares they hold in the Company's share capital, in 2012 Albioma granted a repurchase promise in respect of half of the shares held by these founders in 2016 and all the remaining shares in 2018. Following the signing of an amendment to the shareholders' agreement on 27 October 2014, the expiry of the buyback option is set at 2016 for all shares, for a sale price of €1.5 million.

Liabilities guarantees

The change compared with 2014 is mainly attributable to the settlement of two liabilities guarantees totalling €6.4 million relating to the sale of companies in the Wind Power business in 2007 and 2012.

Pledges of subsidiaries' shares

In connection with certain project financing transactions, the Company has also pledged shares in its subsidiaries to the lenders.

Company	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in thousands of euros)	Value of securities in the parent company's financial statements (in thousands of euros)	Corresponding %	Number of shares pledged	% of capital pledged
OTEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100%
OTEO Saint-Aubin	15/04/2004	31/12/2020	1,886	1,886	100%	637,500	100%
Albioma Solaire Guyane	18/12/2009	26/12/2026	40	40	100%	4,000	100%
Albioma Solaire Lasalle	22/04/2010	31/12/2025	32	32	100%	3,200	100%
Albioma Solaire Matoury	17/12/2010	30/11/2029	1,813	1,813	100%	1,600,240	100%
Albioma Solaire Pierrelatte	29/10/2009	30/06/2028	1,956	3,836	51%	195,636	51%

9.2. Off-balance sheet commitments received**Shareholders' counter-guarantees**

In order to cover the obligations of the Albioma Saint Pierre thermal power plant in respect of an investment, a parent company guarantee was issued and a counter-guarantee received from the company's shareholders. The commitment received amounted to €8.9 million at 31 December 2015.

Lines of credit granted

Albioma received commitments for the financing of projects and operations for an amount of €40 million, not drawn down at 31 December 2015.

Earn-outs from sales that took place in 2013

In connection with the sale of the Wind Power business to EDF Energies Nouvelles on 11 February 2013, Albioma received a conditional earn-out commitment, valid for five years, related to projects under development. This earn-out is conditional on the success of these projects.

NOTE 10. FINANCIAL DERIVATIVES

None.

NOTE 11. TRANSACTIONS WITH RELATED PARTIES

€ thousands	2015	2014
STATEMENT OF FINANCIAL POSITION		
Trade receivables	11,444	10,740
Accrued expenses	1,938	2,197
Subsidiaries' current accounts – debit and tax consolidation	25,947	15,704
Accrued income	18	15
Subsidiaries' current accounts – credit and tax consolidation	54,839	77,474
Trade payables	136	206
INCOME STATEMENT		
Sales of PV plants, equipment and services	20,178	20,619
Recharging of seconded employees	1,245	946
Interest on subsidiaries' current accounts	99	123
Interest on loans and advances	892	546
Income from participating interests	26,070	28,487

Transactions with related parties are entered into on an arm's length basis.

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

NOTE 12. ACCRUED INCOME AND ACCRUED EXPENSES

€ thousands

ACCRUED INCOME	
Suppliers' credit notes not yet received	23
Customer invoices to be raised	1,991
Value added tax on invoices not yet received	201
Value added tax on invoices to be raised	85
Provisions for accrued income	70
ACCRUED EXPENSES	
Suppliers' invoices not yet received	2,802
Amounts due to employees	2,935
Accrued social security charges	1,365
Amounts due to the State	122
Provisions for accrued expenses	2,104
Credit notes to be raised	–
Value added tax on invoices to be raised	–
Accrued interest on borrowings	194

NOTE 13. CONSOLIDATION

Albioma is the parent company of the Albioma Group, whose consolidated financial statements are drawn up in accordance with the International Financial Reporting Standards (IFRS).

NOTE 14. BREAKDOWN OF CORPORATION TAX BETWEEN CURRENT PROFIT OR LOSS AND NON-RECURRING PROFIT OR LOSS

€ thousands

	Tax rate	Corporation tax
Current profit or loss before tax	33.33%	(2,695)
Non-recurring profit or loss before tax	33.33%	325
Total		(2 370)

NOTE 15. INCREASES AND DECREASES IN THE FUTURE TAX LIABILITY

€ thousands

	Base amount	Increases and decreases in the future tax liability
INCREASES	–	–
DECREASES		
Provision for lump-sum retirement benefits and supplementary pensions	245	82
Employee profit-sharing	267	89
Sundry provisions and other	2,376	792
Total	2,888	963

NOTE 16. EVENTS AFTER THE REPORTING DATE

None.

NOTE 17. MATURITIES OF RECEIVABLES AND LIABILITIES

17.1. Receivables

<i>€ thousands</i>	Gross amount	Due within 1 year	Due in more than 1 year
NON-CURRENT ASSETS			
Receivables from participating interests	–	–	–
Loans	228	–	228
Other long-term investments	1,604	–	1,604
CURRENT ASSETS			
Trade receivables	12,620	12,620	–
Employee-related receivables	51	51	–
Social security and other employee welfare bodies	2	2	–
State and other public authorities			
Corporation tax	676	676	–
Value added tax	370	370	–
Other taxes and duties	–	–	–
Group and shareholders	25,947	25,947	–
Sundry accounts receivable	11	11	–
Accrued income	48	48	–
Prepayments	81	81	–
Total	41,639	39,807	1,832

17.2. Liabilities

<i>€ thousands</i>	Gross amount	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years
Bond issues	–	–	–	–
Borrowings from financial institutions				
within maximum of 2 years at inception	194	194	–	–
within + 2 years at inception	80,000	–	–	80,000
Sundry borrowings and financial liabilities	43	43	–	–
Trade payables	4,090	4,090	–	–
Employee-related receivables	4,067	4,067	–	–
Social security and other employee welfare bodies	2,529	2,529	–	–
State and other public authorities				
Corporation tax	–	–	–	–
Value added tax	320	320	–	–
Other taxes and duties	122	122	–	–
Liabilities on non-current assets	1	1	–	–
Group and shareholders	54,839	54,839	–	–
Other liabilities	2,223	2,223	–	–
Accrued expenses	–	–	–	–
Deferred income	1,194	1,194	–	–
Total	149,622	69,622	–	80,000

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

NOTE 18. LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Albioma Le Gol Le Gol 97450 Saint-Louis (Reunion Island)	13,354,534	92,677,725	566,045	64.62%
Albioma Bois-Rouge 2 chemin de Bois-Rouge 97440 Saint-André (Reunion Island)	18,826,302	31,333,876	1,235,000	100.00%
Albioma Le Moule 97160 Le Moule (Guadeloupe)	22,379,516	16,712,085	1,468,000	100.00%
Compagnie Industrielle Cendres et Mâchefers 97419 La Possession (Reunion Island)	887,400	303,532	1,972	33.98%
Isergie (reporting date 30 September 2015) 38000 Grenoble	37,500	536,346	10,000	4.00%
Terragen 18 rue Edith Cavell Port-Louis (Mauritius)	520,523,500 MUR	1,002,772,813 MUR	14,054,134	27.00%
Terragen Management 18 rue Edith Cavell Port-Louis (Mauritius)	100,000 MUR	1,389,063 MUR	2,825	28.25%
Éoliennes des Quatre-Vents Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	1,878,555	4,000	100.00%
Omicane Thermal Energy Operations Saint-Aubin Anglo-Mauritius House Adolphe de Plevitz street Port-Louis (Mauritius)	255,000,000 MUR	297,291,989 MUR	637,500	25.00%
Albioma Galion Usine du Galion 97220 La Trinité (Martinique)	17,040,000	25,964,009	13,632,000	80.00%
Omicane Thermal Energy Operations La Baraque Anglo-Mauritius House Adolphe de Plevitz Street Port-Louis (Mauritius)	761,000,000 MUR	418,581,376 MUR	1,902,500	25.00%

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2015	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
28,054,763	28,054,763	–	6,939,699	100,598,626	16,309,055
63,365,942	63,365,942	–	4,631,250	87,275,839	5,761,562
35,774,642	35,774,642	–	6,973,000	46,793,706	2,797,005
312,260	312,260	–	–	8,987,875	311,986
47,235	–	–	103,770	–	208,771
5,392,972	5,392,972	–	1,225,045	1,131,267,887 MUR	201,203,619 MUR
2,400	2,400	–	–	49,292,267 MUR	3,800 MUR
40,000	40,000	–	–	–	4,288
1,885,803	1,885,803	–	468,048	710,420,365 MUR	78,064,743 MUR
13,632,000	13,632,000	–	–	38,139,541	3,849,697
4,868,018	4,868,018	–	873,689	1,643,767,858 MUR	190,497,505 MUR

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 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
Énergie Beaufonds 8 allée de Beaufonds 97470 Saint-Benoît (Reunion Island)	37,000	n/c	1,195	64.62%
Albioma Caraïbes 97160 Le Moule (Guadeloupe)	17,040,000	17,690,593	1,704,000	100.00%
Albioma Solaire Réunion 21 rue Hélène Boucher Zone aéroportuaire 97438 Sainte-Marie (Reunion Island)	50,000	16,874,558	5,000	100.00%
Plexus Sol 21 rue Hélène Boucher Zone Aéroportuaire 97438 Sainte-Marie (Reunion Island)	37,000	1,101,420	3,700	100.00%
Albioma Solaire Guyane Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	2,186,612	4,000	100.00%
Albioma Solaire Antilles 16 rue des Artisans Zone Artisanale du Bac 97220 La Trinité (Mauritius)	10,185,000	(391,447)	814,800	80.00%
Albioma Solaire Habitat 16 rue des Artisans Zone Artisanale du Bac 97220 La Trinité (Martinique)	4,370,000	701,058	349,600	80.00%
Albioma Power Alliance 36 cour de l'Usine de Bois-Rouge 97440 Saint-André (Reunion Island)	120,000	518,328	1,000	100.00%
Élect'Sécurité 7 rue des Amarreuses ZA La Fabrique 97224 Ducos (Martinique)	100,000	n/c	300	30.00%
Quantum Energia Italia Piazzale Biancamano n°8 20121 Milano (Italy)	110,000	(288,921)	–	100.00%
Sun Developers 2 (Linares) Sancha de Lara 13 29015 Malaga (Spain)	113,250	–	–	100.00%
Sun Developers 3 (Linares) Sancha de Lara 13 29015 Malaga (Spain)	226,500	–	–	100.00%
Sun Developers 18 (Linares) Sancha de Lara 13 29015 Malaga (Spain)	250	–	–	100.00%
Sun Developers 15 (Orgiva) Sancha de Lara 13 29015 Malaga (Spain)	4,306	113,828	–	100.00%
Sun Developers 16 (Orgiva) Sancha de Lara 13 29015 Malaga (Spain)	4,006	51,782	–	100.00%

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5.3. Notes to the annual financial statements

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2015	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
18,803	18,803	-	-	-	n/c
17,040,000	17,040,000	2,592,348	1,448,400	35,857,395	3,796,099
6,245,864	6,245,864	-	-	8,646,806	2,843,244
459,111	459,111	15,934	208,643	913,256	162,768
40,000	40,000	-	2,106,000	7,701,170	2,182,504
8,148,000	8,148,000	-	-	4,705,338	1,172,113
3,496,000	3,496,000	-	150,328	1,959,685	647,616
2,060,000	2,060,000	-	571,200	1,236,735	505,931
30,000	-	-	-	-	n/c
110,000	-	3,473,803	-	-	(13,207)
113,250	-	112	-	-	-
226,500	-	118	-	-	-
250	-	-	-	-	-
458,841	458,841	350,078	-	6,331	(3,234)
355,237	355,237	253,057	-	3,333	(2,491)

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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 (Spain)	1,000	–	–	100.00%
Quantum Caraïbes Usine du Gallion 97220 La Trinité (Martinique)	100,000	395,945	5,000	50.00%
Énergipole Quantum Zone Industrielle Jaula 97129 Lamentin (Guadeloupe)	150,000	n/c	500	50.00%
Albioma Marie-Galante Usine de Grande Anse 97112 Grand Bourg (Guadeloupe)	150,000	(23,275)	9,750	65.00%
Quantum Énergie Marsillargues Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	(82,770)	4,000	100.00%
Albioma Solaire Pierrelatte Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	3,836,000	3,691,783	383,600	100.00%
Quantum Énergie Fabrègues Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	235,888	4,000	100.00%
Quantum Énergie SMDC Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	40,000	(52,174)	4,000	100.00%
Albioma Biomasse Mimizan Lieu-dit Savane Aubanéle Pk 9 route du Dégrad Saramaca 97310 Kourou (Guyane Française)	40,000	(49,108)	4,000	100.00%
Albioma Guyane Énergie Lieu-dit Savane Aubanéle Pk 9 route du Dégrad Saramaca 97310 Kourou (Guyane Française)	40,000	(71,965)	4,000	100.00%
Albioma Solaire Lassalle 16 rue des Artisans Zone Artisanale du Bac 97220 La Trinité (Martinique)	40,000	3,098,488	3,200	80.00%
Albioma Saint-Pierre 2 chemin de Bois-Rouge 97440 Saint-André (Reunion Island)	40,000	(31,437)	4,000	51.00%

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2015	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
1,000	1,000	-	-	-	-
50,000	50,000	-	-	571,129	198,149
75,000	75,000	-	-	-	n/c
97,500	-	565,000	-	-	(3,463)
40,000	-	57,130	-	-	(4,186)
3,836,000	3,836,000	-	-	3,021,948	1,578,576
40,000	40,000	212,479	-	559,933	211,950
40,000	-	11,750	-	-	(4,439)
40,000	-	7,653	-	-	(3,739)
40,000	-	30,745	-	-	
32,000	32,000	-	-	2,444,475	633,742
20,400	20,400	1,706,383	-	-	611,794

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 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 Bethléem 21 rue Hélène Boucher Zone Aéroportuaire 97480 Sainte-Marie (Reunion Island)	3,600,000	2,120,496	1,764,000	49.00%
Albioma Solaire Matoury Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	1,600,240	912,606	1,600,240	100.00%
Albioma Solaire Kourou Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	1,000	(62,761)	900	90.00%
Methaneo Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense	105,010	(9,828,317)	6,300	60.00%
Énergie de Martinique Hôtel de Région de Martinique Rue Gaston Defferre 97200 Fort de France (Martinique)	1,665,000	n/c	75	7.50%
Albioma Participações do Brasil Ltda Rua Gomes de Carvalho 1069, andar 13, conjunto 131 e 132 Vila Olímpia 04547-004 São Paulo - SP (Brazil)	150,000,000 (paid-up share as at 31 December 2015: (141,096,493) BRL	(10,911 269) BRL	150,000,000	99.99%
Solaire de Martinique Hôtel de Région de Martinique Rue Gaston Defferre 97200 Fort-de-France (Martinique)	100,000	n/c	333	33.00%
Biomasse de Martinique Centre d'Affaires de la Martinique Zone industrielle Californie 97232 Le Lamentin (Martinique)	n/c	-	-	33.00%
Total				

5 • COMPANY FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2015	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
1,764,000	1,764,000	–	370,440	3,468,415	756,059
1,812,775	1,812,775	2,008,510	–	2,398,913	264,998
900	900	100,170	–	–	(6,081)
4,582,200	–	11,655,534	–	630,011	(4,163,203)
124,875	124,875	–	–	–	n/c
42,460,000 (paid-up share as at 31 December 2015:	42,460,000	–	–	2 048 772 BRL	24,965 329 BRL
16,650	16,650	–	–	–	n/c
2,475	2,475	309,000	–	–	n/c
247,253,666	241,886,731	23,349,804	26,069,513		

5.4. Statutory Auditors' Report on the annual financial statements

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English 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

For the year ended 31 December 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying financial statements of Albioma;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Notes 2.2 "Long-term investments" and 2.4 "Current accounts and other receivables" to the financial statements set out the procedures used for measuring and impairing long-term investments, current accounts and other receivables. We reviewed the methods used by the Group to test these assets for impairment as well as the assumptions used, and verified that the notes provided appropriate disclosures.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, 28 April 2016.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Mazars

Jean-Christophe Georghiou
Partner

Manuela Baudoin-Revert
Partner

CORPORATE SOCIAL RESPONSIBILITY INFORMATION

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6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.1. Reporting and consolidation methodology for corporate social responsibility information

6.1. Reporting and consolidation methodology for corporate social responsibility information

Subject to the clarifications set out below and in accordance with Article L. 225-102-1 of the French Commercial Code, the following information concerns Albioma subsidiaries (as defined in Article L. 233-1 of the Commercial Code) and the companies it controls (as defined in Article L. 233-3 of the Commercial Code), in other words, companies that are consolidated using the full consolidation method (see explanations in note 37 to the consolidated financial statements for the 2015 financial year, on pages 197 *et seq.* in chapter 4 of this Registration Document). As the entities in Mauritius are consolidated using the equity method, they are not included in the reporting and consolidation scope with regard to corporate social responsibility information.

The employment and social information concerns all operational entities (excluding Mauritius) and the head office. However, the environmental information only concerns the operational entities (excluding Mauritius), given the small contribution by head office to Group data. Environmental information for new plants is not included until the plant has been operated by Albioma for a full year, as the data for partial years is not representative of

the plant’s nominal operation. Accordingly, the environmental information relating to the companies Sain’ter Méthanisation (collective agricultural anaerobic digestion facility), Codora Energia (bagasse-fuelled cogeneration) and Voltaréunion and its subsidiaries (photovoltaic installations) have not been included for the 2015 financial year. More generally, information relating to any entity that is not consolidated using the full consolidation method is annotated so as to clearly define its scope.

The data compiled in 2015 has been selected to ensure it is comparable with data published in 2014 and 2013, the Group having reviewed the materiality of this information in accordance with the Global Reporting Initiative guidelines.

Information is collected and consolidated in accordance with a universal protocol for the measurement and reporting of non-financial data, under the responsibility of the Group’s Corporate Social Responsibility department. Internal and external consistency tests are carried out on the information prior to consolidation and publication. Information is independently verified in accordance with applicable statutory and regulatory requirements (see the auditor’s statement of completeness and reasoned opinion concerning the fairness of the information relating to the 2015 financial year presented in section 6.5 pages 253 *et seq.* of this Registration Document).

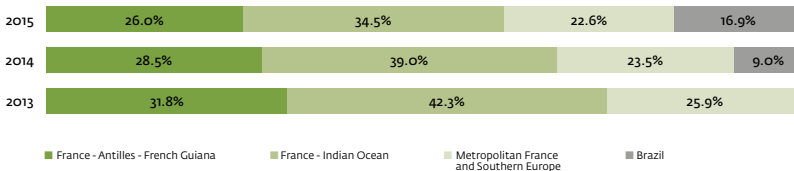
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6.2.1. EMPLOYMENT

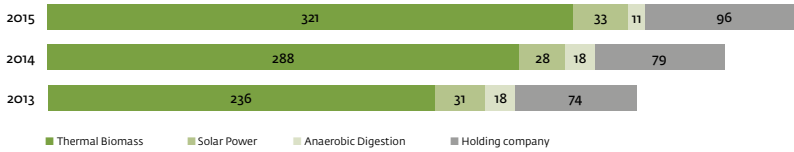
6.2.1.1. Total workforce and breakdown of employees according to gender, age and geographic location

At 31 December 2015, Albioma employed 461 men and women (413 in 2014), most of whom are located in the French overseas departments (DOM). Total headcount increased by 12% in 2015, with a bigger rise in the number of female employees (+17%) than male employees (+11%). Albioma has set a target of taking on a number of trainees, interns and apprentices equivalent to at least 5% of total headcount as at 31 December. At 31 December 2015, trainees, interns and apprentices accounted for 4.6% of the Group’s total workforce. Over the full year, they made up 5.7% of the workforce on average.

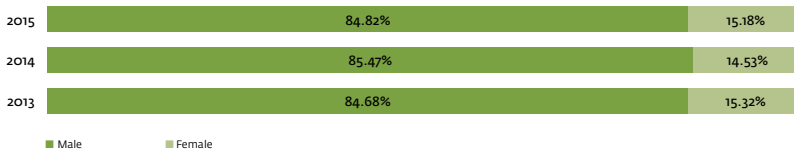
Breakdown of workforce by geographic location, as at 31 December



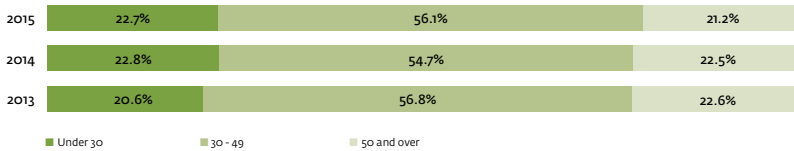
Breakdown of workforce by business sector, as at 31 December



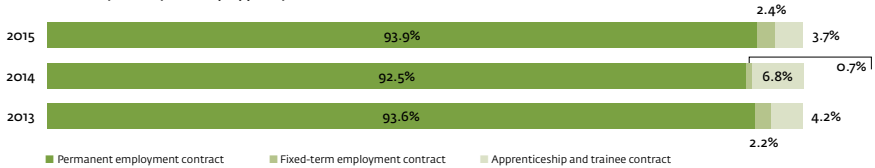
Breakdown of workforce by gender, as at 31 December



Breakdown of workforce by age, as at 31 December



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



Breakdown of workforce by socio-professional group, as at 31 December



6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.2. Employment information

6.2.1.2. Recruitment and departures

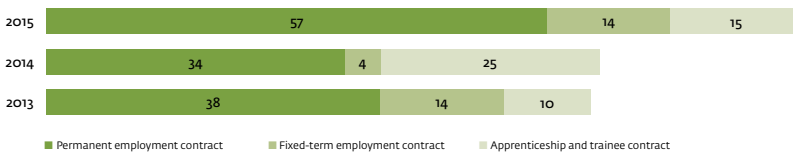
In 2015, the Group hired 86 employees (compared with 63 in 2014), including 22 in Brazil, where the Group acquired the Codora Energia plant and expanded the workforce at the Albioma Rio Pardo Termoelétrica plant. The number of employees recruited on permanent contracts increased significantly in 2015, driven in particular by the acquisition of the Codora Energia plant in Brazil and by a move to bring in new expertise at the Albioma Rio Pardo Termoelétrica plant. The recruitments in Metropolitan France in 2015 were due to a programme

to upgrade head office technical and other resources available to support the operational businesses.

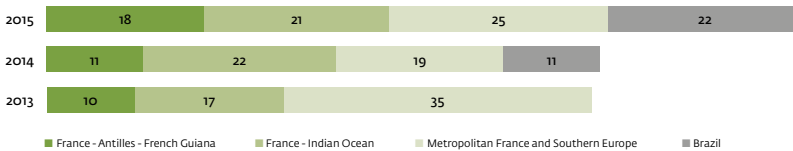
A total of 69 employees left the Group in 2015 (compared with 35 in 2014), of whom 24 departed upon completing a vocational training contract and 10 were dismissed.

The Group's turnover rate (calculated as the average of recruitments and departures across the Group over the year, stated as a percentage of the total workforce at 1 January) increased in 2015, standing at 18.8% compared with 13.6% in 2014, due largely to the expansion of the Brazilian workforce.

Breakdown of recruitments by type of contract



Breakdown of recruitments by geographic location



6.2.1.3. Remuneration and changes in remuneration

Remuneration policy

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

Albioma's remuneration policy reflects each individual's responsibilities and performance as well as collective performance, through a profit-sharing plan, an incentive scheme, an employee savings scheme, the allotment of 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 French Labour Code, informed by the Group's budgetary objectives. The resulting baseline pay is supplemented by

profit-sharing and/or incentive schemes that link all employees' remuneration to the Group's economic performance.

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

The gross average monthly salary, including all items of remuneration and for all locations except Brazil, increased by 3.50% between 2014 and 2015.

In Brazil, the change in employee remuneration derives from a combination of annual pay negotiations and consideration for promotions and individual performance. Annual pay review negotiations are required

under statutory and local regulatory measures. The resulting percentage increase may be defined freely, although it customarily reflects inflation, at least to some extent. In 2015, a collective bargaining agreement, covering salaries and other aspects, was introduced for the first time at the Albioma Rio Pardo Termoélectrica 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 can invest up to 25% of their annual remuneration in the savings plan.

Incentive scheme

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

Profit-sharing plan

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

Operating companies

The following plans and schemes apply specifically to the operating companies.

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

Albioma Bois-Rouge and Albioma Le Gol operate an inter-company savings plan and an inter-company retire-

ment savings plan set up under the terms of collective bargaining agreements introduced in 2008; these plans are funded by voluntary payments by employees, re-investment of incentive payments and company contributions.

These companies also operate three-year incentive schemes, first introduced in 2009.

A special profit-sharing agreement covering the companies within the economic and employment unit (UES) has been in place since 2010.

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

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

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

Albioma Solaire Antilles

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

A series of incentive schemes have been introduced since 2010. The most recent three-year agreement, signed in 2013, entitles employees who have worked for the company for more than three months to a percentage of the payroll provided the scheduled number of hours of electricity produced by all the photovoltaic installations managed by the company is exceeded.

6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.2. Employment information

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

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

A series of incentive schemes have been introduced since 2010. The most recent three-year agreement, signed in 2013 and common to all four companies, entitles employees who have worked for their company for more than three months to a percentage of the payroll provided the scheduled number of hours of electricity produced by all the photovoltaic installations managed by each of the companies is exceeded.

Albioma Galion

A series of incentive schemes have been introduced since 2010. The most recent three-year agreement, signed in 2013, entitles all employees who have worked for the company for more than three months to a percentage of the payroll based on the facility's technical performance coefficient and the production sold to EDF.

Methaneo

Methaneo has been operating an incentive scheme since 2013, entitling all employees within its scope who have worked for it for more than three months to a bonus based on their length of service and the stage of progress of the various projects under development.

Brazil

In 2014 Rio Pardo Termoeletrica paid a fixed annual bonus based on the preceding year. Pay negotiations at the company also yielded an agreement in 2015.

Stock-option and bonus performance share plans

The Company's policy on stock options and the allotment of bonus performance shares is described in section 7.4 on pages 282 *et seq.* 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 Caraibes et Albioma Galion, who are registered with plans based on two branch-wide agreements:
 - a directly applicable agreement executed in 2004 specifically concerning employees residing in the overseas departments, setting up a defined contribution supplementary retirement plan and, for certain employees, a defined benefit supplementary retirement plan;
 - a national agreement executed in 2008 setting up a defined contribution supplementary retirement plan for special status employees, with effect from 1 January 2009, which is operated in each of the relevant Group companies.

All employees of the Brazilian entities are covered by the statutory State-run pension scheme. There is no specific supplemental pension scheme.

6.2.2. ORGANISATION OF WORK

6.2.2.1. Organisation of working hours

All Group companies comply with statutory, regulatory and contractual obligations relating to working hours. An employee's working hours will depend on his status and the business sector in which he works.

Working hours

In hours	2015	2014	2013
Number of hours worked	712,267	664,255	617,541
of which hours of overtime	42,431	37,623	37,855
Overtime / hours worked	6.0%	5.7%	6.1%

The rises in working hours and overtime observed in 2015 result from the increase in headcount. The ratio of overtime to working hours was unchanged from previous years.

Breakdown of working hours

	2015	2014	2013
Percentage of employees working non-continuous shifts	63.6%	68.5%	70.0%
Percentage of employees working continuous shifts	36.4%	31.5%	30.0%

The Group's production facilities operate around the clock, as a result of which, some employees are expected to work non-standard hours. Working times, periods and breaks for employees who work continuous shifts at French plants are determined in conjunction with the occupational physician and employee representative bodies. In Brazil, working times are specified in the collective bargaining agreement signed in 2015.

