"A WORLD OF"
NICHE MARKET
LEADERS

CHARGEURS
BEING GAME CHANGERS

REGISTRATION DOCUMENT 2017

STRENGTH & VISION

CHARGEURS

French *société anonyme* with share capital of €3,732,895.52
Head office: 112 avenue Kléber 75116 Paris - France. Registered in Paris under no. 390 474 898

REGISTRATION DOCUMENT 2017

INCLUDING THE ANNUAL FINANCIAL REPORT AND THE CORPORATE GOVERNANCE REPORT

CHARGEURS

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French version of this Registration Document was filed with French financial markets authority, the AMF under number R. 18-006 on March 23, 2018, pursuant to Article 212-13 of the AMF's General Regulations. It may only be used in connection with a corporate finance transaction when accompanied by a prospectus approved by the AMF. It was prepared by the issuer and is the responsibility of the persons whose signatures appear therein. The English language version of this report is a free translation of the original, which was prepared in French. In all matters of interpretation, views or opinions expressed in the original language version of the document in French take precedence over the translation.

The filing, in accordance with the provisions of Article L. 621-8-1-I of the French Monetary and Financial Code, was carried out after verification by the AMF that the document is exhaustive and intelligible and that the information it contains is consistent. It does not imply that the AMF is authenticating the financial and accounting data presented.

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CHAIRMAN'S MESSAGE

Chargeurs: a world champion in high value-added niche markets.

Michaël Fribourg
— CHAIRMAN AND CHIEF EXECUTIVE OFFICER —

Mastering excellence and scaling up its businesses over three years

In the three years since the transition in ownership in 2015, Chargeurs has scaled up its businesses, becoming the world champion in its high value-added niche markets. Lifted by its "Performance, Discipline, Ambition" plan in 2015 and 2016, the Group has modified its genetic makeup with a unique DNA, striving for excellence every day. In 2017, we launched the Game Changer plan, which is driving faster operating performance by activating four strategic levers – Sales & Marketing, Smart & Advanced Manufacturing, Distinctive Innovation and Talent Management.

Driven by this momentum and by the engagement of its employees across 34 countries worldwide, Chargeurs delivered very robust, stronger-than-expected growth in operating performance for the year, with a 5.3% increase in revenue, an EBITDA margin of more than 10% and a 14.1% gain in recurring operating profit, which has now doubled since 2014 and tripled since 2013. Chargeurs has conquered its place among the world's best performing companies.

The Group remarkably bolstered its long-term financial clout thanks to the net cash position generated by its high profit to cash conversion ratio. In addition, it has further increased its resources with a €50 million, eight and ten-year Euro PP, the first in the Group's history to have such a long maturity. This robust financial strength offers us the core resources needed to undertake fundamental capital projects and carry out selectively targeted acquisitions.

Backed by this very solid performance, led by an engaged core shareholder and supported by a diversified ownership base, Chargeurs has been able to reward the loyalty of its long-term partners after restoring the dividend policy in 2015. In addition to the more than 230% increase in its market capitalization since the transition in ownership, the Group has offered investors a steadily rising return. The dividend has tripled in three years, from €0.20 per share in 2015, in respect of 2014, to €0.60 in 2018, in respect of 2017. The Group has also given shareholders the option of reinvesting the dividend in new Chargeurs shares.

At the same time, the Chargeurs share has considerably heightened its visibility in all its international markets. Chargeurs enjoys unrivaled renown among its customers, whose support as preferred partners is a core driver of our creation of manufacturing value every day. In addition, Chargeurs has raised its visibility with the financial community: the share was transferred from compartment C to compartment B in January 2016, market capitalization is now approaching €600 million, and two more equity research firms began following the stock in 2017, bringing the total to five. This continuous dialogue with the entire financial community gives us an opportunity to make the transformations we are leading, both internally and externally, even more meaningful.

Lastly, Chargeurs has reached a new milestone in the internationalization of its management teams and its ability to attract human capital. We have onboarded seasoned new talent, mobile managers and developers who work closely alongside our customers. Today, 50% of our line executives are non-European, with the right

"In 150 years of existence, the Group has developed a DNA of excellence that makes its corporate culture unlike any other."

international experience for a multicultural organization like Chargeurs, which is slated to become even more multicultural in the future. In 2017, we derived 47% of our revenue from Europe, 26% from the Americas and 27% from Asia. Over the next five years, this global revenue footprint is expected to shift to a more balanced one-third in each of the Group's three largest regions, and Chargeurs' management will need to reflect this transition.

The Game Changer recognized in its niche markets

For Chargeurs, being the Game Changer in its markets means assertively moving further and further up the value chain, from supplier of industrial commodities to provider of increasingly end-to-end solutions. To nurture this success, Chargeurs has revolutionized the analysis of its niche markets by applying a new and efficient segmentation method. Furthermore, in each of the markets, the Group has been able to bring high-impact innovations to market more quickly, optimize supply chain models, recruit managers from a broader range of backgrounds, streamline manufacturing operations and lead an unprecedented sales and marketing offensive.

For Chargeurs, being the Game Changer in its markets means investing in people, with the hiring of new senior management at Chargeurs Fashion Technologies and Chargeurs Technical Substrates, and investing in operations and new capacity, like the Chargeurs Protective Films' €20-million techno-smart project to build a new 4.0 coating line in 24 months. These structural investments represent additional strengths to underpin the Group's goal of doubling profitable revenue in five years.(1)

The distinctive power of the Chargeurs Business Standards

The Chargeurs Business Standards act as the Group's common denominator. By constantly raising its standards of excellence and by optimizing each business unit's business model, Chargeurs is positioning itself as a leader, with a unique, distinctive approach. It is the engine driving the transformation of its markets and the designer of its own boundaries, which it is constantly pushing back.

(1) i.e., with an operating margin the same or better than at December 31, 2016.

Drawing on its four core values – **Reliability, Passion, Commitment and Boldness** – Chargeurs is playing a key role in each of its four businesses. Thanks to our focus on innovation and a more aggressive marketing approach, we are enhancing our excellence model for the benefit of our customers, providing them with custom-tailored support even further upstream in their design and needs chain. Chargeurs is positioning itself as a "Global Solution Maker" in its markets.

We certainly did not lack for operating challenges in 2017. Chargeurs Protective Films carried out three targeted acquisitions in Europe and the United States, allowing it to create the new Chargeurs Protective Specialty Machines business unit, which is today's leading specialist in self-adhesive surface protective film application solutions. Chargeurs Fashion Technologies opened a new showroom in New York, optimizing its response to demand by providing customers with a range of bespoke interlinings. Chargeurs Technical Substrates has revamped its powerful marketing capabilities and developed new game-changing innovations to break into new markets. Lastly, Chargeurs Luxury Materials has introduced a new brand of premium fibers called Organica, whose initial benefits are expected to be felt over the medium term.

Focused on optimizing performance quality

Barring any changes in the current macroeconomic environment, Chargeurs is now structured to meet its target of doubling its profitable growth over the next five years(1). In 2018, our employees are actively engaged in implementing the Game Changer program, which was designed with the Group's operating teams and managers. It focuses daily priorities on simple, fundamental, distinctive objectives that can be immediately understood by every employee, each in their own field. These "down-to-earth", day-to-day priorities will raise our bar of excellence even higher in the future.

By embodying the middle way between ambition and discipline, which is the very root of its transformation, Chargeurs will dedicate itself to improving its intrinsic performance as well as the quality and sustainability of this performance. This is the extraordinary, unmatched value of our model and our businesses.

"In 2018, Chargeurs intends to further improve the excellence of its qualitative and quantitative performance."

In addition, our commitment to sustainable competitiveness, which was reaffirmed in 2017 with our pledge to uphold the United Nations Global Compact, has seamlessly and resolutely aligned our growth with the deep economic, social and environmental trends of a society in which we are an active, responsible stakeholder.

Backed by a long-term shareholder vision, Chargeurs is ready and able to seize the opportunities that will arise in 2018 with the expected recovery in the global economy. Selectively and methodically, with strict financial and operating discipline, Chargeurs will seize the opportunities that will enable it to continue to grow its niche businesses, develop new ones and secure the sustainability of its growth model, which is unrivaled in the global capitalist system.

Michaël Fribourg
Chairman and Chief Executive Officer

(1) *i.e., with an operating margin the same or better than at December 31, 2016.*

1

PRESENTATION OF THE CHARGEURS GROUP

1.1. 2015-2017 FINANCIAL HIGHLIGHTS

STRENGTH & VISION

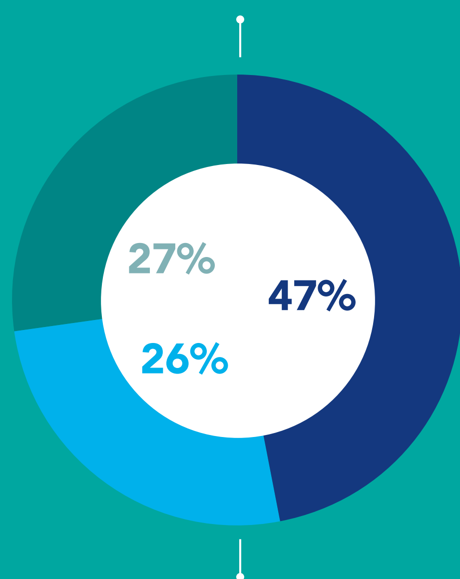
Since the transition in ownership in 2015, and drawing on a methodical and lasting strategy for excellence, Chargeurs has scaled up to become an assertive world champion in its high value-added niche markets.

With revenue up 3.2% like-for-like(1) to €533 million, recurring operating profit up 14.1% to €44.4 million, and a cash flow up 22% to €36.6 million, Chargeurs delivered a robust and unprecedented operating performance in 2017, setting the Group firmly on track to accelerate its short, medium and long-term value creation.

€533M

IN REVENUE

2017 REVENUE BY REGION
(IN EURO MILLIONS)



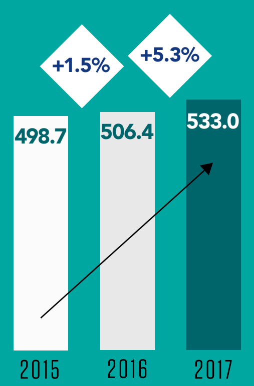
EUROPE • 47%
€250.6 M

ASIA • 27%
€141.9 M

AMERICAS • 26%
€140.5 M

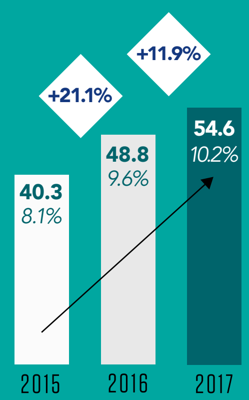
(1) Like-for-like change (lfl) – Organic change.
The like-for-like or organic change from one year to the next is calculated:
- *by using average exchange rates for the prior year over the period being compared (year, half-year, quarter);*
- *and based on the prior-year scope of consolidation.*

REVENUE
(IN EURO MILLIONS)



+6.9% since 2015

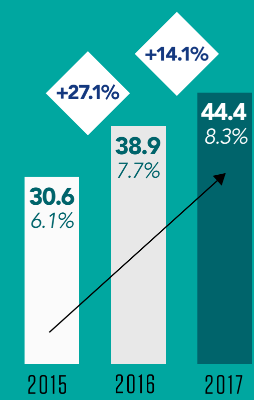
EBITDA
(IN EURO MILLIONS AND % OF REVENUE)



+35.5% since 2015

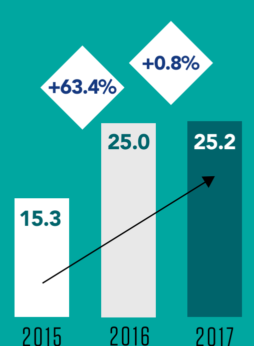
EBITDA corresponds to recurring operating profit before depreciation and amortization. See note 4.1 to the 2017 consolidated financial statements.

RECURRING OPERATING PROFIT
(IN EURO MILLIONS AND % OF REVENUE)



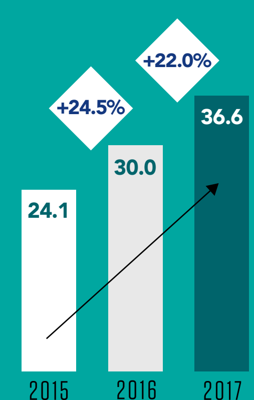
+45.1% since 2015

ATTRIBUTABLE PROFIT
(IN EURO MILLIONS)



+64.7% since 2015

CASH FLOW
(IN EURO MILLIONS)



+51.9% since 2015

1.2. PRESENTATION OF THE GROUP AND ITS CORE BUSINESSES

1.2.1. CORPORATE HERITAGE

Chargeurs' rich heritage is intimately entwined with the history of French and international capitalism, which the Company has helped to forge. That heritage has also nurtured a powerful industrial and investment culture appreciated by customers and employees, which has underpinned our prosperity and strength for more than a century.

1872

CREATION OF A GLOBAL GROUP

Created in 1872 by French banker and businessman **Jules Vignal, Compagnie des Chargeurs Réunis** was originally a transatlantic shipping line, operating the **first regular services** between France and Latin America, followed by services between France and its empire in Africa and Asia.

1945-1970

FROM THE END OF WORLD WAR II UNTIL THE END OF THE 1970'S

During the post-war years, Chargeurs Réunis stepped up the pace of **international expansion.** As well as growing the shipping business, it developed a new air transportation business with the creation of an international airline (UTA), and a specialized land transportation business (Causse-Walon). In fact, Chargeurs' first century was a period of global success in the transportation industry. As part of an **upstream and downstream diversification** drive, the Group also **invested in a variety of other industries**, from tourism via Club Méditerranée and investments in two French hotel chains, Sofitel and Novotel; to chemicals by developing Safic-Alcan & Cie and Seppic; financial services by acquiring a controlling interest in a banking company, Société Financière de l'Armement (SFA), and in Caisse Centrale de Réescompte, Crédit Mobilier Industriel Sovac and Compagnie Financière de Paris et des Pays-Bas; and insurance with the purchase of a major stake in Réunion Française. All of these non-industrial interests were then gradually sold.

1980-1990

DIVERSIFICATION INTO TEXTILES, PLASTICS AND THE MEDIA

The early **1980s marked the start of a new business saga** when French **captain of industry Jérôme Seydoux** acquired control of Chargeurs Réunis and merged it with **Pricel, one of Europe's leading textile groups**, making Chargeurs the **spearhead of a new industrial adventure** for more than 30 years. Thus began a period of aggressive business growth, during which Chargeurs acquired a controlling interest in the Prouvost textile empire and successfully moved into media, taking over Pathé, investing in BSkyB, creating the La Cinq television station and purchasing the Libération newspaper. Chargeurs also disposed of its assets in maritime shipping (to Delmas-Vieljeux, which later sold them to CMA-CGM), air transportation (to Air France) and specialty transportation.

1996

FIRST SPIN-OFF OPERATION IN FRANCE

In 1996, **the media empire was spun off into a separate company and the manufacturing empire** was refocused to form what the Chargeurs Group is today.

2000-2014

REFOCUSING ON SPECIALTY MATERIALS

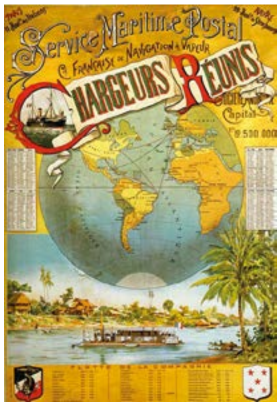
With its reference shareholder, the concert party comprising **Jérôme Seydoux and Eduardo Malone**, Chargeurs **strategically refocused on leading, high value-added technical businesses**. In 2008, all of the remaining garment-making operations were sold. After successfully paying down all of its debt, **Chargeurs stepped up its innovation strategy**. The business model for the wool division was transformed, shifting its core to trading the finest wool while keeping an active minority stake in manufacturing.

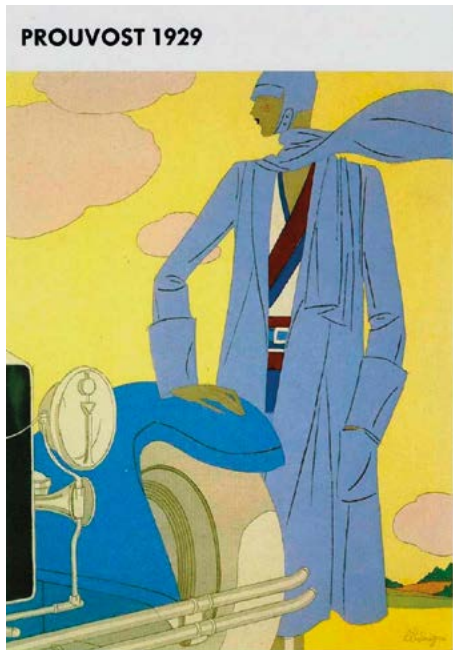
SINCE 2015

A CHANGE IN SCALE SINCE THE TRANSITION IN OWNERSHIP TO FRENCH INVESTORS

Having led Chargeurs for several decades, the shareholder concert party comprising Jérôme Seydoux and Eduardo Malone sold its equity interest to Colombus Holding SAS. Founded and currently headed by **French industrialist Michaël Fribourg,** Colombus Holding is a very long-term to **permanent** investment structure **dedicated entirely to supporting the future of Chargeurs**. Its investors, by Mr Fribourg's side, include leading French institutions (CM-CIC, BNP Paribas, Efficap, COVEA) and family offices.

Since joining Chargeurs, Michaël Fribourg has begun transitioning the Group **to a unique, distinctive excellence model built around** the Chargeurs Business Standards, by considerably strengthening its balance sheet through an **inaugural Euro PP issue**, carrying out **targeted acquisitions** in the United States (Main Tape and Walco), in France (Somerra) and in Italy (Omma) for its temporary surface protection business, and deploying the ***Game Changer plan***, which is driving faster operating performance across every business unit. Chargeurs has now scaled up to become the world champion in high value-added **niche markets**, with very solid **global leadership positions** in its core markets and heightened investor recognition and visibility that has driven a **sharp increase in its market capitalization**.





01— CHARGEURS RÉUNIS
02— CHARGEURS RÉUNIS 03— PROUVOST
04— UTA 05— CHARGEURS RÉUNIS

1.2.2. SIGNIFICANT EVENTS OF THE YEAR

successful roll-out of the Game Changer strategic program and change of scale for the Group, with i) a further strong improvement in operating performance, with EBITDA margin exceeding 10% and recurring operating profit topping €40 million, twice as much as in 2014 and three times as much as in 2013; ii) an increase in the Group's long-term financial strength; iii) robust cash generation; iv) a higher return to shareholders; and v) new strategic acquisitions in the Protective Films business. In this way, 2017 resolutely enabled the Group to reach new performance milestones, impelled by its distinctive model of excellence and supported by the Chargers Business Standards.

JANUARY 2017

- Publication of 2016 revenue figures: higher year-on-year growth, with revenue up by a sharp 5.1% on a like-for-like basis.
- Patrick Bonnefond appointed as Managing Director of Chargeurs Technical Substrates to succeed Bernard Finckenbein.

FEBRUARY 2017

Creation of Chargeurs Business Solutions, a lean, quick-response "internal task force" to serve all of Chargeurs' businesses.

MARCH 2017

- Release of 2016 annual results: recurring operating profit up 27.1%, profit up by a very strong 63.4% and a recommended dividend for the year up 83.3%.
- Chargeurs wins the 2017 Financing of the Economy award in the Debt Financing category.

Les Prix du financement de l'économie

APRIL 2017

- Acquisition of two high-quality, niche companies in the United States (Walco Machines Company) and France (Asidium/Somerra). Combined with Omma acquired in August 2017, these companies and Omma now form a new sub-group called Chargeurs Protective Specialty Machines (CPSM).
- Publication of first-quarter revenue figures: revenue up 8.1%.
- Announcement of the share buyback program and renewal of the liquidity contract related to Chargeurs shares.

CHARGEURS PROTECTIVE SPECIALTY MACHINES
WALCO SOMERRA OMMA

MAY 2017

- Dividend reinvestment option offered.
- Payment of the final 2016 dividend of €0.35 per share.

JUNE 2017

- Negotiation of a new Euro PP raising a total of €50 million with a maximum maturity of 10 years.
- Showroom opened in New York.

JULY 2017

- Chargeurs strengthens its model of excellence by pledging to uphold the United Nations Global Compact.
- Launch of a program to grant shares without consideration to certain Group employees.