6.2.2.2. Absenteeism

The absenteeism rate increased in 2015, largely as a result of the strike action at the Le Moule plant between 21 January and 4 March 2015. The data for this indicator from 2013 was incomplete and had been adjusted for 2014.

	2015	2014	2013
Absenteeism rate ¹	5.7%	3.1%	4.2%

1. Ratio between hours of absence and theoretical working hours (excluding overtime).

6.2.3. LABOUR-MANAGEMENT RELATIONS

6.2.3.1. Organisation of labour-management dialogue, including procedures for informing, consulting and negotiating with employees

In 2013, a Labour-Management Dialogue Charter was put in place, applicable across the entire Group. It sets out the following commitments:

- Develop a labour-management partnership in a climate of mutual respect and dialogue;
- Regularly distribute objective information by any appropriate means enabling top-down communication;
- Ensure effective bottom-up communication;
- Uphold the freedom of association;

- Encourage individual and collective employee freedom of expression;
- Consult elected employee representatives;
- Ensure the proper functioning of employee representative bodies;
- Enhance and develop collective negotiations in order to resolve potential difficulties or differences of opinion through dialogue;
- Review action taken in connection with the Charter at a Group Committee meeting once a year.

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

France

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

For thermal plants in the French overseas departments:

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

These employee representation bodies are represented on a Group Committee, which serves to improve labour-management dialogue, operating in addition to the other bodies set up in the individual power plants and regional economic and employment units. The Group Committee met once in 2015. The Committee's membership was renewed in 2015 following elections held in 2014 and early 2015.

All of Albioma's thermal power plants, including all the French thermal power plants whose employees have the special nationally-defined IEG status, also have a "Secondary Employee Commission" in addition to the usual employee representative bodies. The Commission must be informed and consulted with regard to any issues affecting management of special-status employees (recruitment, promotion, transfers).

In Guadeloupe, a list of demands relating to approximately 20 issues formed the basis for dense negotiations conducted between 22 December 2014 and 20 January 2015. Although several memoranda detailing conclusions of the negotiations relating to these issues had been signed, a new demand expressed on 21 January 2015 triggered an industrial dispute. The strike action severely

6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.2. Employment information

disrupted the Group's Guadeloupean facilities with effect from 21 January. A conflict resolution protocol was signed on 4 March 2015, bringing the dispute to an end.

Brazil

At Albioma Rio Pardo Termoelétrica in Brazil, there is no formal employee representation body. Local laws and regulations require annual pay review negotiations.

6.2.3.2. Review of collective bargaining agreements

In 2015, all Group employees in France were covered by a collective bargaining agreement or had special IEG status.

Albioma's labour-management dialogue policy facilitates the signing of a number of collective bargaining agreements every year. In 2015, 12 such agreements were signed (compared with 26 in 2014).

6.2.4. HEALTH AND SAFETY

6.2.4.1. Health and safety conditions in the workplace

The health and safety of employees and external service providers is an important issue for the Albioma Group, and this is confirmed by the Safety Charter introduced in 2013.

The Company has invested in a number of updated operational tools and resources in recent years, including a certified health and safety management system featuring:

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

This health and safety management system is already operational in the two thermal power plants on Reunion Island, Albioma Le Gol (certified in 2011) and Albioma Bois-Rouge (certified in 2013). In 2015, these two plants were successfully audited and their ILO OSH 2001 certification maintained.

Safety induction briefings have been introduced for all subcontractors at all of Albioma's French sites, to ensure that subcontractors comply with the Group's specific safety requirements. This safety briefing is a pro-active voluntary initiative that goes further than the applicable French regulatory requirements. At certified sites, additional efforts are made to uphold compliance with safety procedures by subcontractors: subcontractor selection process including safety performance criteria; twice-yearly

meetings to present Albioma's safety commitments; annual performance reviews that may result in a subcontractor being barred in the event of repeated infringement of safety procedures.

Applications for triple certification (ILO OSH 2001, ISO 9001 and ISO 14001) covering the whole Solar Power business are currently pending.

In response to the deterioration in safety performance reported in 2014, the French thermal power plants were independently audited in 2015. Four priority commitments emerged from this audit process:

- enhance the level of commitment by management;
- upgrade and standardise requirements;
- foster active commitment by all workers;
- learn from mistakes and shortcomings, and capitalise on them.

These commitments were presented to the Corporate Social Responsibility Committee and approved by the Board of Directors. They have been shared with all of the Group's executives at dedicated awareness meetings. These commitments are henceforth applied to the everyday activities of all entities.

In Brazil, a safety technician has been tasked with enforcing the applicable safety standards at each site.

6.2.4.2. Review of agreements signed with trade unions and employee representatives relating to health and safety in the workplace

The Group did not enter into any agreements relating to health and safety topics in 2015. The Safety Charter is being rolled out to good effect, supported by cross-functional dialogue between management, internal and independent experts, the occupational physician and employee representatives on the Health, Safety and Working Conditions Committees (CHSCT). The objectives and commitments set out in the Safety Charter have been defined as indicators, which are monitored on a monthly basis.

6.2.4.3. Occupational accidents (including frequency and severity information) and work-related illnesses

The frequency and severity rates of lost-time injuries (>24 h) are monitored on a monthly basis. The Group's results improved in 2015, as a result of the sustained commitment demonstrated by field personnel and head

office staff. The improved results are in part attributable to the application of the safety commitments described in section 6.2.4.1 on page 242 of this Registration Document. Continuous performance improvement is expected over the medium term.

	2015	2014	2013
Accident frequency rate	18.3	30.1	14.6
Accident severity rate	0.55	0.69	0.45
Work-related illness	–	–	–

6.2.5. TRAINING

6.2.5.1. Training policies

Albioma considers that it is in the Group's clear interest to invest in continuous professional development and training throughout each employee's career. In accordance with its Training Charter, the Group intends to provide all its employees with continuing professional and personal development opportunities by providing them with means and tools that they can use to enhance and improve their skills, achieve personal development and contribute to Albioma's competitiveness.

Albioma's commitments with regard to training are as follows:

- offer each employee a career assessment at least once a year, which will include a review of training received and define personal objectives;
- encourage professional training development by defining ambitious objectives that are consistent with each region's specific profile, offering 35 hours of annual training on average, and putting in place suitable means and resources at Group level;
- develop foreign-language training with a view to the Group's international expansion.

6.2.5.2. Total number of hours of training

Training provision increased considerably in 2015, averaging 34 hours per employee. The Group achieved its target in France, and Brazil, recently included in the reporting scope, has begun to structure its training provision.

<i>In hours</i>	2015	2014	2013
Total training hours	15,700	10,152	12,580
Average number of hours of training per employee	34	25	35
of which, training on safety	13	11	20

The 15,700 hours of training provided in 2015 included 1,849 hours of long-course, in-house training for employees retraining for new jobs.

6.2.6. EQUALITY

6.2.6.1. Measures to promote gender equality

Gender equality is a key part of the Group's diversity policy.

The percentage of female employees remained stable in 2015, particularly among executives. The proportion within the Group remains low.

<i>In hours</i>	2015	2014	2013
Women as a percentage of total workforce	15%	12%	15%
Women as a percentage of executives	21%	18%	18%
Women as a percentage of newly recruited employees	26%	21%	31%

In accordance with Article L. 225-37-1 of the Commercial Code, at its meeting on 3 March 2015 the Board of Directors discussed the Company's policy on professional equality and equal pay on the basis of the preparatory work carried out by the Nomination and Remuneration Committee. The Board of Directors:

- took note that the assessments performed by the Human Resources department, the results of which were presented to the Nomination and Remuneration Committee, did not find any inequality in pay but showed that the percentage of women in the workforce is low;
- approved the job equality and diversity action plan submitted by the Nomination and Remuneration Committee; this action plan is based on:
 - maintaining efforts to increase the proportion of female employees within the Group, particularly among executives, and working to promote technical professions among women, both within the Group and more generally;
 - hand-in-hand with the drive to increase the proportion of female employees, develop the means of ensuring equal access by men and women to senior management positions and training opportunities;
 - implement an ethics program, including a whistleblowing procedure, to put the Group's commitments into practice, particularly in the area of anti-discrimination measures;
 - roll out measures to identify disabilities in partnership with occupational physicians.

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6.3. Environmental information

6.2.6.2. Measures to promote the employment and inclusion of people with disabilities

As the proportion of employees with disabilities is an indicator specific to French labour law, it has been calculated for the France scope (excluding Brazil). To compensate for the small number of positions accessible to potential employees with disabilities, the Group has substantially increased outsourcing to the sheltered employment sector. Nevertheless, given the increase in headcount, the proportion of employees with disabilities remained stable in 2015.

	2015	2014	2013
Percentage of employees with disabilities ¹	1.3%	1.3%	1.1%

1. Beneficiaries (excluding Brazil) of the 'BOE' obligation to employ people with disabilities.

6.2.6.3. Anti-discrimination policy

The Group actively combats all forms of discrimination and considers diversity to be a priority in its human resources policy. Albioma considers diversity to be a wellspring of energy, creative flair and performance. The markets in which the Group operates are varied and complex; diversity in the workforce means we are better equipped to adapt and therefore improve overall performance.

In accordance with the Anti-Discrimination Charter, the Group's objectives are to increase diversity in its workforce by achieving a better gender balance and effectively capitalising on the many different cultures represented within Albioma.

6.2.7. PROMOTION OF AND COMPLIANCE WITH THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION ON...

6.2.7.1. ...upholding the freedom of association and the right to collective bargaining

As explained in section 6.2.3.1 on pages 241 *et seq.* of this Registration Document, the Group has introduced a Labour-Management Dialogue Charter and put in place an organisational structure that upholds the freedom of association and the right to collective bargaining. In 2015, the Group Committee foundation agreement was amended to include in its scope Albioma Caraïbes, which had no employees when the Committee was set up.

6.2.7.2. ...the elimination of discrimination in respect of employment and occupation

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

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

6.2.7.3. ...the elimination of compulsory or forced labour

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

6.2.7.4. ...the effective abolition of child labour

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

6.3. Environmental information

Due to the Group's significant presence in island locations, Albioma attaches particular importance to ensuring that the interdependencies with all constituent elements of the ecosystems in which the Group operates remain functional and balanced. The foundation for Albioma's environmental initiatives consists in understanding and analysing the Group's impacts, ensuring regulatory compliance and operating a continuous improvement process in the area of emissions reductions and resource management.

The Group's efforts to protect the environment have focused on its thermal power plants, which accounted for 90% of installed power capacity in 2015.

Photovoltaic electricity generation – by definition, a clean energy – is monitored essentially in terms of impact on the ground and on biodiversity. Generating photovoltaic electricity does not generate waste in itself, and the issue of what to do with end-of-life facilities is fully addressed by the general management of the environmental impacts of this business.

Collective agricultural anaerobic digestion plants create emissions that have environmental impacts. The main emission is digestate, a solid waste product of biomass; due to its agronomic properties, digestate can be fully recovered through agricultural applications.

6.3.1. GENERAL ENVIRONMENTAL POLICY

Albioma's environmental policy is underpinned by the Group's proactive commitment to industrial ecology. In particular, this commitment concerns:

- Contributing to the energy transition through a more balanced energy mix (less dependent on fossil fuels):
 - by leveraging the Group's extensive experience of co-combustion of sugar-making bagasse to increase thermal recovery rates from other sources of biomass, while factoring in any risks of conflicting uses;
 - by harnessing the abundant sunshine at its locations in the French overseas departments to develop a photovoltaic energy business;
 - by optimising power generation from biodegradable waste suitable for anaerobic digestion processes;
- making efficient use of resources (intensifying resource use and limiting dissipative losses):
 - by maintaining high power generation efficiency rates at its existing plants and striving for excellence through a continuous performance improvement process;
 - by incorporating the latest technological advances in the area of energy efficiency when designing new power plants;
- Reducing environmental impacts:
 - by contributing to the fight against the greenhouse effect by increasing the share of production from renewable sources;
 - by minimising the environmental impact of the Group's activities by controlling and monitoring its emissions;
 - by developing industrial ecology symbiosis solutions applicable to by-products from the Group's activities (implementing short return-to-the-earth loops, recovering by-products in construction materials, etc.).

6.3.1.1. Organisational response to environmental issues and environmental assessment and/or certification processes

At corporate level, environmental matters are the responsibility of the Corporate Social Responsibility 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, established by the Board of Directors, is consulted on all strategic matters arising from the implementation of the Group's environmental policy, in advance of any decisions of the Board of Directors on this matters (see comments in section 2.3.3.1 on pages 80 *et seq.* of this Registration Document).

Two air and water pollution experts report to the corporate Engineering and Works department, providing support to operational subsidiaries.

In the field, subsidiaries are given considerable responsibility for management of environmental matters, depending on the level of investment required: each subsidiary is responsible for identifying and reducing its own environmental impacts, and for implementing corporate policy at local level. The principal operational subsidiaries have appointed a Quality/Safety/Environment (QSE) manager. Furthermore, since 2014 the Group has two Environmental Compliance engineers, respectively serving the West Indies & French Guiana and Reunion Island regions.

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 (QSE) management policy, in accordance with the ISO 14001 certification process. Each certified facility has designated managers responsible for following up environmental impact reduction plans.

Applications for triple certification (ILO OSH 14001, ISO 9001 and ISO 2001) for the Solar Power business in France are currently pending.

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6.3. Environmental information

6.3.1.2. Environmental protection-related employee training and information initiatives

Albioma makes its environmental preservation requirements clear to all employees. All employees at certified facilities are trained in environmental issues, enabling them to understand and manage the main environmental risks encountered in the course of their work. Raising awareness of environmental issues is another feature of everyday life at the Group's facilities, not least as a result of systematic efforts by Quality/Safety/Environment managers. Lastly, the Activity and Sustainable Development Report published in 2015 and distributed to all employees describes the Group's environmental impacts as well as the action taken to reduce them and provide Albioma with sustainable development solutions.

6.3.1.3. Resources allocated to pollution and environmental risk prevention efforts

In order to comply with regulatory requirements and uphold the Group's environmental priorities, the various production facilities devote considerable resources to reducing their environmental impact and preventing pollution risks. In 2014, capital expenditure was particularly high as a result of investment to upgrade water treatment facilities at Albioma Bois-Rouge.

€ thousands	2015	2014	2013
Expenditure on pollution and environmental risk prevention	9,117	11,525	4,297

6.3.1.4. Amount of provisions and guarantees relating to environmental risks

The Group was not concerned by any environmental disputes in 2015.

In view of the obligation to provide financial guarantees - applicable to environmentally-classified facilities (Installations Classées pour la Protection de l'Environnement - ICPE) under the terms of the Order of 31 May 2012, which stipulates the list of classified facilities subject to the obligation to provide financial guarantees in application of Point (5°) of Article R. 516-1 of the Environmental Code - in December 2013, Albioma submitted a file to the competent authorities, in which the total cost of safely decommissioning its facilities was assessed to be €664,000. This amount was adjusted to €830,000 upon receiving the final operating orders. As of 31 December 2015, the Group had provided financial guarantees representing 30% of the estimated cost, with the outstanding amount to be contributed at the rate of 10% per annum over the next seven years.

6.3.2. POLLUTION AND WASTE MANAGEMENT

6.3.2.1. Measures to prevent, reduce or remediate environmentally harmful releases into the atmosphere, water or ground

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

Throughout 2015, the Group pursued its preparatory studies for a major capital investment programme to reduce atmospheric emissions. This programme has now moved on to the implementation phase with work underway at the Albioma Le Gol plant. These investments, the main purpose of which is to decrease sulphur oxides and nitrogen oxides emissions, will enable the Group to rapidly bring its thermal power plants into compliance with the new emission limits stipulated by the recently-introduced EU Directive on industrial emissions (IED).

Atmospheric emissions

In tonnes	2015	2014	2013
Sulphur oxides (SOx) emissions	6,141	6,772	8,090
Nitrogen oxides (NOx) emissions	4,802	4,819	4,623
Carbon monoxide (CO) emissions	1,592	1,531	1,128
Particulate emissions	364	166	145

The increase in particulate emissions is due to the inclusion of data relating to the Albioma Rio Pardo Termoelectrica plant.

The new liquid waste and runoff water treatment units at Albioma Le Gol and Albioma Bois-Rouge on Reunion Island, which were commissioned in December 2014, have decreased the suspended matter content of aqueous discharges from these two plants to the target level. These facilities are equipped with continuous measuring instruments that provide more precise, reliable information to plant operators.

6.3.2.2. Waste prevention, recycling and disposal measures

Albioma works in symbiosis with its agribusiness partners, recovering by-products from their activities and supplying them with energy.

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

As an industrial ecology stakeholder, the Group is naturally fully engaged in the virtuous circle of waste reduction.

Combustion by-products

Coal and biomass combustion by-products, in the form of ash and slag, account for most of the solid waste generated by Albioma's activities. Accordingly, particular focus has been given to these substances since early 2013, with the twin aims of limiting their environmental impact and developing waste recovery solutions. Using them in future as raw materials for certain activities, particularly in the construction industry, would enable the volumes of imported and locally-extracted resources to be decreased; this benefit is particularly significant in the context of the island locations of the Group's main facilities.

After conducting in-depth studies to define the various grades of ash and slag produced by its plants, the Group ensured that each plant had access to regulatory storage facilities. At the same time, research aimed at recovering ash and slag for use in construction materials continued in 2015. Some of these by-products are now expected to be recovered with effect from 2016. Lastly, the ash produced by burning bagasse at the Albioma Bois-Rouge, Albioma le Gol and Albioma le Moule plants have been approved by the French Agriculture, Agribusiness and Forestry ministry for use as a soil improver, confirming the benefits of returning minerals extracted by growing sugar cane to the fields.

With effect from 2015, slag from the Albioma Bois-Rouge plant is disposed of with the ash, partially accounting for the decrease in the quantity of slag and corresponding increase in the amount of ash.

<i>In tonnes</i>	2015	2014	2013
Slag	31,356	67,163	78,978
Ash	188,735	132,216	126,626
Gypsum	3,634	3,972	4,550
Total	223,725	203,351	210,154

Industrial waste

<i>In tonnes</i>	2015	2014	2013
Non-hazardous industrial waste	4,128	7,405	3,295
Hazardous industrial waste	388	220	197
Total	4,516	7,626	3,492

Albioma ensures that its industrial waste is managed by properly certified subsidiaries, and recycled whenever possible. Whereas in 2014, non-recurrent works were carried out to dispose of non-hazardous industrial waste produced by dredging accumulated sludge from the water retaining ponds the Le Gol plant, and to build a green waste receiving area, in 2015 industrial waste output returned to a comparable level to 2013.

6.3.2.3. Inclusion of noise-related nuisances and other forms of pollution specific to a particular activity

The prefectural orders applicable at the Group's thermal plants and collective agricultural anaerobic digestion units provide for regular measurements of noise emissions from facilities. Measurement campaigns are therefore carried out and, where appropriate, their results are used as inputs for environmental action plans. At the Galion 2 plant currently under construction in Martinique, certain equipment is to be enclosed for noise abatement reasons. Suppliers are also required to supply equipment that produces a sound pressure level below 85 decibels (measured at a distance of 1 m).

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

Sterilisation-based processing of abattoir waste and slurry storage for use in the anaerobic digestion business can sometimes be a source of odour nuisances. To avoid aggravating the odour issue in the area characterised by an initial odour assessment covering the area in which the facility is located, conducted before the unit was built, Tiper Méthanisation initially relied on a stale air extractor and odour treatment system, backed by organisational measures to keep loading rooms closed.

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In 2015, the odour assessment for the area was reviewed and a monitoring network set up. These measures shed new light on the origin of certain persistent odours, enabling technical solutions (including changing a component in the air scrubbing tower) to be implemented. Additional modifications will be made in 2016.

6.3.3. SUSTAINABLE USE OF RESOURCES

6.3.3.1. Water procurement and consumption in accordance with local restrictions

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

Water consumption is measured continuously at local level and the Group's total consumption tracked in a monthly indicator. In 2015, the water intensity of the energy produced by the Group decreased as a result of including data relating to the Albioma Rio Pardo Termoeletrica plant in Brazil and increasing the concentrations in the wet cooling towers at the two facilities on Reunion Island. The introduction of a dry cleaning process at the Albioma Bois-Rouge and Albioma Le Gol plants on Reunion Island yielded additional water savings.

Water consumption

	2015	2014	2013
Raw water extraction (thousands of cu. m ³)	7,405	7,397	7,416
Water intensity of power generation activity (cu m ³ /MWh)	2.04	2.38	2.30

6.3.3.2. Raw material consumption and measures in favour of more efficient resource utilisation

In 2015, the quantity of bagasse recovered by the Group rose significantly as a result of including the data relating to the Albioma Rio Pardo Termoeletrica thermal power plant, which is fuelled exclusively with biomass.

<i>In thousands of tonnes</i>	2015	2014	2013
Total biomass consumption	1,326	742	611
of which recovered bagasse	1,227	681	611
Coal consumption	833	883	951
Heating oil consumption	30	22	37

6.3.3.3. Energy consumption, energy efficiency measures and use of renewable energy

The vast majority of the Group's plants operate using power generated onsite. Annual targets for reducing this consumption as a share of power output are set for each of the Group's thermal power plants. Performance in this area is measured by a manager onsite, and the results monitored via a monthly indicator. Engineers with the Engineering and Works department are specifically assigned to monitor and improve plant performance.

The yield in terms of electricity output per ton of sugar cane crushed is a key indicator of the performance of the industrial processes employed for Albioma's Thermal Biomass business. This performance indicator deteriorated in 2015, mainly due to the inclusion of data relating to the Albioma Rio Pardo Termoeletrica plant in Brazil, which uses a different technology (operating at lower pressure and temperature).

<i>In kWh produced per tonne of cane crushed</i>	2015	2014	2013
Electricity yield per tonne of sugarcane	97	137	141

In 2015, renewable energy production by the Group increased significantly as a result of including the data relating to the Albioma Rio Pardo Termoeletrica thermal power plant, which operates using bagasse all year round.

	2015	2014	2013
Renewable energy as a percentage of total power output	46.62%	33.77%	31.10%

6.3.3.4. Land use

Land use issues are a focus of attention for Albioma's photovoltaic activities using solar farms. During the design process for such photovoltaic power plants, the Group researches sustainable solutions to avoid or minimise any encroachment onto farming land, and where applicable, offset any impact on agricultural activities.

Solutions to develop sheep farms 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.

As the bagasse recovered by Albioma is a by-product of the sugar and ethanol industry, Albioma's business effectively complements traditional agricultural activities.

6.3.4. CLIMATE CHANGE

6.3.4.1. Greenhouse gas emissions

As a renewable energy producer, the Group intends to actively decrease its greenhouse gas emissions through a better balance between energy sources.

	2015	2014	2013
Direct greenhouse gas emissions (in thousands of tonnes CO ₂)	2,110	2,239	2,360
of which carbon dioxide (CO ₂) emissions	2,074	2,204	2,329
of which nitrous oxide (N ₂ O) emissions	24	24	25
of which methane (CH ₄) emissions	12	11	6
Carbon intensity of electricity and steam production ¹ (in grams CO ₂ per kWh)	570	708	730

1. Only direct CO₂ emissions are included.

In 2015, the technical incident that affected the Albioma Le Moule plant resulted in a decrease in coal consumption. The inclusion of data relating to the all-bagasse Albioma Rio Pardo Termoelectrica plant significantly reduced the carbon intensity of the energy produced by Albioma.

6.3.4.2. Adaptation to the effects of climate change

The Intergovernmental Panel on Climate Change (IPCC) predicts a strong probability of extreme rainfall events becoming more intense and more frequent in humid tropical regions, such as those in which the Group operates. Albioma is careful to assess the vulnerability of its planned and existing installations with due consideration for climate change forecasts. In particular, thorough impact assessments are carried out when preparing operating license applications.

6.3.5. BIODIVERSITY PROTECTION

6.3.5.1. Measures to preserve or enhance biodiversity

Impact studies conducted during the construction phase for each of the Group's plants have yielded offset measures or recommendations relating to biodiversity issues such as restoring natural habitats, blending structures into the landscape, etc. These measures and recommendations have been systematically taken into consideration and implemented by the Group.

6.4. Social information

6.4.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE GROUP'S ACTIVITIES...

6.4.1.1. ...in terms of employment and local development

Albioma is the partner of choice for the agribusiness sector. The Group's business model is based on long-term partnerships with local stakeholders in the sector. This local presence contributes to the protection of thousands of jobs upstream of the Group's activities, in particular via the 'bagasse premium'. This premium corresponds to a fraction of revenues from bagasse recovery-based electricity production, which is passed on to the sugarcane growers and refineries. The sugarcane sector represents 18,300 jobs on Reunion Island¹ and 10,000 jobs in Guadeloupe².

Wherever the Group operates, its subsidiaries:

- provide employment in local economies by recovering biomass obtained from co-products and by-products of agribusiness processes;
- develop their employees' skills while providing fair pay and incentives;
- generate significant business for the industrial fabric and local service providers;
- increase the added value of goods and services purchased from suppliers and partners;

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

2. Source: Prefecture of the Guadeloupe Region (June 2015).

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- generate tax revenues for public authorities and income for shareholders and lenders.

Since 2014, extensive work to build liquid waste processing facilities at the Albioma Bois-Rouge and Albioma Le Gol plants has been carried out. These have been major projects for the Group and competitive bidding processes were organised, with local and metropolitan contractors being notified in accordance with company guidelines. Ultimately, metropolitan contractors were selected, accounting for the decrease in the proportion of local purchases between 2013 and 2014 and the subsequent stabilisation between 2014 and 2015.

	2015	2014	2013
Number of direct and indirect jobs supported	461	413	359
Number of indirect jobs supported ¹	297	265	335
Proportion of local purchases ²	45%	43%	68%
Amount of taxes paid to local authorities (in thousands of euros) ³	8,711	9,408	9,857

1. Excluding jobs upstream.

2. As a percentage of the Group's total purchases, excluding fuel and worksites.

3. 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 was granted concessions in 2014 and 2015, reducing the amount of taxes paid to local authorities.

The most significant local economic impact associated with the operation of the Group's thermal power plants is the 'virtuous partnership' with sugar refineries. Adopting a circular economy approach, Albioma uses the co-products of the sugarcane industry and provides its sugar refinery partners with the electricity and steam they need for production. Its energy efficiency expertise also means it can help to improve the sugar refineries' operational performance (improving certain energy-intensive industrial processes, reducing the number of shutdowns and failures, reducing maintenance costs).

	2015	2014	2013
Steam sent to sugar refineries (in thousands of tonnes)	2,018	1,638	816
Estimated savings for sugar refineries ¹ (in thousands of euros)	18,161	14,745	7,340

1. Steam sale price, excluding fuel, estimated at €9 per tonne.

The significant increase in the quantity of steam supplied to sugar refineries results from the inclusion of the data relating to the Albioma Rio Pardo Termoeléctrica plant in 2015.

6.4.1.2. ...on local populations and residents

The Group's power generation activity directly helps to provide an essential service to local populations, especially in areas that are not interconnected. Albioma produces a substantial proportion of the electricity consumed on Reunion Island and in Guadeloupe (see information on the Group's market position in section 1.3.3.1 on page 17 of this Registration Document).

	2015	2014	2013
Net electricity produced and sold ¹ (in MWh)	2,315	2,308	2,314
Thermal Biomass	2,197	2,198	2,217
Solar Power	98	97	97
Anaerobic Digestion	20	13	n/a
Number of households whose electricity is supplied by Albioma ²	723,532	854,858	857,039
Number of people whose electricity is supplied by Albioma ³	1,591,770	1,880,689	1,885,485

1. Total net production sold by the Group, excluding Mauritius but including the new plants acquired in 2015.

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).

The Group makes every effort to fit into the local environment, and strives to deliver a high-quality, reliable power supply. The high availability rate of the Group's power plants ensures that the local power grid is optimally supplied. In 2015, the Group's overall availability rate decreased as a result of technical incidents at the Albioma Le Gol and Albioma Le Moule plants.

	2015	2014	2013
Thermal plant availability rate ¹	86.6%	90.0%	92.3%

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

The Group's photovoltaic installations in the West Indies - French Guiana region include rooftop photovoltaic panels on social housing in Martinique. This project, which is the fruit of close cooperation between Société Immobilière de la Martinique and Albioma, covers the electricity needs of 1,400 residents. In time, residents will also see their service charges fall. Similarly, the additional income generated will enable SIMAR to renovate these homes.

6.4.2. RELATIONS WITH INDIVIDUALS AND ORGANISATIONS CONCERNED BY THE GROUP'S ACTIVITIES

6.4.2.1. Dialogue with individuals and organisations

Albioma has been operating as an energy producer in the French overseas departments for more 20 years. The Group has always maintained good working relationships with partners, although this has not been a particular focus of external corporate communication. The Group feels that the time has come to structure this approach and ensure that good practices at certain production facilities are shared and rolled out across all locations.

To this end, an assessment of possible interactions with partners was launched in 2014, overseen in particular by the Corporate Social Responsibility Committee. This initiative was rolled out to several facilities in operation, and is a systematic requirement for all new projects with effect from 2015.

In 2015, a two-day "open-day" event was held to celebrate the 20th anniversary of Albioma's Le Gol plant on Reunion Island. The first open day was ring-fenced for the families and friends of the plant's employees. The second day, open to the general public, saw 800 people visit the site, including numerous primary and secondary school pupils, as well as Reunion residents curious about this atypical industry.

This initiative was very well received by visitors. The ability to access the power plant was a significant first, giving people an insight into the industrial activities of one of their energy producers. The management team adopted a novel approach, organising tours in a miniature train, with accompanying commentary whenever the train stopped at one of the key points in the energy production chain. The tour ended with a quiz about energy production, and each visitor left with a souvenir of their unprecedented tour of the thermal power plant. Reunion Island's sugar trade union (Syndicat du Sucre de La Réunion) also organised a selection of educational activities as part of this event. Local media coverage highlighted the plant's contribution to the local economic and industrial heritage.

6.4.2.2. Partnerships and sponsorships

Partnership with Énergie de Martinique

Albioma is currently building the Galion 2 plant in Martinique, which will be fuelled exclusively by bagasse and other forms of biomass; Galion 2 will be the largest all-biomass power plant in Overseas France.

Albioma is seeking to develop new processes to supply this plant, enabling new types of locally sourced biomass to be used in addition to sugar refining bagasse, such as sugarcane chaff, the hitherto unrecovered fraction of distillery bagasse, coppice wood, non-fermentable green waste and energy crops grown without conflicts of use. Ultimately, nearly 40% of the plant's procurement needs should be fulfilled by locally sourced biomass.

In 2014 and 2105, Albioma conducted trials planting sorghum in rotation with banana crops, in a partnership with Énergie de Martinique (a Martinican semi-public company in which Martinique Regional Council has an interest), supported by the Institut Technique Tropical. In the light of the trials, an initial inventory of the most favourable conditions for this new type of crop was compiled, with the constant aim of avoiding conflicts of use in terms of both land and biomass. In parallel to these trials, research was carried out into other local biomass sources, and forestry in particular.

The partnership with Énergie de Martinique combined the Martinique Regional Authority's knowledge of Martinique's agricultural context with Albioma's industrial expertise in biomass recovery for use as fuel.

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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, Albioma consulted the Office National des Forêts with a view to developing an industry centred on the production of wood from public and privately-owned Martinican forests for use as an energy source. 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.

Almar training project

Sixteen young people from Overseas France worked with the Group from May 2014 to July 2015 as part of the Almar training project, which arose out of a partnership between the AFPA adult vocational training organisation (Association pour la Formation Professionnelle des Adultes), the LADOM agency for the promotion of professional mobility in the French overseas departments (Agence de l'Outre-mer pour la Mobilité), the AGEFOS PME training tax collection agency (Organisme Paritaire Collecteur Agréé) and Albioma's four baseload thermal power plants. These apprentices, working towards a qualification as heating equipment maintenance technicians, spent part of their 14-month course at the Group's production facilities and part receiving more theoretical training at the AFPA campus in Lardy, near Paris. All students in this initial intake completed the course and received their qualifications in July 2015.

Local sponsorship actions

Albioma subsidiaries organise local sponsorship actions every year. For example, the Group sponsors sports clubs in several areas in which it operates, with particular focus on team sports and environmentally-friendly outdoor sports.

€ thousands	2015	2014	2013
Financial contributions for sponsorship initiatives	10	25	43

A new policy on donations and corporate philanthropy is to be implemented in 2016. This policy will give priority to sponsoring and philanthropy initiatives that resonate with the Group's aims.

6.4.3. SUBCONTRACTING AND SUPPLIERS

6.4.3.1. Inclusion of social and environmental issues in purchasing policy

New general terms and conditions of purchase came into effect across the Group on 1 January 2014. They include a clause on corporate social responsibility, setting out the Group's commitments and requirements in this area. A copy of these terms and conditions is provided to all Albioma suppliers.

In addition, purchases of imported fossil fuels, which represent a substantial proportion of Group purchases, are sourced from recognised, quality suppliers (EDF Trading, ATIC Services) who in turn procure materials from producers who observe good practices in terms of corporate social responsibility. The certified thermal plants also conduct annual assessments of their strategic suppliers, which include health, safety and environmental criteria.

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

Importance of subcontracting

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

	2015	2014	2013
Subcontracting costs (in thousands of euros) ¹	39,692	36,141	34,811
Subcontracting costs as a percentage of operating costs ¹	13%	11%	10%

1. Scope: France.

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6.5. Independent third party's report on the consolidated human resources, environmental and social information presented in the Registration Document (including the Management Report)

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

The Safety Charter introduced by Albioma in 2013 contains safety-related commitments applying to Group employees and also to subcontractors working on Group sites (see details provided in section 6.2.4 on pages 242 *et seq.* of this Registration Document). Albioma pays particular attention to accidents at its facilities, regardless whether the victim is a Group employee or employed by a subcontractor.

6.4.4. FAIR PRACTICE

6.4.4.1. Anti-corruption measures

Albioma's business practices are designed to prevent corruption-related risks. In 2015, as in previous years, the Group did not encounter any corruption-related incidents.

6.4.4.2. Consumer health and safety measures

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

6.4.4.3. Other actions to uphold human rights

Albioma complies with the Fundamental Conventions of the International Labour Organization and respects human rights (see section 6.2.7 on page 244 of this Registration Document for more details).

6.5. Independent third party's report on the consolidated human resources, environmental and social information presented in the Registration Document (including the Management Report)

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Mazars SAS

Tour Exaltis - 61. rue Henri Regnault
92400 Courbevois

For the year ended 31 December 2015

To the shareholders,

In our capacity as independent third party, certified by COFRAC under number 3-1058¹ and a member of Mazars' network, Statutory Auditor of Albioma, we hereby report to you on the consolidated human resources, environmental and social information for the year ended 31 December 2015 (hereinafter "CSR Information"), presented in the Registration Document (including the Management Report), in accordance with Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE COMPANY

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

¹. Scope details available on the COFRAC website www.cofrac.fr.

6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.5. Independent third party's report on the consolidated human resources, environmental and social information presented in the Registration Document (including the Management Report)

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the ethical requirements, professional standards and applicable legal and regulatory texts.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

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

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

Our work was carried out by a team of five people between October 2015 and February 2016 during a 6-week intervention.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of 13 May 2013 determining the conditions in which the independent auditor performs its engagement and, concerning our conclusion on the fairness of CSR Information, with ISAE 3000¹.

ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

We conducted interviews with the relevant heads of department to familiarise ourselves with sustainable development policy, according to the impact of the company's activity on human resources and the environment, of its social commitments and any action or programmes arising from them.

We compared the CSR Information presented in the Registration Document (including the Management Report) with the list provided for by Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covered the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L.233-1 of the French Commercial Code and the companies that it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological note presented in section 6.1 "Reporting and consolidation methodology for corporate social responsibility information" of the Registration Document (including the Management Report).

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the Registration Document (including the Management Report).

CONCLUSION ON THE FAIRNESS OF THE CSR INFORMATION

Nature and scope of our work

We conducted around ten interviews with people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, neutrality and understandability, and taking good market practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

¹. ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

6.5. Independent third party's report on the consolidated human resources, environmental and social information presented in the Registration Document (including the Management Report)

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the Company, the human resources and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important (presented in appendix):

- at parent and entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified their consistency and concordance with the other information in the Registration Document (including the Management Report);
- at the level of a representative sample of entities¹ selected by us according to their activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents.

The selected sample represents 34% of headcount and between 22% and 55% of quantitative environmental data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the company.

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

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations inherent to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity may have gone undetected.

Conclusion

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

Paris la Défense, 28 April 2016.

For the independent third party,

Mazars SAS

Manuela Baudoin-Revert
Partner

Emmanuelle Rigaudias
CSR & Sustainable Development partner

1. Thermal Biomass West Indies: Albioma Le Moule and Albioma Caraïbes, Solar Power Indian Ocean, Albioma Rio Pardo Termoeléctrica.

6 • CORPORATE SOCIAL RESPONSIBILITY INFORMATION

6.5. Independent third party's report on the consolidated human resources, environmental and social information presented in the Registration Document (including the Management Report)

Appendix: CSR Information considered to be the most important

Human resources information

- Total workforce and breakdown by gender
- Number of recruitments by type of contract
- Percentage of interns, trainees and apprentices
- Number of departures
- Evolution in the gross average monthly salary
- Number of hours worked
- Number of hours of overtime
- Absenteeism rate
- Number of collective bargaining agreements signed
- Labour-management dialogue policy (qualitative assessment)
- Accident frequency rate
- Accident severity rate
- Number of hours of training
- Number of hours of safety-related training

Environmental information

- General environmental policy (qualitative assessment)
- SO_x, NO_x and particulate emissions
- Volumes of combustion by-products generated
- "2014-2018 combustion by-product plan" project (qualitative assessment)
- Consumption of energy raw materials (biomass, coal and oil)
- Percentage of renewable energy in total power output
- Water intensity of produced energy
- Electricity yield per tonne of sugarcane
- Carbon intensity of electricity and steam production
- Biodiversity – Solar Power only (qualitative assessment)

Social information

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- Consideration for subcontractors in health and safety policy (qualitative assessment)

LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

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7.1. Company information

7.1.1. IDENTIFICATION DETAILS

7.1.1.1. Name

The Company has been called Albioma since the General Meeting of 30 May 2013, at which the shareholders resolved to change the Company's name. Prior to this meeting, the Company was called Séchillienne-Sidec.

7.1.1.2. Legal form

Albioma is a French limited company incorporated as a société anonyme governed by a Board of Directors.

7.1.1.3. Legislation applicable to the issuer

Albioma is governed by French law.

7.1.1.4. Trade and companies register

The Company is registered in the Nanterre Trade and Companies Register under number 775 667 538 (APE Code: 7010 Z).

7.1.1.5. Date of incorporation and duration of the Company (Article 6 of the Memorandum and Articles of Association)

"The Company's duration (initially fixed at 30 years, extended until 31 December 1949 and then until 31 December 2039) has been further extended for an additional period of 60 years pursuant to a resolution adopted at the Extraordinary General Meeting of 16 June 2009 and accordingly, the Company will cease to exist on 31 December 2099 save in the event of early dissolution or further extension."

7.1.1.6. Article 3 of the Memorandum and Articles of Association

"The Company has the following objects:

- *to study, create, finance, supply, operate and sell, either directly or indirectly, facilities recycling and/or using any form of fossil fuel or renewable energy along with all electrometallurgical, electronic, electrochemical, chemical, gaseous, metallurgical, electrical, mechanical, thermal, hydraulic, handling and traction products, appliances and equipment,*
- *to acquire direct or indirect holdings in any existing or future French or foreign business or company, whose corporate objects may contribute towards the achievement of the corporate objects or are connected to these objects or similar or related objects, and to take over the management of the said business or company,*
- *and, generally, to carry out all industrial and commercial transactions and all transactions involving movable or immovable property, that are directly or indirectly connected to the foregoing or that may be useful for the corporate objects or instrumental in the achievement or development thereof."*

7.1.1.7. Registered office

Pursuant to a decision taken by the Chairman and Chief Executive Officer on 24 February 2014, acting within the scope of the powers delegated to him by the Board of Directors at its meeting of 17 December 2013, the Company's registered office has been transferred to Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense. Article 4 of the Memorandum and Articles of Association has been amended accordingly.

This decision was ratified by shareholders at the General Meeting of 27 May 2014.

7.1.1.8. Financial year

The Company's financial year commences on 1 January and ends on 31 December of each year.

7.1.1.9. Consultation of company documents

The Memorandum and Articles of Association, company and consolidated financial statements, reports and shareholder information can be consulted at the Company's registered office, at Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense, during office hours (postal address: Tour Opus 12, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex). Most of these documents can also be viewed, free of charge, on the Company's website www.albioma.com.

7.1.2. INCORPORATING DOCUMENTS AND MEMORANDUM AND ARTICLES OF ASSOCIATION

7.1.2.1. Amendments to the Memorandum and Articles of Association approved by the General Meeting of 28 May 2015

The General Meeting of 28 May 2015 approved the following amendments to the Memorandum and Articles of Association:

- an amendment to Article 32 of the Memorandum and Articles of Association, designed to render the Memorandum and Articles of Association compliant with the new provisions of Article R. 225-85 of the French Commercial Code (Code de Commerce), introduced by Article 4 of Decree No. 2014-1466 of 8 December 2014 modifying the date and the procedures for the preparation of the list of persons authorised to take part in general meetings of shareholders and bondholders for trading companies;
- an amendment to Article 37 of the Memorandum and Articles of Association, designed to reassert the 'one share, one vote' principle, through the exemption provided for in Article L. 225-123 of the French Commercial Code as amended by Law no. 2014-384 of 29 March 2014 introduced to re-establish the real economy.

7.1.2.2. Administration and general management (Articles 19 to 29 of the Memorandum and Articles of Association)

Article 19 of the Memorandum and Articles of Association

"Governance of the Company shall be entrusted to a Board composed of at least three members and no more than twelve members, appointed by the shareholders at General Meetings.

The term of office of each member of the Board of Directors shall be four years, where one year corresponds to the period from one Annual General Meeting to the next.

Outgoing Directors may be reappointed.

In the event a seat on the Board becomes vacant between two General Meetings due to resignation or death, the Board shall be entitled to make a provisional appointment for the remainder of the term of office of the replaced Director, with a view to maintaining the same number of Board members.

The shareholders shall make a final appointment at the next Ordinary General Meeting. However, if the number of Board members falls below the statutory minimum of three, the Board or - failing that - the Statutory Auditors, shall immediately convene a General Meeting to make up the numbers. Any interested party may do the same, in accordance with the terms and conditions laid down by law.

In the event any appointments made by the Board of Directors are not subsequently ratified by the shareholders, all the Board's decisions and actions shall nevertheless remain valid.

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

Article 20 of the Memorandum and Articles of Association

"The Directors must each hold four hundred (400) registered shares throughout their term of office.

In the event a Director does not hold the aforementioned number of shares at the time of his appointment or ceases to hold the aforementioned number at any time during his office, he will be deemed to have automatically resigned unless he remedies the situation within a six (6) month period."

Article 21 of the Memorandum and Articles of Association

"By way of remuneration for their duties, the Directors shall receive directors' fees, the amount of which will be set by the shareholders at General Meetings, as well as a share of the profits in accordance with Article 45."

Article 22 of the Memorandum and Articles of Association

"The Board shall appoint one of its members as Chairman, who must have French nationality or be a citizen of a member state of the European Economic Area, and, if need be, shall determine his remuneration. The Chairman shall be appointed for a term of office that may not exceed his term of office as a Director. The Board shall appoint a secretary, who may but need not be a Board member.

The Chairman represents the Board of Directors. He organises and oversees its work, and reports thereon to the General Meeting. He ensures the Company's bodies operate properly and, more specifically, that the Directors are in a position to perform their duties.

In the event the Chairman reaches the age of 65 during his term of office, he will remain in office until expiry of his term of office. The Board of Directors may then reappoint him as Chairman once or more than once, provided the total term does not exceed the term of a directorship.

The Board may elect a Deputy Chairman from its members. In the event the Chairman is absent or unable to act, the Deputy Chairman appointed by the Board will chair the meeting. If both are absent, the Board shall appoint one of its members to chair the meeting.

The Board of Directors shall meet whenever a meeting is called by the Chairman or half of the members of the Board, and as frequently as the Company's interests dictate, either at the registered office or at any other venues stated in the notice of meeting.

However, if a Board meeting has not been held for more than two months at least one third of the Directors may call a meeting, stating the agenda. The Chief Executive Officer may also ask the Chairman to call a meeting of the Board of Directors to consider a specific agenda.

Notice of meetings shall be given by any means, including by word-of-mouth.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.1. Company information

In accordance with the legal and regulatory provisions and the Internal Regulations adopted by the Board of Directors, and within the limits provided thereby, Directors who attend meetings of the Board of Directors using videoconferencing or telephone conferencing facilities that allow them to be identified and guarantee their effective participation shall be deemed present when calculating the quorum and majority. However, such methods may not be used when adopting the annual financial statements and the management report or when adopting the consolidated financial statements and the Group management report.

Any Director may be represented by another Director at any given meeting. A proxy may be appointed by means of an ordinary letter or even by telegram. A Director may only represent one other Director at a given meeting. The presence of at least half of the Directors in office is necessary for the Board to validly transact business. Decisions shall be taken by a majority of the votes of the members present or represented, and any Director who represents another Director shall hold two votes. In the event of a tie, the chairman of the meeting shall have a casting vote."

Article 23 of the Memorandum and Articles of Association

"Decisions shall be recorded in minutes kept in a special minute book as required by law, and signed by the chairman of the meeting and at least one Director. In the event the chairman of the meeting is unable to sign, the minutes shall be signed by at least two Directors.

The minutes shall be drawn up in accordance with the law.

Copies of or excerpts from the minutes required as evidence in court, or for any other reason, shall be validly certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Director temporarily acting as chairman or any person specifically authorised for that purpose by the Board of Directors.

Production of a copy of or excerpt from the minutes of a meeting shall be sufficient proof of the number of Directors in office and the number present or represented at the meeting.

An excerpt from minutes recording a grant of authority by the Board shall be sufficient evidence of the existence of such authority."

Article 24 of the Memorandum and Articles of Association

"The Board of Directors shall define the Company's business policies and supervise their implementation. Subject to the powers expressly granted to shareholders at General Meetings and to the scope of the Company's objects, it shall deal with all issues affecting the proper running of the Company and settle all matters concerning the Company in the course of its meetings. It shall define the Company's strategic policies, and its prior authorisation shall be required for any material transaction that falls outside the scope of the announced business strategy, including major organic growth investments, internal restructuring operations or external acquisitions or sales.

The Board of Directors shall carry out all the checks and controls it considers appropriate. It shall review the Company's financial position, cash flow situation and commitments on a regular basis."

Article 25 of the Memorandum and Articles of Association

Choice between two methods of general management

"In accordance with Article L. 225-51-1 of the French Commercial Code, the Company's General Management shall be the responsibility of either the Chairman of the Board of Directors or of another natural person appointed by the Board of Directors with the title of Chief Executive Officer.

The Board of Directors shall decide which method of general management shall apply. The Board's decision concerning the choice of method of general management must be approved by the majority of Directors present or represented at the meeting. Shareholders and third parties shall be informed of the Board of Directors' decision in accordance with the terms and conditions laid down in the applicable regulations.

A change in the method of general management shall not require the amendment of the Memorandum and Articles of Association."

General Management

"The Chairman or the Chief Executive Officer shall be responsible for the Company's General Management, depending on the method of management chosen by the Board of Directors.

The Chief Executive Officer shall be appointed by the Board of Directors, which shall also determine his term of office, his remuneration, if applicable, and any limitations placed on his authority, if appropriate.

He must be aged under 70 in order to hold office. In the event he reaches this age limit when in office, the Chief Executive Officer shall be automatically deemed to have resigned and a new Chief Executive Officer shall be appointed.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. A Chief Executive Officer who is not also Chairman may claim compensation if he is removed from office without just cause."

Powers of the Chief Executive Officer

"The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of the Company. He shall exercise these powers within the limits of the Company's objects and subject to any powers expressly granted by law to the shareholders and the Board of Directors.

He shall represent the Company in dealings with third parties. The Company shall be committed by any actions or decisions of the Chief Executive Officer that do not fall within the scope of the Company's objects, unless the Company can prove that the third party was aware that the action or decision in question fell outside the scope of the objects or could not have been unaware thereof, in view of the circumstances. However, mere publication of the Memorandum and Articles of Association is not sufficient proof thereof."

Deputy Chief Executive Officers

"Following a proposal by the Chief Executive Officer, irrespective of whether this office is held by the Chairman of the Board of Directors or by any other person, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Board of Directors shall determine, in conjunction with the Chief Executive Officer, the scope and period of validity of the powers granted to the Deputy Chief Executive Officers, and shall set their remuneration, if applicable.

The Deputy Chief Executive Officer or Officers shall have the same powers as the Chief Executive Officer with regard to third parties.

In the event the Chief Executive Officer no longer holds office or is unable to act, the Deputy Chief Executive Officers shall remain in office with the same powers and responsibilities until a new Chief Executive Officer is appointed, subject to any decision to the contrary by the Board of Directors.

Deputy Chief Executive Officers may be removed from office at any time by the Board of Directors, on the basis of a proposal by the Chief Executive Officer. Deputy Chief Executive Officers may claim compensation if they are removed from office without just cause."

Article 26 of the Memorandum and Articles of Association

"The Board of Directors may create committees composed of Directors, or managers, or of both Directors and managers of the Company. Members of these Committees shall be responsible for reviewing any matters referred to them by the Board or its Chairman."

Article 27 of the Memorandum and Articles of Association

"Subject to the Chairman's consent, the Board of Directors may enter into agreements with any senior managers, defining the term of their appointments, the scope of their powers and responsibilities, retirement provisions and terms and conditions relating to their removal from office.

Lastly, the Board of Directors may grant powers to any person of its choice pursuant to a special power of attorney for one or more specific purposes."

Article 28 of the Memorandum and Articles of Association

"Any agreement entered into directly or via an intermediary between the Company and one of its Directors, its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its shareholders holding more than 10% of the voting rights or, if the shareholder is a company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, shall require the prior authorisation of the Board of Directors under the terms and conditions laid down by law.

This shall also apply to any agreements in which any of the persons referred to in the previous paragraph have an indirect interest.

Any agreements entered into, directly or via an intermediary, between the Company and any company or undertaking when one of the Directors, the Chief Executive Officer or one of the Deputy Chief Executive Officers of the Company is an owner, partner with unlimited liability, manager, director, member of the supervisory board or, more generally, senior executive of such company or business shall also require prior authorisation.

The Chairman of the Board of Directors shall inform the Statutory Auditors of all authorised agreements, as the Statutory Auditors are required to present a special report on such agreements to the shareholders at General Meetings. The shareholders shall vote on the report in accordance with the terms and conditions laid down by law.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.1. Company information

The foregoing provisions shall not apply to agreements relating to everyday operations and entered into at arm's-length. However, the interested party shall inform the Chairman of the Board of Directors of any such agreement, unless it is not material for any of the parties thereto, in view of its purpose or financial implications, and the Chairman of the Board of Directors shall inform the Directors and the Statutory Auditors of all such agreements and their purpose. Any shareholder may ask to receive a copy of any such agreement."

Article 29 of the Memorandum and Articles of Association

"The Chairman and the members of the Board of Directors shall be responsible and liable for the performance of their duties in accordance with the terms and conditions laid down in the applicable laws."

7.1.2.3. Rights, benefits and restrictions attached to shares (Articles 9 to 12, 14 to 18, 37 and 45 of the Memorandum and Articles of Association)

Article 9 of the Memorandum and Articles of Association

"At least one quarter of the par value of each share is payable at the time of subscription plus the issue premium, if any, in full, and the balance is payable on the dates set by the Board of Directors, and within a maximum time period of five years.

In the event of a public offering and if the capital increase is completed solely as a result of implementation of the performance bond signed in accordance with the terms and conditions laid down by law, the part of the par value that is due and, if applicable, the full amount of the issue premium, must be paid no later than 35 days after the end of the subscription period.

All shares that have not been fully paid up shall be registered shares until they are paid up in full.

Shareholders shall be informed of all calls for payments on shares that have not been fully paid up by means of a notice published in an official gazette for legal notices for the area in which the registered office is located, fifteen days before the date set for payment.

Shareholders, intermediary transferees and subscribers shall be jointly and severally liable for the payment of the price of a share."

Article 10 of the Memorandum and Articles of Association

"Interest shall be automatically payable to the Company at the official rate on any late payments, with effect from the due date and without the need for any application to the courts.

In the event any payment after the first payment is not made on the due date, the Company shall be entitled to arrange for the sale, in accordance with the terms and conditions laid down by law, of the shares for which payment of the amounts due has not been received, one month after it has sent a formal demand for payment to the defaulting shareholder by recorded delivery with proof of delivery. The Company shall be entitled to sell the shares on the market on the defaulting shareholder's behalf and at his risk, without any need for a court order, using the services of a brokerage firm.

On expiry of a period of thirty clear days from the aforementioned formal demand, shares for which any amount due is still outstanding shall no longer entitle their holder to attend meetings of shareholders and take part in the voting, and shall not be counted when calculating the quorum.

Rights to dividends and preferential subscription rights in the event of a capital increase attached to such shares shall be suspended. After payment of all sums due in principal plus interest, the shareholder may request payment of any dividends that have not lapsed in the meantime. The shareholder may not take any action with regard to preferential subscription rights in the event of a capital increase if the time period set for exercising such rights has expired.

The net proceeds from the sale of such shares shall be offset against the amount owed to the Company by the expropriated shareholder, in accordance with the law, and the remaining balance shall be owed by or to the shareholder, as the case may be.

The Company shall also be entitled to take legal action personally and under ordinary law against the shareholder and his guarantors, either before, after or at the same time as the sale of the shares."

Article 11 of the Memorandum and Articles of Association

"Shares that have not been fully paid up shall be registered in an account as registered shares until full payment of the price.

Each payment made on shares subscribed shall be recorded in an account opened in the name of the subscriber."

Article 12 of the Memorandum and Articles of Association

"Shares that have been fully paid up shall be registered in an account as registered shares or bearer shares, as the shareholder wishes.

Share transfers, irrespective of their form, shall be made by an account-to-account transfer in accordance with the terms and conditions laid down in the applicable laws and regulations."

Article 14 of the Memorandum and Articles of Association

"Subject to any rights granted to preference shares, if any are issued, each share shall entitle its holder to a fraction of the corporate assets proportionate to the amount of capital it represents.

It shall also entitle its holder to a share of the profits, as provided in Articles 45 and 48 hereof.

During the Company's existence and at the time of its liquidation, each share shall entitle its holder to receive an identical net amount in any allocation or redemption; this means that, when necessary, all the shares shall be grouped together and treated identically for the purposes of any tax exemptions or taxes levied in respect of such allocation or repayment to be borne by the Company, while taking into consideration, if applicable, the amount of any redeemed or non-redeemed capital, the par value of the shares and the rights attached to shares of different classes."