AUGUST 2017

Acquisition of the Italian firm: Omma
Italy's leading laminator manufacturer.

SEPTEMBER 2017

- Publication of first-half 2017 results: recurring operating profit up 15.8% and net cash from operating activities up 87.1% year on year.
- Roll-out of the Game Changer plan to optimize operations and double profitable revenue[1].
- Payment of the 2017 interim dividend of €0.25 per share.

OCTOBER 2017

- Launch of the new premium wool label, Organica, by Chargeurs Luxury Materials.

ORGANICA
PRECIOUS FIBER

NOVEMBER 2017

- Publication of third-quarter 2017 revenue: up 3.0% like for like.
- Announcement of a strategic internal investment to give Protective Films a new 4.0 coating line within the next 24 months.

JANUARY 2018

2017 revenue: further strong improvement in operating performance and success of the Game Changer strategic plan.

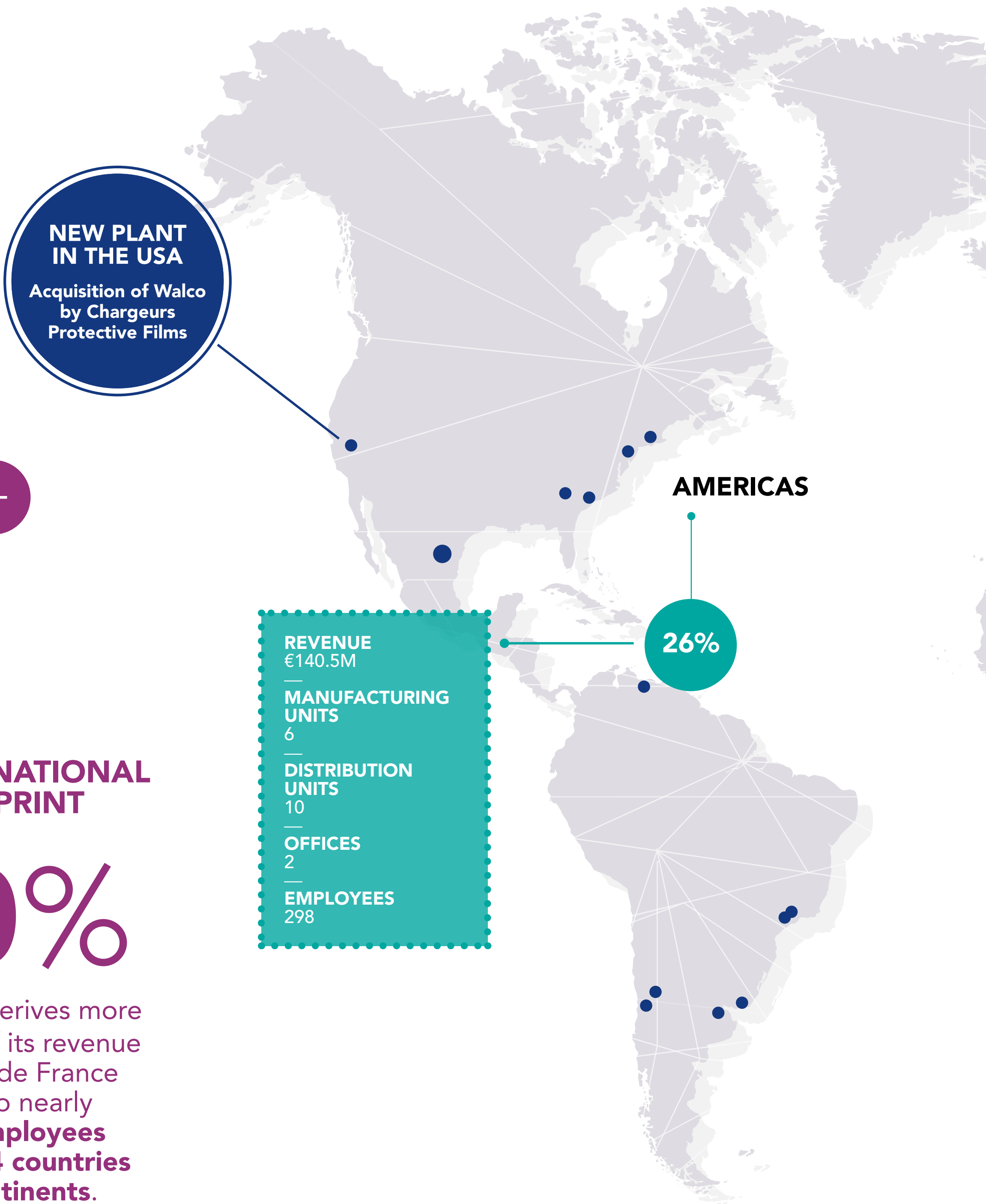
FEBRUARY 2018

- International hiring at Chargeurs Fashion Technologies with the appointment of Angela Chan as Managing Director.

(1) *i.e., with an operating margin the same or better than at December 31, 2016.*

1.2.3. PRESENTATION OF THE GROUP

1.2.3.1. International footprint at December 31, 2017

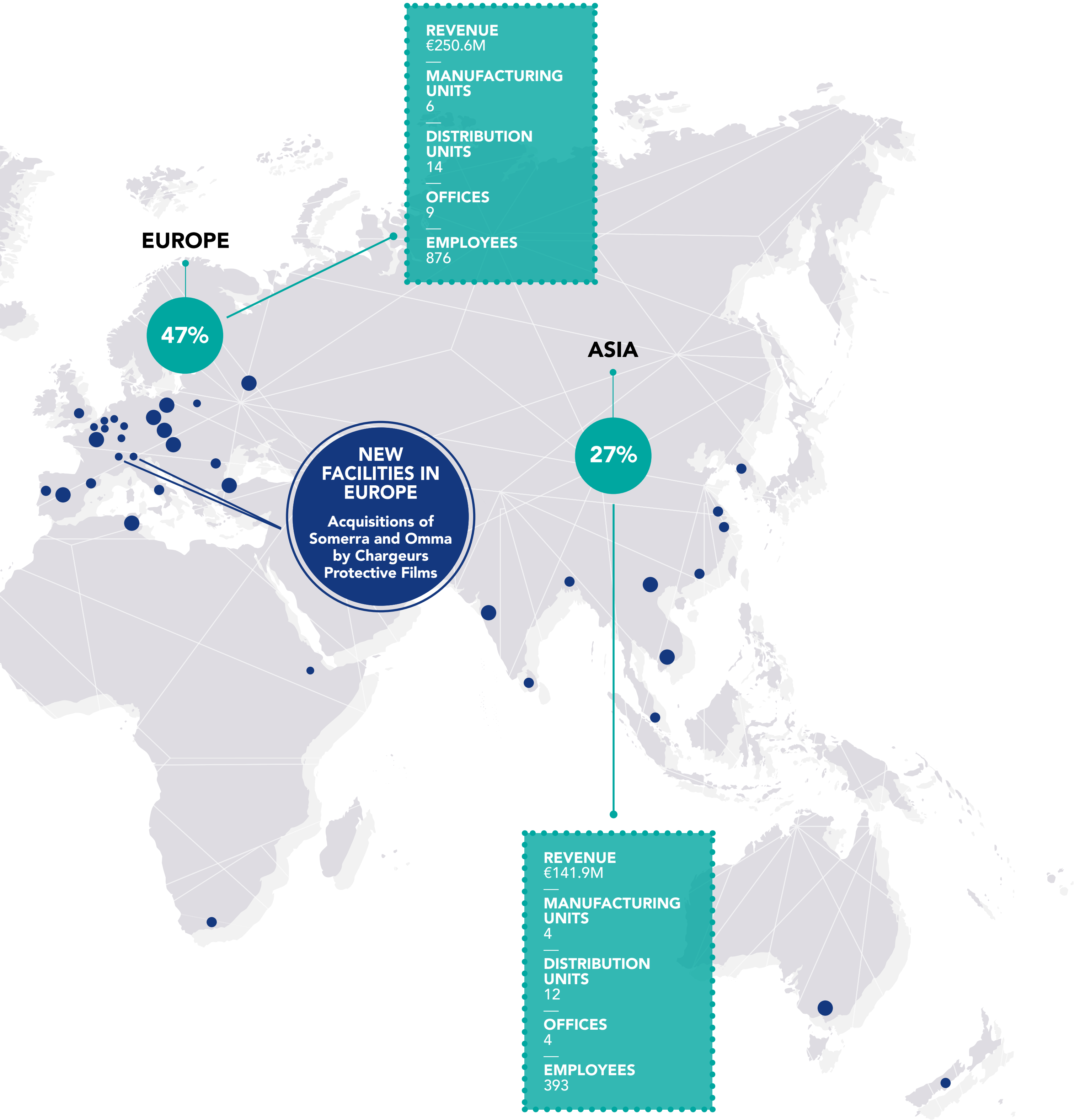


AN INTERNATIONAL FOOTPRINT

Over

90%

Chargeurs derives more than **90%** of its revenue from outside France thanks to nearly **1,600 employees** based in **34 countries** on **5 continents**.


REVENUE
€250.6M
MANUFACTURING UNITS
6
DISTRIBUTION UNITS
14
OFFICES
9
EMPLOYEES
876
EUROPE
47%
ASIA
27%
NEW FACILITIES IN EUROPE
Acquisitions of Somerra and Omma by Chargeurs Protective Films
REVENUE
€141.9M
MANUFACTURING UNITS
4
DISTRIBUTION UNITS
12
OFFICES
4
EMPLOYEES
393

1.2.3.2. A distinctive business model

The Chargeurs business model

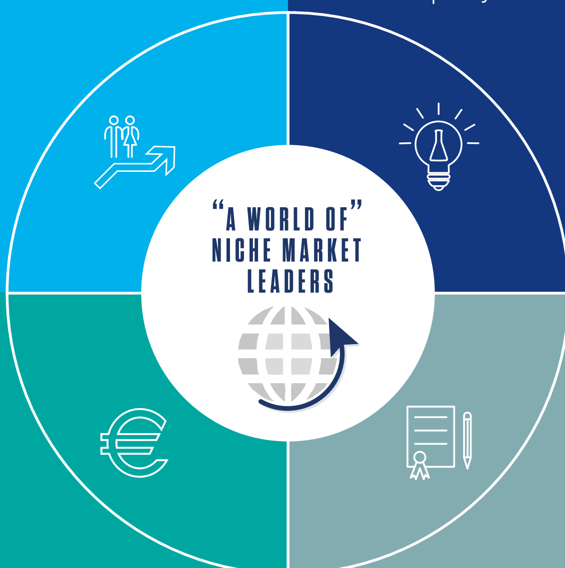
Leveraging a robust and distinctive manufacturing model, Chargeurs serves niche high-tech markets. The model derives its robustness from the combination of powerful innovation capabilities, a selective marketing strategy and a stable long-term reference shareholder. Its distinctiveness lies in the Chargeurs standards of excellence, which enable us to develop solutions jointly with customers, partnering them across all global economic cycles.
A sustainable worldwide model focused on distinctive high-tech products closely aligned with the needs of global customers, and a "think global, act local" approach.

ENGAGED MANAGEMENT OF HUMAN CAPITAL

- Decentralized global management
- Managerial leadership
- Investing in human capital and leveraging international talent
- Leveraging talent across all generations

NICHE PRODUCTS & SERVICES

- High barriers to entry
- Continuous innovation
- Specification of services and co-development of bespoke products with our customers
- Advanced management of specific, integrated solutions
- Total quality and reliability



A ROBUST, DISCIPLINED FINANCIAL CULTURE

- High return on capital employed
- Efficient management of finance costs and other financial expenses
- Tight control over operating cycles
- Implementation of highly selective, accretive growth transactions

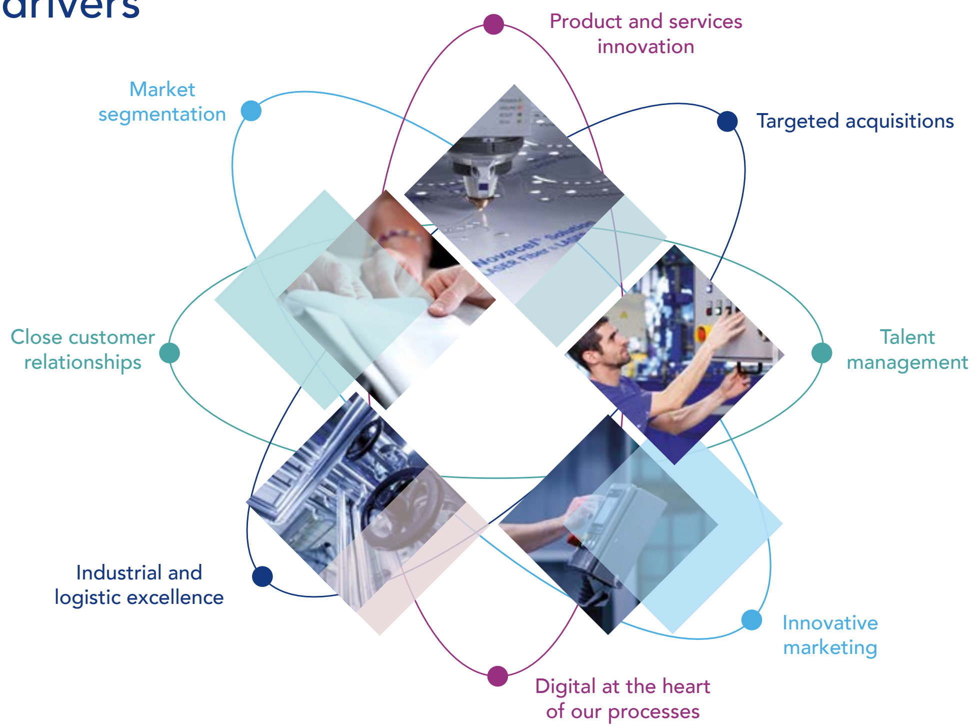
AN OPERATIONAL EXCELLENCE MODEL

- Continuous optimization of core processes
- Diversified global geographic footprint
- Efficient supply chain processes
- "Best cost" culture and continuous cost management
- Optimum productivity and expertise

A method based on strategic and operating efficiency

Our mission is to manufacture outstanding, innovative, reliable, bespoke niche products and services that enhance our customers' performance and success.

Our value creation drivers



Our values

— A commitment and a closely managed process to guarantee constant **reliability**, quality and operational excellence

— A constant **passion** for developing sustainable solutions to the specific and complex needs of our customers

— **Engagement** at the highest level in nurturing our human capital, ethical behavior and cultural diversity

— Pioneering ambition and **boldness**, supported by a strong culture of innovation and continuous improvement in our manufacturing capabilities

Our guiding principles

— An ambitious, actively pursued objective: to make Chargeurs a diversified manufacturing Group of **excellence**

— Hands-on management of customers, products and talent, providing impetus at **grass-roots level**

— Very strong emphasis on the **effectiveness** of changes driven across the value chain

— Re-engineered **fundamentals** to embed a distinctive and lasting **corporate culture**

1.2.3.3. Positioned in high-end, distinctive markets

Chargeurs is a global manufacturing and services group with leading positions[1] in the markets for temporary industrial surface protection, garment interlinings, technical textiles and premium combed wool. Our four business units' developers, sales people, textile engineers and chemists create high value-added products for markets with very high barriers to entry. At the forefront of innovation and with pioneering expertise, they work jointly with customers to develop solutions that are closely aligned with their needs.
Their shared challenge is to deliver sustained improvement in industrial performance and service quality, in order to capitalize on all opportunities to grow and reconfigure their business sector.

THE CHARGEURS MODEL		CHARGEURS PROTECTIVE FILMS	CHARGEURS FASHION TECHNOLOGIES	CHARGEURS TECHNICAL SUBSTRATES	CHARGEURS LUXURY MATERIALS	CHARGEURS
OVERVIEW	Key niche market	Temporary surface protection	Garment interlining	Specialty technical textiles	High quality combed wool	4 Global niche markets
	Number of market segments served	10 Construction, automobile, household appliances, electronics (metals, glass, plastics, etc.)	4 Luxury goods, apparel fast-fashion, sportswear	4 Digital printing, architecture, home furnishings, individual protection	3 Luxury goods, apparel, sportswear	More than 20 global niche market segments
	A global leader	No. 1 worldwide	No. 2 worldwide	A European leader	No. 1 worldwide	A global leader in highly specialized niche markets
GLOBAL INTEGRATION	% of revenue generated in international markets	> 90%	> 90%	60%	100%	> 90%
	Number of countries covered	> 70 countries	> 70 countries	> 30 countries	> 20 countries	Over 80 countries covered worldwide
	Number of countries where Chargeurs has marketing operations	> 50 countries	> 20 countries	> 30 countries	5 countries	Present in all regions of the world
HIGH BARRIERS TO ENTRY	High quality customer solutions	Industrial materials and surface protection	Garment interlinings and technical reinforcements	Functionalized technical textiles	High quality wool reinforcements	Providing not just products but integrated solutions to all customers
	A deep pre-sale and after-sale service network	> 10 service centers around the world	> 20 marketing subsidiaries	Around 100 distributors worldwide	7 marketing subsidiaries	A 100% customer-centric service culture
	Degree of product specificity	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆
	Level of qualitative excellence	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆
	Level of customer loyalty	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆
	Degree of customer portfolio diversification	◆◆◆	◆◆◆◆	◆◆ to ◆◆◆	◆◆◆	> 7,000 industrial clients served worldwide

(1) Source: this Registration Document contains information about the Group's markets and competitive positions. All of the assumptions and statements related to such information are based on Group estimates.

1.2.4. CORE BUSINESSES

INTERNATIONAL REVENUE & FOOTPRINT

BECOMING THE *GAME CHANGER* IN OUR NICHE MARKETS

Chargeurs Protective Films CPF

Chargeurs Fashion Technologies CFT

Chargeurs Technical Substrates CTS

Chargeurs Luxury Materials CLM

1.2.4.1. Chargeurs Protective Films

Chargeurs Protective Films

The world leader in temporary surface protection

Chargeurs Protective Films had another very solid year in 2017, led by deeper share gains in its core markets, the steady roll-out of game-changing innovations and rising global demand.

€281.0M in revenue in 2017, up 7% like-for-like

€34.3M in recurring operating profit in 2017, up 22.5%

Nearly **700** employees in 17 countries

Chargeurs Protective Films supplies the construction, manufacturing, automotive and electronics industries with self-adhesive plastic films for the temporary protection of fragile surfaces.

Its highly technical films maintain a finished product's surface integrity at every stage in the customer's manufacturing process (folding, stamping, profiling, etc.), as well as during handling, transportation and fitting.
The business unit's mastery of temporary surface protection technologies enables it to offer a comprehensive range of self-adhesive films that protect products from smudging and scratching and improve their heat and stress resistance during production and surface priming for painting before finalization.

Surface protection is applied far upstream in the customer process to guarantee impeccable surface quality across the production chain. In this way, protective films also help customers to lower their production costs.

The surface protection market is structurally growing, in step with world economic development. With its innovation-led strategy and commitment to partnering customers by specifying bespoke surface protection solutions, Chargeurs Protective Films is leveraging its distinctive, sustainable approach to extend its competitive lead.

Chargeurs Protective Films' main competitors are Polifilm and Nitto.

"2018 will be an eventful year with exciting challenges that we'll meet to continue extending our technological lead."

Laurent Derolez
Managing Director,
Chargeurs Protective Films

The market for temporary surface protection products is structurally growing. What are you doing to further improve your ability to keep pace with demand?
We believe that the need for temporary surface protection is going to continue to grow over the next five years. For the Chargeurs Protective Films teams, the big challenge is to carefully activate all the levers that will enable us to capture this growth, in step with world economic development. That's why we're working hard to continuously improve the capabilities of our production base, by constantly optimizing the efficiency of existing production lines, by carrying out strategic internal capital projects like the new, fully digital, fully connected "techno smart" production line, which will come on stream within 24 months, and by siting production in customer regions, which is structurally improving our responsiveness.

Chargeurs Protective Films acquired three companies in 2017. What are the benefits for the business?
The acquisitions of Somerra, Walco and Omma were special, in that they enabled Chargeurs Protective Films, in just one year, to become the world's leading manufacturer of laminators, which are used to coat and apply self-adhesive protective films. In this way, we're working up and down the value creation chain – upstream, by enhancing customer intimacy, so that we can offer increasingly innovative end-to-end solutions that are perfectly suitable for new materials needing protection, such as glass , copper or zinc; and downstream, by supplying protective film application machines complying with Chargeurs' highest standards and benefiting from its reputation and marketing clout.