Article 15 of the Memorandum and Articles of Association

"Shareholders shall only be committed for up to the amount of the capital represented by each share. Any call for payment over and above such amount is prohibited."

Article 16 of the Memorandum and Articles of Association

"All shares are indivisible with regard to the Company. Joint shareholders must be represented by one single person in all dealings with the Company."

Article 17 of the Memorandum and Articles of Association

"Ownership of a single share shall entail acceptance of the Company's Memorandum and Articles of Association and of all the resolutions adopted by the shareholders at General Meetings.

Whenever several shares need to be held in order to exercise a specific right, in particular for the purpose of the exchange or allocation of shares in the course of a capital reduction, capital increase through the capitalisation of reserves, merger or any other transaction, single shares or an insufficient number of shares shall not give their holders any rights with regard to the Company. The shareholders must personally arrange to group together or to purchase or sell the requisite number of shares or voting rights."

Article 18 of the Memorandum and Articles of Association

"A shareholder's heirs or creditors shall not be entitled to request that the Company's assets and property be placed under seal or to request the division or sale by auction

thereof, or interfere in any way in the management of the Company, on any grounds whatsoever.

When exercising their rights they should refer to the corporate statements of assets and liabilities, and the resolutions adopted by shareholders at General Meetings."

Article 37 of the Memorandum and Articles of Association

"At General Meetings the quorum shall be calculated on the basis of all the shares comprising the share capital, with the exception of those that have been stripped of voting rights pursuant to the laws or regulations.

Each shareholder shall have as many votes as the number of shares he holds or represents provided all amounts due thereon have been paid and no double or multiple voting rights may be granted to a shareholder based on the duration or method of holding of the said shares, on any basis whatsoever."

Article 45 of the Memorandum and Articles of Association

I. *"The Company's net revenue, recorded in the annual statement of assets and liabilities, less overheads and other expenditure incurred by the Company, including all depreciation and provisions, shall constitute net profit.*

Firstly, at least five per cent of the profit, less, where applicable, any losses carried forward, shall be deducted to form the reserve fund prescribed by law. This deduction shall cease to be compulsory when the reserve fund reaches one tenth of the share capital and resume if the reserve falls below this amount.

The distributable profit is comprised of the net profit of the financial year, less any losses carried forward together with any amounts to be posted to reserves pursuant to the law, plus any retained earnings.

The amount needed to pay shareholders, by way of an initial dividend, six per cent of the amounts paid-up on their shares that have not been redeemed and six per cent of the amounts, where applicable, of premiums on shares issued for cash recorded in an "additional paid-in capital" account shall be deducted from the distributable profit. The shareholders are not entitled to claim these amounts from the profit of subsequent years if the profit of a given year does not permit such payment.

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.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.1. Company information

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."

ll. "Any shareholder who can prove, at the end of a financial year, that he has held registered shares for at least two years and still holds them on the date of payment of the dividend for the financial year will be entitled to an increased dividend on such registered shares corresponding to 10% of the dividend paid on other shares, including when the dividend is paid in the form of new shares. The increased dividend will be rounded down to the next euro cent if need be.

Similarly, any shareholder who can prove, at the end of a financial year, that he has held registered shares for at least two years and still holds them on the date of completion of a capital increase by the capitalisation of reserves, profit or premiums resulting in a distribution of bonus shares will be entitled to an increase in the bonus shares allocated to such shareholder corresponding to 10%, rounded down to the next lowest whole number of shares if need be.

The number of shares held by any given shareholder that are eligible for such measures may not exceed 0.5% of the share capital.

The provisions of this paragraph 2 will apply for the first time to the payment of dividends for the financial year ended 31 December 2015, resolved by the shareholders at the General Meeting to be held in 2016."

7.1.2.4. Amendment to shareholder rights (Article 39 of the Memorandum and Articles of Association)

See section 7.1.2.5 on pages 264 et seq. of this Registration Document.

7.1.2.5. General Meetings (Articles 31 to 42 of the Memorandum and Articles of Association)

Article 31 of the Memorandum and Articles of Association

"A General Meeting shall be held once a year within the first half of the year, although this time period may be extended by court order.

General Meetings held in special session may also be called whenever the Board considers this appropriate.

A General Meeting may also be called, where necessary, by the persons allowed to do so by law.

General Meetings shall be convened in accordance with the terms and conditions laid down by law.

A notice of the meeting shall be published in the official gazette of statutory legal notices (Bulletin des Annonces Légales Obligatoires - BALO), at least 35 days before the date of the General Meeting. The notice shall contain all the information required by law.

Requests to add draft resolutions to the agenda may be submitted between the date of publication of the notice in the BALO and the 25th day before the date of the General Meeting, but cannot be submitted more than 20 days after the date of publication of the notice in the BALO.

A notice of the meeting shall be published in a gazette authorised to publish legal notices in the département in which the registered office is located and, if the Company shares are admitted to trading on a regulated market or if some of the shares are not registered shares, in the official gazette of statutory legal notices (Bulletin des annonces légales obligatoires - BALO), at least 15 days before the date of the General Meeting when convened the first time, or at least 10 days before the date of the General Meeting if it has been convened a second time.

Notices of meetings shall include all the information required by the law and regulations.

Beneficial owners of shares shall be invited to attend both Ordinary and Extraordinary General Meetings."

Article 32 of the Memorandum and Articles of Association

"General Meetings shall comprise all shareholders, irrespective of the number of shares they hold, provided all amounts due thereon have been fully paid up and also provided they have not been stripped of their voting rights.

General Meetings shall be held and transact business in accordance with the provisions of applicable laws and regulations. In particular, all shareholders are allowed, if decided by the Board of Directors and published in the notice prior to the General Meeting and/or in the notice

of call to meeting, to vote at the said General Meeting using any means of electronic communication allowing the shareholder to be identified, in accordance with the provisions and procedures set out in applicable laws and regulations.

All shareholders are entitled to attend General Meetings, in person or through a proxy, provided that they produce proof of their identity and title to their securities, in accordance with the provisions of applicable laws and regulations.

Shareholders may vote using a ballot form in accordance with the provisions and procedures set out in applicable laws and regulations. In particular, all shareholders are entitled to submit ballot forms prior to General Meetings, either in paper form or, if decided by the Board of Directors and published in the notice prior to the General Meeting and/or in the notice of call to meeting, by a method of electronic communication.

Shareholders may vote through a proxy in accordance with the provisions and procedures set out in applicable laws and regulations. In particular, all shareholders are entitled to submit proxy forms prior to General Meetings in paper form or by a method of electronic communication. Whenever a shareholder submits a proxy form without designating the proxy holder, the Chairman of the General Meeting shall vote in favour of all resolutions presented or approved by the Board of Directors, and against all other resolutions. In order to vote differently, the shareholder must designate a proxy holder who must agree to vote in the manner stated on the proxy form.

In the event a shareholder attends a meeting in person, his proxy or ballot form shall be cancelled, provided the shareholder has expressly requested an admission pass at least two business days before the date of the meeting.

Ballot and proxy forms may only be submitted electronically if said forms contain an electronic signature, resulting from a reliable process identifying the shareholder and guaranteeing his/her relationship with the online form to which the signature is affixed. Votes cast prior to a General Meeting using this electronic procedure and the relevant acknowledgement of receipt will be treated as irrevocable, enforceable written documents. However, the appointment of a proxy may be revoked using the same procedure as that required for the appointment of a proxy.

If securities are transferred prior to midnight Paris time on the second working day preceding the General Meeting, the Company shall cancel the proxy or vote cast prior to the General Meeting or amend them accordingly, as applicable.

Shareholders that are legal entities may be represented at any General Meeting by one of their partners, Directors or employees, who may but need not be a shareholder

in a personal capacity, provided they can produce proof of their office or position.

Joint shareholders shall be represented at General Meetings by one of them, or by a single representative. In the event of any disagreement, the representative shall be appointed by the court following an application by the first joint shareholder to act.

The voting rights attached to a share shall belong to the beneficial owner at both Ordinary General Meetings and Extraordinary General Meetings."

Article 33 of the Memorandum and Articles of Association

"General Meetings that have been duly and properly convened and formed shall represent all the shareholders."

Article 34 of the Memorandum and Articles of Association

"General Meetings shall be chaired by the Chairman of the Board of Directors or, if he is unable to do so, by the Deputy Chairman if there is one; failing that, the meeting shall be chaired by a Director designated by the Board, if the meeting has been called by the Board.

The two shareholders holding the largest number of shares, both personally and as representatives, who are present and accept such duties shall act as scrutineers.

The officers of the meeting shall designate a secretary, who may but need not be a member of the General Meeting.

An attendance sheet shall be drawn up, which shall contain the information required by law. The sheet shall be initialled by the shareholders present and all representatives and shall be certified accurate by the officers of the General Meeting; it shall be kept at the registered office and must be produced whenever requested."

Article 35 of the Memorandum and Articles of Association

"The agenda of the General Meeting shall be determined by the person convening the meeting.

However, one or more shareholders representing at least the proportion of the capital provided by the laws and regulations may request the addition of draft resolutions to the agenda. So that they can exercise this right, shareholders must be provided with the necessary information in accordance with the procedures and within the time period laid down by law.

Only items appearing on the agenda may be discussed at General Meetings. However, shareholders may remove one or several Directors from office at any General Meeting and replace them."

Article 36 of the Memorandum and Articles of Association

"Ordinary General Meetings shall only validly transact business when called the first time if the shareholders present or represented hold at least one fifth of the shares with voting rights. When the meeting is called a second time, no quorum requirements shall apply.

Annual Ordinary General Meetings and Ordinary General Meetings held in special session shall adopt resolutions by a majority of the votes held by the shareholders present or represented.

Unless the law provides otherwise, Extraordinary General Meetings shall only validly transact business if the shareholders present or represented hold at least one quarter of the shares with voting rights when the meeting is called the first time, and at least one fifth of the shares with voting rights when the meeting is called a second time. Failing that, the meeting can be postponed to a later date, provided this is no more than two months after the date scheduled when called a second time.

Extraordinary General Meetings shall adopt resolutions by a majority of two thirds of the votes held by the shareholders present or represented, unless the law provides otherwise.

Special meetings shall only validly transact business if the shareholders present or represented hold at least one third of the shares with voting rights whose rights are to be modified at the meeting when the meeting is called the first time, and one fifth of such shares when the meeting is called a second time. Failing that, the meeting can be postponed to a later date, provided this is no more than two months after the date scheduled when called a second time.

Special meetings shall adopt resolutions subject to the same terms and conditions as Extraordinary General Meetings."

Article 37 of the Memorandum and Articles of Association

See section 7.1.2.3 on page 263 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 experts shall be certified by the liquidators or any one of them."

Article 42 of the Memorandum and Articles of Association

"Resolutions adopted in accordance with the applicable laws and the Memorandum and Articles of Association shall be binding on all shareholders, including those who were absent or voted against the resolution."

7.1.2.6. Shareholding thresholds

The provisions of Article L. 233-7 of the French Commercial Code, under which the crossing of thresholds corresponding to one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights, either upwards or downwards, must be disclosed, are supplemented by Article 13 of the Memorandum and Articles of Association:

"Without prejudice to Article L. 233-7 of the French Commercial Code, any person who directly or indirectly holds a fraction of the Company's capital that is equal to 1% or any multiple of this percentage below 5% is required to report this to the Company within five days of crossing a threshold either upwards or downwards."

The sanctions applicable in the event of non-disclosure are set out in Article L. 233-14 of the French Commercial Code.

7.1.2.7. Clauses that may affect control of the Company

None.

7.1.2.8. Changes to the share capital (Articles 8 and 39 of the Memorandum and Articles of Association)**Article 8 of the Memorandum and Articles of Association**

"Voting on a proposal by the Board of Directors, the shareholders may adopt a resolution at an Extraordinary General Meeting to increase or reduce the share capital by any means allowed by the applicable laws.

In the event of a reduction of the share capital, the shareholders may resolve that shareholders must sell or purchase a sufficient number of their existing shares to enable them to exchange the existing shares for new shares, with or without payment or receipt of the cash balance, even when the capital reduction is not decided due to the existence of losses."

Article 39 of the Memorandum and Articles of Association

See section 7.1.2.5 on page 266 of this Registration Document.

7.2. Information about the share capital**7.2.1. PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION CONCERNING CHANGES IN CAPITAL AND VOTING RIGHTS**

See sections 7.1.2.5 on pages 264 et seq. and 7.1.2.8 on page 267 of this Registration Document.

7.2.2. ISSUED CAPITAL AND UNISSUED AUTHORISED CAPITAL**7.2.2.1. Issued capital**

As at 31 December 2015, the Company's share capital was €1,146,674.64 divided into 29,783,757 shares with a par value of €0.0385 each, all of the same class and enjoying the same rights, fully subscribed and fully paid-up. The share capital did not change between 31 December 2015 and the filing of this Registration Document.

7.2.2.2. Unissued authorised capital

Summary of the authorisations that are currently valid or that expired during the 2015 financial year granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the share capital or buy back the Company's own shares.

The table set out below presents, in particular pursuant to the provisions of Article L. 225-129-5 of the French Commercial Code, the valid authorisations as well as those that expired during the 2015 financial year, granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the share capital or buy back the Company's own shares, and the extent to which they were used by the Board of Directors during the 2015 financial year. The following proposed amendments to the Memorandum and Articles of Association will be put to the General Meeting of 24 May 2016 (please refer to the information set out in the Board of Directors' report for the General Meeting which can be found in section 8.2 on pages 296 et seq. of this Registration Document).

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7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2015 financial year)				Authorisations proposed to the General Meeting of 24 May 2016		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
INCREASE OF CAPITAL							
Issue with maintenance of preferential subscription rights	27/05/2014 (14)	26	€357,000 in par value for capital securities, €200 million in par value for debt securities	None ⁹	n/a	n/a	n/a
Issue with maintenance of preferential subscription rights	28/05/2015 (12)	26	€357,000 in par value for capital securities, €200 million in par value for debt securities	None	n/a	n/a	n/a
Issue with waiver of preferential subscription rights by means of a public offering	27/05/2014 (15)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities ¹	None ⁹	n/a	n/a	n/a
Issue with waiver of preferential subscription rights by means of a public offering	28/05/2015 (13)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities ²	None	n/a	n/a	n/a
Issue with waiver of preferential subscription rights by means of an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code	27/05/2014 (16)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities ¹	None ⁹	n/a	n/a	n/a
Issue with waiver of preferential subscription rights by means of an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code	28/05/2015 (14)	26	€215,000 in par value for capital securities, €200 million in par value for debt securities ²	None	n/a	n/a	n/a
Increase in the amount of the issues undertaken with maintenance or waiver of preferential subscription rights by means of a public offering or an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code in the event of surplus demand	27/05/2014 (17)	26	15% of the initial issue ³	None ⁹	n/a	n/a	n/a

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7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2015 financial year)				Authorisations proposed to the General Meeting of 24 May 2016		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
Increase in the amount of the issues undertaken with maintenance or waiver of preferential subscription rights by means of a public offering or an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code in the event of surplus demand	28/05/2015 (15)	26	15% of the initial issue ²	None	n/a	n/a	n/a
Setting the price of issues undertaken with waiver of preferential subscription rights by means of a public offering or an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code, within the limit of 10% of the capital	27/05/2014 (18)	26	10% of the share capital on the date of the Board of Directors' decision setting the price of the issue per 24-month period ¹⁻³	None ³	n/a	n/a	n/a
Setting the price of issues undertaken with waiver of preferential subscription rights by means of a public offering or an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code, within the limit of 10% of the capital	28/05/2015 (16)	26	10% of the share capital on the date of the Board of Directors' decision setting the price of the issue per 24-month period ²⁻⁴	None	n/a	n/a	n/a
Issue to remunerate contributions in kind granted to the Company, within the limit of 10% of the capital	27/05/2014 (19)	26	10% of the share capital on the date of the Board of Directors' decision on the issue ¹	None ³	n/a	n/a	n/a
Issue to remunerate contributions in kind granted to the Company, within the limit of 10% of the capital	28/05/2015 (17)	26	10% of the share capital on the date of the Board of Directors' decision on the issue ²	None	n/a	n/a	n/a
Issue to remunerate contributions of securities pursuant to a public exchange offer	27/05/2014 (20)	26	€215,000 in par value ¹	None ³	n/a	n/a	n/a
Issue to remunerate contributions of securities pursuant to a public exchange offer	28/05/2015 (18)	26	€215,000 in par value ²	None	n/a	n/a	n/a

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7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2015 financial year)				Authorisations proposed to the General Meeting of 24 May 2016		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	27/05/2014 (21)	26	€50,000 in par value ¹	None ⁸	n/a	n/a	n/a
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	28/05/2015 (19)	26	€50,000 in par value ²	None	n/a	n/a	n/a
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	27/05/2014 (22)	26	Total amount that can be capitalised as at the date of the Board of Directors' decision	None ⁹	n/a	n/a	n/a
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	28/05/2015 (20)	26	Total amount that can be capitalised as at the date of the Board of Directors' decision	None	n/a	n/a	n/a

TREASURY SHARES

Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme	27/05/2014 (12)	18	10% of the share capital on the date of purchase (5% of the share capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €75 million Maximum purchase price per share: €36	Implementation of a liquidity contract operated by Exane BNP Paribas and buyback of 28,506 shares to be used for the bonus performance share plan adopted by the General Meeting of 14 March 2012 (130,699 treasury shares as at 28/05/2015, including 67,105 under the liquidity contract) ^{5,8}	n/a	n/a	n/a
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7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2015 financial year)				Authorisations proposed to the General Meeting of 24 May 2016		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme	28/05/2015 (10)	18	10% of the share capital on the date of purchase (5% of the share capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €75 million Maximum purchase price per share: €36	Implementation of a liquidity contract operated by Exane BNP Paribas (until 29 June 2015) and then by Rothschild & Cie Banque (effective from 30 June 2015) and buyback of 67,864 performance shares to be used for current or future bonus share plans (261,092 treasury shares as at 31/12/2015, including 149,300 under the liquidity contract) ⁵	13	18	10% of the share capital on the date of purchase (5% of the share capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €20
Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme	27/05/2014 (13)	18	10% of the share capital per 24-month period	None ⁸	n/a	n/a	n/a
Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme	28/05/2015 (11)	18	10% of the share capital per 24-month period	None	14	18	10% of the share capital per 24-month period
OPTIONS TO SUBSCRIBE OR PURCHASE SHARES AND BONUS SHARE PLANS							
Grant of authorisation to the Board of Directors to allot existing or new bonus shares to employees and corporate officers of the Company and related companies	14/03/2012 (8)	38	810,000 shares ⁶	None ⁹	n/a	n/a	n/a
Grant of authorisation to the Board of Directors to allot existing or new bonus shares to employees and corporate officers of the Company and related companies	27/05/2014 (23)	38	830,000 shares ⁷	Allotment of 56,100 bonus shares ¹⁰	n/a	n/a	n/a

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7.2. Information about the share capital

Nature of authorisation	Valid authorisations (and authorisations that expired during the 2015 financial year)				Authorisations proposed to the General Meeting of 24 May 2016		
	Date of General Meeting (resolution no.)	Period (in months)	Maximum amount authorised	Use during the financial year	Resolution no.	Period (in months)	Maximum amount authorised
Grant of authorisation to the Board of Directors to allot existing bonus performance shares to employees and corporate officers of the Company and related companies	n/a	n/a	n/a	n/a	15	26	596,000 shares

- Maximum amount set against the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 14th resolution of the General Meeting of 27 May 2014.
- Maximum amount set against the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 12th resolution of the General Meeting of 28 May 2015.
- Maximum amount set against the caps of €215,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 15th and 16th resolutions of the General Meeting of 27 May 2014, as well as the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 14th resolution of the General Meeting of 27 May 2014.
- Maximum amount set against the caps of €215,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 13th and 14th resolutions of the General Meeting of 28 May 2015, as well as the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 12th resolution of the General Meeting of 28 May 2015.
- See explanations given in section 7.3.6.2 on pages 277 et seq. of this Registration Document.
- Maximum amount set against the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 14th resolution of the General Meeting of 18 May 2010, replaced by the 10th resolution of the General Meeting of 31 May 2012 and then the 14th resolution of the General Meeting of 27 May 2014.
- Maximum amount set against the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 14th resolution of the General Meeting of 27 May 2014, replaced by the 12th resolution of the General Meeting of 28 May 2015.
- Expired as of 28 May 2015.
- Expired as of 14 May 2015.
- See explanations given in section 7.4.3.1 on pages 286 et seq. of this Registration Document.

Potential capital

The table set out below shows the potential share capital on 31 December 2015 and on the date of filing of this Registration Document. As the Board of Directors decided, during the 2015 financial year, to only use shares in the Company bought back from the market for the

bonus performance share plans, the potential capital is no longer linked to the existence of stock options which, on the date of filing of this Registration Document, were not in the money.

	31/12/2015		As at the date of filing of this Registration Document	
	Potential number of shares	Potential par value (in euros)	Potential number of shares	Potential par value (in euros)
Issued capital	29,783,757	1,146,674.64	29,783,757	1,146,674.64
Unissued authorised capital	98,400	3,788.40	98,400	3,788.40
of which resulting from stock options	98,400	3,788.40	98,400	3,788.40
of which resulting from bonus performance share allotments	–	–	–	–
Total	29,980,557	1,154,251.44	29,980,557	1,154,251.44

The Company had not issued any shares granting rights to the capital as at 31 December 2015 and on the date on which this Registration Document was filed. The principal terms and conditions of the share subscription or purchase option plans and the bonus share plans outstanding on 31 December 2015 are set out in section 7.4 on pages 282 et seq. of this Registration Document.

As at 31 December 2015, the following Group companies were affected by an option-based mechanism that could have an impact on their share capital.

- Within the framework of the acquisition, on 31 March 2014, of 100% of the capital of Rio Pardo Termoeletrica (corporate name changed into Albioma Rio Pardo Termoeletrica) in Brazil, the Group granted its sugar-producing partner, Usina Rio Pardo, a call option for the purchase of 40% of the said company's capital, for a

period of five years commencing on 31 March 2014. For the first three years, the exercise price of the option will be calculated based on a reference price, factoring in changes in the shareholders' equity of Albioma Rio Pardo Termoeletrica, inflation and shareholder remuneration. After the third year, the exercise price of the option will be calculated based on a multiple of EBITDA and the net debt of Rio Pardo Termoeletrica on the date on which the option is exercised.

- The Company has granted the founders of Methaneo a put option for the sale of the fraction of the capital (40%) they hold within the framework of a shareholders' agreement entered into on 9 May 2012, amended in an agreement entered into on 27 October 2014, providing that the exercise period will come to an end in 2016 and reducing the exercise price of the option to €1.5 million for all of the relevant securities.

Non-capital securities

During the 2014 financial year, the Group completed a corporate debt refinancing transaction, through the private placement of an €80 million Euro PP bond issue, to mature in December 2020 with an annual coupon of 3.85%.

Within this framework, at its meeting held on 27 May 2014, the Board of Directors authorised the par issue of 800 bonds with a par value of €100,000 and the listing for trading of the said bonds on Euronext Paris, effective from 6 July 2014.

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

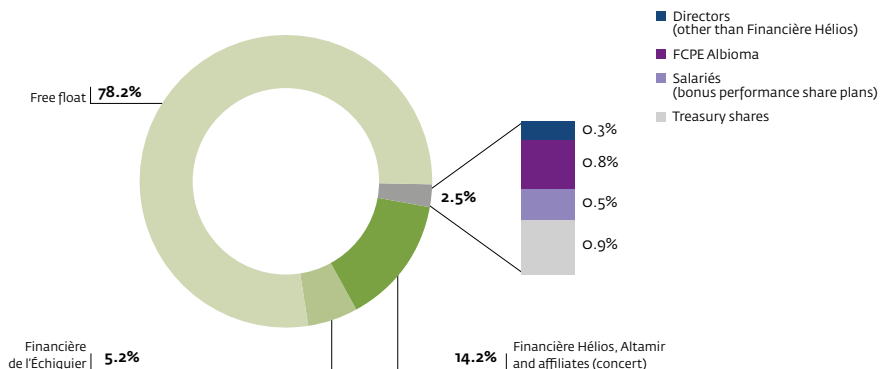
7.2.3. CHANGES IN SHARE CAPITAL DURING THE LAST FIVE YEARS

Date	Transaction	Par value of the share after the transaction (in euros)	Change in par value of the capital (in euros)	Amount of the capital after the transaction	Number of shares created or cancelled	Number of shares after the transaction
31/12/2009	–	0.0385	–	1,095,195.83	–	28,446,645
05/07/2012	Payment in shares of 50% of the dividend for the 2011 financial year	0.0385	7,153.30	1,102,349.13	185,800	28,632,445
05/07/2013	Payment in shares of 50% of the dividend for the 2012 financial year	0.0385	20,614.98	1,122,964.11	535,454	29,167,899
02/07/2014	Payment in shares of 50% of the dividend for the 2013 financial year	0.0385	14,196.14	1,137,160.26	368,731	29,536,630
29/07/2014	Effective acquisition of shares under the bonus share plan adopted by the General Meeting of 14 March 2012 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 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

1. See explanations given in section 7.4.3.1 on pages 284 et seq. of this Registration Document.

7.3. Shareholders

7.3.1. SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2015



7.3.2. CONTROL OF THE COMPANY, CROSSING OF DISCLOSURE THRESHOLDS, SHAREHOLDERS HOLDING MORE THAN 5 % OF THE CAPITAL OR THE VOTING RIGHTS

7.3.2.1. Control of the Company

Until 19 June 2015, the company was controlled by the following acting in concert: Financière Hélios (which held, up until the said date, 11,023,435 shares in the Company representing 37.07% of the capital and 37.24% of the voting rights), Altamir (which held, up until the said date, 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 FPCI, managed by Apax Partners (which held, up until the said date, 1,156,028 shares representing 3.89% of the capital and 3.90% of the voting rights) and Financière Hélios, which until then was directly and indirectly controlled by Altamir and by Apax France VI FPCI.

On 5 June 2015, Apax Partners, the management company for Apax France VI FPCI 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 (see explanations given in section 7.3.2.2 on pages 275 *et seq.* of this Registration Document) which were completed on 24 June 2015, Altamir (holding, on the said date, directly and indirectly through Financière Hélios, 3,536,524 shares representing 11.89% of the capital and 11.95% of the voting rights), various entities and private individuals affiliated to it and Apax France VI FPCI all acting in concert 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 2015 or on the date of filing of this Registration Document.

Moreover, as a result of these transactions, Franck Hagège and Edgard Misrahi stood down from their positions on the Board of Directors. At that time, the following changes were made to the membership of the Board of Directors:

- Franck Hagège and Maurice Tchenio handed in their resignation to the Board of Directors from their positions as Directors on 24 June 2015;
- on the same date, Maurice Tchenio was appointed, in his capacity as Financière Hélios' permanent representative, as a Director, replacing Edgard Misrahi.

7.3.2.2. Crossing of disclosure thresholds, shareholders holding more than 5% of the capital or the voting rights

As at 31 December 2015 and to the best of the Company's knowledge, the only shareholders holding more than 5% of the capital or voting rights were as follows:

- the following acting in concert: Altamir, Financière Hélios controlled by it (which directly held 3,086,797 shares representing 10.36% of the capital and 10.46% of the voting rights), Apax France VI FPCI and various entities and private individuals affiliated to Altamir, holding 4,221,566 shares representing 14.17% of the capital and 14.30% of the voting rights;
- Financière de l'Échiquier, acting on behalf of the funds it manages, holding 1,534,000 shares representing 5.15% of the capital and 5.20% of the voting rights.