MARKET FOCUS

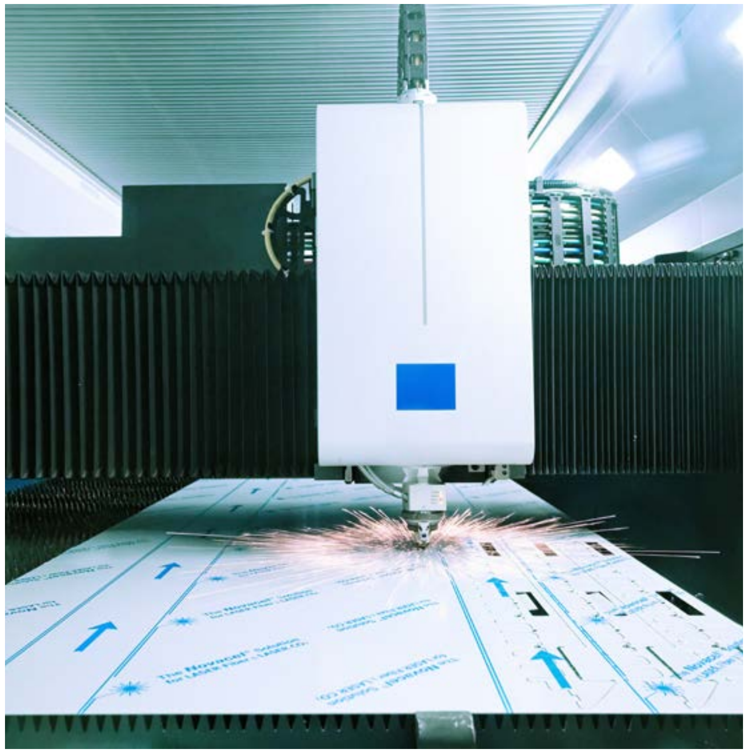
Specialty machines

With the targeted acquisition in 2017 of three companies – Somerra, Walco and Omma – located in Europe and the United States, Chargeurs Protective Films wanted to demonstrate its powerful innovation capabilities in its highly technical, very high value-added market. Today, these laminator manufacturers have been folded into a new business unit, Chargeurs Protective Specialty Machines, which is the global specialist in self-adhesive surface protection film application solutions, unrivaled anywhere else on the market. By moving up the customer's needs chain and therefore their consumables production chain, the business unit is positioned as a global solution maker, further increasing its technological and market leadership.

What are your priorities for 2018?
In 2018, we will continue to bring game changing innovations to market, such as fiber laser cutting film, low noise film, deep drawing film, films for matt, rough or irregular surfaces, and permanent surface protection films. Another priority for the year is to further improve production capacity in existing facilities, without sacrificing quality, by optimizing flows, throughput and digitized process management. In fact, 2018 is shaping up as a pivotal year, full of major operational challenges and important capital projects to prepare for the future. And lastly, we're going to pursue our strategy of supporting talented people around the world, offering them a shared culture and grammar of innovation, so that, in turn, they can transmit our expertise wherever it is needed.

Chargeurs Protective Films

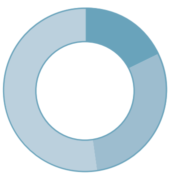
No. 1 worldwide



More than

90%

of revenue generated outside France



REVENUE BY REGION

19% - ASIA
31% - AMERICAS
50% - EUROPE

7

PLANTS AND MANUFACTURING PARTNERSHIPS AT DECEMBER 31, 2017

France (2) / Italy (2) / United States (3)

11

MARKETING SUBSIDIARIES

France / Italy (2) / Germany / Spain / United Kingdom / Belgium / United States (2) / China / South Korea

8

SALES OFFICES

Czech Republic / Poland / Russia / Austria / Turkey / India /Australia / Mexico

FOCUS ON INNOVATION

Forum Tech' Innovation is a shared culture, grammar and thought process. Whether "incremental", "disruptive" or "breakthrough", "visible" or "hidden", each innovation has its own needs, strategic parameters and market segments, depending on how it is to be marketed. This is why Chargeurs Protective Films, with its sharp sense of innovation, intends to further its lead in this area. Its creation of a Technological Forum will encourage the syncing and cross-fertilization of all the energies needed to drive the innovation process forward.
And because the process is about more than just meeting customers' innovation needs, it is being seamlessly embedded into the manufacturing operations, so that Chargeurs Protective Films can sustainably improve its industrial competitiveness.

BACKGROUND

"Beyond-state-of-the-art" manufacturing facilities

Full mastery of cutting-edge technologies

1 - Surfaces
The marketing department works with the sales teams to identify and analyze the needs of the various temporary surface protection markets (stainless steel, pre-coated metals, plastics, glass, etc.). After selecting the issue to be addressed, the technical and financial data are sent to the technical department.

2 - Formula development
The R&D department defines the formulas for the films and adhesives based on the specifications. Each formula is exclusive and responds to a market need.

3 - Industrial process definition
Chargeurs Protective Films is an expert in coating and extrusion technologies.
Coating consists of depositing a calibrated layer of adhesive on plastic film produced by partners on dedicated machines.

Extrusion consists of producing multi-layer films from thermoplastic polymers, including one self-adhesive layer.

4 - Production
The surface protection films are then re-rolled or cut to size depending on the end-customer's applications.

5 - Quality controls
Chargeurs Protective Films' products comply with the REACH Regulation and other applicable standards.
All of the production machinery is inspected at regular intervals to ensure compliance with environmental standards.

6 - Warehousing and supply chain
The rolls of plastic film are inspected, labeled and wrapped before being shipped throughout the world.

1.2.4.2. Chargeurs Fashion Technologies

Chargeurs Fashion Technologies

The world's second largest interlinings manufacturer, with technological leadership and growing influence as a specifier

In 2017, Chargeurs Fashion Technologies once again improved its margins, demonstrated technological leadership and gained strategic new positions in its highly competitive market ecosystem by acting as a preferred partner to the world's leading fashion and luxury brands. Today, the business unit is fully equipped to redesign the interlining industry.

€131.2M in revenue in 2017, up 1.3% like-for-like

€8.1M in recurring operating profit in 2017, up 1.3%

More than **750** employees in 21 countries

Chargeurs Fashion Technologies provides end-to-end solutions for the world's leading menswear and womenswear brands by designing interlining, the only technical fabric used in a garment. Interlining is generally hot-fused between the fabric and the lining, to help jackets, coats, shirts and blouses to retain their shape and structure.

Chargeurs Fashion Technologies chemists and textile engineers design and develop the coating technology that underpins the interlining production technology. The technology requires extensive development expertise and the ability to continuously adapt to the fabrics chosen by the leading brands for their many collections throughout the fashion year. Interlinings are a high value-added product demanding a combination of intimate knowledge of the leading international brands, the allocation of production across a global manufacturing base, supply chain capabilities and the ability to specify service solutions. It is a niche business that combines speed, technical content, differentiation and know-how. The customer base spans all segments of the apparel market, from luxury to ready-to-wear and fast-fashion.

In addition to its excellent innovation capabilities and rapid response to new fashion trends, Chargeurs Fashion Technologies' plant equipment complies, and in some instances is the only equipment to comply, with the highest market standards. All of these strengths are essential to satisfying the business unit's increasingly demanding customers.

Chargeurs Fashion Technologies' main competitors are Freudenberg, Kufner and Wendler.

"Regaining our technological leadership is paying off, and today we're in the heart of the action, a driving force in the revolution shaking up the interlinings industry."

Bernard Vossart
Managing Director,
Chargeurs Fashion Technologies

After two straight years of restoring competitiveness, how did you start 2017?
With the unfailing support of Michaël Fribourg and the Chargeurs teams, the 2015 operations consolidation plan helped to deliver a significant improvement in margins in 2016, and 2017 has truly been a year of transition. A year of transition that led us from restoring our industrial and operational competitiveness to building the long term, in a commitment to sustainably positioning us as a market leader, precursor and Game Changer. In other words, in 2017, we very meticulously prepared for the future, which begins today.

What were the main projects undertaken to build the future?
We completely reworked all of our product lines. The line of menswear interlinings was realigned with market expectations, the premium womenswear line was reset to technically outperform the competition, and in the shirts segment, we took our competitiveness support to the next level. All this was made possible by the extraordinary improvements we made in the technical content of our interlinings. Long-term growth is also about capital expenditure, with the start-up of our production in Ethiopia and the top-to-bottom upgrade of our Lainière de Picardie mill, in order to significantly increase its 40-gauge production capacity and bring it in line with the highest manufacturing standards. In addition, we've invested in people by hiring technicians to offer our garment manufacturer customers engineered solutions. We have taken back our technological leadership in our main markets.

INTERNATIONAL RECRUITMENT

Angela Chan is appointed Managing Director

Angela Chan joined Chargeurs Group as a member of the Executive Committee from February 1, 2018 and Managing Director of Chargeurs Fashion Technologies from April 16, replacing Bernard Vossart. An American citizen originally from Hong Kong, she will divide her time between the United States and Europe and Asia. The appointment and arrival of Angela Chan with her wealth of experience and solid understanding of Asian markets, is an important step in the change of scale and increasingly international management of the business unit. After another year of success in 2017, Chargeurs Fashion Technologies is firmly in track to reinforcing its international leadership as part of our Game Changer acceleration plan.

In addition to improving operating performance, did you shift your market positioning?
Absolutely. Methodically moving our solutions upmarket and enhancing our customer intimacy with garment makers and leading brands has steadily pushed us up the value chain. With privileged locations at the heart of global fashion, in Paris, New York and Milan, our showrooms guarantee designers and couturiers from the world's top luxury brands immediate and bespoke solutions for their every need. We've therefore positioned ourselves very favorably with our stakeholders as the go-to provider through our distinctive prisms of technical content, services and customer certifications, and we are now sized to reshuffle the cards for a new deal in the business. As for me, I will continue to support Angela Chan as she takes up the position of Managing Director.

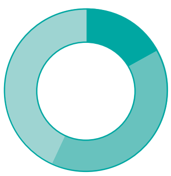
Chargeurs Fashion Technologies

No. 2 worldwide

More than

90%

of revenue generated outside France



REVENUE BY REGION

17% - AMERICAS
41% - EUROPE
42% - ASIA

MARKET FOCUS

OPERATION SPECIFICATION

One way that leading fashion and apparel brands select and approve their suppliers is through specification, in which a given product is "specified" for use in their garments, thereby guaranteeing that their stakeholders around the world will source that product from the specified supplier. Without specification, it is impossible to work with these brands' contract apparel manufacturers, which are generally based in Asia. The new Chargeurs Fashion Technologies showroom, opened in 2017 in "specification central" on New York's Seventh Avenue, in the heart of the garment district, offers an opportunity to market the business unit's technological innovations, high-quality service and invaluable garment making expertise to strategic apparel makers.

8

MANUFACTURING UNITS ON 4 CONTINENTS

France / United States / China / Bangladesh / Sri Lanka / Argentina / Brazil / Ethiopia

18

MARKETING SUBSIDIARIES

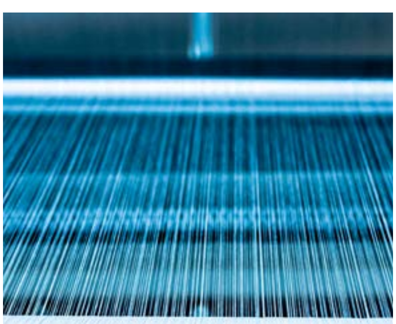
France / Italy / Germany / United Kingdom / Portugal / Romania / Tunisia / United States / China / Hong Kong / South Korea / Singapore / Sri Lanka / Bangladesh / South Africa / Chile / Brazil / Argentina

8

SALES OFFICES

Czech Republic / Spain / Belgium / Turkey / Vietnam / India / Indonesia / Canada

FOCUS ON INNOVATION



An *anti-moire* effect interlining. In response to the fleeting, swiftly changing nature of women's fashion, Chargeurs Fashion Technologies is constantly developing new interlinings that add features resonant with the limitless creativity of couturiers and designers. Its secret is always to focus on the technical aspects, pushing back the boundaries and offering "more and better" to differentiate itself in a highly competitive marketplace. In 2017, for example, Chargeurs Fashion Technologies expanded its portfolio of solutions by offering anti-moire effect interlinings in polyamide or polyester. The new product effectively prevents the undesirable moire effect, which comes from the random variations in reflected light caused by the slight waves in extremely light and thin womenswear fabrics.

BACKGROUND

Technologies and expertise representing high entry barriers

A management model based on a culture of excellence across all core processes

1 - Warping
The first stage in the production process. The yarn is wound onto the warping beam for transfer to the knitting unit.

2 - Knitting
The fabric base is then knitted. Each knitting machine is connected to a computer that checks production and quality in real time.

3 - Finishing and dyeing
The products are stabilized using a chemical or thermal process, retaining the degree of suppleness needed for its application on the most difficult fabrics. The dyeing unit enables the interlining to be produced in the fashion season's colors. More than 60% of interlining products are dyed.

4 - Coating
Small drops of thermo-adhesive resin are applied to the fabric using a perforated cylinder. Infrared readers check that the resin is properly applied. Chargeurs Fashion Technologies scored a world first by developing and launching the Global Molecular Point (GMP) coating process, a patented innovation that helps to prevent seepage and significantly increases bond strength when the interlining is hot-fused between the garment fabric and the lining.

5 - Total quality control
Quality controls are performed on each production batch at various stages in the process, covering the products' stability, bond strength, suppleness and feel.

6 - Systematic inspection
Each length of interlining is inspected as it leaves the production line. The cutting and packaging/labeling processes are fully computerized. All interlining produced at Chargeurs Fashion Technologies' plants is inspected meter by meter.

7 - Global supply chain operations
Once the interlining has undergone quality controls and been labeled and packaged, the rolls are stored in the warehouse by stock-keeping unit before being shipped throughout the world.

1.2.4.3. Chargeurs Technical Substrates

Chargeurs Technical Substrates

A world-class industrial jewel

In 2017, Chargeurs Technical Substrates maintained its robust, profitable growth trajectory and strengthened its market leadership positions. The launch of game-changing innovations in 2018 should enable the business unit to sustain its operating momentum, while addressing new markets, such as the United States.

€25.8M
in revenue in 2017, up 4.9% like-for-like

€4.0M
in recurring operating profit in 2017, up 5.3%

80
employees

Chargeurs Technical Substrates functionalizes technical textiles used in the fast-growing advertising, decoration and interior architecture markets.
Proficiency in coating technology in all its forms is a powerful core competency of three of the Group's four businesses. Extremely delicate and complex to implement technically, coating enables Chargeurs Technical Substrates to functionalize textiles for specific applications, such as the shading or uniform diffusion of light, soundproofing or electromagnetic wave (GSM, WiFi) filtering. These functionalities can also be combined, for example to create large advertising displays on which the fabric can diffuse light, be fireproofed and printed in very high resolutions.

As the European leader in its niche market, with products that enjoy a strong reputation among customers, Chargeurs Technical Substrates has successfully built positions in emerging market segments. Thanks to its end-to-end production ecosystem (comprising printer manufacturers and the publishers of dedicated software) and efficient internal organization, the business unit is keeping pace with the growth in its customer markets.

Chargeurs Technical Substrates' main competitors are Mehler and A. Berger.

"Make a world champion out of an industrial jewel – that's our ambitious vision for Chargeurs Technical Substrates."

Patrick Bonnefond
Managing Director,
Chargeurs Technical Substrates

How would you describe your first year as Managing Director of Chargeurs Technical Substrates?
Chargeurs Technical Substrates is a real industrial jewel, with expert skills in functionalizing technical fabrics and products that are in high demand in the fast growing global advertising and interior decoration markets. In 2017, the business unit delivered solid results, in terms of both revenue and margins, which enabled it to pursue its capital projects designed to lengthen its lead over its main competitors. The year was a one of transition, impelled by a new managerial dynamic and the deepening acculturation to the Group's DNA through the Game Changer program.

You mention a year of transition, can you tell us about the main milestones?
There were three major milestones in 2017. After the managerial handover in late 2016, the first transition was cultural even structural with the roll-out of the Game Changer strategic program, which has set highly ambitious goals for improving operating performance to make the business unit a driving force in its markets. In response, Chargers Technical Substrates configured itself to scale up and break out of its cocoon, to transform today's industrial jewel into tomorrow's world champion in its core markets. The second transition that occurred this year concerns our scope of action. We're working hard to strengthen our marketing clout, so that we can deploy the right sales forces to enter new markets. This means that our epicenter, in Alsace, will have to expand as we weave a new web of marketing and scientific ties beyond our home region. Lastly, in a still fairly unstructured market, the third transition has been to strive constantly to provide excellent, increasingly high-quality services and offer ever more innovative, holistic solutions, so that we can sustainably outperform the competition.

Is innovation a key source of new growth at Chargeurs Technical Substrates?
With 2018 launch of Sublimis, a new high-end fabric medium for advertising or the roll-out of projects in synergy with Chargeurs Fashion Technologies and Chargeurs Protective Films, we're dramatically refreshing our line-up of products that "make a difference," while responding to strong market demand. But innovation is not limited to new product development; it also involves imagining new ways of working with our stakeholders, by moving up the value chain.
By cutting out the middleman, we're getting closer to our end customers, raising our visibility and, in turn, enabling them to showcase their own output via our certified products. After all, 60% of our business is with the advertising industry, so it would be a ironic if we weren't ourselves the best advertisement for our expertise!

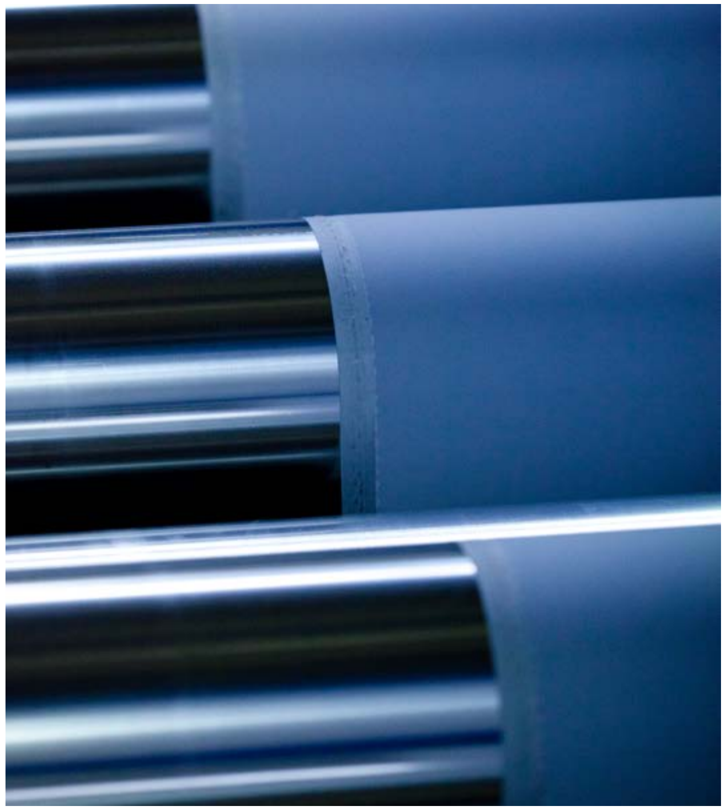
MARKET FOCUS

The Alterra Solution, Voted Product of the Year at the SGIA Awards

Being a solution maker means constantly bringing new innovations to market and driving diversification to create differentiation. Thanks to its proficiency in coating technology, Chargeurs Technical Substrates can agilely and responsively offer bespoke solutions to emerging market needs. With its new eco-designed Alterra fabric, woven with polyester fibers recycled from plastic bottles, the business unit is meeting the technical specifications of brands committed to conducting eco-responsible advertising campaigns. Today, in the world of advertising, where printable media have a limited lifespan and generate large amounts of waste, Alterra stands out as an excellent solution that recycles a plastic bottle for every square meter of fabric produced.
Through this initiative, Chargeurs Technical Substrates is renewing its commitment to safeguarding the environment and pursuing its eco-design management program, for which it was awarded the AFAQ Confirmed Eco-Design label in 2015.