These holdings arose from various crossings of the capital or voting right thresholds referred to in Article L. 233-7 of the French Commercial Code, which were notified to the Company during the 2015 financial year.

In a letter of 10 April 2015, Financière de l'Échiquier, acting on behalf of the funds it manages, thus disclosed that on 8 April 2015 it had exceeded the 5% capital and voting right disclosure thresholds and that it held, on behalf of the said funds, 1,534,000 shares representing 5.16% of the capital and 5.18% of the voting rights (Decisions and Information of the AMF No. 215C0427 of 10 April 2015).

Moreover, within the framework of the transactions following on from the decision taken by Apax Partners to distribute almost its entire direct and indirect holding in the Company to its investors (see explanations given in section 7.3.2.1 on page 274 of this Registration Document), the Company was informed of the following disclosure threshold crossings (capital or voting rights) referred to in Article L. 233-7 of the French Commercial Code.

Accordingly, in a letter of 24 June 2015 (Decisions and Information of the AMF No. 215C0917 of 29 June 2015):

- Apax France VI FPCI, represented by its management company, Apax Partners, disclosed that on 19 June 2015, it had individually exceeded the 5%, 10%, 15%, 20%, 25% and 30% capital and voting right disclosure thresholds and that it held, alone, 9,093,922 shares representing 30.58% of the capital and 30.72% of the voting rights;

- Financière Hélios, controlled by Altamir, disclosed that on 19 June 2015 it had individually fallen below the one-third and 30%, 25%, 20% and 15% capital and voting right disclosure thresholds and that it held, alone, 3,086,797 shares representing 10.38% of the capital and 10.43% of the voting rights;
- Altamir disclosed that on 19 June 2015, it had exceeded, directly and indirectly through Financière Hélios which it now controlled, the 5% and 10% capital and voting rights disclosure thresholds and that it directly or indirectly held 3,536,524 shares representing 11.89% of the capital and 11.95% of the voting rights.

These crossings of disclosure thresholds arose from the transfer, by Financière Hélios, of 7,937,478 shares to Apax France VI FPCI in connection with the repayment of a current account paid in kind by delivering 1,440,788 Albioma shares, a reduction of capital by Financière Hélios carried out via a buyback of shares paid in kind by the delivery of 6,494,858 shares as a result of which, in particular, Altamir took over the control of Financière Hélios and Financière Hélios sold 1,832 shares off the market.

These preliminary resale transactions between persons belonging to one and the same group led the AMF to waive Apax France VI FPCI's obligation to file a public offering proposal for the Company's shares under Article 234-9(7°) of the AMF's General Regulation, as following the said transactions, Apax France VI FPCI exceeded the 30% capital and voting rights disclosure threshold (Decisions and Information of the AMF No. 215C0788 of 10 June 2015).

For the completion of the distribution transactions, Apax France VI FPCI distributed 8,850,000 shares to its own limited partners (including Altamir, Cimarosa, Cimarosa 2, Amboise and SE Wagram) and Cimarosa, Cimarosa 2 and SE Wagram distributed 688,207 shares to their shareholders (including Amboise and Maurice Tchenio).

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.3. Shareholders

Accordingly, in letters of 29 June 2015 and 30 June 2015 (Decisions and Information of the AMF No. 215C0947 of 1 July 2015):

- the following acting in concert, in particular: Apax France VI FPCI, represented by its management company, Apax Partners, and Financière Hélios, Altamir, Cimarosa, Cimarosa 2, Amboise and SE Wagram disclosed that on 24 June 2015 they had fallen below the one-third and 30%, 25%, 20% and 15% capital and voting rights disclosure thresholds and held 4,221,566 shares representing 14.20% of the capital and 14.26% of the voting rights;
- Apax France VI FPCI disclosed that on 24 June 2015, it had individually fallen below the 30%, 25%, 20%,

15%, 10% and 5% capital and voting rights disclosure thresholds and held 243,976 shares representing 0.82% of the capital and 0.82% of the voting rights.

In application of Article L. 228-2 of the French Commercial Code and Article 13 of its Memorandum and Articles of Association, in June 2015 then in January 2016, the Company introduced, through Euroclear France, two procedures for identifying its bearer shareholders (the so-called Identifiable Bearer Securities survey). This has not revealed any shareholders or intermediaries registered on behalf of non-resident shareholders with a holding exceeding one of the thresholds referred to in Article L. 233-7 of the French Commercial Code, other than those mentioned above.

7.3.3. CHANGES IN OWNERSHIP OF THE SHARE CAPITAL AND THE VOTING RIGHTS DURING THE LAST THREE FINANCIAL YEARS

	31/12/2015 ¹			31/12/2014			31/12/2013		
	Number of shares	% of the capital	% of exercisable voting rights ²	Number of shares	% of the capital	% of exercisable voting rights ²	Number of shares	% of the capital	% of exercisable voting rights ²
Financière Hélios	3,086,797	10.36%	10.46%	11,023,435	37.07%	37.22%	10,837,019	37.15%	37.23%
Apax France VI FPCI	243,976	0.82%	0.83%	1,156,028	3.89%	3.90%	1,136,479	3.90%	3.90%
Altamir	449,727	1.51%	1.52%	449,727	1.51%	1.52%	442,122	1.52%	1.52%
Other members acting in concert	441,066	1.48%	1.49%	–	–	–	–	–	–
Financière Hélios and affiliates (concert)	4,221,566	14.17%	14.30%	12,629,190	42.47%	42.64%	12,415,620	42.57%	42.65%
Financière de l'Échiquier ³	1,534,000	5.15%	5.20%	1,154,701	3.88%	3.90%	1,638,441	5.62%	5.63%
Directors (other than Financière Hélios) ^{4,5}	89,273	0.30%	0.30%	89,601	0.30%	0.30%	14,575	0.05%	0.05%
Albioma FCPE ⁶	243,079	0.82%	0.82%	227,987	0.77%	0.77%	197,780	0.68%	0.68%
Employees (holdings under bonus performance share plans) ⁷	146,304	0.49%	0.50%	123,302	0.41%	0.42%	–	–	–
Shares held by Group companies	–	–	–	–	–	–	–	–	–
Treasury shares ⁸	261,092	0.88%	–	116,499	0.39%	–	58,193	0.20%	–
Public	23,288,443	78.19%	78.88%	15,393,652	51.77%	51.97%	14,843,290	50.89%	50.99%
Total	29,783,757	100.00%	100.00%	29,734,932	100.00%	100.00%	29,167,899	100.00%	100.00%

1. To the best of the Company's knowledge, the ownership of the share capital did not undergo any material change between 31 December 2015 and the date on which this Registration Document was filed.

2. See explanations given in section 7.3.8 on page 281 of this Registration Document. Since no multiple voting rights are attached to the shares, the percentage of theoretical voting rights is identical to the percentage of share capital.

3. See explanations given in section 7.3.2.2 on pages 275 et seq. of this Registration Document).

4. Directors other than Financière Hélios. At 31 December 2015: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Marie-Claire Daveu, Michèle Remilleux and Daniel Valot. At 31 December 2014 and 31 December 2013: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Patrick de Giovanni, Myriam Maestroni, Edgard Misrahi, Michèle Remilleux, Maurice Tchenio and Daniel Valot.

5. Maurice Tchenio disclosed, during the 2014 financial year, that he held a unit-linked life insurance policy primarily invested in Albioma shares, under which he is neither the owner nor the beneficiary from a legal standpoint. This policy was invested in 130,000 shares on the date of disclosure.

6. An employee shareholder company investment fund (Fonds commun de placement d'entreprise) operating as part of the Company's company savings plan. See explanations given in sections 6.2.1.3 on page 239 and 7.3.4 on page 277 of this Registration Document.

7. See explanations given in section 7.4.3 on pages 284 et seq. of this Registration Document.

8. Shares held under a liquidity contract operated by Exane BNP Paribas (until 29 June 2015) and then by Rothschild & Cie Banque (effective from 30 June 2015) and following the implementation of a share buyback programme during the 2015 financial year, to be used for current or future bonus performance share plans. See explanations given in section 7.3.6.2 on pages 277 et seq. of this Registration Document.

7.3.4. EMPLOYEES' PARTICIPATING INTEREST IN THE SHARE CAPITAL

As at 31 December 2015, the Company's employees held, via the Albioma FCPE, an employee shareholder company investment fund operating as part of the company savings plan, a total of 243,079 shares (representing 0.82% of the capital and 0.82% of the voting rights) (see explanations given in section 6.2.1.3 on page 239 of this Registration Document). 146,304 shares, representing 0.49% of the capital and 0.50% of the voting rights, were moreover held by the Company's employees under the bonus performance share plan adopted by the General Meeting of 14 March 2012 (see explanations given in section 7.4.3 on pages 284 *et seq.* of this Registration Document).

7.3.5. SHAREHOLDER AGREEMENTS

7.3.5.1. Agreements liable to cause a change in control

None, to the best of the Company's knowledge.

7.3.5.2. Shareholders' agreements (Articles L. 233-11 of the French Commercial Code and 223-18 of the General Regulation of the Financial Markets Authority)

None, to the best of the Company's knowledge.

7.3.5.3. "Dutrelil law" lock-in commitments

None, to the best of the Company's knowledge.

7.3.6. SHARES HELD BY GROUP COMPANIES, TREASURY SHARES AND SHARE BUYBACK PROGRAMMES

7.3.6.1. Shares held by Group companies

None.

7.3.6.2. Treasury shares, liquidity contracts and share buyback programmes

Treasury shares

As at 31 December 2015, the Company held 261,092 treasury shares (representing 0.88% of the capital, stripped of voting rights), 149,300 of which were held under a liquidity contract operated by Rothschild & Cie Banque and 111,792 of which (representing 0.38% of the capital, stripped of voting rights) were held following the implementation of share buyback programmes, to be used for current or future bonus performance share plans.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.3. Shareholders

Share buyback programmes

Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

During the 2015 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 27 May 2014 and 28 May 2015. The authorisation granted on 28 May 2015 invalidated the unused part of the authorisation granted on 27 May 2014.

The terms of these authorisations were as follows.

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 AMF• To implement all Company stock option plans in accordance with Article L. 225-177 <i>et seq.</i> of the French Commercial Code, all bonus shares allotted under a company or Group savings plan in accordance with Article L. 3332-1 <i>et seq.</i> of the French Employment Code, all bonus shares allotted under Article L. 225-197-1 <i>et seq.</i> of the French Commercial Code, and all bonus shares allotted under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority• 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 AMF 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 share capital (5% of the share capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition). The Company may not hold more than 10% of its own capital at any time
MAXIMUM PURCHASE PRICE	€36 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction
MAXIMUM AMOUNT, NET OF COSTS, ALLOCATED TO THE PROGRAMME	€75 million
BUYING AND SELLING PROCEDURES	<p>By any means, in particular on the market or off the market, including over-the-counter, or through block trades or a public offering, trading in options or derivatives, the purchase of options or the purchase of securities. There is no limit on the part of the programme that may be traded in blocks and it may account for the entire programme</p> <p>In the event of a public offering for Company shares settled in full in cash, the Company may continue to implement its share buyback programme in compliance with the applicable laws and regulations</p>
TERM	18 months starting from the date of the General Meeting

During the 2015 financial year, shares were bought back under these authorisations:

- for the implementation of a liquidity contract (operated, until 29 June 2015, by Exane BNP Paribas and then, from 30 June 2015, by Rothschild & Cie Banque) designed to foster the liquidity of Albioma securities on the Euronext Paris;
- for the bonus performance share plan adopted by the General Meeting of 14 March 2012 (see explanations given in section 7.4.3 on pages 284 *et seq.* of this Registration Document) and, more generally, other current or future bonus performance share plans.

Liquidity contract

During the 2015 financial year, a liquidity contract was implemented by Exane BNP Paribas (until 29 June 2015) and then by Rothschild & Cie Banque (effective from 30 June 2015) 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:

	30/06/2015 ¹	31/12/2015 ²
Investment service provider	Rothschild & Cie Banque	Rothschild & Cie Banque
Number of shares held on the liquidity account	71,200	149,300
Cash held on the liquidity account (in euros)	812,656	2,820,566

1. Date on which positions were calculated for the half-yearly liquidity contract results as at 30 June 2015.

2. Date on which positions were calculated for the half-yearly liquidity contract results as at 31 December 2015.

Other buybacks operated during the 2015 financial year

The Board of Directors used the authorisations granted by the General Meeting of 27 May 2014 and then by the General Meeting of 28 May 2015 on various occasions during the 2015 financial year.

- 28,506 shares were bought back, to be used for the bonus performance share plan adopted by the General Meeting of 14 March 2012 (and the corresponding purchases were completed on the Company's behalf by Gilbert Dupont between 1 January and 7 January 2015, within the framework of a mandate that commenced on 24 December 2014 and led to the acquisition of 66,930 shares in total). 23,002 shares were transferred during the 2015 financial year to Company employees satisfying the performance and presence conditions of the first tranche of the bonus performance share plan adopted by the General Meeting of 14 March 2012. For the same reasons, 41,759 shares were transferred at the beginning of the 2016 financial

No derivative products were used for share buybacks within the framework of the liquidity contract operated in 2015. There was no open position (buy or sell) on 31 December 2015, nor on the date of the filing of this Registration Document.

The Company has not used the authorisations to reduce its share capital by cancelling shares acquired under a buyback programme, granted by the General Meetings of 27 May 2014 and 28 May 2015 (see explanations given in section 7.2.2.2 on pages 267 *et seq.* of this Registration Document).

year, of which 37,592 to employees of the Group's operating companies. 64,761 of the 66,930 shares bought back as above had accordingly been transferred to employee beneficiaries under the bonus performance share plan adopted by the General Meeting of 14 March 2012. The remaining 2,169 shares will be used for current or future bonus performance share plans.

- 67,864 shares were bought back, to be used for current bonus performance share plans (bonus performance share plans adopted by the General Meeting of 27 May 2014) or any future such plans (and the corresponding purchases were completed on the Company's behalf by Natixis between 24 and 27 August 2015, and then between 9 and 28 December 2015). This procedure was continued at the beginning of the 2016 financial year. These shares were not transferred during the 2015 financial year and had not been transferred on the date of filing of this Registration Document.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.3. Shareholders

Summary of the Company's trading in its own shares during the 2015 financial year

	2015	% of the capital
Total number of shares purchased over the 2015 financial year¹	374,967	
of which, held under the liquidity contract operated by Exane BNP Paribas and then by Rothschild & Cie Banque	278,597	
of which, held for other authorised purposes	96,370	
Total number of shares sold in the 2015 financial year¹	207,372	
of which, held under the liquidity contract operated by Exane BNP Paribas and then by Rothschild & Cie Banque	207,372	
of which, held for other authorised purposes	–	
Average purchase price (in euros)¹	16.45	
Average selling price (in euros)¹	17.57	
Total number of shares transferred over the 2015 financial year	23,002	
Number of shares cancelled over the past 24 months	–	
Number of shares held in the portfolio as at 31/12/2015	261,092	0.88%
of which, held under the liquidity contract operated by Exane BNP Paribas and then by Rothschild & Cie Banque	149,300	0.50%
of which, to be used for current or future bonus performance share plans	111,792	0.38%
Net book value of the portfolio as at 31/12/2015 (in euros)²	3,975,674	
Market value of the portfolio as at 31/12/2015 (in euros)	3,903,325	

1. Transactions involving Delivery Versus Payment (DVP) between 1 and 31 December 2015.

2. Net book value of the portfolio with value date 31 December 2015, calculated using the First In, First Out method (FIFO).

Proposal to the General Meeting of 24 May 2016 to renew the authorisation granted to the Board of Directors to trade in the Company's shares

A proposal will be submitted to the General Meeting of 24 May 2016 to renew, for a period of 18 months, the authorisation granted to the Board of Directors to trade in the Company's shares. In this case, the new authori-

sation shall invalidate the unused part of the authorisation granted to the Board of Directors by the General Meeting of 28 May 2015 (see the explanations given in the Board of Directors' report for the General Meeting in section 8.2 on pages 296 *et seq.* of this Registration Document).

The terms of the proposal submitted to the General Meeting of 24 May 2016 are as follows.

OBJECTIVES (IN DECREASING ORDER OF PRIORITY)

- To foster liquidity and to stimulate the market for the Company's shares through an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct recognised by the AMF
- To implement all Company stock option plans in accordance with Article L. 225-177 *et seq.* of the French Commercial Code, all bonus shares allotted under a company or Group savings plan in accordance with Article L. 3332-1 *et seq.* of the French Employment Code, all bonus shares allotted under Article L. 225-197-1 *et seq.* of the French Commercial Code, and all bonus shares allotted under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority
- 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 AMF 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 share capital (5% of the share capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition). The Company may not hold more than 10% of its own capital at any time
MAXIMUM PURCHASE PRICE	€20 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction
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, trading in options or derivatives, the purchase of options or the purchase of securities. There is no limit on the part of the programme that may be traded in blocks and it may account for the entire programme In the event of a public offering for Company shares, the authorisation will be automatically suspended
TERM	18 months starting from the date of the General Meeting

Proposal to the General Meeting of 24 May 2016 to renew the authorisation granted to the Board of Directors to reduce the share capital by cancelling shares acquired under a share buyback programme

The General Meeting of 24 May 2016 is also invited to renew the authorisation granted to the Board of Directors by the General Meeting of 28 May 2015 to reduce the share capital by cancelling shares acquired under a share buyback programme. The new authorisation shall invalidate the unused part of the authorisation granted to the Board of Directors by the General Meeting of 28 May 2015 (see the explanations given in the Board of Directors' report for the General Meeting in section 8.2 on pages 296 *et seq.* of this Registration Document).

7.3.7. PLEDGES OF THE ISSUER'S SHARES

To the best of the Company's knowledge, based on the entries in the shareholder register, 27,101 shares representing 0.09% of the capital and 0.09% of the voting rights were pledged on 31 December 2015.

7.3.8. VOTING RIGHTS

As at 31 December 2015 and on the date on which this Registration Document was filed, each share entitled its holder to one voting right exercisable at General Meetings. On these dates there were no securities in existence that conferred multiple or special voting rights.

The Company's treasury shares have been temporarily stripped of voting rights. Every month, the Company publishes the number of exercisable voting rights and theoretical voting rights attached to the shares that comprise the capital.

Theoretical voting rights are calculated on the basis of all the shares to which voting rights are attached, including treasury shares, temporarily stripped of voting rights. The number of theoretical voting rights is used to calculate the crossings of thresholds provided for by Article L. 233-7 of the French Commercial Code and by Article 13 of the Company's Memorandum and Articles of Association.

Exercisable voting rights are calculated on the basis of all the shares to which voting rights that can actually be exercised at General Meetings are attached and do not therefore include the voting rights attached to the treasury shares held.

The General Meeting of 28 May 2015 approved, by a vast majority, the amendment to Article 37 of the Memorandum and Articles of Association, designed to reassert the 'one share, one vote' principle since the Board of Directors had decided to use the exemption provided for in Article L. 225-123 of the French Commercial Code as amended by Law no. 2014-384 of 29 March 2014 introduced to re-establish the real economy.

7.4. Share subscription and purchase option plans and bonus share plans

7.4.1. THE GROUP'S LONG-TERM INCENTIVE POLICY

The Company sets great store by the importance of offering Group employees and management a long-term incentive plan. The arrangements used have taken the form of stock option plans, and latterly bonus performance share plans.

Only the stock option plan adopted by the General Meeting of 18 May 2010 (Board of Directors' meeting of 27 August 2010), under the terms of which a maximum of 200,000 subscription options can be allotted (each option entitles its holder to one share, so, if exercised, these options would represent 0.64% of the share capital at 31 December 2015) was in operation as at 31 December 2015. The stock option plans adopted by the General Meeting of 18 December 2001 (Board of Directors' meetings of 2 September 2002 and 11 December 2003) were exercised in full during the exercise period commencing on 11 December 2007 and ending on 11 February 2010. The stock option plan adopted by the General Meeting of 27 May 2005 (Board of Directors' meeting of 13 December 2005) was partially exercised during the exercise period commencing on 13 December 2009 and ending on 13 December 2012, and all of the options that have not been exercised were recorded as cancelled on 13 December 2012.

The following bonus performance share plans were the only plans in operation on 31 December 2015:

- bonus performance share plan adopted by the General Meeting of 14 March 2012 (Board of Directors' meetings of 26 July 2012, 28 November 2012, 17 January 2013, 18 March 2013, 26 July 2013, 24 September 2013 and 17 December 2013 and decisions of 13 January 2014 of the Chairman and Chief Executive Officer acting pursuant to the powers delegated to him by the Board of Directors), for a maximum of 810,000 shares that may be allotted, corresponding to 2.72% of the capital as at 31 December 2015;
- bonus performance share plan adopted by the General Meeting of 27 May 2014 (Board of Directors' meetings of 27 May 2014 and 27 July 2015), for members of the Group's Executive Committee only (including the Chairman and Chief Executive Officer), for an initial total of 430,000 shares that may be allotted, corresponding

to 1.44% of the capital as at 31 December 2015, out of the 830,000 shares that could be allotted under the authorisation granted by the General Meeting, corresponding to 2.79% of the capital as at 31 December 2015;

- bonus performance share plan adopted by the General Meeting of 27 May 2014 (Board of Directors' meetings of 27 May 2014, 22 July 2014, 28 October 2014, 3 March 2015, 28 April 2015 and 27 July 2015), for Group employees who are not members of the Executive Committee, for an initial total of 352,525 shares that may be allotted, corresponding to 1.18% of the capital as at 31 December 2015, out of the 830,000 shares that could be allotted under the authorisation granted by the General Meeting, corresponding to 2.79% of the capital as at 31 December 2015.

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

Continuing the policy of setting up one bonus performance share plan every two years, the Board of Directors has decided to submit a proposal to the General Meeting of 24 May 2016 asking it to approve a new authorisation, with a reduced maximum amount of 2% of the capital and a shorter term of 26 months. In line with the long-term incentive policy implemented since 2012, this authorisation would enable, if the General Meeting approves the corresponding proposal, the implementation of two separate plans for all Group employees and corporate officers with demanding performance conditions (see the explanations given in the Board of Directors' report for the General Meeting in section 8.2 on pages 296 *et seq.* of this Registration Document).

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.4. Share subscription and purchase option plans and bonus share plans

7.4.2. STOCK OPTION PLANS

The information that follows, together with the information in section 2.4.5 on pages 104 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-184 of the French Commercial Code.

7.4.2.1. Current stock option plans

The key features of the stock option plans adopted by the General Meeting of 18 May 2010 are set out below.

		As % of capital as at 31/12/2015
Date of the General Meeting	18/05/2010	
Date of the Board of Directors' meeting	27/08/2010	
Total number of initial beneficiaries	82	
Total number of options allotted	190,000	0.64%
Total number of shares available for subscription	190,000	0.64%
of which, by the first 10 employees who are not corporate officers	68,000	0.23%
of which, by corporate officers	33,500	0.11%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	30,000	0.10%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%
Start of option exercise period	28/08/2014	
End of option exercise period	28/08/2017	
Subscription price (in euros) ¹	21.306	
Terms and conditions of exercise	See note 2	
Number of shares subscribed as at 31/12/2015	–	–
of which, by the first 10 employees who are not corporate officers	–	–
of which, by corporate officers	–	–
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	–	–
• Jacques Pétry, (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
Total number of stock options cancelled or lapsed as at 31/12/2015	91,600	0.31%
of which, for the first 10 employees who are not corporate officers	33,000	0.11%
of which, for corporate officers	30,000	0.10%
• Nordine Hachemi (Chairman & Chief Executive Officer until 21/10/2011) ³	30,000	0.10%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–
Number of stock options remaining as at 31/12/2015	98,400	0.33%
of which, for the first 10 employees who are not corporate officers	35,000	0.12%
of which, for corporate officers	3,500	0.01%
• Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%

1. Arithmetic average of Albioma (Séchilienne-Sidéc at the time) shares' closing prices during the 20 trading days preceding the date of allotment.

2. The exercise of the options by any beneficiary is subject to a performance condition relating to changes in the installed capacity of the Group's photovoltaic facilities: the capacity of the photovoltaic facilities of the Company and its subsidiaries installed as at 31 December 2011 must have increased by at least 30% per annum compared to the capacity of the facilities installed as at 31 December 2009. This condition was met on 31 December 2011.

3. When, at its meeting on 12 October 2011, the Board of Directors removed Nordine Hachemi from office as Chairman and Chief Executive Officer due to strategic differences, it recorded the cancellation of the 30,000 stock options he had been allotted.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.4. Share subscription and purchase option plans and bonus share plans

7.4.2.2. Stock subscription options granted to employees other than corporate officers, or exercised by them during the 2015 financial year

None.

7.4.3. BONUS PERFORMANCE SHARE PLANS

The information that follows, together with the information in section 2.4.6 on pages 106 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-197-4 of the French Commercial Code.

7.4.3.1. Current bonus performance share plans

The key features of the bonus performance share plans adopted by the General Meeting of 14 March 2012 and 27 May 2014 are set out below.