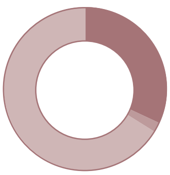
Chargeurs Technical Substrates

A European leader



60%

of revenue generated outside France



REVENUE BY REGION

2% - AMERICAS
32% - ASIA
66% - EUROPE

1

MANUFACTURING UNIT
in Sélestat, Alsace (France)

31

COUNTRIES SERVED BY AGENTS AND DISTRIBUTORS
including: United Kingdom / Germany / Spain / Portugal / Italy / Switzerland / Austria / Belgium / Netherlands / Sweden / Denmark / Serbia / Romania / Czech Republic and Poland / United States / India / China / Australia

FOCUS ON INNOVATION

Sublimis. The patented Sublimis engineered fabric is the result of several years of R&D work by Chargeurs Technical Substrates. Unique in the world, the coated woven advertising medium is particularly suited to direct disperse or transfer sublimation digital printing technology. That technology uses a range of environmentally friendly aqueous inks that effectively block the ink migration that can alter the resolution. With its vivid colors and stunning white point, Sublimis stands out as the new ultra-premium standard for fabric advertising media, and a worthy companion to the best-selling Pearl line.

BACKGROUND

A management model based on a culture of excellence across all core processes

An integrated, carefully managed production process

1 - Textiles
The fabrics have clear characteristics and innovative materials have been developed.

2 - Formula development and paste coating formulation
The Technical Substrates R&D teams in Sélestat develop coating formulas that comply with the technical specifications and quality standards in our markets.

3 - Coating
The fabric is coated with a resin-based foam. Thanks to its distinctive production resources, Chargeurs Technical Substrates is capable of offering coated textiles in widths of up to five meters.

4 - Inspection
Each roll of coated textile is inspected as it leaves the production line to guarantee that the product performs in line with the customer's specifications.

5 - Quality controls
Tests are performed at each stage in the industrial process to ensure that the textiles' technical characteristics comply with the highest health and safety standards.

6 - Warehousing and supply chain
Each roll of coated textile is described in detail in the stock list. Advanced warehousing and supply chain management systems guarantee that products are delivered on time to customers throughout the world.

1.2.4.4. Chargeurs Luxury Materials

Chargeurs Luxury Materials

The world leader in premium, certified, traceable wool fibers

In 2017, Chargeurs Luxury Materials pursued its ambitious selective marketing strategy. During the year, it introduced Organica, the first label to offer a line of excellent, traceable, fair-trade fibers, designed for the world's most prestigious luxury fashion and premium sportswear brands dedicated, like their customers, to supporting a sustainable wool production and distribution cycle.

€95.0M
in revenue in 2017, down 4.2% like-for-like

€2.6M
in recurring operating profit in 2017, down 10.3%

25
employees

Chargeurs Luxury Materials supplies the world's finest, softest, most resistant wool fibers. The world leader in premium combed wool trading, the business unit is stepping up its strategic focus on outstanding, high value-added products. The only global trader capable of offering customers wool from every producing region, Chargeurs Luxury Materials is deploying an optimized business model that operates through firm contracts. To deliver quality, traceability and fiber stability, the business leverages its expertise in selecting the finest greasy wool tops from producers worldwide, which are then processed in partner combing mills in the United States, Uruguay, Argentina and China. Its marketing teams, who are in daily contact with the world's most prestigious brands, efficiently prepare, track and deliver the right solution to each customer whatever their location around the world, taking care to match supply and demand.

The focus of Chargeurs Luxury Materials' R&D laboratories is to develop increasingly fine, softer wool grades, capitalizing on the business unit's unique sustainable production/distribution cycle model and its constantly deepening, long-term engagement with local producer communities and regional ecosystems. These strategic choices, which are driving the business unit's business performance, are aligned with the enduring market appeal of wool grades produced in compliance with animal welfare and environmental standards, so as to supply apparel applications for the fast-growing luxury fashion and sportswear segments.

Chargeurs Luxury Materials' main competitors are Modiano, Tianyu and Red Sun.

"Our Organica label stands for the very best that the wool industry can currently offer in terms of animal welfare, land management, sustainability, quality and traceability."

Federico Paullier
Managing Director,
Chargeurs Luxury Materials

In October 2017, Chargeurs Luxury Materials introduced the Organica line of premium wool fibers. Can you tell us more about it?

It is the crowning achievement of our model and a revolution in the world of wool. A crowning achievement because it is the culmination of our business unit's transformation process, which has enabled us to buck the trends in the global wool market and introduce an absolutely distinctive, high-quality wool fiber, as part of a disciplined supply chain closely involving stakeholders across the value chain, from the producer to the spinning mill and the major fashion brands. In turn, this has mitigated wool risk in a historically volatile business and heightened the visibility of a Chargeurs Luxury Materials solution combining quality, fiber stability and fairness. With Organica, its first consumer label, Chargeurs Luxury Materials has crossed a significant, decisive milestone by acting as a *Game Changer* in the wool market.

Can you tell us how that is manifested?

Organica is an extraordinarily comprehensive label. Until now, we have only followed the procedure for earning Responsible Wool Standard (RWS) certification. Our proprietary Organica label is built on four fundamental pillars: i) respect for animal welfare and careful pasture management, particularly from an environmental standpoint; ii) corporate social responsibility, which governs our relations with producers, of course, but also with all the other stakeholders in the value chain; iii) fiber traceability; and iv) support for the ten principles in the United Nations Global Compact aimed at building more stable and more inclusive societies. Organica is a supremely ambitious label that stands for the very best that the wool industry can currently offer in terms of quality, traceability and sustainability. Obviously, our exclusive label has been certified by independent auditors.

What is your ultimate goal?

We want all of the wool we market to brands to be labeled Organica. The need for differentiation, the desire for outstanding products, which is fostering the livelihoods of a whole chain of stakeholders who care about animal welfare, is not only steadily growing, it is also becoming an increasingly differentiating, decisive factor for the brands and their customers. This is why Chargeurs Luxury Materials has positioned itself as a solution to this demand and wants to encourage all the buyers to embrace the Organica label. To embody Organica, we have launched a capsule brand, Nalma, to offer consumers clothing made from this pioneering protocol. After a major investment in the supply chain and marketing in 2017, supported by a sophisticated digitalization strategy, 2018 has gotten off to a very solid start.

MARKET FOCUS

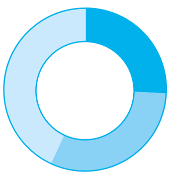
Luxury fibers

In 2017, changing the name of the Wool business unit from Chargeurs Wool to Chargeurs Luxury Materials marked a real transition in the business. The revolutionary new name expresses the business unit's commitment to leveraging its expertise to serve global luxury fashion markets, while also shifting to other, non-wool luxury fibers, such as cashmere, silk and alpaca. In this way, Chargeurs Luxury Materials will focus on serving the luxury garment makers most at ease in working with exclusive natural fibers.

Chargeurs Luxury Materials

No. 1 worldwide

100%
of revenue generated outside France



REVENUE BY REGION

26% - ASIA
31% - AMERICAS
43% - EUROPE

4
PARTNER COMBING MILLS
United States / Uruguay / Argentina / China

7
MARKETING AND MANAGEMENT SUBSIDIARIES
Uruguay / Italy / France / United States / New Zealand / Argentina / China

6
WOOL SOURCES
United States / New Zealand / Uruguay / Argentina / Australia / South Africa

FOCUS ON INNOVATION

The blockchain advantage

The total commitment to wool traceability, a core component of the Organica protocol, has been technologically enabled by the deployment of a blockchain application. The new technology, supported by across-the-board process digitization, makes it possible to certify each wool lot's origin and progress through the value chain, from producer to end-customer. Highly effective in preventing fakes and counterfeiting, blockchain technology is perfectly aligned with Chargeurs Luxury Materials' Organica-audited and certified wool traceability process and is the very antithesis of the speculative practices firmly opposed by the business unit.

SCAN
AND DISCOVER THE TRACEABILITY

BACKGROUND

1.

Certified farms

2.

Wool sourcing and combing

3.

Wool spinning

"From the sheep to the shop"

Local and global expertise and a strict policy of transparent communications with suppliers and customers

With traceability so central to Chargeurs Luxury Materials' business model, all of its partner combing mills have pledged to earn Responsible Wool Standard (RWS) certification.

RWS is an independent, voluntary standard that certifies that sheep are treated with respect to their five freedoms (Freedom from Hunger and Thirst, Freedom from Discomfort, Freedom from Pain, Injury or Disease, Freedom to Express Normal Behavior, Freedom from Fear and Distress) and that best practices are followed in managing and protecting the land. Through the processing stages, certification ensures that wool from certified farms is properly identified and tracked.

We supply organic wool complying with Global Organic Textile Standards (GOTS), which is recognized as the world's leading processing standard for textiles made from organic fibers. It defines stringent environmental criteria throughout the entire organic textiles supply chain and requires compliance with social criteria as well.

In partnership with the New Zealand Merino Company, we offer ZQ-certified wool, an exceptionally high quality, traceable fiber.

The ZQ Merino program was launched by New Zealand Merino to help people understand that their textile choices should reflect their beliefs, because "you are what you wear".

We also attach a great deal of importance to non-mulesing practices both in Latin America and in Australia and New Zealand.

4.

Weaving/Knitting

5.

Manufacturing

6.

Shop

1.3. THE GROUP'S BUSINESS STRATEGY

1.3.1. MARKET TRENDS AND OPPORTUNITIES

Chargeurs is deploying a robust, distinctive business model, combining powerful innovation capabilities and the specification of services, while working tirelessly to improve its industrial performance in an increasingly fragmented market.

Our mission is to manufacture outstanding, innovative, reliable, bespoke niche products and services that enhance our customers' performance and success.

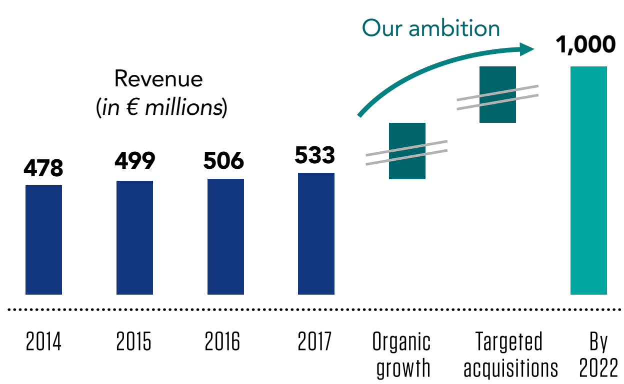
MARKET TRENDS		CHARGEURS' STRENGTHS	EXAMPLES
FRAGMENTATION OF MARKETS INTO SUB-NICHE MARKETS	• New demand emerging in a constantly-evolving market environment • Increase in the number of sub-segments • Increasingly sophisticated technologies	• A constant **passion** for meeting the specific, complex needs of our customers • **In-depth understanding** of our markets thanks to our extensive market share	**Chargeurs Protective Films** • Innovation in protective films following installation of the fiber laser steel-cutting film production line • New materials (synthetic marble, zinc, etc.) need innovative protective films
INCREASINGLY COMPLEX GLOBAL SUPPLY CHAIN	• Increasingly complex customer supply chains • The growing challenge of on-time delivery	• **Manufacturing facilities around the world** to deliver superior local service • Pioneering ambition to **boldly** take on new challenges to support our customers	**Chargeurs Fashion Technologies** • A new plant in Ethiopia to support our customers • Particular attention to specification, with the opening of a showroom in New York
PREMIUMIZATION	• Widening gap between premium and commodity markets • Increasing use of total cost analyses, driving the development of premium solutions	• A commitment to total process control to guarantee constant **reliability**, quality and operational excellence • **Innovative marketing** to promote a premium approach	**Chargeurs Luxury Materials** • A new label to promote premium wool, back by diligent sheep-to-shop commitments • A premium offer with complete traceability
VALUE CHAIN REPORTING	• Need for reliable technical partners • Demand for more technical support and services	• **Strong technical expertise** and a global organization • **Integration with other operations** across the value chain	**Chargeurs Protective Films** • Acquisition of laminator manufacturers to offer application machines as well as films • Continuous technical support

1.3.2. THE GROUP'S STRATEGIC PROGRAM

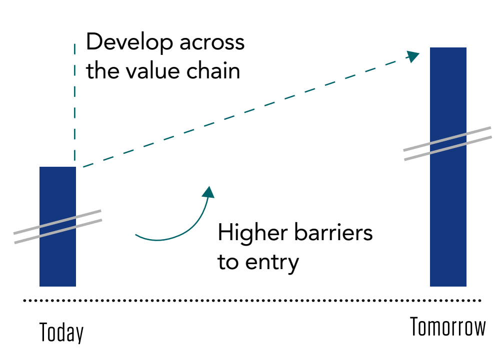
To support faster deployment of its strategy and meet the target of doubling profitable revenue[1] in five years to €1 billion (on a like-for-like basis and barring any changes in the geopolitical and economic environment), in the summer of 2017 Chargeurs launched the Game Changer operations optimization plan, which follows on from the "Performance, Discipline, Ambitions" plan rolled out in 2015.

Game Changer is designed to increase Chargeurs' impact in its businesses over the next two years by focusing on four key issues to drive faster growth and higher margins.

Trajectory towards €1 billion in revenue



Sustained margin improvement led by the product mix and economies of scale



(1) *i.e. with an operating margin the same or better than in 2016.*

The medium and long-term vision is to make Chargeurs a game changer in its industrial niches:

- Enhance the "**Chargeurs model**" of developing leadership positions in niche businesses worldwide with a balanced global footprint:
  - A philosophy of creating **long-term shareholder value**, supported by robust value-drivers
  - High value-added **niche businesses** offering opportunities for differentiation through product excellence and services
  - **European or global leadership positions**, developed over the long or very long term
  - Expertise in **managing global businesses** embodied by the **Chargeurs Business Standards** describing the Chargeurs Way
- A reinvigorated culture of operational excellence:
  - A **decentralized** managerial model by business unit, with considerable value added by corporate oversight and guidance
  - Optimized **innovation-to-sales** cycles and stronger **cross-business innovations**
  - Optimized cost structures, supported by a **continuous productivity improvement** process at the level of each business
  - **Selective profitability-led investment strategy**
- A disciplined, efficiently managed financial model:
  - Carefully managed **low debt profile**
  - Optimized **profit-to-cash** conversion process (including through dynamic management of tax loss carryforwards)
- A growth strategy that strikes the right balance between organic expansion and acquisitions:
  - Priority given to organic growth and optimizing existing production resources
  - **Highly selective acquisitions**, to maintain a balanced geographic presence

1.3.3. ACQUISITION STRATEGY

The Group has a selective acquisition strategy based on the following criteria:

Our criteria for acquisitions

CONSOLIDATION OF CURRENT BUSINESSES

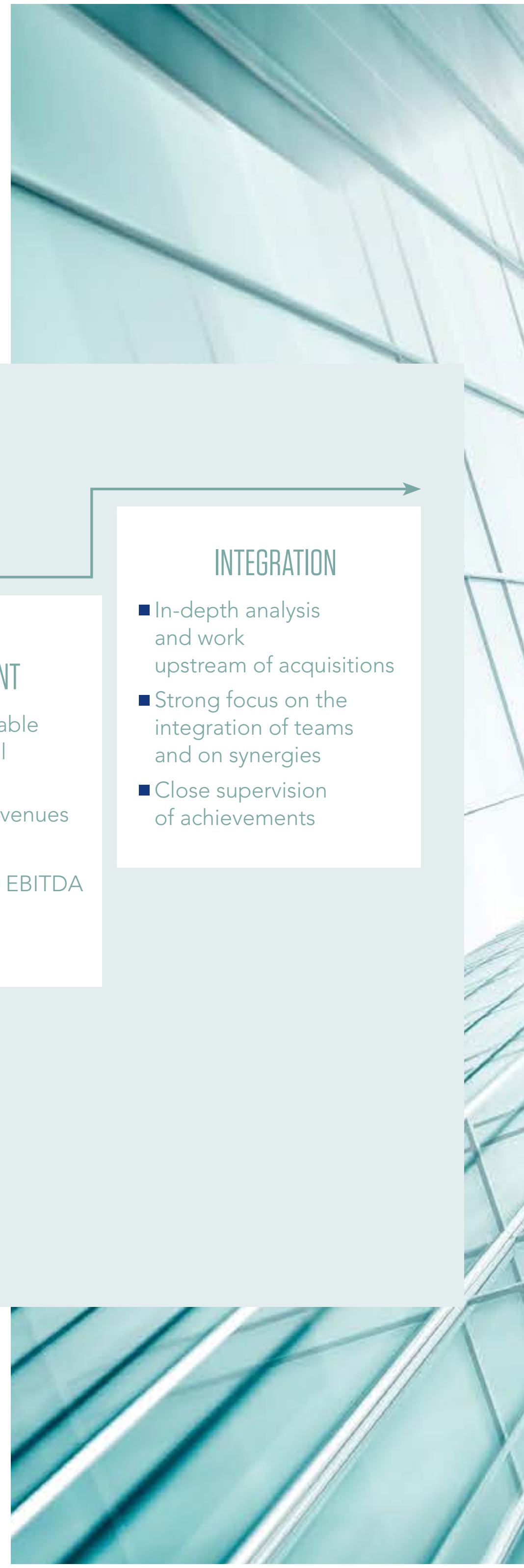
- Strengthen positions in segments underserved by the Group
- Broaden our geographic footprint
- Integrate part of the value chain, upstream or downstream
- Reciprocal contributions

EXPANSION INTO ADJACENT / NEW BUSINESSES

- Leadership position in a very high value-added niche market
- Global business
- Build-up potential
- Reciprocal contributions

FINANCIAL CONSIDERATIONS / CRITERIA

- Profitable company, no turnarounds
- Potential for improvement in performance
- Value accretive price
- Reasonable debt structure for the Group



The Group acquisition process involves 4 phases:
market analysis, target analysis, assessment and integration.

Our acquisition process

- In the majority of cases, our market expertise allows for a preemptive approach
  → Negotiate the best terms for attractive assets
- Efficiently use our loss carryforwards
  → Accelerate our return on investment

MARKET ANALYSIS

- Strong trends for structural growth
- New opportunities in fragmented markets
- High barriers to entry
- Opportunities for new synergies

TARGET ANALYSIS

- Strong competitive positions
- Strong, recognized brands
- Recurring revenues and a solid customer base
- Accretive margins
- Solid cultural convergence

ASSESSMENT

- Priority for profitable returns on capital employed
- Stable, lasting revenues
- Accretive value
- Strong growth in EBITDA and cash flow

INTEGRATION

- In-depth analysis and work upstream of acquisitions
- Strong focus on the integration of teams and on synergies
- Close supervision of achievements

Illustrating Chargeurs' acquisition strategy: a track record representative of the new model

In 2017, the Group carried out several targeted acquisitions in the Chargeurs Protective Films business:

- Acquisition of US-based Walco Machines Company and of French company Asidium (Somerra) in April 2017.
- Acquisition of Omma, Italy's leading laminator manufacturer, in August 2017.

Taken together, these selective acquisitions enabled Chargeurs Protective Films to create the new Chargeurs Protective Specialty Machines business unit, which is today the global specialist in protective film application solutions combining laminators and film.

1.4. ANALYSIS OF 2017 CONSOLIDATED RESULTS

1.4.1. REVIEW OF THE CONSOLIDATED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2017

Consolidated 2017 financial statements

(in € millions)	2017	2016	Year-on-year change	
Revenue	533.0	506.4	+26.6	+5.3%
% change like-for-like				**+3.2%**
EBITDA	54.6	48.8	+5.8	+11.9%
As a % of revenue	*10.2%*	*9.6%*		
Recurring operating profit	**44.4**	38.9	+5.5	**+14.1%**
As a % of revenue	*8.3%*	*7.7%*		
Attributable net profit	25.2	25.0	+0.2	+0.8%

Organic gains[1] outpaced global and euro-zone growth in 2017

Revenue rose by 5.3% in the twelve months ended December 31, 2017, reflecting the 3.2% positive impact from the acquisitions made by Chargeurs Protective Films in 2016 and 2017, the 3.2% organic growth led by higher business volumes and a further improvement in the product mix across the business base, and a 1.2% reduction from the negative currency effect, stemming mainly from the US dollar, Argentine peso and Chinese yuan. Like-for-like (i.e. based on comparable scope of consolidation and constant exchange rates) and excluding Chargeurs Luxury Materials, growth came to 5.0% for the year.

Excellent performance supporting the capacity and operating efficiency drive, with more than €44 million in recurring operating profit

Impelled by the Game Changer plan, which is driving faster operating performance by activating four strategic levers – Sales & Marketing, Smart & Advanced Manufacturing, Distinctive Innovation and Talent Management – Chargeurs delivered a robust, stronger than expected improvement in operating performance in 2017. Recurring operating profit symbolically broke the €40-million mark, gaining 14.1% on higher volumes and a better price-mix.

Net income came to €25.2 million, a 0.8% gain including the impact of deconsolidating the "Yak" companies in 2016. Excluding the "Yak" impact, net income ended the year up 9.6%.

Analysis by business segment

Chargeurs Protective Films: strong 7.0% organic growth in revenue and a 100bp increase in operating margin

(in € millions)	2017	2016	Year-on-year change	
Revenue	281.0	250.3	+30.7	+12.3%
% change like-for-like				**+7.0%**
EBITDA	40.3	33.2	+7.1	+21.4%
As a % of revenue	*14.3%*	*13.3%*		
Recurring operating profit	34.3	28.0	+6.3	**+22.5%**
As a % of revenue	***12.2%***	*11.2%*		

(1) Like-for-like change (lfl) – Organic change:
The like-for-like or organic change from one year to the next is calculated:
- by using average exchange rates for the prior year over the period being compared (year, half-year, quarter);
- and based on the prior-year scope of consolidation.

Chargeurs Protective Films had another very robust year, with 7.0% organic growth in revenue led by further share gains in its core markets, the steady roll-out of disruptive innovations like low-noise films, and rising global demand.

In 2017, the steady improvement in the price-mix, the impact of acquisitions completed in France, the United States and Italy, and the faster transfer of production to the dollar zone all combined to drive a steep rise in operating performance to hit new financial milestones, with more than €40 million in EBITDA and more than €30 million in recurring operating profit.

The acquisitions have positioned the business unit to offer customers increasingly end-to-end protective film application solutions, following the creation of Chargeurs Protective Specialty Machines, which is the global specialist in self-adhesive surface protection film application solutions.

Lastly, in November 2017, Chargeurs announced the completion of a techno-smart capital project, involving internal investment of €20 million to give Protective Films a new 4.0 coating line. This one-of-a-kind technology will be based at one of the business unit's Western plants and dedicated to the production of highly engineered, high value-added films. It will integrate state-of-the-art industrial functions for smart command and control, positioning the business unit at the forefront of the industry 4.0 ecosystem.

Chargeurs Fashion Technologies: sustained strategic focus on selective marketing and improved operating performance

(in € millions)	**2017**	2016	Year-on-year change	
Revenue	131.2	132.0	-0.8	-0.6%
% change like-for-like				*+1.3%*
EBITDA	11.3	11.7	-0.4	-3.4%
As a % of revenue	***8.6%***	*8.9%*		
Recurring operating profit	8.1	8.0	+0.1	+1.3%
As a % of revenue	*6.2%*	*6.1%*		

Chargeurs Fashion Technologies' revenue rose by an organic 1.3% in 2017, as the strategy of selectively focusing on higher margin products and very firm sales volumes, particularly in the fourth quarter, helped to offset the 1.9% negative currency effect, primarily due to the Argentine peso.

The business unit once again delivered a solid operating performance for the year, with a further improvement in operating margin in a fiercely competitive marketplace.

It also stepped up its investment in capital projects to serve a prestigious clientele, opening a showroom in New York to promote its distinctive expertise and enhance its ability to seek and earn specification approval from customers. It also introduced new CRM applications, to move up the value chain and improve its customer intelligence, thereby supporting the development of increasingly comprehensive solutions.

The appointment, in February 2018, of Angela Chan to replace Bernard Vossart as Managing Director of Chargeurs Fashion Technologies represents an important milestone in the internationalization of the unit's management team. Ms. Chan is an American whose wide-ranging experience not only with leading clothing brands but also with Asian markets will enable the business unit to reinforce its global leadership as part of the Game Changer plan.

Chargeurs Technical Substrates: robust growth in revenue and operating performance

(in € millions)	2017	2016	Year-on-year change	
Revenue	25.8	24.6	+1.2	+4.9%
% change like-for-like				*+4.9%*
EBITDA	4.9	4.7	+0.2	+4.3%
As a % of revenue	***19.0%***	*19.1%*		
Recurring operating profit	4.0	3.8	+0.2	+5.3%
As a % of revenue	*15.5%*	*15.4%*		

Backed by its strategy of creating competitive differentiation by bringing a continuous stream of innovations to market, Chargeurs Technical Substrates continued its robust growth trajectory in 2017, with revenue gaining an organic 4.9% off of high prior-year comparatives.

The business unit enjoyed a good operating dynamic, reflecting the successful handover to Patrick Bonnefond in his first year as Managing Director.

In 2017, new capital projects were undertaken to diversify the product range with Sublimis, a revolutionary new innovation scheduled for worldwide launch in 2018. Chargeurs Technical Substrates has also introduced powerful new marketing capabilities to directly interface with its end customers and build business in new markets in Asia, North America and South America.

Chargeurs Luxury Materials: another year of high ROCE, at nearly 10%

(in € millions)	2017	2016	Year-on-year change	
Revenue	95.0	99.5	-4.5	-4.5%
% change like-for-like				*-4.2%*
EBITDA	2.6	2.9	-0.3	-10.3%
As a % of revenue	***2.7%***	*2.9%*		
Recurring operating profit	2.6	2.9	-0.3	-10.3%
As a % of revenue	*2.7%*	*2.9%*		

Chargeurs Luxury Materials, whose premium wool trades are hedged by forward sale contracts, reported revenue of €95 million in 2017, reflecting the selective marketing strategy deployed to shift sales to more profitable business volumes. Margin and return on capital employed both held firm at nearly 10%, in line with Group expectations and positioning the business unit to move up-market and exercise full control over a proprietary supply chain.

The business unit continued to focus on premium, traceable, durable wool fibers, whose monetizable features appeal to the world's leading luxury and sportswear brands. As part of this process, in fourth-quarter 2017, it introduced a new range of premium fibers called Organica Precious Fiber (http://www.organica-preciousfiber.com), whose initial benefits are expected in 2019.

As part of the shift in its business model, Chargeurs Luxury Materials will continue with and step up its selective marketing policy in order to focus on activities with more profitable volumes and more potential in 2018. The business line's strategy is to substantially increase return on capital employed over the medium term.

1.4.2. FINANCIAL POSITION

Chargeurs' robust financial position was further strengthened during the year, with equity attributable to owners of the parent rising to €229.9 million at December 31, 2017 from €227.3 million at the previous year-end.

Thanks to its high profit-to-cash conversion rate and disciplined working capital management, the Group successfully deployed projects to further optimize operations, carried out profitable investments and acquisitions, and increased its net cash position to €8.9 million at December 31, 2017 from €3.2 million a year earlier, all while paying a higher recurring dividend every year.

At the same time, the Group continued to optimize its financial resources by signing, on May 30, 2017, a new Euro PP issue involving €50 million in 8-year notes and a 10-year loan. The financing – the first in the Group's history to have such a long maturity – was raised as part of the Group's overall growth strategy and is repayable at maturity. In tandem, the Group extended the average maturity of its existing borrowings, which also helped improve the profile of its debt.

The following statement presents cash flows from activities (see note 17.1.2 to the 2017 consolidated financial statements):

(In euro millions)	**2017**	2016
EBITDA	**54.6**	**48.8**
Non recurring - cash	(5.1)	(4.6)
Finance costs - cash	(7.5)	(4.9)
Income tax - cash	(7.0)	(8.0)
Other	1.6	(1.3)
CASH GENERATED BY OPERATIONS	**36.6**	**30.0**
Dividends from equity-accounted companies	0.8	0.3
Change in working capital (at constant exchange rates)	(6.7)	0.8
NET CASH FROM OPERATING ACTIVITIES	**30.7**	**31.1**
Purchases of PPE and intangible assets	(13.6)	(10.9)
Dividends paid	(13.8)	(11.5)
Capital increase	7.2	0.0
Changes in scope of consolidation	(5.5)	(20.6)
Currency effect	0.3	(0.4)
Other	0.4	(7.8)
TOTAL	**5.7**	**(20.1)**
OPENING NET CASH (12/31/N-1)	**3.2**	**23.3**
CLOSING NET CASH (12/31/N)	**8.9**	**3.2**

1.4.3. OUTLOOK

Backed by a long-term shareholder vision and underpinning its strategy, on a like-for-like basis and barring any changes in the geopolitical and economic environment, Chargeurs is committed to pursuing its profitable growth and robust cash generation, so as to seize the opportunities that the expected recovery in the global economy in 2018 will offer to grow its niche businesses, develop new ones and thereby secure the sustainability of its distinctive growth model, which is unrivaled in the global capitalist system.

Stepping up our five-year goals

To drive faster operating performance, the Group has followed on from the Performance, Discipline, Ambition plan and deployed the new Game Changer plan, which has been embraced by all its teams in all its operations around the world. Its underlying aim is to help the Group reach its objective of doubling profitable revenue within the space of five years, barring any changes in the economic environment (see sections 1.3.2 and 1.4.1 above).

1.5. MANUFACTURING AND INNOVATION STRATEGY

1.5.1. A CULTURE OF MANUFACTURING EXCELLENCE

In serving its global high-tech niche markets, Chargeurs is supported by a model that is both robust and distinctive. Robust because it combines powerful innovation capabilities, a selective marketing strategy and a stable core shareholder; and distinctive because, leveraging all the benefits of operating across diverse global economic cycles, Chargeurs deploys standards of excellence that enable it to constantly co-develop solutions with customers.

THE CHARGEURS BUSINESS MODEL		CHARGEURS PROTECTIVE FILMS	CHARGEURS FASHION TECHNOLOGIES	CHARGEURS TECHNICAL SUBSTRATES	CHARGEURS LUXURY MATERIALS	CHARGEURS
A CULTURE OF EXCELLENCE ACROSS ALL CORE PROCESSES	Use of cutting-edge technologies	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆
	A commitment to continuous technological innovation	30% of products less than five years old	Creation of the world's thinnest interlining	Development of Decoprint products	Total traceability of wool sold	A policy of continuous technological innovation embraced by all four business units
	Leading-edge equipment in key plants	Development of solvent emulsion	Creation of the world's first ultra-thin (40-gauge) technical knitting machine	Creation in 2015 of a 5-meter width coating line	Pioneering development of Superwash fiber stabilization equipment	Disruptive innovations in every business unit
	Globally balanced manufacturing footprint	4 plants in Europe 3 plants in North America	1 plant in Europe 3 plants in Asia-Pacific 1 plant in North America 2 plants in South America 1 plant in Africa	1 plant in Europe	4 industrial partnerships North America, South America, Asia	16 own manufacturing plants 4 industrial partnerships 5 continents
	Green innovation and production policy	Creation in France of a solvent recovery unit in 2015	Launch of a recycled plastics production line in 2016	EstoMpe®, a coated fabric that selectively filters electromagnetic waves	Total traceability of wool	A corporate social responsibility culture instilled into customer solutions
	Number of R&D and Quality laboratories	4	7	1 (10% of the subsidiary's workforce)	4	More than 10 R&D centers

1.5.2. MANUFACTURING AND REAL-ESTATE ASSETS

GEOGRAPHIC FOOTPRINT AT DECEMBER 31, 2017

	Manufacturing plants and partnerships	Distribution units	Offices	Number of employees
EUROPE	6	14	9	876
AMERICAS	6	10	2	298
ASIA PACIFIC	4	12	4	393
TOTAL	**16**	**36**	**15**	**1,567**

At December 31, 2017, property, plant and equipment represented a carrying amount of €63.2 million and mainly comprised plant and equipment for a total of €40.4 million. Land and buildings represented €2.5 million and €8.7 million respectively (see notes 11 and 12 to the 2017 consolidated financial statements).

The Group's real-estate assets also include operating leases (see note 23.4 to the 2017 consolidated financial statements).

1.5.3. CAPITAL EXPENDITURE IN 2015-2017

Capital expenditure is primarily dedicated to driving growth and innovation.

The tables below show the capital expenditure committed in 2016, 2015 and 2017.

(in € millions)	**2017**	2016	2015
Property, plant and equipment	13.4	11.4	13.7
Intangible assets	0.6	0.5	1.0
TOTAL	**14.0**	**11.9**	**14.7**

(in € millions)	**2017**	2016	2015
Western Europe	10.8	10.5	13.1
Central and Eastern Europe and Africa	-	-	-
North America	1.6	0.4	0.8
South America	0.9	0.3	0.4
Asia	0.7	0.7	0.5
TOTAL	**14.0**	**11.9**	**14.7**

Note that Chargeurs launched a €7.5 million capital expenditure program for its Technical Substrates business that covered several years, including 2015 and 2016. It was dedicated to opening a new five-meter width, high value-added production line that is the only one of its kind in France.

As announced in late 2017, Chargeurs Protective Films is pursuing its drive to expand and move upmarket

As part of its **Game Changer** plan, aimed at driving faster operating performance and doubling the Group's profitable revenue[1] over the next five years, in November 2017 Chargeurs announced that it intends to make a strategic internal investment of over €20 million in Chargeurs Protective Films.

Within the next 24 months, Chargeurs will commission a new coating line at one of the business unit's Western plants that will be dedicated to the production of highly engineered, high value-added films. Initial production trials and first sales are expected in 2019.

Capitalizing on a geographic location close to its markets and in a smart manufacturing center, this technological production line unlike any other in the world will integrate state-of-the-art industrial functions that will make its command and control both smarter (automation, virtualization, big data, modeling, etc.) and more sustainable (with significant energy savings), while positioning the business unit at the forefront of the industry 4.0 ecosystem.

The investment is also expected to further optimize the business unit's long-term return on capital employed.

A techno-smart project at the heart of the Game Changer plan

This new techno-smart project, which will enable the business unit to broaden its industrial and marketing footprint and step up its organic growth, will be supported by the four core pillars of the **Game Changer** plan:

- ***Distinctive Innovation***: shortening time-to-market for disruptive, highly technical innovations, in line with increasingly fast changing markets, and continuously improving production capacities.
- ***Smart & Advanced Manufacturing***: strengthening the industrial performance of the business unit's assets.
- ***Sales and Marketing***: contributing to the success of high value-added products, such as low noise and fiber laser cutting films.
- ***Talent Management***: modernizing Chargeurs Protective Films' industrial organization to enable it to move up the value chain, and creating a dedicated **Smart Production Unit** to continue implementing the business unit's industrial strategy based on smart manufacturing and an optimized production facilities.

(1) i.e., with an operating margin the same or better than at December 31, 2016.

2

RISK MANAGEMENT AND INTERNAL CONTROL

2.1. RISK FACTORS

The Group has put in place a risk map, which it regularly updates, in order to identify the risks that could have a material adverse effect on its business, financial position, results of operations and/or ability to achieve its objectives. During 2017, the legal risks map was updated. As far as the Group is aware, it is not exposed to any material risks other than those described below.

However, risks and uncertainties of which the Group is currently unaware or which are not currently material may, in the future, adversely affect its business, financial position, results of operations and/or outlook.

2.1.1. OPERATIONAL RISKS

Economic risks

Chargeurs' global footprint represents a natural partial hedge against regional economic risks.

The Group has operations primarily in Europe, the United States and Asia, and its business is therefore sensitive to changes in economic conditions in these regions.

Although it endeavors to anticipate and offset the impact of an economic slowdown in any of its host countries, there is no guarantee that the Group will always be able to adapt quickly enough. Its global footprint, with operations in four business lines with diversified geographic and end-customer profiles, nevertheless helps to attenuate the risk.

Emerging market risks

Although the Group's businesses are conducted primarily in Europe and the United States, it also has operations in emerging markets in Asia, South America and Africa. Operations in these countries give rise to a certain number of risks that are different from those arising in more developed economies, including greater exchange rate, interest rate and GDP volatility, relatively unstable government, collection difficulties, significant regulatory changes (tax rules, exchange controls, etc.) or erratic application of existing regulations.

In order to anticipate and more effectively ward against measures that could have an adverse effect on its businesses, the Group seeks advice from local managers who understand the specific features of their respective countries.

As the Group's operations in emerging markets are spread across several countries and continents, the occurrence of unfavorable events or circumstances in any one of these countries should have only a limited adverse effect on its financial position, results and outlook.

Technology risks

A key feature of the Group's protective film, interlining and technical fabric markets is the rapid pace of technological change. For this reason, the development of new technologies is an important driver of business growth.

Each business must be capable of acquiring and continuously upgrading its technical and technological expertise.

For a number of years, research and development in both products and processes has been a priority and a critical success factor for the Group.

Competition risks

The Group operates in highly competitive markets and the pressure may further increase in the future.

Competitors – particularly those operating in low-cost economies – may adopt aggressive pricing strategies, diversify their product offer, enter into long-term strategic or contractual relationships with current or prospective customers in the Group's markets or expand or acquire companies or assets that represent potential targets for the Group.

In order to manage this risk effectively, the business lines focus on strict cost control, offering customers the best possible service and meeting high standards of product quality, technical content and innovation. They have also developed systems to monitor developments affecting their customers and competitors.

Customer dependence risks

The Group has a broad customer base spread throughout the world. In 2017, its top ten customers accounted for 14% of consolidated revenue.

This diversification attenuates the potential impact of customer default or a change in customer behavior.

Supplier and partner dependence risks

Thanks to its diversified business base, the Group was not exposed to any particular risk of dependence on suppliers in 2017. However, some Group companies may deal with a limited number of suppliers for some of their activities.

When a company deals with a single supplier for a significant proportion of its purchases, a master agreement is signed to avoid the risk of deliveries being interrupted and to establish a long-term relationship with the supplier concerned.

In several mainly emerging markets, the Group operates through a local partner that manufactures part of its local product offer, seeks out new customers and manages relations with the local authorities. These partnerships enable us to benefit from the support of experienced teams with deep local roots.

When the partnerships take the form of joint ventures, the Group may not exercise legal or de facto control over the joint venture's operating and financial policies. To reduce the unfavorable impact of a possible dispute with a partner, a long-term agreement is signed dealing with matters such as dispute resolution.

Information systems failure risk

The business lines are increasingly dependent on IT infrastructure and applications to manage their various business processes, including purchasing, product distribution, billing, reporting and consolidation.

A single reporting and consolidation application has been deployed that is used by all entities. Apart from this system, each business line has its own IT infrastructure and applications operated under its direct responsibility.

Causes of system failures or downtime may be external (viruses, hacking, power outage, network failure, etc.) or internal (malicious damage, data security breaches, etc.).

To minimize the impact of system failures, the Group has put in place a cyber threat prevention policy and continuously adapts its protection devices for its information systems. Data are protected by implementing automatic and regular back-up processes at several sites and/or using secure external data centers, and by applying strict security rules (penetration tests, firewalls, etc.).

2.1.2. ENVIRONMENTAL AND INDUSTRIAL RISKS

Environmental risks

The Group's production facilities may be responsible for environmental disamenities or damage or be the source of injuries or an industrial accident, such as a fire at a plant. There is no guarantee that these facilities will not be a source of pollution, disamenities, environmental damage or injury. In addition, acts of violence, vandalism, sabotage or terrorism committed on the premises of production facilities could have similar consequences.

Group policy has always been to maintain the highest level of protection of its production facilities against natural hazards, technological risks and environmental risks.

The Group's businesses are subject to various, regularly revised environmental regulations in their host countries, requiring them to apply increasingly strict environmental standards and workplace health and safety standards. They are therefore exposed to a regulatory compliance risk. As part of its adherence in 2017 to the principles of the Global Compact, the Group's production facilities have set objectives to improve their environmental footprint over the next three years. The Group's environmental policy, the risks related to the effects of climate change (article L. 225-37-6 of the French Commercial Code), and performance and certifications are described in Chapter 3, section 3.6 of this Registration Document, "Environmental Information".

Industrial risks

The Group's production facilities are exposed to industrial risks resulting from their operations, such as fire, explosion and/or machine breakdown risks. The Group pays close attention to properly managing its production facilities. However, there is no guarantee that it will not experience any unplanned production stoppages, due for example to human error, power outage, interruptions in the supply of essential raw materials (such as polyethylene or wool), malicious or other damage, natural disasters or cases of force majeure.

To minimize the impact of these risks, the Group has deployed a risk management system combining an appropriate insurance program covering property damage, personal injury, business interruption and liability risks, and control processes and procedures to limit the potential consequences (such as sprinkler systems and containment ponds).