Bonus performance share plan adopted by the General Meeting of 14 March 2012

	As % of capital as at 31/12/2015	
Date of the General Meeting	14/03/2012	
Date of the Board of Directors' meeting	See note 1	
Total number of initial beneficiaries	See note 2	
Total number of bonus performance shares allotted³	826,613	2.78%
of which, to the first 10 employees who are not corporate officers	220,000	0.74%
of which, to corporate officers	240,000	0.81%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	225,000	0.76%
• Xavier Lencou-Barème (Director until 30/05/2013)	15,000	0.05%
Date of effective acquisition of the performance shares	See note 4	
End date of the lock-in period for performance shares	See note 5	
Number of performance shares effectively acquired as at 31/12/2015	225,471	0.76%
of which, for the first 10 employees who are not corporate officers	73,335	0.25%
of which, for corporate officers	80,000	0.27%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	75,000	0.25%
• Xavier Lencou-Barème (Director until 30/05/2013)	5,000	0.02%
Total number of cancelled or lapsed performance shares as at 31/12/2015⁵	563,550	1.89%
of which, for the first 10 employees who are not corporate officers	146,665	0.49%
of which, for corporate officers	160,000	0.54%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	150,000	0.50%
• Xavier Lencou-Barème (Director until 30/05/2013)	10,000	0.03%
Number of performance shares remaining as at 31/12/2015⁷	37,592	0.13%
of which, for the first 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
• Xavier Lencou-Barème (Director until 30/05/2013)	–	–

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.4. Share subscription and purchase option plans and bonus share plans

1. *The share allotments were approved as part of a plan for all Group employees at meetings of the Board of Directors held on 26 July 2012 (616,400 performance shares), 28 November 2012 (1,000 performance shares), 17 January 2013 (4,500 performance shares), 18 March 2013 (3,500 performance shares), 30 May 2013 (2,000 performance shares), 23 July 2013 (12,500 performance shares), 24 September 2013 (54,500 performance shares) and 17 December 2013 (15,000 performance shares). Additional shares were allotted pursuant to a decision of the Chairman and Chief Executive Officer, acting under the powers delegated to him by the Board of Directors, on 13 January 2014, to employees of the Group's operating companies (117,213 performance shares).*
 2. *As the performance shares were allotted gradually, between 26 July 2012 and 13 January 2014, the number of initial beneficiaries is irrelevant. As at 31 December 2015, 329 Group employees, along with the Chairman and Chief Executive Officer, had been allotted bonus performance shares (aggregate total of the beneficiaries named between 26 July 2012 and 13 January 2014, without factoring in the fact that certain beneficiaries left, and that accordingly, the Board of Directors recorded, where applicable, that their rights had been cancelled and allotted them to new beneficiaries).*
 3. *Aggregate total of bonus performance shares allotted between 26 July 2012 and 13 January 2014 without factoring in the fact that certain beneficiaries left, and that accordingly, the Board of Directors recorded, where applicable, that their rights had been cancelled and allotted them to new beneficiaries. The share allotments were divided into three equal tranches. Different performance conditions must be met to trigger the effective acquisition of each tranche.*
 4. *The effective acquisition of the performance shares allotted on 26 July 2012 is subject to the following performance conditions:*
 - *achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the performance shares are acquired on the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price is reached during this period.*
 - *the completion, at any time during a period of two years and six months starting on the date of allotment, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche; in such instances, the performance shares are acquired at the later of the following two dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the date of allotment.**The effective acquisition of the bonus performance shares allotted to the Chairman and Chief Executive Officer is not subject to an obligation to purchase a specific number of Company shares on the market.*
- Given the changes made to the rules of the bonus performance share plan by the Board of Directors during its meeting of 17 December 2013, accepted by each beneficiary concerned at the beginning of 2014, the effective acquisition of performance shares allotted after 26 July 2012 is subject to meeting the following performance conditions:*
- *achievement, at any time during the period from 26 July 2014 to 26 January 2015 of a six-month moving average of the closing listed Albioma share price of at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche; in such instances, the performance shares are acquired on the later of the following two dates: either the date on which, for each tranche allotted, the six-month moving average of the Albioma share closing price during this period is reached, or the expiry of a period of two years from the date of allotment;*
 - *the completion, at any time during the period between the date of allotment and 26 January 2015, of a takeover bid for all of the Company's capital and voting rights, if the price offered per share is at least €18.50 for the first tranche, €22.50 for the second tranche and €26.50 for the third tranche. In this event, the shares are acquired on the later of the two following dates: in such instances, the performance shares are acquired at the later of the following two dates: either the date of the last delivery-versus-payment transaction relating to the takeover bid, or the expiry of a period of two years from the date of allotment.*
5. *Two years from the date of the effective acquisition of the performance shares, the Chairman and Chief Executive Officer being subject to the additional obligation to retain in his own name 25% of the performance shares effectively acquired until he stands down,*
 6. *The Board of Directors, at its meeting of 3 March 2015, recorded the cancellation of the bonus performance shares allotted under the second and third tranches of the plan since 27 January 2015, as the performance conditions for the effective acquisition of the said performance shares had not been met by 26 January 2015.*
 7. *The effective acquisition of these remaining 37,592 performance shares, allotted on 13 January 2014 to employees of the Group's operating companies, was recorded in a decision adopted by the Chairman and Chief Executive Officer on 9 February 2016. On the date of filing of this Registration Document, the bonus performance share plan adopted by the General Meeting of 14 March 2012 had therefore come to an end.*

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.4. Share subscription and purchase option plans and bonus share plans

Bonus performance share plans adopted by the General Meeting of 27 May 2014

Bonus performance share plan in favour of Executive Committee members

		As % of capital as at 31/12/2015
Date of the General Meeting	27/05/2014	
Date of the Board of Directors' meeting	See note 1	
Total number of initial beneficiaries	14	
Total number of bonus performance shares allotted²	440,000	1.48%
of which, to the first 10 employees who are not corporate officers	266,000	0.89%
of which, to corporate officers	160,000	0.54%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	160,000	0.54%
Date of effective acquisition of the performance shares	See note 3	
End date of the lock-in period for performance shares	See note 4	
Number of performance shares effectively acquired as at 31/12/2015	–	–
of which, for the first 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Total number of cancelled or lapsed performance shares as at 31/12/2015	2,000	0.01%
of which, for the first 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Number of performance shares remaining as at 31/12/2015	438,000	1.47%
of which, for the first 10 employees who are not corporate officers	266,000	0.89%
of which, for corporate officers	160,000	0.54%
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	160,000	0.54%

1. The allotments were approved as part of a plan open to the Group's Executive Committee members only (including the Chairman and Chief Executive Officer) at the Board of Directors' meetings of 27 May 2014 (430,000 performance shares) and 27 July 2015 (additional allotment of 10,000 performance shares to an employee who was originally a beneficiary due to a promotion within the Group).

2. The allotments are divided up into two tranches, the first tranche covering one third and the second tranche the remaining two thirds of the performance shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

3. The effective acquisition of the performance shares is subject to the following performance conditions:

- Performance shares of the first one-third tranche will not be effectively acquired unless there is a variation of at least 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. If the above-mentioned variation remains below 60% until the end of the said acquisition period, on a strict basis, the number of performance shares of the relevant tranche that will be effectively acquired will be calculated at the end of the acquisition period by linear interpolation based on the highest value of the variation of the six-month moving average reached over the acquisition period within a 20% to 60% range. If the above-mentioned variation reaches or exceeds 60% at any given time during the acquisition period, all of the performance shares of the relevant tranche will be effectively acquired on the date set in the plan's rules. However, the bonus performance shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- Performance shares of the second two-third tranche will not be effectively acquired unless there is a variation of more than 20% between the six-month moving average of the Albioma share closing price and the six-month average closing price of the Albioma share on 27 May 2014, recorded at any time during the acquisition period defined in the plan's rules and, at the latest, on 29 May 2017. If the above-mentioned variation remains below 60% until the end of the said acquisition period, on a strict basis, the number of performance shares of the relevant tranche that will be effectively acquired will be calculated at the end of the acquisition period by linear interpolation based on the highest value of the variation of the six-month moving average reached over the acquisition period within a 20% to 60% range. If the above-mentioned variation reaches or exceeds 60% at any given time during the acquisition period, all of the performance shares of the relevant tranche will be effectively acquired on the date set in the plan's rules. However, the bonus performance shares may not be effectively acquired during the two-year period immediately following the date of allotment.

- If a takeover bid is issued for all of the Company's shares and voting rights at any time during the acquisition period defined in the plan's rules, the performance shares of the first tranche will be effectively acquired if the final price per share of the takeover is 120% or more of the six-month average closing price of the Albioma share on 27 May 2014. Performance shares of the second tranche will be effectively acquired if the final price per share of the takeover is 160% or more of the said average. However, the bonus performance shares may not be effectively acquired during the two-year period immediately following the date of allotment.

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

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

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.4. Share subscription and purchase option plans and bonus share plans

Bonus performance share plan in favour of Group employees who are not members of the Executive Committee

	As % of capital as at 31/12/2015	
Date of the General Meeting	27/05/2014	
Date of the Board of Directors' meeting	See note 1	
Total number of initial beneficiaries	See note 2	
Total number of bonus performance shares allotted³	305,100	1.02%
of which, to the first 10 employees who are not corporate officers	103,000	0.35%
of which, to corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Date of effective acquisition of the performance shares	See note 4	
End date of the lock-in period for performance shares	See note 5	
Number of performance shares effectively acquired as at 31/12/2015	–	–
of which, for the first 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Total number of cancelled or lapsed performance shares as at 31/12/2015	14,800	0.05%
of which, for the first 10 employees who are not corporate officers	–	–
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–
Number of performance shares remaining as at 31/12/2015	290,300	0.97%
of which, for the first 10 employees who are not corporate officers	103,000	0.35%
of which, for corporate officers	–	–
• Jacques Pétry (Chairman and Chief Executive Officer since 21/10/2011)	–	–

1. The allotments were approved as part of a plan open to all Group employees who are not members of the Executive Committee at the Board of Directors' meetings of 27 May 2014 (256,000 shares), 22 July 2014 (2,000 shares), 28 October 2014 (1,000 shares), 3 March 2015 (19,300 shares), 28 April 2015 (14,300 shares) and 27 July 2015 (12,500 shares).

2. As shares were allotted gradually, the number of initial beneficiaries is irrelevant. As at 31 December 2015, 126 Group employees had been allotted bonus shares (aggregate total of the beneficiaries named between 27 May 2014 and 31 December 2015, without factoring in the fact that certain beneficiaries left, and that accordingly, the Board of Directors recorded, where applicable, that their rights had been cancelled and allotted them to new beneficiaries).

3. The allotments are divided up into two tranches, and each tranche covers one half of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

4. The effective acquisition of the shares is subject to the following performance conditions:

- Shares of the first tranche will not be effectively acquired unless an average availability rate of more than 91.5% is recorded for the facilities for 2014-2016. If this performance condition is satisfied, the shares of the first tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

- Shares of the second tranche will not be effectively acquired unless the Group's 2016 consolidated EBITDA exceeds €153.5 million for the 2016 financial year, on a strict basis, and the number of shares effectively acquired under this second tranche will be calculated by linear interpolation based on the level of the Group's 2016 consolidated EBITDA within a €153.5 to €169.5 million range. If this performance condition is satisfied, all or part of the shares of the second tranche will be effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

5. Two years after the date on which the shares are effectively acquired.

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7.5. Factors likely to have an impact in the event of a public offering (Article L. 225-100-3 of the French Commercial Code)

7.4.3.2. Bonus performance shares allotted during the 2015 financial year to the ten employees, not corporate officers, with the highest number of shares

The total number of shares allotted during the 2015 financial year to the ten employees, not corporate officers, that had received the highest number of shares, was 48,000. 10,000 of these shares were allotted as part of the bonus performance share plan adopted by the General Meeting of 27 May 2014 for Executive Committee members and 38,000 as part of the bonus performance share plan adopted by the General Meeting of 27 May 2014 for employees who are not Executive Committee members.

7.4.3.3. Performance shares effectively acquired

The performance condition applicable for the first tranche of the bonus share plan adopted by the General Meeting of 14 March 2012, requiring the achievement, at any time during a six-month period starting on the expiry of a two-year period starting on the date of allotment, of a six-month moving average of the Albioma share closing price of at least €18.50, was satisfied during the 2014 financial year. Within this framework, 27,169 shares were effectively acquired by the beneficiaries who also satisfied the presence conditions set in the plan's rules. For the same reasons, 198,302 shares had been effectively acquired during the 2014 financial year.

The Board of Directors, at its meeting of 3 March 2015, recorded the cancellation of the bonus performance shares allotted under the second and third tranches of the plan since 27 January 2015, as the performance conditions for the effective acquisition of the said performance shares had not been met by 26 January 2015. As at 31 December 2015, 37,592 shares, allotted on 13 January 2014 to employees of the Group's operating companies, could still be effectively acquired under the first tranche of the above-mentioned plan. The effective acquisition of these shares was recorded in a decision adopted by the Chairman and Chief Executive Officer on 9 February 2016. On the date of filing of this Registration Document, the bonus performance share plan adopted by the General Meeting of 14 March 2012 had therefore come to an end.

As at 31 December 2015 and on the date on which this Registration Document was filed, none of the performance conditions determining the effective acquisition of the bonus shares under the plan approved by the General Meeting of 27 May 2014 in favour of Executive Committee members had been met. At these dates, the General Management considers that the performance conditions determining the effective acquisition of the bonus shares under the plan approved by the General Meeting of 27 May 2014 in favour of employees who are not members of the Executive Committee are unlikely to be met (see section 7.4.3.1 on pages 284 *et seq.* of this Registration Document for details).

7.5. Factors likely to have an impact in the event of a public offering (Article L. 225-100-3 of the French Commercial Code)

7.5.1. THE COMPANY'S CAPITAL STRUCTURE

Given Apax France VI FPCI's distribution of almost all its Albioma shares to its investors, the Company ceased to be controlled on 31 December 2015. On the said date and on the date of filing of this Registration Document, 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 7.3.1 on page 274 of this Registration Document. Information about control of the Company is provided in section 7.3.2 on pages 274 *et seq.* of this Registration Document.

7.5.2. RESTRICTIONS IMPOSED BY THE ARTICLES OF ASSOCIATION ON THE EXERCISE OF VOTING RIGHTS AND SHARE TRANSFERS, CONTRACTUAL CLAUSES NOTIFIED TO THE COMPANY PURSUANT TO ARTICLE L. 233-11 OF THE FRENCH COMMERCIAL CODE

7.5.2.1. Restrictions imposed by the Articles Of Association on the exercise of voting rights and share transfers

Shares that have been effectively acquired under the bonus share plan adopted by the General Meeting of 14 March 2012 are subject to a two-year lock-in commitment commencing on the date on which they are effectively acquired and the Chairman and Chief Executive Officer is subject to an additional obligation requiring him to retain 25% of the effectively acquired shares as registered shares until he stands down from office.

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7.5. Factors likely to have an impact in the event of a public offering (Article L. 225-100-3 of the French Commercial Code)

As at 31 December 2015, 221,304 shares, representing 0.74% of the capital, were thus subject to this two-year lock-in commitment. On the date of filing of this Registration Document, factoring in the transfer of 4,167 shares effectively acquired in December 2015 and the effective acquisition of 37,592 additional shares under the above-mentioned plan, 263,063 shares representing 0.88% of the capital were subject to this lock-in commitment. These shares will be released from this commitment between 26 July 2016 and 13 January 2018.

Moreover, 18,750 shares, representing 0.06% of the capital, effectively acquired by the Chairman and Chief Executive Officer during the 2014 financial year, were, as at 31 December 2015 and on the date of filing of this Registration Document, subject to an additional lock-in commitment applying until he stands down from office.

7.5.2.2. Contractual clauses of which the Company has been notified pursuant to Article L. 233-11 of the French Commercial Code

Not applicable.

7.5.3. DIRECT OR INDIRECT PARTICIPATING INTERESTS IN THE COMPANY'S CAPITAL OF WHICH THE COMPANY IS AWARE PURSUANT TO ARTICLES L. 233-7 AND L. 233-12 OF THE FRENCH COMMERCIAL CODE

The direct and indirect participating interests in the Company's capital of which the Company has been notified in application of Article L. 233-7 of the French Commercial Code are described in section 7.3.2 on pages 274 *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 7.3.6.1 on page 277 of this Registration Document).

7.5.4. LIST OF THE HOLDERS OF ANY SECURITIES GRANTING SPECIAL RIGHTS OF CONTROL, AND A DESCRIPTION OF THESE

None.

7.5.5. CONTROL MECHANISMS PROVIDED FOR IN ANY EMPLOYEE SHAREHOLDING PLAN IF THE EMPLOYEES DO NOT EXERCISE CONTROLLING RIGHTS

None (see explanations given in section 6.2.1.3 on page 239 of this Registration Document).

7.5.6. AGREEMENTS BETWEEN SHAREHOLDERS, OF WHICH THE COMPANY IS AWARE, THAT MAY RESTRICT SHARE TRANSFERS OR THE EXERCISE OF VOTING RIGHTS.

None (see explanations given in section 7.3.5, on page 227 of this Registration Document).

7.5.7. RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION

The rules governing the appointment and replacement of the members of the Board of Directors and the amendment of the Company's Memorandum and Articles of Association are set forth in the applicable legal and regulatory provisions and in the Memorandum and Articles of Association (whose key provisions, including those applicable to the appointment and replacement of the members of the Board of Directors and the amendment of the Company's Memorandum and Articles of Association, appear in full in section 7.1 on pages 258 *et seq.* of this Registration Document) and the Board of Directors' Internal Regulations (whose full text appears in section 2.3.3.3 on pages 83 *et seq.* of this Registration Document).

7.5.8. POWERS OF THE BOARD OF DIRECTORS, IN PARTICULAR TO ISSUE AND BUY BACK SHARES

The powers of the Board of Directors are set forth in the applicable legal and regulatory provisions and in the Memorandum and Articles of Association (whose key provisions, including those applicable to the powers of the Board of Directors, appear in full in section 7.1 on pages 258 *et seq.* of this Registration Document) and the Board of Directors' Internal Regulations (whose full text appears in section 2.3.3.3 on pages 83 *et seq.* of this Registration Document).

The powers of the Board of Directors are also described in section 2.3.3 on pages 66 *et seq.* of this Registration Document (see also the explanations given in section 2.2.1 on pages 44 *et seq.* of this Registration Document relating to changes in the Company's governance arising from the Board of Directors' decision to separate the offices of Chairman of the Board of Directors and Chief Executive Officer, effective from 1 June 2016).

The powers granted to the Board of Directors to increase or reduce the share capital and to trade in the Company's shares as part of share buyback programmes are described in section 7.2.2.2 on pages 267 *et seq.* of this Registration Document.

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7.6. Albioma shares

7.5.9. AGREEMENTS CONCLUDED BY THE COMPANY THAT ARE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF THE COMPANY, EXCEPT WHERE SUCH DISCLOSURE, OTHER THAN IN CASES OF MANDATORY DISCLOSURE, WOULD SERIOUSLY HARM THE COMPANY'S INTERESTS

The following agreements contain clauses allowing the Company's contracting partner to terminate the agreement in the event of a change of control of the Company, subject to certain conditions.

- The Euro PP bond issue totalling €80 million, to be redeemed in December 2020, that was placed privately by the Company during the 2014 financial year, contains provisions relating to a change of control of the Company. In particular, under these provisions, bond holders may require the early repayment of their bonds. The prospectus for this issue, approved by the Financial Markets Authority on 3 June 2014 under number 14-267, is available in English on Albioma's website (www.albioma.com) 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 in Brazil;
 - a lease agreement for land used by one of the Company's subsidiaries to run photovoltaic facilities on Reunion Island.

7.5.10. AGREEMENTS PROVIDING FOR SEVERANCE PAYMENTS TO BE MADE TO THE MEMBERS OF THE BOARD OF DIRECTORS OR TO EMPLOYEES IF THEY RESIGN OR ARE DISMISSED WITHOUT JUST CAUSE OR IF THEIR JOBS ARE ELIMINATED AS A RESULT OF A PUBLIC OFFERING

On the date of filing of this Registration Document, there is no agreement in place that provides for severance payments to be made to the members of the Board of Directors (other than the Chairman and Chief Executive Officer who, until 1 June 2016, will be entitled to severance

pay and bound by a non-compete obligation on the termination of his term of office, the key provisions of which are stated in section 2.4.7.1 on pages 110 *et seq.* of this Registration Document) 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.

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, effective from 1 June 2016 (see the explanations given in section 2.2.1 on pages 44 *et seq.* of this Registration Document), introduced severance pay and a non-compete obligation for the Chief Executive Officer, on the termination of his term of office, which may be implemented, respectively, from 1 June 2017 and 1 June 2016. These commitments, the key provisions of which are stated in section 2.4.7.2 on pages 113 *et seq.* of this Registration Document, are subject to a condition precedent requiring the approval of the General Meeting of 24 May 2016.

7.6. Albioma shares

7.6.1. DATASHEET

ISIN code	FR0000060402
Loyalty bonus ISIN code ¹	FR0012332864
2017 loyalty bonus ISIN code ²	FR0012332849
2018 loyalty bonus ISIN code ³	FR0013055092
Ticker ⁴	ABIO
Par value	€0.0385
Market of listing	NYSE – Euronext Paris, Compartment B
Deferred settlement service	Eligible
French Equity Savings Plan (PEA)	Eligible
French Equity Savings Plan-SME (PEA-PME) ⁵	Eligible

1. Shares eligible for the increased dividend. See explanations given in section 7.6.3.3 on pages 293 *et seq.* of this Registration Document.

2. Shares eligible for the increased dividend payable in 2017 for the 2016 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2017 *et seq.*: FR0012332864.

3. Shares eligible for the increased dividend payable in 2018 for the 2017 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2018 *et seq.*: FR0012332864.

4. Since the meeting of the General Meeting of 30 May 2013 approving the change of the Company's name. The previous stock code was SECH.

5. On the date on which this Registration Document was filed, Albioma shares fulfilled the eligibility conditions for the equity savings plan regime for financing small and medium enterprises and midcap companies (PEA-PME) set up pursuant to Finance Law no. 2013-1278 of 29 December 2013 for 2014 (Articles L. 221-32-1 to 3 and D. 221-113-1 to 7 of the Monetary and Financial Code).

7.6.2. STOCK MARKET PRICE

7.6.2.1. Market overview of Albioma stock

2014

	Price in euros			Average daily trading (number of securities)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	18.94	16.56	18.07	32,444	581,751
February	19.04	18.40	18.75	13,985	261,600
March	20.68	18.45	19.81	33,238	659,655
April	20.96	19.35	19.95	30,941	616,614
May	20.77	19.25	19.91	22,752	454,324
June	19.84	18.20	19.07	19,290	365,150
July	19.29	16.80	18.32	22,956	418,855
August	19.34	18.51	18.97	15,023	284,092
September	20.34	19.30	19.69	26,750	529,769
October	19.38	17.00	17.79	19,007	334,840
November	18.20	17.06	17.58	21,690	381,967
December	17.45	15.74	16.49	20,775	341,006

2015

	Price in euros			Average daily trading (number of securities)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	17.50	15.90	16.54	45,226	738,656
February	18.86	15.90	17.37	37,179	630,857
March	18.93	17.63	18.03	33,834	614,065
April	19.60	17.76	18.62	34,765	640,633
May	19.35	18.50	18.96	25,259	470,797
June	18.98	13.62	16.54	70,544	1,091,297
July	15.43	13.80	14.78	67,357	991,654
August	15.30	13.80	14.90	55,045	816,951
September	15.35	14.66	14.96	35,973	539,393
October	15.65	14.80	15.21	29,612	448,146
November	15.31	14.70	14.96	21,314	318,428
December	14.99	13.74	14.66	23,671	344,735

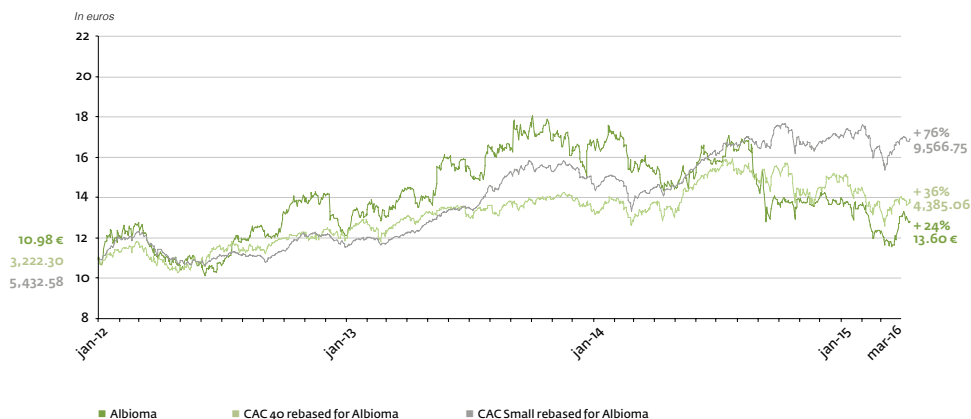
2016 (figures as at 31 March 2016)

	Price in euros			Average daily trading (number of securities)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	14.76	12.48	13.45	24,130	328,805
February	13.02	11.88	12.36	26,389	328,933
March	14.31	12.20	13.51	35,809	474,479

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7.6. Albioma shares

7.6.2.2. Change in the Albioma share price between 2 January 2012 and 31 March 2016 and change in comparison to the CAC 40 and CAC Small index



7.6.3. DIVIDEND

7.6.3.1. Dividend policy

In 2012, the Group announced a dividend policy whereby it would distribute the equivalent of 50% of its net income, Group share, excluding capital gains on disposals, retro-activity and financing needs for new projects. Under this policy, the Group proposed to the General Meeting a constantly increasing dividend and offered its shareholders the possibility of receiving payment of 50% of the dividend in new shares.

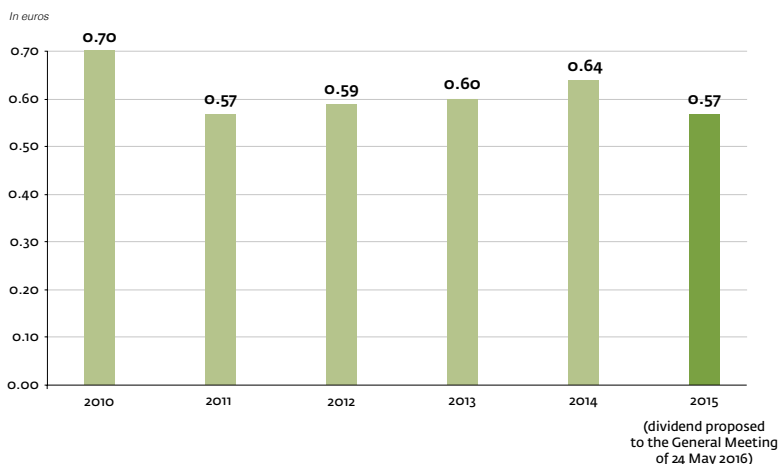
The proposal made to the General Meeting of 24 May 2016 for a dividend of €0.57 per share, a 11% drop on the previous financial year, with an option for payment of the dividend in new shares, continues this dividend policy, with a corresponding payout rate of 56% of the net income, Group share. Even though this reflects the drop in net income, Group share, in 2015, it is in line with the sustained growth target set for 2013-2023 and shows the Board of Directors' confidence in the delivery of the plan.

Moreover, Article 45 of the Memorandum and Articles of Association guarantees the shareholders a minimum dividend, known as the first dividend, as soon as the profit made in a given financial year and the Company's balance sheet structure allow it, pursuant to the applicable provisions of the law, the regulations and the Memorandum and Articles of Association (the full text of this article appears in section 7.1.2.3 on page 263 of this Registration Document). This dividend is calculated as follows:

- deduction from the distributable profit (net profit for the year, less losses carried forward, and sums to be transferred to reserves in application of the law, plus retained earnings) of an amount equal to 6% of the sums whose shares are paid up and not redeemed;
- deduction from the distributable profit of an amount equal to 6% of any sums deriving from premiums for shares issued in cash and held on an additional paid-in capital account.

If the profit for one financial year is not sufficient to pay this first dividend, the shareholders shall not be able to claim it from the profit in subsequent years.

7.6.3.2. Change in the dividend (2010 to 2015 financial years)



7.6.3.3. Development of shareholder loyalty: increased dividend

Albioma sets great store by fostering the loyalty of its shareholders, whom it wished to involve in long-term value creation.

The General Meeting of 30 May 2013 thus approved the shareholder loyalty programme proposed to it by the Board of Directors and, as a result, amended Article 45 of the Memorandum and Articles of Association (the full text of this article appears in section 7.1.2.3 on page 263 of this Registration Document).

The loyalty bonus is granted to shareholders who have held registered shares for a continuous period of at least two years, meaning two calendar years from 1 January 2014 *et seq.* The loyalty bonus is granted in the form of a 10% increase in the dividend paid, rounded down to the nearest euro cent. This bonus shall also apply if a dividend is paid in shares: in such cases, shareholders that registered within the prescribed time shall receive a larger dividend, which they may choose to reinvest in shares under the option of receiving 50% of their dividend in shares.

The loyalty bonus shall be available both to holders of “direct” and “administered” registered shares. However, shareholders who decide to retain bearer shares shall not be eligible for this bonus. To qualify for a given calendar year, shareholders must be registered as direct registered or administered registered shareholders by 15 December of the previous year.

Shareholders demonstrating uninterrupted direct or administered registration between 1 January 2014 and 31 December 2015 will therefore be eligible for an increased dividend for the 2015 financial year, provided that they are still registered as shareholders on the date the positions are calculated (also known as the record date; this date is usually one or two days after the date of the General Meeting that approved the dividend). Under the proposed appropriation of net income submitted to the General Meeting of 24 May 2016 for approval, the increased dividend would stand at €0.62 per share.

The number of each shareholder’s shares that are eligible for the loyalty bonus may not exceed 0.5% of the capital.

7 • LEGAL INFORMATION, CAPITAL AND SHARE OWNERSHIP

7.7. Financial communication and shareholder relations

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 will remain the only identification code visible on Euronext Paris that may be used when trading on this market (see the details provided in section 7.6.1 on page 290 of this Registration Document).