2.1.3. FINANCIAL RISKS

Financial risks, such as market, currency, interest rate, commodity, credit and liquidity risks, are described in notes 17 and 21 to the 2017 consolidated financial statements. In 2016, the Company carried out a specific review of its liquidity risk, based on which it considers that it is in a position to meet its upcoming repayment obligations.

Euro private placement (Euro PP) issues and certain credit facilities are subject to bank covenants that must be respected on an annual basis. The bank covenants were respected on December 31, 2017. The ratios are described in note 17 to the 2017 consolidated financial statements.

Control procedures sized to address the challenges of each process

The main management processes have been analyzed in order to document and map financial statement risks, the related potential financial impact and the internal controls in place to contain them.

As part of this exercise, each business line has identified the three or four most sensitive processes and reviewed the highest risk transactions within each one. The procedures in place to manage and control these transactions have also been duly identified.

These analyses serve to prioritize future action plans, representing the starting point for the Group's drive to strengthen control over its processes.

2.1.4. LEGAL RISKS

In the normal course of business, Group companies may be involved in a number of legal, administrative or arbitration proceedings.

Several such proceedings are currently in progress, in France and abroad. These proceedings are overseen by the Group Legal Department, assisted by local legal advisors specialized in the matter concerned.

For each known dispute, the associated risks are assessed at each period-end after obtaining legal advice, and a provision is set aside to cover the estimated exposure, if considered necessary (see note 19 of the 2017 consolidated financial statements).

Although the outcome of the proceedings currently in progress is not known, the Group believes that they will not have any material adverse effect on its financial position.

To the best of the Company's knowledge, there are no governmental, legal or arbitration proceedings (including any pending or threatened proceedings which are pending or threatened) that may have, or have had in the last twelve months, significant effects on the financial position or profitability of the Company or the Group.

Intellectual property risks

Intellectual property rights play an important role in protecting the Group's assets and value creation process.

The Group believes that it is essential to innovate and to develop proprietary products and processes. Protection of the underlying intellectual property rights is often a key factor enabling the Group to use its innovations to create value.

To obtain and guarantee this protection, the Group has built up a portfolio of registered patents, brands and models, and it also uses various confidentiality agreements, copyright agreements, registered trade secrets and other measures to protect its rights. Since 2017, the Group has strengthened its intellectual property protection policy, particularly for products with the greatest international exposure (patent registration, brand registration).

Tax risks

Group policy is to comply with local tax laws and regulations in each of its host countries and also with international tax laws and regulations. Certain laws or regulations may nonetheless represent a source of risks, because they are ambiguous or give rise to differing interpretations by tax lawyers and/or the local tax authorities.

In order to effectively anticipate changes in tax laws and regulations based on available information, the Group uses the services of tax advisors throughout the world.

In addition, Group companies may be audited by their local tax authorities in the normal course of business.

Ethical risks

The Group pays close attention to observing the highest ethical standards.

There is no guarantee that these standards will not be breached by individual employees acting independently from their co-workers.

In this case, any victims of the breach could bring liability claims against Group employees, executives or companies.

To effectively manage these risks based on the information available, the Group monitors legal and regulatory changes in this area. As a result of this monitoring, the Company has taken measures to comply with France's "Sapin 2" Act, which included appointing a Group Chief Compliance Officer responsible for these issues, implementing a Code of Conduct, as described in section 4.6 of this Registration Document, and creating an Ethics Committee, whose role and work are described in section 4.6 of this Registration Document.

Group managers have been required to give a signed commitment to apply fair and honest business practices. This commitment was updated in 2017 as part of the compliance programs described above.

2.2. INSURANCE

2.2.1. INSURANCE STRATEGY

In order to effectively protect its people, assets and revenues, Chargeurs has put in place a Group-wide insurance strategy and is covered by global insurance programs for its main risks related to bodily injury, property damage and consequential business interruption as well as third-party liability concerning its operations and the products it sells.

These programs are underwritten by leading insurers and are managed by the Group's holding company in coordination with the Insurance Manager of each business and insurance officers within the subsidiaries.

The overriding aim of the Group's insurance strategy is to optimally manage its risks by putting in place consistent and complementary coverage for all of its subsidiaries in each business. It enables the Group to have a good understanding of its insurable risks and overall coverage while continuously optimizing the total cost of these risks. If an entity takes out a local policy that does not form part of the master program – notably for cost-efficiency reasons – the entity concerned is required to inform the Group of the policy content and coverage conditions so that the Group can continue to have a comprehensive view of the coverage in place and ensure that it is adequate in relation to the identified risks.

The Group makes sure that all newly-acquired companies are included in its insurance programs so that their coverage is appropriate and in line with the Group's insurance strategy.

2.2.2. INFORMATION ABOUT THE MAIN INSURANCE PROGRAMS

The information below is given as at the date of this Registration Document and may change depending on market conditions and other circumstances. It only concerns the Group's main insurance programs and is therefore not exhaustive.

Chargeurs has set up several global insurance programs covering all of its subsidiaries. Local policies are also taken out alongside the "master" group policy whenever required in order to comply with the regulations of a particular country. In such cases, the master policy can be triggered if the local policy does not provide sufficient coverage.

- Third-party liability: this program covers Group subsidiaries for the financial consequences of any third-party liability that could arise in connection with their activities concerning bodily injury or property damage caused to a third party.
- Property damage and business interruption: for Chargeurs Protective Films this program covers any accidental property damage (on an all-risks with specific exclusions basis) as well as the costs of any business interruption caused by such damage.

The coverage levels and exclusions of the above policies are in line with standard market practices and their excess loss amounts are proportionate to the size of the site or subsidiary concerned. Chargeurs considers that its insurance coverage is sufficient for the typical risks of its business operations.

Other insurance policies have also been entered into by the Group, notably for the vehicle fleet, transport and bodily injury.

During the second half of 2017, Chargeurs increased the amount of insurance cover for employee travel and took out a cyber insurance policy.

2.3. INTERNAL CONTROL PROCEDURES

DESCRIPTION OF INTERNAL CONTROL PROCEDURES

Definition and objectives of internal control

Internal control is a system that the Company defines and implements under its own responsibility to provide reasonable assurance concerning:

- compliance with laws and regulations;
- implementation of the instructions and guidelines set by senior management or the Board of Directors;
- efficient operation of the Company's internal, operational, industrial, commercial and financial processes, particularly those contributing to the safeguarding of its assets;
- reliability of financial reporting.

More generally, internal control contributes to the oversight of the Company's businesses, the effectiveness of its operations and the efficient use of its resources.

By helping to anticipate and manage the Company's risks, internal control plays a key role in conducting and overseeing its various business operations. It cannot, however, provide an absolute guarantee that all risks have been eliminated.

Scope of internal control

The Group is organized around a lean head office that oversees four business lines:

- Chargeurs Protective Films;
- Chargeurs Fashion Technologies;
- Chargeurs Technical Substrates;
- Chargeurs Luxury Materials.

Components of internal control

An efficient organization

Chargeurs is organized around decentralized operating structures and efficient information systems that provide the corporate teams with (i) high-quality financial information; (ii) a detailed understanding of how the businesses work and how they generate earnings and cash; and (iii) the ability to swiftly identify risks.

The Group is engaged in several very different businesses and has operations around the world. To take into account this diversity, organizational measures have been put into place to manage the risks that could have a material adverse effect on earnings, assets and commitments.

The cornerstones of the system are:

- empowerment and accountability: the Chairmen and the Managing Directors of the subsidiaries have full responsibility for managing their units;
- short lines of communication;
- regular reporting on strategic issues;
- group insurance programs covering all insurable risks;
- an Insurance Manager for each business line and at corporate level;
- Corporate Social Responsibility (CSR) teams at both corporate level and in each business line.

An information system focused on accountability

All Group companies produce monthly management reporting packages using the same information system and the same accounting standards (IFRS).

The Chargeurs' information system is based on the monthly income statements and key balance sheet indicators reported by each of our consolidated companies (58 companies at December 31, 2017).

Each subsidiary's Managing Director and Finance Director produce written comments on their monthly results, presented in a standard format.

These results, together with the updated annual forecasts reflecting the impact of any significant new developments, are reviewed during monthly meetings between the Chairman and Chief Executive Officer and the Managing Directors of the business lines.

A system to map, analyze and address the main identifiable risks

The Executive Committee pinpoints mission-critical issues and designates the most appropriate manager for each one, regardless of his/her position relative to other managers. A specific reporting system is in place so that the Chairman and Chief Executive Officer is informed directly, at regular intervals, of the status of these managers' work. The quality of their status reports is one of the areas covered during their annual performance review.

The issues dealt with generally concern events that could have a material adverse effect on the Group's financial results and its various risk exposures.

The Group uses outside consulting firms specialized in economic forecasting to help evaluate macro-economic risks specific to each of its host countries. These firms periodically present specific risk analyses to the Executive Committee when requested by one of Chargeurs' businesses.

From time to time, Chargeurs uses the services of specialized firms to either perform key analyses or temporarily support operational teams when critical projects are being implemented.

Several projects have been launched since 2016 as part of the Group's continuous improvement approach to enhancing the quality of its internal control and risk management procedures.

In view of these projects and in order to partner the growth trajectories of the Group's various businesses, the head office teams were strengthened during the year. As of 2016, the Group's internal consulting team comprises three people with diverse profiles and is dedicated to helping each business line with their key projects. The number of team members and the skills represented will vary based on the needs of the business lines.

Also during 2016, the Group commissioned a law firm to update its legal risks map. The work underway on this update is being closely monitored by the Company and the Audit Committee, which gave a status report to the Board of Directors in mid-2017.

The overriding aims of the project – which was launched in early 2016 – are to identify, analyze and assess the legal risks to which the Group is or could be exposed to in relation to its operations. The findings of the work carried out – which were presented to the Audit Committee and the Board of Directors on June 2, 2017 – did not identify any material risks other than those described in this section of the Registration Document. Even before the work was completed, the Company started to put in place corrective measures to manage or reduce the identified risks. In addition, a tighter risk control and management system has been put in place, notably by designating "risk bearers" at the level of both the head office and the various business lines.

The same law firm is also assisting the Company with setting up the compliance programs provided for in French Act 2016-1691 dated December 9, 2016 related to transparency, anticorruption measures and the modernization of the economy (the "Sapin 2" Act). In connection with this, Joëlle Fabre-Hoffmeister, the Group Secretary General, has also been appointed Chief Compliance Officer. In this role, her main responsibility is to ensure that the Group's rules of professional ethics and conduct are respected. In addition, the Company has set up a new ethics and conduct system with two cornerstones:

- the drafting of a Code of Conduct formally setting out the Group's values and principles as well as the new preventive and repressive measures put in place, notably including a whistle-blower process;
- the creation of an Ethics Committee.

The ethics and conduct system is described in Chapter 4, section 4.6 of this Registration Document.

Chargeurs' subsidiaries use CSR reporting guidelines that were drawn up in 2013, which (i) set out the Group's CSR commitments, (ii) list the CSR indicators used for operations, and (iii) describe the CSR reporting processes in place within the Group. In 2016, the Group further strengthened its commitment to CSR, incorporating it into its continuous improvement process, and making it one of the pillars for successfully growing its business. The actions undertaken in 2017, and the progress achieved to date, are described in Chapter 3 of this Registration Document.

The Executive Committee plays a central role in the risk management process. The membership structure of the Executive Committee is provided in Chapter 4, section 4.4.1 of this Registration Document.

3 CORPORATE SOCIAL RESPONSIBILITY

Chargeurs takes a bold yet realistic approach to corporate social responsibility.

Realistic in that we strive to respect the ecosystems in which the Group has operated for many years now, and which play an important role in the sustainability and competitiveness of our business activities. But bold, too, in order to give new impetus to our businesses, bringing with it empowerment and pride to drive yet further improvements in the Group's environmental and social footprint.

2017 was a landmark year in this respect, with the definition of a structured policy providing a genuine common guideline for all our business units, as well as a means of exchange and dialog with our stakeholders.

3.1. A STRUCTURED POLICY TO PROMOTE SUSTAINABLE COMPETITIVENESS

In keeping with our action since 2015, we wished to reaffirm our commitment to continuous improvement processes involving everyone in the Group, while providing clarity for all stakeholders. Over and above the Group's values, therefore, the Game Changer Program incorporates various ideas for introducing virtuous processes or innovations, in keeping with initiatives already taken in 2016, which aim to:

- improve customer satisfaction and the customer experience;
- promote human development empowering our employees to give free rein to their creativity.

But making our customers and our people the core focus must be more than just wishful thinking. We have therefore sought to enshrine this objective in a formal policy, driven from the very top.

We therefore took a solemn pledge on June 29, 2017 by signing the Global Compact and its fundamental principles. To make this pledge a high profile event and a clear framework for our future action, we went to the United Nations headquarters to sign it.

UN GLOBAL COMPACT
WE SUPPORT

The Global Compact initiative and its ten core principles bring together the world's most innovative companies in terms of sustainability, who commit to exceeding the standards of excellence defined through thematic initiatives that will make a lasting difference.

"Membership of the Global Compact supports our Game Changer strategy in niche industrial markets. Chargeurs now ranks amongst the most innovative companies in the world in sustainable development, raising its standards and the entry barriers to its businesses even higher", said Michaël Fribourg, Chairman and Chief Executive Officer.

Membership of the Global Compact must enhance the value we can bring to our customers, employees, shareholders and partners, and to all the local and international communities with which we work. It marks a turning point in our strategy of differentiation in our businesses.

This commitment to continuously improve our practices beyond the universally-recognized sustainable development principles we already respect, has been widely communicated internally within the Group.

Driven by this new impetus, Chargeurs focused its strategy in 2017 on three core thrusts:

- a disruptive approach to our markets and operational issues, documented and enriched by feedback from our customers;
- a new way of promoting our products, based more on their utilization and the solutions they bring our customers;
- a global, innovative approach to talent management, in tune with our international footprint and our Game Changer program.

During 2017, the Group invested in a digital tool to measure extra-financial performance. Work began on the project in the second half of 2017 and led to the production of a new set of consolidated data. All of the Group's entities have been informed about and trained in using the new tool, which will encourage reporting of the key information needed to guide our action plans and overall approach. It will also ensure that the information compiled is reliable, in particular by displaying available historical data. The efforts made by staff to be ready for the 2018 consolidation exercise is a further illustration of our investment in CSR.

Differences may have arisen in the results obtained compared with the previous year. Where this happened, we double checked the data and adjusted the parameters of the tool as needed during the current consolidation process to ensure its long-term reliability. Where necessary, explanations will be given in order to clarify any discrepancies.

3.1.1. EMPLOYEE INFORMATION

The Group is a decentralized organization driven by local management teams. While respecting this decentralized structure, Chargeurs remains committed to promoting social dialog, especially with employee representatives. Representative bodies have been elected in 13 subsidiaries, including the three main Chargeurs Protective Films units, the Chargeurs Technical Substrates production unit and the Chargeurs Fashion Technologies units with more than 50 employees worldwide. In France, the proportion of union representatives has held steady for many years, and stood unchanged from the previous year at 5.27%.

Moreover, the Group Works Council in France is helping to promote the exchange of views between the Executive Committee and employee representatives.

At the Council meeting held on June 8, 2017 at the Buire Courcelles production plant, elected representatives from Novacel, Senfa and Lanière de Picardie were able to meet with Group executives for a frank and open exchange of views. The Chairman and Chief Executive and the business unit heads presented the Group's development strategy, giving the elected representatives a better understanding of the Group's future direction and how its businesses are expected to evolve.

3.2. A CHARGEURS BUSINESS STANDARD

Membership of the United Nations Global Compact demands a rigorous approach and is a serious responsibility. Chargeurs has chosen to make this a reference point for all of its employees. All business units have taken the seven pillars selected by the Group and translated them into commitments supported by concrete action plans:

1. Governance;
2. Human Rights;
3. Working Conditions;
4. Environment;
5. Anti-Corruption;
6. Customer Focus;
7. Regional development.

This has resulted in 40 CSR action plans, each with progress targets for the next three years. The plans and targets will be reviewed regularly to further enhance the Group's projects as well as its internal relations, and they guide the action and initiatives to be put in place with the Group's stakeholders.

This approach began to produce tangible results as of 2017, reflected in some very concrete achievements:

3.2.1. RESPONSIBLE PURCHASING CRITERIA

To embed our CSR commitments in our relationships with stakeholders, the Group has worked on establishing a set of criteria to share with suppliers. These criteria were defined with assistance from the business unit Purchasing directors and managers and are based on the principles enshrined in:

- the 1948 Universal Declaration of Human Rights;
- the International Labor Organization (ILO) Conventions.

They constitute the minimum social, environmental and safety standards the Group expects of its suppliers to assure customers that our products are manufactured in socially and ethically acceptable conditions.

Social criteria

Minimum working age and child labor, freedom of association, right to organize and collective bargaining, prohibition of forced or compulsory labor, equal pay for men and women, and prohibition of all forms of discrimination in employment.

Environmental criteria

Environmental management systems, measurable objectives and action plans to reduce emissions, consumption of energy and natural resources, and hazardous and non-hazardous waste.

Health and workplace criteria

Written records of accidents, injuries and illnesses. Written instructions and safety training including proper use of chemicals, tools, machines and personal protection equipment. Regular risk reviews to identify and eliminate potential threats to health and safety in the workplace.

These criteria have been set out formally in a Responsible Purchasing Charter, which will be given to our key suppliers in 2018 with a view to working together to build a long-term, responsible, rational relationship that respects the underlying fundamental principles.

3.2.2. STRENGTHENING THE SAFETY POLICY AND SAFETY DAY

Safety First!

"Safety is a priority at Chargeurs. All employees working at our production plants and in our offices must be properly protected during working hours. All managers must be aware of their role and their own responsibilities as regards the safety of their staff. I am counting on you to make safety a day-to-day reflex to help us reach our target of zero accidents."

Michaël Fribourg, Chairman and CEO

The health and safety of our employees and subcontractors are an absolute priority across the organization.

In 2016, the Group added safety issues to its risk mapping.

In keeping with the Safety Charter signed by all Chargeurs production plants in 2015, the focus in 2017 was on obtaining feedback and identifying areas for improvements.

Following the Group's audit of its US plants at end-2016, a follow-up audit was conducted at end-2017 to make sure that all remedial actions had been taken. The results of this approach were positive. It has helped to strengthen the consistency of our overall systems and resulted in increased frequency of controls in the field.

Safety Day 1

The Group organized its first Safety Day on November 13, 2017 to heighten awareness at every stage of its operations and to encourage proactive behavior that goes beyond mere compliance with regulations and standards and the implementation of multi-year action plans.

The aim of the Safety Day was to focus attention on safety issues and to encourage production plants to review the mandatory notices displayed in their premises as well as their safety instructions, and also to update their staff training. It was a successful event worldwide. Each site organized its own program for the day based on a common indicative agenda, which included:

- a video message from the Chairman and Chief Executive Officer recalling the importance of safety and everyone's duty to contribute;
- a video message or a message in person from the business unit head, setting out the key figures for the business unit (see table in appendix) and the targets set for the year;
- workshops on the theme of safety (evacuation drills, posture workshops, onsite traffic regulations, etc.);
- guided tours.

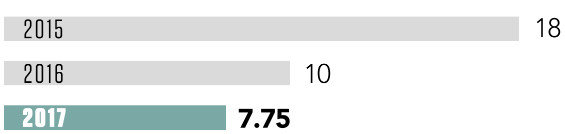
The aim of the event was to heighten awareness of everyone's responsibility for collective safety and to identify the drivers of a genuine shared safety culture.

Staff at all production plants took part, with the vast majority of them adopting a "zero accident" target for the following year and wanting to schedule the event again in 2018.

Thanks to the prevention efforts made by all staff, frequency and severity rates have fallen at all production plants.

N.B.: : The health and safety data concern all of the production units.

FREQUENCY RATE (FR) FOR OCCUPATIONAL ACCIDENTS GROUP-WIDE



The frequency rate worldwide stood at 7.75. Rates were much higher in the French textiles and chemicals sectors. Textile market: 19.3, Chemicals market: 16.1(Source: INRS).

SEVERITY RATE (SR) FOR OCCUPATIONAL ACCIDENTS GROUP-WIDE

The severity rate is calculated in line with French practices, based on calendar days of lost-time.

The SR worldwide was 0.49, compared with 1.1 for the textile segment and 1.0 for the chemicals segment (source: INRS).