7.6.3.4. Limitation period for dividends

The limitation period for dividends is five years. Dividends still unclaimed after that time shall be deposited automatically with the Caisse des Dépôts et Consignations.

7.7. Financial communication and shareholder relations

Albioma strives to constantly improve the quality of its financial communication and to encourage dialogue with its shareholders and with French and foreign investors.

7.7.1. THE ALBIOMA WEBSITE: WWW.ALBIDIOMA.COM

Completely overhauled for ease of navigation and for optimised viewing on smartphones and tablets, since 2014 the Group's website has been administered in three languages (French, English and Brazilian Portuguese).

The website is an information and discovery space designed to help investors keep abreast of the Group's news. Pursuant to applicable laws and regulations, all regulated information disclosed by Albioma will be made available on this website.

7.7.2. NUMEROUS MEETINGS WITH FINANCE INDUSTRY PLAYERS

At these meetings the Company sets out its results as well as its medium-term strategy for the benefit of French and foreign analysts and investors. Half-yearly results are usually presented in the form of a conference call, a recording of which is posted on the Company's website. All the documents presented on these occasions are posted online the very same day on the Company's website.

Other events, in person or by telephone, may be organised depending on the Group's news. In such cases Albioma always strives to ensure equal treatment of shareholders by posting the relevant documents online immediately.

Moreover, Albioma meets regularly with players in the finance industry and frequently meets French and foreign institutional investors at road shows or individual meetings held in France or abroad.

7.7.3. ACTIONARIA/TRADE FAIR: ALBIOMA MEETS ITS INDIVIDUAL SHAREHOLDERS

On 20 and 21 November 2015, Albioma was present for the fourth time at the 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.

7.7.4. CONTACTS

7.7.4.1. Investors

Albioma

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7.7.4.2. Press and media

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7.7.5. 2016 FINANCIAL CALENDAR

02/03/2016 (pre-trading)	Annual results for 2015
27/04/2016 (pre-trading)	First quarter 2016 revenue
24/05/2016	Annual General Meeting of shareholders (auditorium of Capital 8, 32 Rue de Monceau, 75008 Paris, at 3 p.m. CET)
26/07/2016 (post-trading)	First half 2016 results
26/10/2016 (pre-trading)	Third quarter 2016 revenue

ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8

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8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

The General Meeting will be held on 24 May 2016 at 3 p.m., in the auditorium of the Centre de Conférences Capital 8, 32 Rue de Monceau, 75008 Paris.

8.1. Agenda

8.1.1. ORDINARY MEETING

- Approval of the company financial statements for the financial year ended 31 December 2015
- Approval of the consolidated financial statements for the financial year ended 31 December 2015
- Appropriation of income and setting of the dividend for the financial year ended 31 December 2015
- Option for payment of the dividend for the financial year ended 31 December 2015 in new shares
- Opinion on the remuneration due or awarded to Mr Jacques Pétry, Chairman and Chief Executive Officer for the financial year ended 31 December 2015
- Approval of severance pay potentially payable to Mr Frédéric Moyne if he ceases to hold office as Chief Executive Officer (with effect from 1 June 2016)
- Approval of a covenant not to compete potentially applicable if Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (with effect from 1 June 2016)
- Approval of agreements and commitments governed by Article L. 225-38 of the French Commercial Code
- Ratification of the provisional appointment by co-optation of Ms Valérie Landon as Director for the remainder of the term of office of Mr Franck Hagège, who has resigned.
- Setting the maximum total amount to be allocated to the Directors as directors' fees
- Renewal of the appointment of PricewaterhouseCoopers Audit as principal Statutory Auditor and appointment of Mr Jean-Baptiste Deschryver as alternate Statutory Auditor
- Renewal of the appointment of Mazars as principal Statutory Auditor and appointment of Mr Simon Belleveaire as alternate Statutory Auditor
- Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

8.1.2. EXTRAORDINARY MEETING

- Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme
- Grant of authorisation to the Board of Directors to allot existing bonus performance shares to employees and corporate officers of the Company and related companies
- Powers to carry out formalities

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

8.2.1. RESOLUTIONS PUT TO THE ORDINARY GENERAL MEETING

8.2.1.1. Resolutions 1, 2 and 3: approval of company and consolidated financial statements, appropriation of income and setting of the dividend for the financial year ended 31 December 2015

Explanation

The purpose of the 1st and 2nd resolutions is the approval of the company and consolidated financial statements for the 2015 financial year. The Company's Statutory Auditors have produced the reports set out in section 5.4 on pages 232 *et seq.* and section 4.7 on pages 201 *et seq.* of the Registration Document for the 2015 financial year in relation to these financial statements.

The company financial statements for the 2015 financial year record a net profit of €18.2 million, which represents a 46% rise on the 2014 financial year (€12.5 million). They are set out in full in chapter 5 on pages 204 *et seq.* of the Registration Document for the 2015 financial year.

The consolidated financial statements for the 2015 financial year record a net income, Group share, of €30.2 million, which represents a 20% fall on the 2014 financial year (€38.0 million). They are set out in full in chapter 4 on pages 150 *et seq.* of the Registration Document for the 2015 financial year.

The 3rd resolution relates to the appropriation of income for the 2015 financial year and the setting of the dividend. The Board of Directors proposes a dividend of €0.57 per share to the General Meeting, which is less than the dividend paid for 2014 (€0.64 per share) but represents a

distribution rate of 56% of net income, Group share, for the 2015 financial year, which is substantially more than would be distributed if the Group's distribution policy were applied to the letter (distribution of 50% of net income, Group share, excluding disposal gains and financing of new projects).

Shares eligible for the 10% increase of the 2015 dividend will receive a dividend of €0.62 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 1 June 2016 and the dividend will be paid on 4 July 2016.

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 French Tax Code in accordance with the terms, conditions and limits laid down by applicable laws and regulations.

The Board of Directors invites the shareholders to approve these resolutions.

First resolution – Approval of the company financial statements for the financial year ended 31 December 2015

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

and having noted the following:

- the management report of the Board of Directors for the financial year ended 31 December 2015 (included in the Registration Document for the 2015 financial year) and the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the company financial statements for the financial year ended 31 December 2015,

approves the company financial statements for the financial year ended 31 December 2015 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 €18,222 thousands,

and, pursuant to the provisions of 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 2015.

Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2015

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

and having noted the following:

- the management report of the Board of Directors for the financial year ended 31 December 2015 (included in the Registration Document for the 2015 financial year) 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 2015,

approves the consolidated financial statements for the financial year ended 31 December 2015 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 €30,249 thousands.

Third resolution – Appropriation of income and setting of the dividend for the financial year ended 31 December 2015

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 2015 (included in the 2015 Registration Document) 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 2015, amounting to €18,222,101.73 as set out below:

Sources of amounts to be appropriated (in euros)

Net income for the year	18,222,101.73
Retained earnings brought forward	81,388,774.00
Total	99,610,875.73

Appropriation (in euros)

To the legal reserve	187.98
To the payment of a dividend of €0.57 per share	16,827,919.05
To retained earnings	82,782,768.70
Total	99,610,875.73

8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

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 2015, 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 2015, 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 €0.57,

sets the ex-dividend date at 1 June 2016 and resolves that the dividend will be paid on 4 July 2016,

notes that this dividend is eligible for the 40% tax allowance pursuant to Article 158(3)(2) of the French Tax Code in accordance with the terms, conditions and limits laid down by applicable laws and regulations,

and notes that the following dividends have been distributed in the last three financial years:

Financial year	Dividend per share (in euros)	Total dividend (in euros)	Reduction pursuant to Article 158 (3) (2°) of the French Tax Code
2012	0.59	16,860,692	40%
2013	0.60	17,465,824	40%
2014	0.64	18,955,797	40%

8.2.1.2. Resolution 4: option for payment of the dividend for the financial year ended 31 December 2015 in new shares

Explanation

The 4th resolution relates to the implementation of an option for payment of 50% of the dividend to be distributed in the 2015 financial year, in new shares.

This proposal falls within the scope of the distribution policy implemented by the Group since 2012.

If the General Meeting approves this proposal, shareholders may opt for payment of 50% of the €0.57 dividend distributed pursuant to the third resolution, i.e. €0.285 per share, in cash or new shares.

Shares eligible for the extra 10% dividend for the 2015 financial year will receive a dividend of €0.62 per share, within the limit of 0.5% 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. €0.31 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 1 June 2016 and 22 June 2016 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. €0.57 per share (or, for shares eligible for the extra 10% dividend for the 2015 financial year, €0.62 per share).

Accordingly, this option allows shareholders who so wish to reinvest one half of their dividend in new shares, at a pre-determined price. The issue price of the new shares that will be issued in payment of the dividend will correspond to 90% of the average price quoted on the Euronext Paris market in the 20 trading days prior to the distribution decision date, less the net dividend amount, and the amount resulting from this formula will be rounded up to the next cent. This price will be set by the Board of Directors, prior to the General Meeting. If, on the basis of this price, the 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 04 July 2016, on the same day as payment of the part of the share dividend payable in cash. Dividend and other rights will accrue from 1 January 2016.

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 2015 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 €0.57 per share, i.e. €0.285 per share (or, for shares eligible for the 10% dividend increase for the 2015 financial year in accordance with Article 45(2) of the Company's Memorandum and Articles of Association, 50% of the distributable dividend of €0.62 per share, i.e., €0.31 per share), in cash or in new shares, with the remaining 50% payable in cash.

resolves that:

- the option may only be exercised for the entire fraction of the dividend, i.e. 50 %, to which it refers and for which the shareholder has decided to exercise the option,
- this option must be exercised by the shareholder between 1 June 2016 and 22 June 2016 inclusive, by submitting a request to the relevant financial intermediary for administered registered shares and bearer shares and to the Company's Registrar (BNP Paribas Securities Services) for direct registered shares. On expiry of this deadline, shareholders who have not opted to receive payment of 50% of their dividend in shares will receive full payment in cash,
- the issue price of the new shares to be issued in payment of the dividend will correspond to 90% of the average price quoted on the Euronext Paris market in the 20 trading days prior to the distribution decision date, less the net dividend amount, and the amount resulting from this formula will be rounded up to the next cent,

- the settlement-delivery of the shares to be issued in payment of the dividend will take place on the same day as payment of the part of the share dividend payable in cash, i.e. on 4 July 2016, and dividend and other rights will accrue from 1 January 2016,
- 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.

8.2.1.3. Resolution 5: opinion on the remuneration due or awarded for the financial year ended 31 December 2015 to Mr Jacques Pétry, Chairman and Chief Executive Officer

Explanation

The 5th resolution is submitted to the General Meeting pursuant to the provisions of section 24.3 of the AFEP-MEDEF Code, which recommends that shareholders should be consulted in relation to the remuneration due or awarded to executive directors in the previous financial year.

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

8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

Shareholders are asked to vote on the remuneration due or awarded for the 2015 financial year to the Chairman and Chief Executive Officer, the Company's only executive director. This therefore constitutes an ex-post vote on:

- the remuneration due for the 2015 financial year, meaning the cash remuneration earned by the Chairman and Chief Executive Officer that is certain, both in terms of his entitlement and the amount, whether or not paid;
- the remuneration awarded for the 2015 financial year, that is, remuneration in the form of securities and/or cash, the award of which is agreed but whose amount and/or the number of securities are unknown at the time of implementation or award and which, accordingly, can only be estimated, where applicable.

Information on the remuneration due or awarded to Mr Jacques Pétry for the 2015 financial year can be found in section 2.4 on pages 93 *et seq.* of the Registration Document for the 2015 financial year. Pursuant to the Application Guide of the AFEP-MEDEF's Code of Corporate Governance for Listed Corporations published by the Haut Comité de Gouvernement d'Entreprise, (High Corporate Governance Committee), the remuneration on which shareholders must vote is summarised below.

Remuneration due or awarded for the 2015 financial year	Amounts or estimates put to the vote (in € thousands)	Disclosure
Fixed remuneration	430.0	Information on the fixed component of the Chairman and Chief Executive Officer's remuneration for the 2015 financial year and changes in this remuneration can be found in section 2.4.3 on pages 95 <i>et seq.</i> of the Registration Document for the 2015 financial year.
Variable annual remuneration	211.5	Information on the variable component of the Chairman and Chief Executive Officer's remuneration for the 2015 financial year, the quantitative and qualitative criteria used to fix this amount and the cap on the qualitative component, can be found in section 2.4.3 on pages 95 <i>et seq.</i> of the Registration Document for the 2015 financial year.
Variable deferred remuneration	n/a	No variable deferred remuneration.
Variable multi-year remuneration	n/a	No variable multi-year remuneration.
Exceptional remuneration	n/a	No exceptional remuneration.
Options to subscribe or purchase shares, performance-related shares or any other long-term remuneration	n/a	No bonus performance shares, stock options or any other form of long-term remuneration were awarded. Information on stock option plans and bonus performance share plans as at 31 December 2015 can be found in sections 2.4.5 and 2.4.6 on pages 104 <i>et seq.</i> of the Registration Document for the 2015 financial year.
Directors' fees	n/a	The Chairman and Chief Executive Officer is not entitled to directors' fees.
Value of benefits in kind	39.4	Information on the benefits in kind granted to the Chairman and Chief Executive Officer for the 2015 financial year can be found in section 2.4.3 on pages 95 <i>et seq.</i> of the Registration Document for the 2015 financial year.

8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

Remuneration due or awarded for the 2015 financial year to be voted on or already voted on by the General Meeting under the procedure for regulated agreements and commitments	Amounts put to the vote (in € thousands)	Disclosure
Severance pay	–	<p>Information on the severance payment potentially payable to Mr Jacques Pétry if he is removed from the office of Chairman and Chief Executive Officer or his appointment is not renewed can be found in section 2.4.7.1 on pages 110 <i>et seq.</i> of the Registration Document for the 2015 financial year.</p> <p>At the General Meeting of 27 May 2014 the shareholders most recently approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this severance payment bearing in mind the Board of Directors' reauthorisation of this payment at its meeting of 30 May 2013, in the context of Mr Jacques Pétry's re-appointment as Chairman and Chief Executive Officer (sixth resolution).</p> <p>At the General Meeting of 27 May 2014 the shareholders also approved, on the basis of the special report of the Statutory Auditors, the amendment made by the Board of Directors to the terms and conditions of this severance payment at its meeting of 4 March 2014 with a view, in particular, to ensuring compliance with the provisions of the AFEP-MEDEF Code, recommending that the performance conditions that must be met for the payment of such severance payment be assessed over a period of at least two financial years (seventh resolution).</p> <p>The severance payment arrangement will be cancelled with effect from 1 June 2016 in view of the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer (see additional information in section 2.4.7.2 on pages 112 <i>et seq.</i>, of the Registration Document for the 2015 financial year).</p>
Compensation payable under a non-compete clause	–	<p>on compensation under a non-compete clause potentially payable to Mr Jacques Pétry if he ceases to hold office as Chairman and Chief Executive Officer can be found in section 2.4.7.1 on pages 110 <i>et seq.</i> of the Registration Document for the 2015 financial year.</p> <p>At the General Meeting of 27 May 2014 the shareholders approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this covenant not to compete bearing in mind the Board of Directors' reauthorisation of this clause at its meeting of 30 May 2013, in the context of Mr Jacques Pétry's re-appointment as Chairman and Chief Executive Officer (sixth resolution).</p> <p>The compensation payable pursuant to the covenant not to compete will be cancelled with effect from 1 June 2016 in view of the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer (see additional information in section 2.4.7.2 on pages 112 <i>et seq.</i>, of the Registration Document for the 2015 financial year).</p>
Supplementary retirement plan	n/a	<p>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.</p>

The Board of Directors invites the shareholders to approve this resolution.

8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

Fifth resolution – Opinion on the remuneration due or awarded for the financial year ended 31 December 2015 to Mr Jacques Pétry, Chairman and Chief Executive Officer

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

consulted pursuant to the provisions of section 24.3 of the Code of Corporate Governance for Listed Companies published by AFEP and MEDEF,

and having taken note of the report of the Board of Directors for the General Meeting,

votes in favour of the remuneration due or awarded for the financial year ended 31 December 2015 to Mr Jacques Pétry, Chairman and Chief Executive Officer, as presented in section 2.4 of the Registration Document for the financial year ended 31 December 2015 and as reiterated in the report by the Board of Directors to the General Meeting set out in section 8.2 of the said Registration Document.

8.2.1.4. Resolutions 6 and 7: approval of a severance payment and a covenant not to compete potentially applicable if Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (with effect from 1 June 2016)

Explanation

The purpose of the 6th and 7th resolutions is to approve a severance payment and a covenant not to compete potentially applicable if Mr Frédéric Moyne ceases to hold office as Chief Executive Officer, with effect from 1 June 2016, pursuant to Article L. 225-42-1 of the French Commercial Code.

The Statutory Auditors have issued a report describing the terms and conditions of the severance payment and covenant not to compete, set out in section 2.9.1 on pages 127 *et seq.* of the Registration Document for the 2015 financial year. A description of both arrangements can also be found in section 2.4.7.2 on pages 112 *et seq.* of the Registration Document for the 2015 financial year.

These resolutions reflect the Board of Directors' decision to separate the functions of Chairman of the Board of Directors and of Chief Executive Officer with effect from 1 June 2016, and to appoint Frédéric Moyne - until then Chief Operating Officer Brazil - as Chief Executive Officer, with Jacques Pétry continuing to hold office as Chairman of the Board of Directors (see additional information in section 2.2.1 on pages 44 *et seq.*, of the Registration Document for the 2015 financial year).

The Board of Directors accordingly set all the items of remuneration paid to Frédéric Moyne in his capacity as Chief Executive Officer for the period from 1 June 2016 to 31 December 2016, including the severance payment and the compensation payable pursuant to the covenant not to compete that the shareholders will be asked to approve at the General Meeting.

The severance payment (sixth resolution), which would correspond to 15 months of Frédéric Moyne's fixed and variable remuneration in his capacity as Chief Executive Officer, could only be implemented after 1 June 2017, as the Board of Directors has decided to maintain during the first year of Frédéric Moyne's term of office as Chief Executive Officer the employment contract under which he has been employed with the Company to date, which employment contract is automatically suspended during that period. It could only be paid if Frédéric Moyne were removed from office as Chief Executive Officer or if his appointment were not renewed, and would not be paid in the event of his serious or gross negligence. Payment would be subject to satisfaction of performance-related conditions during the two financial years preceding the year in which he ceases to hold office.

The covenant not to compete (seventh resolution) could only be implemented after 1 June 2016, if Frédéric Moyne ceases to hold office as Chief Executive Officer. The Board of Directors will unilaterally decide whether to implement the covenant not to compete in the month in which Frédéric Moyne ceases to hold office. Its implementation would result in payment of compensation corresponding to six months of his fixed and variable remuneration as Chief Executive Officer, and would require him to comply with a strict obligation not to compete during a one-year period.

The Board of Directors has observed that the items of remuneration payable if Frédéric Moyne ceases to hold office were justified, in particular in view of:

- the number of years Frédéric Moyne has worked for the Group as at 1 June 2016 (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) with effect from 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).

The Board of Directors invites the shareholders to approve these resolutions.

Sixth resolution - Approval of severance pay potentially payable to Mr Frédéric Moyne if he ceases to hold office as Chief Executive Officer (with effect from 1 June 2016)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

and having noted 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,

approves the terms and conditions of the severance payment payable with effect from 1 June 2017 if Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (which office he will hold from 1 June 2016), as presented in 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.

Seventh resolution - Approval of a covenant not to compete potentially applicable if Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (with effect from 1 June 2016)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

and having noted 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,

approve the terms and conditions of the covenant not to compete that could be implemented with effect from 1 June 2016 if Mr Frédéric Moyne ceases to hold office as Chief Executive Officer (which office he will hold from 1 June 2016), as presented in 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.

8.2.1.5. Resolution 8: approval of agreements and commitments governed by Article L. 225-38 of the French Commercial Code

Explanation

The purpose of the 8th resolution is to note the fact that the Board of Directors did not authorise any regulated agreement or commitment governed by Article L. 225-38 of the French Commercial Code during the 2015 financial year. The commitments authorised by the Board of Directors on 1 March 2016 that are governed by Article L. 225-42-1 of the French Commercial Code are put to the shareholders for approval in the sixth and seventh resolutions.

The Statutory Auditors have issued a report recording the absence of any agreement or commitment governed by Article L. 225-38 of the French Commercial Code and requiring the approval of the General Meeting, set out in section 2.9.1 on pages 127 *et seq.* of the Registration Document for the 2015 financial year.

The Board of Directors invites the shareholders to approve this resolution.

Eighth resolution - Approval of agreements and commitments governed by Article L. 225-38 of the French Commercial Code

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

and having noted 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 Article L. 225-38 of the French Commercial Code were entered into during the financial year ending on 31 December 2015.

8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

8.2.1.6. Resolution 9: ratification of the provisional appointment of Ms Valérie Landon as Director

Explanation

The purpose of the 9th resolution is to ratify the provisional appointment by co-option of Ms Valérie Landon as Director. This follows the Board of Directors' meeting on 13 April 2016, at which it decided, on the recommendation of the Nomination and Remuneration Committee, to co-opt Ms Valérie Landon onto the Board for the remainder of Mr Franck Hagège's term of office, as he had stepped down from the Board following the distribution by the professional private equity fund Apax France VI of virtually all its Albioma shares to its investors, i.e., at the end of the General Meeting to be held in 2019 to approve the financial statements for the 2018 financial year.

Valérie Landon was born on 17 August 1962. After graduating from École Centrale de Paris, she 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 been Vice-Chairman, Investment Banking & Capital Markets of Credit Suisse in Europe since 2015.

The Board of Directors will benefit from her top-level experience of investment banking, capital markets and financial transactions, and her excellent knowledge of the energy and industry sectors, as she has advised leading clients on numerous strategic and financial transactions in these sectors. Ratification of her appointment will improve gender parity and reduce the average age of members of the Board of Directors.

The Board of Directors has reviewed Ms Valérie Landon's situation and considers that she qualifies as an independent Director. Ms Valérie Landon 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

Valérie Landon

- Date of birth: 17 August 1962
- Nationality: French
- Business address: Credit Suisse, 86 boulevard Haussmann, 75008 Paris
- Holds 400 Albioma shares on the date of filing of the Registration Document for the 2015 financial year

Offices and positions held as at the 2015 Registration Document filing date

WITHIN THE ALBIOMA GROUP

Albioma SA	Director
Albioma SA	Member of the Audit, Accounts and Risks Committee
Albioma SA	Member of the Commitments Committee

OUTSIDE THE ALBIOMA GROUP

Catalyst (foundation)	Member of the European Advisor Board
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Other offices and positions held during the last five years, expired as at the 2015 Registration Document filing date

Expiry

WITHIN THE ALBIOMA GROUP

None	
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OUTSIDE THE ALBIOMA GROUP

None	
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Ninth resolution - Ratification of the provisional appointment, by co-option, of Ms Valérie Landon as Director for the remainder of the term of office of Mr Franck Hagège, who has resigned.

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings,

and having taken note of the report of the Board of Directors for the General Meeting,

resolves to ratify the provisional appointment, by co-option, of Ms Valérie Landon as a Director for the remainder of Mr Franck Hagège's term of office following his resignation, i.e., until the end of the General Meeting to be held in 2019 to approve the financial statements for the 2018 financial year.

8.2.1.7. Resolution 10: setting the maximum total amount to be allocated to the Directors as directors' fees

Explanation

The purpose of the 10th resolution is to increase the maximum total amount to be allocated to the Directors as directors' fees.

This proposal results from work carried out by the Board of Directors with a view to changing the composition of the Board of Directors, which may cause a long-term increase in the number of independent Directors, who are the only Directors entitled to receive directors' fees in accordance with the Company's policy on the remuneration of members of the Board of Directors.

The amount currently authorised by the General Meeting is €165,000, which is sufficient to remunerate five independent Directors on the following basis:

- a fixed payment of €12,000 per financial year for all independent Directors other than the Deputy Chairman of the Board of Directors, conditional upon their membership of at least one of the Board of Director's specialised Committees, and €39,500 per financial year for the Deputy Chairman of the Board of Directors;
- a variable payment of up to €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 held during the said financial year.

The tenth resolution, if adopted, would increase the total amount to be allocated between the Directors as directors' fees from €165,000 to €192,500 for the 2016 financial

year and subsequent financial years, which would be sufficient to remunerate a sixth independent Director. This would require no changes to the individual terms of remuneration of the Directors as described above, which would apply in the same way to the sixth independent Director.

The Board of Directors invites the shareholders to approve this resolution.

Tenth resolution - Setting the maximum total amount to be allocated to 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 total maximum amount to be allocated between the Directors as directors' fees at €192,500 for the current financial year and for subsequent financial years, until a new resolution is adopted at a General Meeting.

8.2.1.8. Resolutions 11 and 12: renewal of the Statutory Auditors' appointments

Explanation

The purpose of the 11th and 12th resolutions is to renew the appointments of the principal Statutory Auditors and to appoint new alternate Statutory Auditors. The terms of office of the current principal and alternate Statutory Auditors will expire at the close of the General Meeting.

The Board of Directors proposes that the shareholders:

- renew the appointment of PricewaterhouseCoopers Audit as principal Statutory Auditor and appoint Mr Jean-Baptiste Deschryver as alternate Statutory Auditor, replacing Mr Yves Nicolas, for a term of six financial years to expire at the close of the General Meeting to be held in 2022 to approve the financial statements for the 2021 financial year (11th resolution);
- renew the appointment of Mazars as principal Statutory Auditor and appoint Mr Simon Beillevoire as alternate Statutory Auditor, replacing Mr Daniel Escudeiro, for a term of six financial years to expire at the close of the General Meeting to be held in 2022 to approve the financial statements for the 2021 financial year (12th resolution).

8 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2016

8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

Pursuant to Article L. 821-1 of the French Commercial Code, renewal of the appointments of the principal Statutory Auditors will require them to change their signatory partners. Accordingly, Mr Jean-Christophe Georghiou, signatory partner for PricewaterhouseCoopers Audit, will be replaced by Mr Jérôme Mouazan. Ms Manuela Baudoin-Revert, signatory partner for Mazars, will be replaced by Mr Daniel Escudeiro, who has previously held office as Mazars' alternate Statutory Auditor.

If the General Meeting adopts these resolutions, Mazars, which was first appointed as principal Statutory Auditor by the General Meeting of 27 May 2004, will begin a third six-year term of office. This will be the second term of office for PricewaterhouseCoopers Audit, which was first appointed as principal Statutory Auditor by the General Meeting of 18 May 2010.

This proposal by the Board of Directors results from extensive work carried out by the Audit, Accounts and Risks Committee since the end of the 2015 financial year. The Committee held several meetings and discussions in order to:

- assess the quality of the external auditing work and of the relations between the external auditors and the Committee over recent financial years, paying particular attention to the increased interaction between the Committee and the Statutory Auditors;
- assess the impartiality of both members of the panel of Statutory Auditors, and more specifically ensure that reappointment for an additional six-year term of office would not affect the impartiality of the external auditors;
- assess the level of skills, experience and availability of the new signatory partners for each of the principal Statutory Auditors;
- review past changes to fees paid to the Statutory Auditors and the fees proposed with effect from the 2016 financial year, if their appointments are renewed;
- verify that the renewal of the appointments of both Statutory Auditors is compatible with the European audit reform resulting from European Regulation 537/2014 of 16 April 2004, which will enter into force on 17 June 2016 and has been transposed into French law by ordinance no. 2016-315 of 17 March 2016.

The Audit, Accounts and Risks Committee's work led it to recommend that the Board of Directors ask the General Meeting to renew the appointments of each of the members of the panel of Statutory Auditors. Both the

Board of Directors and the Committee have observed that this renewal of appointments would enable the Company to rely on the services of an impartial and experienced panel of Statutory Auditors who, in view of their international networks and members, would be in a position to conduct the appropriate audits and reviews of the Group's foreign entities and new international operations.

The Board of Directors invites the shareholders to approve these resolutions.

Eleventh resolution - Renewal of the appointment of PricewaterhouseCoopers Audit as principal Statutory Auditor and appointment of Mr Jean-Baptiste Deschryver as alternate Statutory Auditor

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 PricewaterhouseCoopers Audit's term of office as principal Statutory Auditor will expire at the close of this General Meeting,

and resolves, accordingly, to reappoint PricewaterhouseCoopers Audit as principal Statutory Auditor for a six-year term of office expiring at the close of the General Meeting to be called in 2022 to approve the financial statements for the financial year ending 31 December 2021,

notes that Mr Yves Nicolas' term of office as Alternate Statutory Auditor will expire at the close of this General Meeting,

and resolves, accordingly, to appoint Mr Jean-Baptiste Deschryver as alternate Statutory Auditor, replacing Mr Yves Nicolas, for a six-year term of office expiring at the close of the General Meeting to be called in 2022 to approve the financial statements for the financial year ending 31 December 2021.

Twelfth resolution - Renewal of the appointment of Mazars as principal Statutory Auditor and appointment of Mr Simon Belleveira as alternate Statutory Auditor

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 Mazars' term of office as principal Statutory Auditor will expire at the close of this General Meeting,

and resolves, accordingly, to reappoint Mazars as principal Statutory Auditor for a six-year term of office expiring at the close of the General Meeting to be called in 2022 to approve the financial statements for the financial year ending 31 December 2021,

also notes that Mr Daniel Escudeiro's term of office as alternate Statutory Auditor will expire at the close of this General Meeting,

and resolves, accordingly, to appoint Mr Simon Beillevaire as alternate Statutory Auditor, replacing Mr Daniel Escudeiro, for a six-year term of office expiring at the close of the General Meeting to be called in 2022 to approve the financial statements for the financial year ending 31 December 2021.

8.2.1.9. 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 13th 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 2015 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 27 May 2014 and 28 May 2015. The authorisation granted on 28 May 2015 invalidated the unused part of the authorisation granted on 27 May 2014.

During the 2015 financial year, shares were bought back under these authorisations in order to:

- implement a liquidity contract (operated by Exane BNP Paribas until 29 June 2015 and by Rothschild & Cie Banque since 30 June 2015) designed to improve liquidity of the Albioma share on the Euronext Paris market (see additional information in section 7.3.6.2 on pages 277 *et seq.* of the Registration Document);
- supply shares for the bonus performance share plan approved by the shareholders at the General Meeting of 14 March 2012 and, more generally, other existing or future bonus performance share plans (see further information in section 7.4.3 on pages 277 *et seq.* of the Registration Document).

Detailed information on the Board of Directors' use of these authorisations can be found in sections 7.2.2.2 on pages 267 *et seq.* and section 7.3.6.2 on pages 277 *et seq.* of the Registration Document for the 2015 financial year.

The Board of Directors proposes that the shareholders extend the existing authorisation, granted on 28 May 2015, for a period of 18 months and cancel the unused part of the authorisation.

If the General Meeting approves this proposal, the objectives that could be met within the framework of the authorisation granted will be as follows, in decreasing order of priority:

- the implementation of a liquidity contract;
- the implementation of the Company's stock option plans or bonus share plans and any allotments, allocations or sales of shares, in particular under any scheme to share in the Company's profits;
- 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 acquisitions;
- 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 share capital on the date of purchase. Share purchases may not, under any circumstances, result in the Company directly or indirectly holding more than 10% of its share capital. As an exception to the above, the maximum number of shares that may be purchased in order to keep them and subsequently deliver them as payment or in exchange within the framework of a merger, demerger or contribution may not exceed 5% of the share capital.

The aggregate purchases, net of costs, may not exceed €30 million. The maximum purchase price per share may not exceed €20, 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.

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8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

In the event of a public offering for the Company's shares, this authorisation will be suspended during the offer period.

A description of this share buyback programme can be found in section 7.3.6.2 on pages 180 *et seq.* of the Registration Document for the 2015 financial year.

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 AMF's General Regulations and European Regulation No. 2273/2003 of the European Commission of 22 December 2003, to purchase or arrange for the purchase of the Company's shares,

resolves that the objectives of such share purchases will be as follows, in decreasing order of priority:

- to ensure liquidity and foster the market for the Company's shares through the intermediary of an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct acknowledged by the AMF, to implement all of the Company's stock option plans in accordance with Article,
- L.225-177 *et seq.* of the French Commercial Code, all allotments of bonus shares under a company or group savings plan in accordance with Article L.3332-1 *et seq.* of the Labour Code, or in accordance with Article L.225-197-1 *et seq.* of the 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 accepted market practices and applicable 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 share capital on the date of purchase, and purchases made by the Company pursuant to this authorisation may not, under any circumstances, result in it directly or indirectly holding more than 10% of the shares comprising the share capital,
- the number of shares that can be purchased by the Company in order to keep them and subsequently deliver them as payment or in exchange within the framework of a merger, demerger or contribution may not exceed 5% of the shares comprising the share capital,
- the aggregate purchases, net of costs, may not exceed €30 million,
- the maximum purchase price per share must not exceed €20, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the relevant transaction and the number of shares after the transaction,

resolves that the purchase, sale or transfer of the shares may be carried out or paid, in compliance with applicable regulations, by any means, in particular on the market or off the market, in particular over-the-counter, including through block trades or a public offering, trading in options

or derivatives, the purchase of options or the purchase of securities. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme,

resolved that in the event of a public offering for the Company's shares, this authorisation will be suspended during the offer period,

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 tenth resolution adopted at the General Meeting held on 28 May 2015,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this share buyback programme and, more specifically, to place any orders on the market, sign any agreements, including agreements relating to registers of share purchases and sales, draw up any documents, including in particular information documents, carry out all formalities and file all statements, including the allocation or reallocation of shares purchased on the basis of the various objectives, and, more generally, do whatever is necessary and appropriate.

8.2.2. RESOLUTIONS PUT TO THE EXTRAORDINARY GENERAL MEETING

8.2.2.1. Resolution 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 14th resolution is to renew the authorisation granted to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.1 on page 313 of the Registration Document for the 2015 financial year.

The Board of Directors has not used the existing authorisation, granted to it by the General Meeting at its meeting of 28 May 2015.

The Board of Directors proposes that the General Meeting extend this authorisation for a period of 18 months and cancel the unused part of the existing authorisation.

If the General Meeting approves this proposal, the authorisation granted will allow the Company to fulfil one of the objectives authorised within the framework of a share buyback programme.

As part of this authorisation, the share capital may be reduced, in one or several transactions, up to 10% of the capital per 24-month period, by cancelling the shares acquired within the framework of a share buyback programme.

The Board of Directors invites the shareholders to approve this resolution.

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 noted 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 eleventh resolution adopted at the General Meeting held on 28 May 2015,

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

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8.2. Draft resolutions and report of the Board of Directors for the Ordinary and Extraordinary General Meeting

carrying amount of the cancelled shares and their par value to any available reserves or premium accounts, amend the Memorandum and Articles of Association accordingly, carry out all formalities and file all statements and, more generally, do whatever is necessary and appropriate.

8.2.2.2. Resolution 15: grant of authorisation to the Board of Directors to allot existing bonus performance shares to employees and corporate officers of the Company and related companies

Explanation

The purpose of the 15th resolution is to authorise the Board of Directors to allot existing bonus performance shares to employees and corporate officers of the Company and related companies.

The Statutory Auditors have issued a report on this resolution, set out in section 8.3.2 on page 314 of the Registration Document for the 2015 financial year.

This resolution is consistent with the policy to offer long-term incentives to Group employees and corporate officers, which was first introduced in 2012. Under the policy, bonus performance share plans open to all Group employees and corporate officers have been put in place every two years, i.e., in 2012 and in 2014.

The 2012 plan, adopted by the General Meeting of 14 March 2012, enabled the effective acquisition by all beneficiaries, with effect from 2014, of one-third of the bonus performance shares allotted (corresponding to the first tranche of the plan), in view of the satisfactory market and operational performance for the 2012-2014 period.

The 2014 plans adopted by the General Meeting of 27 May 2014 are still in effect as at the filing date of the 2015 Registration Document. The performance conditions for the plan reserved for members of the Executive Committee, which related to market prices, had not been achieved on that date. General Management considers that the performance conditions for the plan reserved for Group employees excluding Executive Committee members, which relate to availability rates and EBITDA in 2016, will probably not be achieved.

In such a context the creation of a new bonus performance share plan for all Group employees and corporate officers in 2016 should be considered, to ensure that the interests of all Group employees remain in line with those of its

shareholders, to establish a long-term vision focused on the strategy of the management teams and to foster employee loyalty within the operating companies by rewarding them for their contribution, at a local level, to the Group's performance.

The Board of Directors asks the General Meeting to authorise it, for a 26-month period, to allot a maximum of 596,000 bonus performance shares representing approximately 2% of the capital as at 31 December 2015).

If the General Meeting grants the Board of Directors authorisation, the bonus performance shares would be available to all employees and corporate officers of the Company and all affiliated companies under two separate mechanisms with different performance conditions. The total number of shares that may be allotted to the Chairman of the Board of Directors and the Chief Executive Officer will be limited to 20% of the total number of shares to be allotted, i.e., a maximum of 119,200 performance shares attributable to the Chairman of the Board of Directors and the Chief Executive Officer in equal proportions.

In all cases, the effective acquisition of the shares will be subject to the achievement of performance conditions at the end of a minimum one-year acquisition period. Shares that have been effectively acquired may be subject to a lock-in obligation, in which case the acquisition period and the lock-in period combined must correspond to at least two years.

The Board of Directors has decided to put in place bonus performance share plans reserved for specific categories of Group employees, subject to separate performance conditions. The mechanisms are described below.

If adopted by the General Meeting, the first mechanism for the allotment of bonus performance shares would be reserved for members of the Executive Committee (including the Chairman of the Board of Directors and the Chief Executive Officer), heads of central departments, operational managers and administrative staff at head office (representing approximately 100 beneficiaries), in the form of a single plan and a single allotment. This first plan would account for approximately 84% of the authorisation requested and would entail a three-year acquisition period without any subsequent lock-in period, although beneficiary corporate officers would still be required to keep at least 25% of the effectively acquired performance shares in registered form until they cease to hold office.

The effective acquisition of the shares allotted under the plan is subject to the following performance conditions:

Tranche	Proportion	Performance-related condition	Performance range	Calculation of number of shares that may be effectively acquired
1	33.33%	Increase in EBITDA 2018 compared to EBITDA 2015	Lower limit: +25% Higher limit: +45%	Linear interpolation between these two points
2	33.33%	Increase in 2018 net consolidated income per share compared to 2015 net consolidated income per share	Lower limit: +15 % Higher limit: +30%	Linear interpolation between these two points
3	33.33%	Outperformance of change in market price, dividends reinvested (average over 120 days to the allotment date compared to average over 120 to the effective acquisition date) compared to change in CAC Small NR (CACSN) index, over the same period	Lower limit: +0 % Higher limit: +5%	Linear interpolation between these two points

The second mechanism for the allotment of bonus performance shares would be open to all employees of the operating companies who are not eligible for the first plan (i.e., a total of approximately 360 beneficiaries), in the form of shares allotted once a year at the close of the 2016 General Meeting and the 2017 General Meeting. This mechanism would account for approximately 16% of the requested authorisation and would be based on a one-year acquisition period followed by a one-year lock-in period.

The effective acquisition of shares under these plans would be subject to the satisfaction of performance conditions relating to availability rates analysed site per site: only employees in sites that achieve the availability rates set by the Board of Directors at the time of allotment of the bonus performance shares would be entitled to effectively acquire the allotted performance shares.

Under each plan, the performance conditions would be combined with a requirement that the employee remain in employment during the acquisition period. In addition, the Board of Directors would be entitled to set longer acquisition periods for employees eligible for either plan who are not French tax residents, without a lock-in period if appropriate. Lastly, shares could be effectively acquired before the end of the acquisition period if beneficiaries are classed as disabled, in the second or third category defined in Article L. 341-4 of the French Social Security Code, in which case the shares would be immediately transferable.

If the General Meeting grants this authorisation, the Board of Directors will determine the identity of the persons to whom the performance shares will be allotted. Its decision will be based on proposals by Executive Management previously referred to the Nomination and Remuneration

Committee for an opinion, in accordance with the rules set out above, which were adopted by the Board of Directors on the basis of recommendations by the Nomination and Remuneration Committee.

Performance shares effectively acquired under any of these plans in the event of the achievement of performance conditions will be shares previously held by the Company, and will not be issued as the result of a capital increase.

The Board of Directors invites the shareholders to approve this resolution.

Fifteenth resolution – Grant of authorisation to the Board of Directors to allot existing or new bonus shares to employees and corporate officers of the Company and related companies

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 Article L. 225-129 *et seq.* and Article L. 225-197-1 *et seq.* of the French Commercial Code,

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authorises the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to allot existing shares in the Company, in one or more allotments, to salaried employees and/or corporate officers of the Company and/or companies or groupings that are directly or indirectly related to the Company in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code,

resolves that the number of bonus shares that may be allotted pursuant to this authorisation may not exceed 596,000 shares (i.e. approximately 2% of the capital as at 31 December 2015), subject to regulatory adjustments required to protect beneficiaries' rights,

resolves that the number of bonus shares that may be allotted to the Chairman of the Board of Directors pursuant to this authorisation may not exceed 119,200 shares (i.e. 20 % of the aggregate cap applicable to this authorisation), subject to regulatory adjustments required to protect beneficiaries' rights,

resolves that the Board of Directors will determine the identity of the beneficiaries, the number of shares to be allotted to each of them, and the allotment conditions,

resolves that the allotted shares will only be effectively acquired subject to the achievement of internal and/or external performance conditions, at the end of a minimum acquisition period of one year combined with a minimum lock-in period of one year, on the understanding that the Board of Directors will be entitled to impose a longer acquisition period prior to effective acquisition of the shares, without a lock-in period if appropriate, provided the acquisition period combined with any lock-in period corresponds to at least two years,

resolves that shares may be effectively acquired before the end of the acquisition period if beneficiaries are classed as disabled, in the second or third category defined in Article L. 341-4 of the French Social Security Code, in which case the shares will be immediately transferable.

notes that the Chairman of the Board of Directors and the Company's Chief Executive Officer will be required to keep at least 25% of effectively acquired shares in registered form until they cease to hold office,

authorises the Board of Directors, where applicable, to adjust the number of bonus shares allotted during the acquisition period in the event of financial transactions modifying the number of Company securities that do not also modify the amount of shareholders' equity (in particular in the event of a stock split or a reverse stock split),

resolves to grant this authorisation for a period of 26 months, with effect from the date of this General Meeting,

notes that the Board of Directors shall be required to report on its use of this authorisation at the next Ordinary General Meeting, in accordance with the applicable laws and regulations,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this authorisation, and in particular to:

- determine the identity of beneficiaries and the number of shares allotted to each beneficiary,
- set, in accordance with the provisions and limits of applicable laws and regulations, the dates on which the bonus shares will be allotted,
- establish the other conditions and terms of share allotments, in particular the acquisition and lock-in periods for the allotted shares, in accordance with the principles set out in the Board of Directors' report to the General Meeting,
- decide the terms and conditions under which the number of bonus shares allotted will be adjusted, in accordance with applicable laws and regulations, and
- take such steps as are appropriate and enter into any agreements to implement this authorisation, in particular to ensure the successful completion of the planned share allotments, carry out all formalities and file all statements relevant for the allotment of the shares as well as the exercise of the rights attached thereto and request any and all permissions that prove necessary.

8.2.2.3. Resolution 16: powers to carry out formalities**Explanation**

The purpose of the 16th resolution is to grant holders of the original, copies or extracts of the minutes of General Meetings the necessary powers to carry out standard public notice and filing formalities.

The Board of Directors invites the shareholders to approve this resolution.

Sixteenth resolution – Powers to carry out formalities

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings,

and having taken note of the report of the Board of Directors for the General Meeting,

grants full powers to holders of the original, copies or extracts of the minutes of this General Meetings to carry out all public notice, filing and other formalities required under applicable laws and regulations.

8.3. Reports by the Statutory Auditors on the resolutions**8.3.1. REPORT BY THE STATUTORY AUDITORS ON THE CAPITAL REDUCTION (FOURTEENTH RESOLUTION)**

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English 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 Courbevois

To the Shareholders,

In our capacity as Statutory Auditors of your Company, and in performance of our duties pursuant to Article L.225-209 of the French Commercial Code (Code de commerce) in the event of a reduction in the share capital through the cancellation of shares previously repurchased, we hereby report on our assessment of the causes, terms and conditions of the proposed reduction in capital.

Your Board of Directors proposes that you grant it full powers for an 18-month period with effect from the date of this Meeting to cancel shares corresponding to a maximum of 10% of the capital per 24-month period that have been purchased as a result of the implementation of an authorisation to purchase Company shares within the framework of the aforementioned article.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures consist of verifying that the causes, terms and conditions of the proposed capital reduction are fair and are not likely to adversely affect equality between the shareholders.

We do not have any observations with regard to the causes, terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Courbevois, 28 April 2016.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Mazars

Manuela Baudoin-Revert
Partner

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8.3. Reports by the Statutory Auditors on the resolutions

8.3.2. REPORT BY THE STATUTORY AUDITORS ON THE AUTHORISATION TO ALLOT EXISTING SHARES AS BONUS SHARES (FIFTEENTH RESOLUTION)

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit

63. rue de Villiers

92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis - 61. rue Henri Regnault

92400 Courbevoie

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in performance of our duties pursuant to Article L.225-197-1 of the French Commercial Code (Code de commerce), we hereby present our report on the proposed authorisation to allot existing shares as bonus shares to salaried employees and/or corporate officers of your Company and of affiliated companies, on which you are asked to vote.

On the basis of its report, your Board of Directors proposes that you authorise it for a 26-month period to allot a maximum of 596,000 existing shares as bonus shares.

The Board of Directors is responsible for drawing up a report on this planned operation. It is our duty to inform you of any observations we may have on the information we have received about the planned operation.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures essentially consist of verifying that the planned terms and conditions, as described in the Board of Directors' report, comply with the applicable laws.

We do not have any observations with regard to the information contained in the Board of Directors' report on the planned authorisation of the allotment of bonus shares.

Neuilly-sur-Seine and Courbevoie, 28 April 2016.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Mazars

Manuela Baudoin-Revert
Partner

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9.1. Persons responsible for auditing the financial statements

9.1. Persons responsible for auditing the financial statements

9.1.1. THE COMPANY'S STATUTORY AUDITORS

	Date of first appointment	Start date of current term of office	Current term of office	Expiry of current term of office ¹
PRINCIPAL STATUTORY AUDITORS				
PricewaterhouseCoopers Audit Commissaire aux Comptes Member of the Versailles Regional Company of Statutory Auditors Represented by Jean-Christophe Georghiou 63 Rue de Villiers 92208 Neuilly-sur-Seine Cedex	18/05/2010	18/05/2010	6 fin. yrs	2016 GM
Mazars Commissaire aux Comptes Member of the Versailles Regional Company of Statutory Auditors Represented by Manuela Baudoin-Revert Tour Exaltis 61 Rue Henri Regnault 92400 Courbevoie	27/05/2004	18/05/2010	6 fin. yrs	2016 GM
ALTERNATE STATUTORY AUDITORS				
Yves Nicolas c/o PricewaterhouseCoopers Audit	18/05/2010	18/05/2010	6 fin. yrs	2016 GM
Daniel Escudeiro c/o Mazars	18/05/2010	18/05/2010	6 fin. yrs	2016 GM

1. 2016 GM: term of office expires at the close of the General Meeting of 24 May 2016. See additional information in section 9.1.3 on page 317 of this Registration Document.

9.1.2. FEES PAID BY THE COMPANY TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

€ thousands	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2015	2014	2015	2014	2015	2014	2015	2014
Statutory audit, certification, review of parent company and consolidated financial statements								
Albioma	116.0	122.0	38%	56%	182.0	184.0	56%	53%
Fully-consolidated subsidiaries	70.0	76.9	23%	36%	92.9	101.7	29%	29%
Other work and services directly related to the statutory audit								
Albioma	39.7	12.5	13%	6%	–	58.2	–	17%
Fully-consolidated subsidiaries	82.6	5.2	27%	2%	49.1	2.6	15%	1%
Sub-total Audit	308.3	216.6	100%	100%	324.0	346.5	100%	100%
Other services provided by the networks								
Legal, tax, employment matters	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–
Sub-total Other services	–	–	–	–	–	–	–	–
Total	308.3	216.6	100%	100%	324.0	346.5	100%	100%

9.1.3. EXPIRY OF THE STATUTORY AUDITORS' TERMS OF OFFICE AT THE CLOSE OF THE GENERAL MEETING OF 24 MAY 2016

As the current terms of office of the principal and alternate Statutory Auditors will expire at the close of the General Meeting of 24 May 2016, the Board of Directors proposes that the shareholders:

- renew the appointment of PricewaterhouseCoopers Audit as principal Statutory Auditor and appoint Mr Jean-Baptiste Deschryver as alternate Statutory Auditor to replace Mr Yves Nicolas, for a term of six financial years to expire at the close of the General Meeting held in 2022 to vote on the financial statements for the 2021 financial year;
- renew the appointment of Mazars as principal Statutory Auditor and appoint Mr Simon Beillevaire as alternate Statutory Auditor to replace Mr Daniel Escudeiro, for a term of six financial years to expire at the close of the General Meeting held in 2022 to vote on the financial statements for the 2021 financial year.

This proposal follows the Audit, Accounts and Risks Committee's careful consideration of the matter, and its recommendation that the Board of Directors ask the shareholders to renew the appointments of each of the Statutory Auditors at the General Meeting. Both the Board of Directors and the Committee have observed that this renewal of appointments would enable the Company to rely on the services of an impartial and experienced panel of Statutory Auditors who, in view of their international

networks and members, would be in a position to conduct the appropriate audits and reviews of the Group's foreign entities and new international operations (see additional information in the report by the Board of Directors to the General Meeting, in section 8.2 on pages 296 *et seq.* of this Registration Document.

9.2. 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 2014 and the corresponding report by the Statutory Auditors, as shown on pages 98 to 143 of the 2014 Registration Document, filed with the Autorité des Marchés Financiers (AMF) on 30 April 2015 under number D.15-0459, and the information taken from the management report for the year ended 31 December 2014, as shown on pages 86 to 95 of the 2014 Registration Document, together with the Company financial statements for the year ended 31 December 2014 and the corresponding report by the Statutory Auditors, as shown on pages 146 to 170 of the 2014 Registration Document;

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9.3. Person responsible for the Registration Document and the Annual Financial Report

- the consolidated financial statements for the financial year ended 31 December 2013 and the corresponding report by the Statutory Auditors, as shown on pages 96 to 137 of the 2013 Registration Document, filed with the Autorité des Marchés Financiers (AMF) on 30 April 2014 under number D.14-0468, and the information taken from the management report for the year ended 31 December 2013, as shown on pages 84 to 93 of the 2013 Registration Document, together with the Company financial statements for the year ended 31 December 2013 and the corresponding report by the Statutory Auditors, as shown on pages 140 to 160 of the 2013 Registration Document.

9.3. Person responsible for the Registration Document and the Annual Financial Report

Jacques Pétry

Chairman and Chief Executive Officer

9.4. Declaration by the person responsible for the Registration Document and the Annual Financial Report

After having taken all reasonable measures to this effect, I declare that, to the best of my knowledge, the information contained in this Registration Document is consistent with the facts and is not subject to any omissions likely to alter its impact.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all undertakings included in the consolidation scope, and that the management report covering the topics listed in the cross-reference table in section 9.6.4 of this Registration Document presents an accurate view of changes in the business, results and financial position of the Company and all undertakings included in the consolidation scope, together with a description of the main risks and uncertainties they face.

I have obtained from the statutory auditors a completion letter, in which they state that they have verified the information relating to the financial position and the financial statements shown in this Registration Document and have read the entire Registration Document.

The Statutory Auditors have reported on the consolidated financial statements for the financial year ended 31 December 2015 in a report in section 4.7 on pages 201 et seq. of this Registration Document, which contains no specific observations or qualifications.

The Statutory Auditors have reported on the consolidated financial statements for the financial year ended 31 December 2014 in a report in section 4.7 on page 143 of the 2014 Registration Document that was filed with the Autorité des Marchés Financiers (AMF) on 30 April 2015 under number D.15-0459; it contains two observations, worded as follows:

"Without qualifying our opinion, we draw your attention to the following:

- *the change of consolidation method used for certain entities, as explained in note 2.1 to the financial statements, due to the application of IFRS 10 'Consolidated Financial Statements' and IFRS 11 'Joint Arrangements';*
- *the change in the presentation of the accounts, as explained in note 2.2 to the financial statements on the reclassification in operating income of the share of net income of equity-accounted companies. "*

The Statutory Auditors have reported on the consolidated financial statements for the financial year ended 31 December 2013 in a report in section 4.7 on page 137 of the 2013 Registration Document that was filed with the Autorité des Marchés Financiers (AMF) on 30 April 2014 under number D.14-0468; it contains no specific observations or qualifications.

Paris la Défense, 28 April 2016.

Jacques Pétry

Chairman and Chief Executive Officer

9.5. Person responsible for the financial information

Jacques Pétry

Chairman and Chief Executive Officer

9.6. Cross-reference tables

9.6.1. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The following cross-reference table shows where the main information required by Annex 1 to EC Regulation no. 809/2004 of the European Commission of 29 April 2004 can be found in this Registration Document.

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9.6.2. CROSS-REFERENCETABLE 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 2015 Registration Document
2015 Annual Financial Report	
1. Consolidated financial statements for the 2015 financial year	150-201
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9.6. Cross-reference tables

9.6.3. CROSS-REFERENCE TABLE FOR INFORMATION ON THE REMUNERATION OF CORPORATE OFFICERS AND AMF POSITION-RECOMMENDATION NO. 2009-16 OF 10 DECEMBER 2009

The following table shows where the information on the remuneration of corporate officers recommended by the AMF in its recommendation of 22 December 2008 on information to be disclosed concerning the remuneration of corporate officers, reiterated in its position-recommendation no. 2009-16 of 10 December 2009, most recently amended on 13 April 2015, can be found in this Registration Document.

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Table 4	Options to subscribe or purchase shares allotted during the financial year to each executive corporate officer by the issuer or by any Group company	104 (section 2.4.5.2)
Table 5	Options to subscribe or purchase shares exercised during the financial year by each executive corporate officer	104 (section 2.4.5.3)
Table 6	Performance shares allotted to each corporate officer	107 (section 2.4.6.2)
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Table 8	History of options to subscribe or purchase shares allotted	105 (section 2.4.5.4)
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Table 11	Information on contracts of employment, supplementary pension plans, compensation and benefits owed or likely to be owed due to termination or expiry of a position or office, or a change in a position or office, held by an executive corporate officer under a non-compete clause	110-115

9.6.4. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

This cross-reference table shows where the main information comprising the management report, as required inter alia by Articles L. 225-100 et seq., L. 232-1 and R. 225-102 et seq. of the French Commercial Code, can be found in this Registration Document.

Information in the 2015 Management Report	Pages of the 2015 Registration Document
Group financial position and business overview for 2015, observations concerning the financial year	
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