(N.B.: like-for-like less four people at LPBC)

Occupational illnesses

One person in the Group was reported to be suffering from an occupational illness in 2017.

Source: *http://www.risquesprofessionnels.ameli.fr*.

3.2.3. A FORMAL, WIDELY CIRCULATED CODE OF CONDUCT

Following the risk mapping exercise in 2016, Chargeurs drew up its Code of Conduct in 2017, enshrining all of its principles in a single document to be understood and adopted in all of its business units. It is a clear, transparent reflection of the Group's policies, intended to harmonize practices. It is now being circulated throughout the Group, having first been presented to the employee representative bodies and to all managers.

Designed as both a tool and a reference framework, the Code of Conduct sets out the responsibilities of everyone, and particularly management, in terms of:

- respect for human rights and the prevention of child labor;
- zero tolerance of bribery and corruption;
- respect for commitments to customers and suppliers;
- safeguard of production facilities and employee protection;
- fair business practices.

Constant attention is paid to the practices of our employees and subsidiaries to ensure that they consistently set an outstanding example. Trust is one of our core values. To prevent and manage situations involving bribery, conflicts of interest or fraud, all employees are required to acknowledge their agreement to the principles set out in the Code of Conduct. This commitment is in line with our corporate values and is supported by the close relationships between the corporate business teams and their subsidiaries, as demonstrated by the regular visits to host countries by senior executives and by members of the corporate Finance and Human Resources departments.

The Code of Conduct also meets a legal requirement introduced by the Sapin II law of December 9, 2016. As required by the new law, and inspired by the work undertaken by the Middlenext Group, Chargeurs has set up a whistleblowing procedure, with a dedicated email address available on its website.

In addition to the Code of Conduct, the Group has also created an Ethics Committee, which includes three well known people from outside the Group selected for their impartiality and their experience. The Group's Chief Compliance Officer can refer to the Committee as necessary, particularly in whistleblowing cases but also for:

- defining and recommending best governance and ethics practices for the Group to the Board of Directors;
- overseeing and verifying the proper implementation of the Code of Conduct;
- providing an advisory opinion on any situation that may violate the Code of Conduct;
- investigating violations reported through the whistleblowing system and deciding what action needs to be taken: closing the case, adopting appropriate corrective measures or initiating disciplinary and/or legal proceedings;
- providing an advisory opinion on the suitability of the measures adopted by the Group in various situations.

It can be viewed on the Chargeurs website at www.chargeurs.fr/fr/content/responsabilite-sociale-et-environnementale

3.3. A TOUCH OF AUDACITY TO BENEFIT ALL OUR CUSTOMERS, PRESENT AND FUTURE

Chargeurs has always taken a bold, innovative approach. In line with the fundamentals of its CSR policy and their widespread dissemination, the Group launched several new products in 2017, stepping up a gear in response to customer demand and transforming its business model. These products reflect not only our technical innovation capability and the performance of our Research and Development teams, but also our ability to anticipate market trends and changes in society. Industry is not an end in itself, but a means to move more in tune with the times by meeting demand, anticipating needs and preparing for tomorrow's models and expectations. Chargeurs wants to move away from a strictly B2B approach so that we can listen more closely to our environment, our customers and suppliers in order to deliver not only quality products that meet the highest standards of the time, but also and above all solutions that can satisfy the most demanding and even the most skeptical of customers.

3.3.1. ORGANICA, A STITCH AHEAD

World leader in Merino wool, Chargeurs Luxury Materials launched its new **Organica Precious Fiber** wool mark in 2017, a new standard in quality and responsibility not only for the clothing brands but also for the end consumers themselves.

Chargeurs has specialized in high added-value textiles since the 1980s and is fortunate enough to serve the biggest global apparel and clothing brands, particularly in the luxury segment.

It has always been obvious to Chargeurs that the best will always seek out the best in terms of product quality and business commitment.

So even though the mass consumer market had not yet expressed a demand for it, Chargeurs Luxury Materials designed a new quality wool mark with unprecedented standards in terms of scope and level of detail.

Chargeurs Luxury Materials is proud to claim that it personally knows every single livestock farmer that produces the world's finest and most responsible wool. Through its demanding standards and deep-rooted concern for truth and integrity, the business unit has succeeded in providing the largest clothing brands with a certification and traceability mark for the entire Merino wool value chain "from the sheep to the shop".

ORGANICA
PRECIOUS FIBER

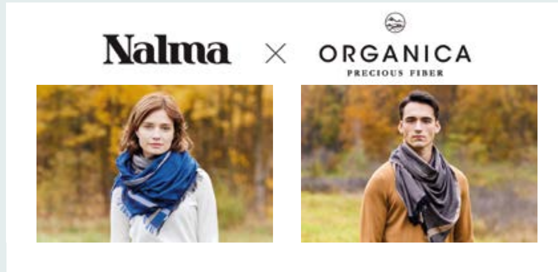
Organica, the new standard in premium Merino wool fibers, was born of a passion and a goal shared by Chargeurs Luxury Materials and the Merino wool farmers to produce a fiber of unrivaled quality. It is also reflects a demanding commitment to consumers who are seeking responsible, long-lasting, high-quality products.

The Organica wool mark has high standards in terms of animal welfare, land management, environment, CSR (for farms and production plants) and traceability.

By signing up to the Organica approach, the largest global clothing brands are proclaiming their commitment to integrity, quality, traceability and sustainability.

And more importantly, they are demonstrating their respect for consumers and the new demanding standards that consumers are now looking for.

Nalma, Chargeurs Precious Fibers first capsule collection



The world leader in high quality combed wool, Chargeurs Luxury Materials now offers outstanding Merino fibers for global premium clothing and sportswear brands.

In 2017, Chargeurs Luxury Materials wished to demonstrate and promote its commitment to quality and respect for the environment, animal welfare and the men and women who work in their combed wool production chain by launching Organica Precious Fiber, a new global eco-responsible Merino wool mark that offers a full set of standards in terms of the environment, animal welfare and people.

With this in mind and to raise the mark's profile, Chargeurs Luxury Materials launched a capsule collection of Organica wool scarves so that end consumers could see for themselves the Organica guarantee and values.

This limited edition luxury collection was proposed exclusively online during the month of December 2017 on www.myorganicashop.com.

Made in Biella in Italy, the cradle of European wool production, in an array of soft shimmering colors and presented in an attractive box, the scarves made an ideal Christmas gift for responsible consumers in search of something timeless, stylish and elegant.

This capsule collection was the Chargeurs Group's first venture into a B2C activity, in keeping with the eco-responsibility and social responsibility values cherished by the Group. Online distribution was a natural choice for an innovative "game changing" group like Chargeurs.

3.3.2. SUBLIMIS, UNIQUE IN THE WORLD

The market

Digital printing is a booming market and new printing technologies are constantly emerging. The dye sublimation printing market is expected to be worth €604 million in 2021, representing 44% growth from 2016 to 2021, all applications combined (apparel, furnishings, technical textiles, display).(1)

THE NEW PATENTED INNOVATION, MADE BY SENFA

The innovation

(1) *Source: Smithers & Pira report on "The Future of Digital Textile Printing to 2021".*

This market opportunity arose after four years of research and development into the patented SUBLIMIS® innovation: a real revolution in dye sublimation printing. Thanks to SUBLIMIS®, the problem of ink migration is a thing of the past for printers. It avoids the formation of phantom images and reaches a standard of excellence in terms of density and color contrast, with a remarkable depth of blacks for an outstanding result.

Technical content

SUBLIMIS® is a 100% polyester fabric coated on one side, designed for direct or transfer sublimation printing using water-based inks, which are more environmentally friendly as they do not contain solvents and are odorless. During the printing process, the inks are placed on the uncoated polyester side and penetrate into the structure of the fibers. As it cools, the ink solidifies in the core of the fabric, giving a highly resistant, durable HD photographic finish. The inks will not fade or crack over time.

By contrast, UV inks, which are printed on the coated side of the fabric, must be handled with care so as not to spoil the printing. Apart from these qualities, SUBLIMIS® meets the fire-resistant standards required for applications in public places.

Applications

SUBLIMIS® is the perfect dye sublimation printing solution for backlit applications, producing vivid colors for graphic communication and guaranteeing a strong visual impact.

Marketing

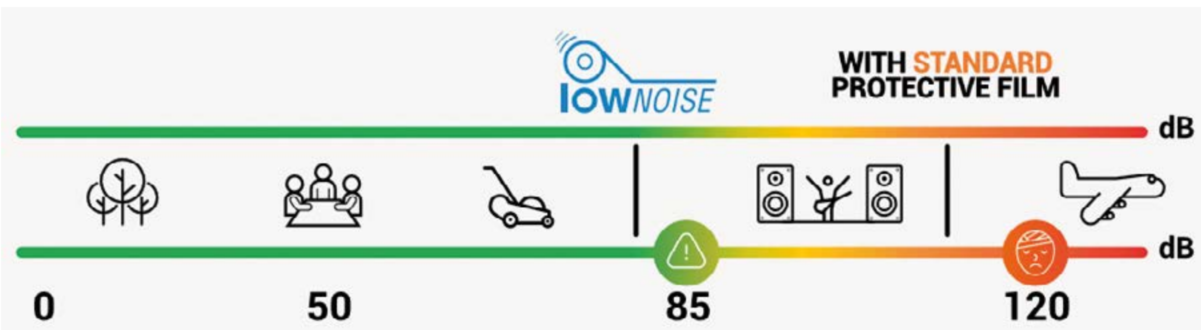
Leveraging its commercial success, SUBLIMIS® is now spreading across many countries in Europe, the United States and Asia.

3.3.3. CONCERTO, IN HARMONY WITH ITS CUSTOMERS

Novacel's revolution is called Concerto, the new Low Noise technology.

Novacel, world leader in manufacturing and marketing adhesive film for temporary surface protection applications, is back on the innovation trail. After developing the Novacel®4228REF protective film for fiber and CO_2 sheet metal laser cutting applications, which is now the industry benchmark, Novacel is now investing in its customers' safety and wellbeing in the workplace.

a. Roll unwinding noise below 85 dB



The new Low Noise technology means that rolls of high-adhesive protective film can now be unwound at a noise level of less than 85 dB. This is below the current international standards and, in particular, the standards stipulated in European directive 2003/10/EC, which require personal protection equipment to be worn at a noise level above 85 dB.

Low Noise technology thus affords a quieter working environment during surface application of the high-adhesive protective film. The reduction in noise, which has been measured by an approved inspection agency, does away with the need for personal protection equipment and provides production line operators with an unequaled level of acoustic comfort.

Corporate health and safety committees are seeking solutions to combat noise in workshops, a need met by Novacel Low Noise technology.

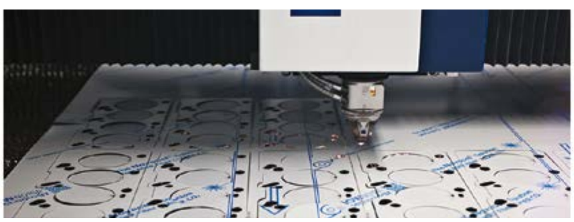
Our customers' productivity and quality of production obviously depend to some extent on the level of concentration of their production line operators. A less noisy working environment, thanks to Novacel Low Noise technology, helps them to concentrate better. It also helps to protect their health, a vital component of wellbeing in the workplace.

Low Noise technology also reduces costs by doing away with the need to purchase hearing protection equipment or equipment directly integrated on the film lamination machines.

b. Easier to unwind

In addition, Novacel Low Noise technology offers a much reduced unwind force. The rolls are easier to install on the production line and there is less risk of injury to the operators during the daily manual unwinding operations. This is not only a benefit sought by workplace health and safety departments, but also saves time when changing rolls, thus improving the productivity of customers' production lines. The quality of lamination is improved as there is no elongation or lamination-related defect.

c. Novacel Low Noise technology, part of the Novacel Fiber Laser range



The new Novacel Low Noise range retains all the benefits of the Novacel Fiber Laser range and can be used safely with fiber and CO_2 technologies at maximum cutting speed in one pass.

The Novacel Low Noise range is already used in three fiber and CO_2 laser products that cover all the needs of the laser cutting market. The range has its own visual identity, including the laser indications for fiber and CO_2 technologies, the brushing direction, and a QR code for access to a dedicated website (*www.novacel-lownoise.com*) providing further information about Low Noise technology and its benefits.

Novacel is as fully committed to the safety and wellbeing of its customers as it is to operational excellence.

3.3.4. CFT, KEY ALLY OF THE SUSTAINABLE FASHION INDUSTRY AND SUPPORTER OF LOCAL ECONOMIES

Chargeurs Fashion Technologies is a leading player in interlinings and, for many years, has been creating ever more innovative products suitable for use with new fabrics and new men's, women's, children's and outdoor clothing ranges. Apart from developing its environmentally friendly Eco-in range, CFT continues to pursue its research and has developed and marketed a number of new interlining qualities suitable for new men's and women's fabrics:

- a line of low temperature fusible products for Leather and Hides;
- a line of lightweight, very supple polyester interlinings in fine gauge, suitable for use in women's jacket fronts;
- a lightweight anti-moire effect polyester interlining for the most delicate women's fabrics;
- a line of medium and heavyweight anti-snagging top satin interlinings for menswear;
- lightweight interlinings for menswear;
- 100% woven cotton interlinings for shirt collars.

Chargeurs Fashion Technologies supports students and young designers through training and other initiatives:

a. For students, through conferences and training in fashion and design schools:

- in 2017: the ISSA, Chardon Savard, Paris Académie Internationale de Coupe;
- in 2018: conferences and training held at Esmod and La Fabrique/ESIV, with others to follow in France, then England, Italy and Germany;
- CFT also offers the possibility of guided tours around its Buire-Courcelles plant (Lainière de Picardie).

b. For designers, through personalized support for selected Young Designers:

- technical advice and product studies at the Nertex studio in Paris;
- sampling;
- showroom availability in Paris: Young Designer Armine Ohanyan, winner of the 2016 E-Fashion Award, was able to use our Paris studio during the weekend of the Fashion-Week event in September 2017;

- contacts with our partners Ateliers de Couture (Association Jean-Luc François) and luxury garment makers.

c. The Young Designers' Club

This club is currently being set up and will offer members:

- training and themed workshops on interlining, in the form of regular "morning" get-togethers;
- personalized support;
- visits to the Lainière de Picardie plant;
- access to our network of partners across the world;
- involvement of partners, experts, etc.

Chargeurs, a helping hand for the new generations

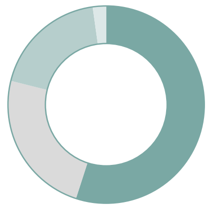
Keen to teach the new generations about the world of industry, Chargeurs opened up its three French production plants to local schools on March 23, 2017 as part of the French Youth Day initiatives. 125 young people were able to learn about our businesses and gain a better understanding of the career opportunities that industry can offer them. An experience judged to be positive by participants, organizers and press reporters alike.

3.4. TALENT AT THE HEART OF THE CHARGEURS MODEL

As of December 31, 2017, the Group had 1,567 employees, making a total of just under one hundred new hires since 2016. This increase in headcount is due to a policy of integrating new talent following acquisitions of companies such as Somerra, Walco and Omma in the Chargeurs Protective Films business unit, and also the targeted hiring of young people to strengthen our teams and bring their skills and energy to the Group's development projects.

Chargeurs is a resolutely international group that can provide its employees with an endless source of opportunity and makes diversity an everyday reality. Our businesses experience this on a day-to-day basis and adapt their organization structures to this ever more pervasive change.

GROUP HEADCOUNT: GEOGRAPHIC BREAKDOWN



Temporary staff represented 4.4% of total employees, compared with 2.6% in 2016. They are generally taken on in response to production peaks.

Group-wide, Europe accounted for 55% of the total workforce at year-end, with Asia, Africa and the Pacific region representing 24% and the Americas 19%. The breakdown by region remains relatively stable. Diversity is ever present within the Group and is reflected in frequent interaction between employees used to juggling with the different time zones across the world to maintain the necessary contact.

Business units are adapting their organization structures to better reflect their decision-making processes and geographic coverage. Chargeurs has always privileged local management teams in its host countries and it seems only right that the executive bodies should reflect this same fundamental logic that drives business performance.

In terms of the regional, economic and employment impact of our operations, we are committed to preserving jobs in our host communities. In France, in particular, with three production plants in the regions, we are helping to maintain a balance of supply and demand in these labor markets. Because it hires locally, Chargeurs is recognized in its host countries as a source of local economic development.

EQUAL OPPORTUNITY

Of the total workforce, 26% are women, down slightly from 26.5% in 2016.

In the business units, the ratio was 16% at Chargeurs Protective Films, 44% at Chargeurs Technical Substrates, 32% at Chargeurs Fashion Technologies and 40% at Chargeurs Luxury Materials, a 5% increase compared with 2016. Women also accounted for 52% of holding company employees, 2% more than the previous year.

This relative stability masks a more positive change in the ratio of women in management positions, from 22.9% in 2016 to 25.54%. Chargeurs is committed to equality, giving the Group's women access to opportunities and networks (for example, taking part in events such as the Women's Forum in October 2017) and paying special attention in its recruitment processes to the diversity of candidates selected in terms of gender, origin or training.

In addition, 40% of the members of Chargeurs' Board of Directors are women.

The array of nationalities among our managers across the globe reflects the cultural diversity of Chargeurs' teams. As we said earlier, Chargeurs is a decentralized group and works on developing its organization structures accordingly. This fundamental principle ensures that the Group preserves and enhances its diversity of talent and cultures, which drives innovation and keeps its businesses competitive.

RELATIONS WITH LOCAL ORGANIZATIONS

Both in France and abroad, relations with local organizations, subcontractors and suppliers are conducted in accordance with Chargeurs' values – in particular value creation for our customers, employees and shareholders, respect for people and property, and fair and honest business practices – and with the standards of good practice embraced by every plant or corporate manager.

Our management organization combines decentralization and empowerment, so that local management is responsible for relationships with schools and universities, trade federations, environmental protection associations and local communities.

In France, for example, Novacel, Lainière de Picardie and Senfa are deeply involved in the local, national and international industrial fabric through their support for general, business and trade schools (in particular by paying the French apprenticeship tax to selected institutions), their partnerships with universities, technical laboratories and innovation clusters, and their participation in national and international trade federations. These partners provide them with invaluable expertise and an outside perspective.

In as much as Chargeurs operates in B2B niche markets without any direct contact with end-consumers, there are only limited opportunities for dialog with stakeholders interested in our activities, such as associations to combat social exclusion, academic institutions, environmental protection associations, consumer associations and host communities. Nevertheless, to the extent possible, we are committed to acting in harmony with the cultures and traditions of our host countries.

For example, employees of CFT Ethiopia took part in the "Protect Lake Hawassa" initiative organized by the German international cooperation agency (GIZ) with the aim of protecting biodiversity in Lake Hawassa, which is only five kilometers from the industrial park where CFT has opened a new production plant.

The Hawassa industrial park, located in the town of the same name, is the largest of its kind in Ethiopia. Powered by renewable electricity sources, it is the country's first major eco-friendly development. The park will provide jobs for more than 50,000 Ethiopians. It meets the highest environmental standards and will employ Zero Liquid Discharge (ZLD) technology.

In the United States, the employees of Chargeurs Protective Films rallied to support victims of the hurricanes in 2017 by providing supplies and donations.

In New Zealand, Chargeurs Luxury Materials supports charities and sporting events such as cancer research, the salvation army and the local nursery rugby team (three to five years old).

Chargeurs S.A. has donated €80,000 to the Choiseul Institute, which is dedicated to analyzing international strategic issues and global economic governance. It has also provided financial support for "Agir pour l'école", which develops new experimental methods for learning to read based on serious scientific research with convincing results.

Chargeurs has long forged dedicated partnership agreements in each business.

Chargeurs Luxury Materials, for example, has backed its powerful worldwide combed wool sales network with four industrial partnerships in four countries on two continents to guarantee the reliability, traceability and quality of the delivered products and services, based on trust, respect and transparent relationships. Chargeurs Fashion Technologies has also partnered with a Chinese company.

3.5. AN AMBITIOUS TRAINING PROGRAM, DRIVING THE GROUP'S TALENT DEVELOPMENT

The Group considers employee training as a priority and a key issue.

In 2017, 13 hours of training were provided per person, a 33% increase compared with the previous year. All business units were made aware of the importance of developing employee skills at all levels.

Health, safety and environmental training accounted for 51.44% of total Group-wide training hours in 2017. The decrease relative to the previous year is not because these issues are seen as any less important, but arose from:

1. the general increase in training provided in 2017;
2. the new data consolidation method, which is more rigorous and detailed, splitting out the different types of training more clearly. 2017 will now be the baseline for comparison.

In 2017, 525 employees followed an accredited training course and 1,136 received some form of non-accredited training.

Some employees may have received both accredited and non-accredited training.

At CFT, training to safeguard and transfer know-how

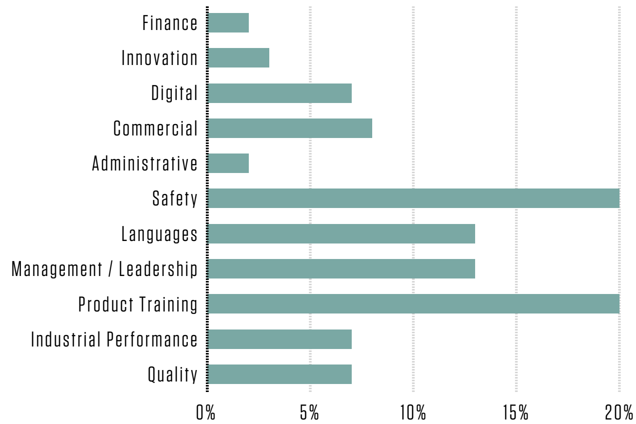
Further to the "Know-how" safeguard and transfer program and the professional qualifications introduced a few years ago, CFT's Buire Courcelles plant is now developing apprenticeships in various trades (Warping, Knitting, Finishing, Dyeing, Inspection, Maintenance, IT, Finance) enabling it to safeguard and gradually transfer its technical know-how.

Combining practical, hands-on training in the workplace with more theoretical teaching related to the company's business in an apprentice training center, the Buire Courcelles plant took on 13 employees on combined work/training programs in 2017, i.e., 7% of its total headcount.

Apart from the gradual transfer of the company's values, methods and objectives, these combined work/training programs help to prepare young people for working full-time in the company once they have finished their apprenticeship.

A strict approach was introduced in 2017 to identify support needs, in line with the core pillars of the Game Changer Program. Several training areas were identified for the 2018 training plan:

TRAINING AREAS – 2018 PLAN



The 2018 budgets include an unprecedented training effort for staff and young talent, with an increase of 70% compared with 2017 expenditure.

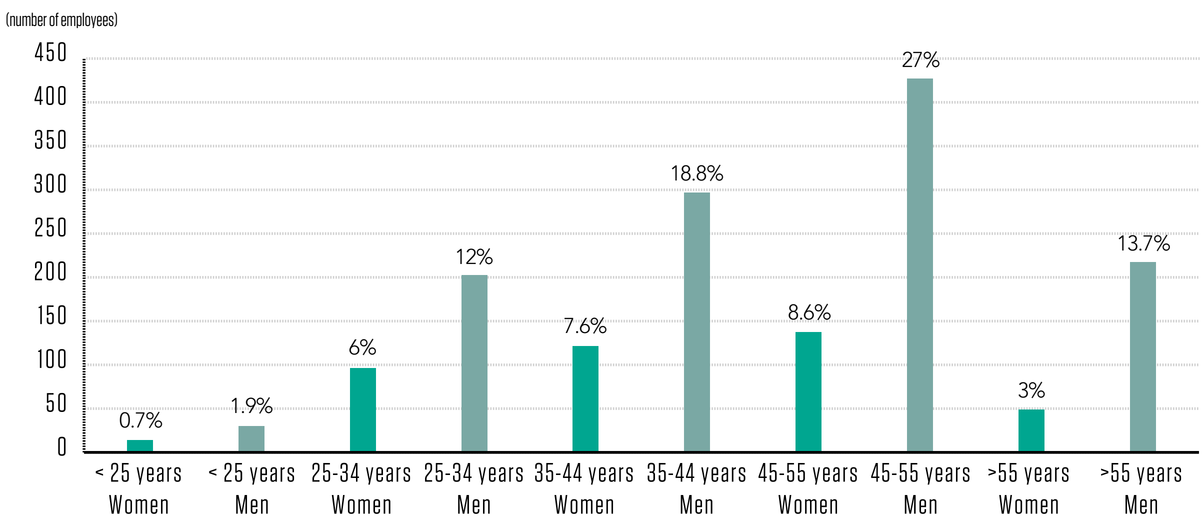
In addition to these programs, a variety of cross-functional training courses have been prepared for managers in positions of responsibility and for new joiners. More particularly, an **Executive Management Program** will be available for the first time in 2018 to support the rollout of Game Changer, with an initial intake of 25 operating managers embarking on a program of excellence.

In 2017, the Group also developed innovative induction programs to promote the diversity of the Group's businesses and give new joiners a more streamlined knowledge of all the personal career opportunities that Chargeurs can offer. Chargeurs strives to provide a broad array of internal mobility and career opportunities in the firm belief that greater exchange between staff members can make a valuable contribution.

A seminar held in mid-2017 bringing together some one hundred managers from all countries and all business units helped to build a genuine internal network and create a wealth of opportunities.

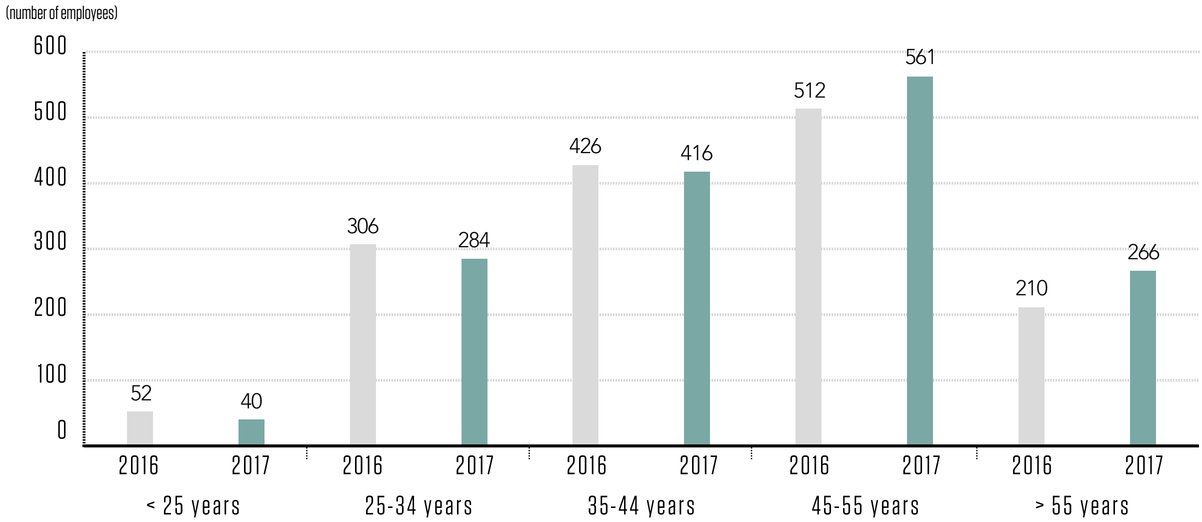
Quarterly induction days were introduced in the final quarter of 2017 to help new joiners settle in more quickly.

AGE PYRAMID BY GENDER IN 2017 WORLDWIDE



The age pyramid by gender is being presented for the first time.

AGE PYRAMID, 2016 VS 2017



HUMAN RESOURCES INDICATORS

The table below shows the human resources indicators for the Worldwide scope

Employees	Definition	Measurement unit	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017
Total employees	Employees on payroll at December 31	Employees under permanent and fixed-term contracts	1,512	1,506	1,567
Use of temporary staff	Temporary staff	% of total employees under permanent and fixed-term contracts	2.8%	2.6%	4.4%
Employees by business	Group employees by business	Headquarters	15	18	21
		Protective Films	542	632	678
		Fashion Technologies	857	754	763
		Technical Substrates	76	79	80
		Luxury Materials	22	23	25
Employees by region	Group employees	France	517	536	606
		Rest of Europe	246	234	270
		Asia (including Africa/Oceania)	498	423	393
		Americas	251	313	298
	Chargeurs Protective Films	Europe	79%	69%	71%
		Asia (including Africa/Oceania)	6%	5%	7%
		Americas	15%	26%	22%
	Chargeurs Fashion Technologies	Europe	27%	32%	36%
		Asia (including Africa/Oceania)	54%	50%	46%
		Americas	19%	18%	18%
	Chargeurs Technical Substrates	Europe	100%	100%	100%
		Asia (including Africa/Oceania)	0%	0%	0%
		Americas	0%	0%	0%
	Chargeurs Luxury Materials	Europe	41%	39%	72%
		Asia (including Africa/Oceania)	18%	22%	16%
		Americas	41%	39%	12%
Gender parity	Group employees	Number of men	1,094	1,107	1,159
		Number of women	418	399	408
		Percentage of women	27.6%	26.5%	26%

Training	Definition	Measurement unit	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017
Training hours	Time spent in training by employees who attended at least one training course	Average training hours per person	16 hours	11 hours	13 hours

Safety	Definition	Measurement unit	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017
Accidents	Frequency rate: number of occupational accidents per million hours worked	Occupational accidents resulting in at least one day of lost time	18.0	10.2	7.75
Absenteeism due to occupational accidents, excluding commuting	Severity rate: number of days' absence per thousand hours worked	Days lost due to an occupational accident	0.6	0.5	0.49

Compensation	Definition	Scope	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017
Payroll costs	Annual payroll costs *(in euro millions)*	Employees of fully consolidated companies worldwide	76.7	77.8	87.1

During 2017, there were 258 joiners and 190 leavers.

Because of the Group's geographic reach and its principle of respecting local practices and regulations, it is not possible to harmonize working arrangements across all production plants. Each business unit manager is responsible for organizing the unit's work in accordance with the national legislation.

OUTCOMES OF CORPORATE AGREEMENTS

In compliance with local labor legislation, the French units conducted negotiations on the annual pay round during the year. Outside France, a subsidiary has signed an agreement on compensation. There were no new agreements on workplace health and safety.

Disabled employees accounted for 6.2% of the workforce in the three French subsidiaries, well above the actual average rate of 3.6% in the French private sector in 2017 (source: Agefiph).

3.6. ENVIRONMENTAL INFORMATION

In 2017, Chargeurs invested in an extra-financial reporting tool, a web platform enabling CSR officers in the subsidiaries to report almost 160 metrics on three themes: employment, environmental and social.

It will become a genuine means of monitoring the Group's extra-financial performance, with easy data entry and automatic calculations of, for example, greenhouse gas emissions and workplace accident frequency rates.

The introduction of this new tool in 2017 has led to a considerable improvement in data reliability. Consequently, some year-on-year changes are not relevant and the Group has chosen to take 2017 as the baseline year to set ambitious CSR performance targets.

In 2017, environmental data were reported from 12 production facilities operated by the Group during the year, of which four Chargeurs Protective Films units, one Chargeurs Technical Substrates unit and seven Chargeurs Fashion Technologies units.

The results are expressed in total Group consumption and then broken down into consumption per million square meters for each business unit.

Food waste is not addressed in this report because management feels that it does not have a material impact on our operations.

PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

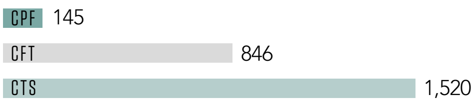
None.

N.B.: the data shown below are for the Chargeurs Group as a whole in 2017.

ENERGY USE

Total Group energy use: 248,397 MWh

Energy use in MWh/mm² *(millions of square meters)*



To optimize energy consumption and support the energy transition, Chargeurs business units are using various drivers, such as:

- The eco-design management system at CTS, which aims to design more environmentally friendly products. This design method is based on a holistic, multi-criteria analysis aiming to reduce the product's future environmental impacts across its life cycle, from raw materials extraction to manufacture, transportation, utilization, and end-of-life. This management system helps to control the relatively high amounts of energy used to functionalize textiles for specific applications, such as the shading or uniform diffusion of light, soundproofing or electromagnetic wave (GSM, WiFi) filtering.

  In recognition of this commitment, the French standards association AFAQ-AFNOR has awarded the management system the AFAQ Confirmed Eco-Design label, which equates to level three out of a possible four. This award certifies the maturity of the environmental management system for CTS products.

- The other business units have also embarked on action plans, with specific targets. CPF aims to reduce its energy consumption by 7% by the end of 2020, while CFT plans to conduct an internal audit in 2018 to assess the environmental impact of its worldwide production plants in terms of energy, air, water and waste.

CO_2 EMISSIONS

Group CO_2 emissions 55,727 tons

Greenhouse gas emissions in tons of CO_2e/mm²

The Chargeurs Group's CO_2 emissions are directly related to energy consumption. The business units each have their own proactive approach to cutting CO_2 emissions, with action plans and targets designed to reduce their contribution to climate change.The use of goods and services produced by Chargeurs has no material impact in terms of greenhouse gas emissions and therefore with respect to climate change. Chargeurs Group remains vigilant after the hurricanes that ravaged the east coast of the US in 2017. At CPF, the Main Tape plant in New Jersey shut for two days because of Hurricane Irma. Climate change is unarguably having an impact on our economy and Chargeurs remains mindful of the need to adapt accordingly.

WATER USE

Total Group water use: 731,206 m³

Water use in m³/mm²

Chargeurs Fashion Technologies uses 4,070 cubic meters of water per million square meters , a high level of consumption due to the nature of its business, which requires substantial water resources in the design and utilization of coating techniques. It aims to reduce its consumption by 230 cubic meters per million square meters by 2020. All of the Group's plants source their water according to local constraints, mainly from the water table and the mains water supply.

VOC EMISSIONS

Group VOC emissions: 962 tons

VOC emissions in TeqC/mm²

Chargeurs Protective Films supplies self-adhesive films for the temporary protection of fragile surfaces. Some of the adhesives used are solvent-based. CPF has a solvent recovery unit at all its main production plants to limit its VOC emissions, with a target of reducing them by 20% by 2020.

NON-HAZARDOUS AND HAZARDOUS WASTE DISPOSAL METHODS

Total Group non-hazardous waste production: 9,187 tons

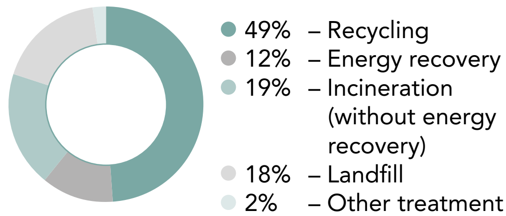
Non-hazardous waste in T/mm²

Non-hazardous waste mainly comprises standard industrial waste such as paper, cardboard, wood and textile waste.

Total Group hazardous waste production: 1,116 tons

Hazardous waste in T/mm²

WASTE DISPOSAL METHODS



Hazardous waste comprises hydrocarbon water mixtures and soiled barrels.

Almost 50% of the Group's waste is recycled, thereby contributing to the circular economy. The business unit action plans aim to reduce quantities and optimize the use of raw materials in an eco-design approach. The goal is to produce goods and services while keeping the use and waste of raw materials and non-renewable energies to a very strict minimum.

Data related to waste collected by SITA, i.e., more than 50% of Senfa's waste, are not available.

3.7. REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

For the year ended December 31, 2017

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

To the Shareholders,

Chargeurs
112, avenue Kléber
75116 Paris, France

In our capacity as Statutory Auditor of Chargeurs, appointed as independent third party and certified by COFRAC under number 3-1060 (available on *www.cofrac.fr*), we hereby report to you on the consolidated employment, environmental and social information for the year ended December 31, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de Commerce*).

COMPANY'S RESPONSIBILITY

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

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

STATUTORY AUDITOR'S RESPONSIBILITY

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

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

It is not our responsibility to express an opinion on its compliance with other legislation that may be applicable, in particular the provisions of article L.225-102-4 of the French Commercial Code relating to the Duty of Care Plan (*plan de vigilance*), or the provisions of law No. 2016-1691 of December 9, 2016 (Sapin II law) on the prevention of bribery and corruption.

Our work involved five persons and was conducted between January and February 2018 during a period of approximately four weeks. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated May 13, 2013, defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement and with ISAE 3000 (Insurance engagements other than audits or reviews of historical financial information) concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

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

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

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

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code.

Conclusion

Based on the work performed, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

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

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

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

Regarding the CSR Information that we considered to be the most important, a list of which is provided in the appendix:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us (LP Wujiang, Main Tape, LPBC, Novacel and Senfa) on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and performed extensive tests, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 100% of headcount considered as material data of social issues and between 50% and 100% of quantitative environmental data considered as material data of environmental issues.

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

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

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our reasonable assurance conclusion. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no 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.

Neuilly-sur-Seine, February 22, 2018

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bertier
Partner

Pascal Baranger
Corporate Social Responsibility Department Director

APPENDIX: LIST OF CSR INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

EMPLOYMENT INDICATORS

- Total workforce and breakdown by gender, age and geographical region, including total employees at end-March 2017, breakdown by category, gender and region;
- Joiners and leavers, including number of joiners, number of resignations and number of dismissals;
- Absenteeism, including absenteeism rate;
- Occupational accidents, including frequency and severity, and occupational illnesses, including number of accidental deaths in the workplace (employees and sub-contractors), number of serious occupational accidents and frequency rate of lost-time occupational accidents (employees and sub-contractors);
- Total number of training hours, including total number of training hours and average number of training hours.

Including the following indicators: Number of employees by gender (men); Number of employees by gender (women); Age pyramid; Number of joiners; Number of leavers; Number of occupational accidents; Number of days lost due to occupational accidents; Occupational accident frequency rate; Occupational accident severity rate; Number of persons trained; Number of training hours provided; Number of safety-related training hours provided; Number of training hours provided x number of persons receiving quality, health and safety training;

ENVIRONMENTAL INDICATORS

- Organization of the reporting entity to take into account environmental issues, including environmental assessment and certification processes;
- Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment, including VOC emissions;
- Measures to prevent, recycle and eliminate waste, including production of hazardous and non-hazardous waste and percentage of hazardous and non-hazardous waste recycled;
- Energy consumption, measures taken to improve energy efficiency and use of renewable energy, including consumption of natural gas, butane/propane and other types of gas, domestic fuel, steam/heat network, electricity, coal, heavy fuels and other combustibles;
- Greenhouse gas emissions, including direct and indirect CO_2 emissions due to energy consumption and other direct CO_2 emissions due to fugitive HFC emissions, CO_2 emissions due to business travel.

Including the following indicators: Electricity consumption based on the country's average national mix; Consumption of natural gas for heating; Water consumption; VOC emissions; Greenhouse gas emissions; Metric tons of hazardous waste produced; Metric tons of non-hazardous waste produced; Percentage of waste sent to landfill; Percentage of waste incinerated; Percentage of waste recycled into energy.

SOCIAL INDICATORS

- Relations with persons or organizations that may be affected by the Company's operations, including associations combating social exclusion, educational establishments, environmental protection organizations, consumer associations and local residents;
- Inclusion of social and environmental criteria in the procurement policy;
- Extent of sub-contracting and consideration of the corporate responsibility of suppliers and contractors in dealings with them;
- Measures taken in favor of consumer health and safety.

4 CORPORATE GOVERNANCE

The report on corporate governance required pursuant to articles L. 225-37 and L. 225-68 of the French Commercial Code (*Code de Commerce*) is included in this Chapter 4 and in sections 6.4.3 and 6.4.4 (see cross-reference table in section 8.6.3).

4.1. CORPORATE GOVERNANCE FRAMEWORK

REFERENCE FRAMEWORK

The Board of Directors has chosen to use the Corporate Governance Code for Small- and Mid-caps published by MiddleNext in September 2016 as its reference framework for corporate governance practices and procedures, and particularly for the preparation of this report.

Since changing its governance structure on October 30, 2015, Chargeurs has enriched its corporate governance rules with a view to continually ensuring that its governance practices are adapted to its operating context and requirements and building a set of rules that will facilitate its business development over the long term. As part of this continuous improvement approach, the Company has particularly drawn on the MiddleNext Code (including its September 2016 revised version), and therefore applies the majority of the recommendations contained in this Code.

The Registration Document contains a summary table setting out the recommendations in the MiddleNext Code that are not relevant to the Company or that the Company has elected not to apply, with explanations provided in each case.

The members of the Board of Directors have been informed of and have reviewed the "*Points de vigilance*" ("Points to be watched") sections of the Code, which set out the main issues to be addressed in order to ensure that the Company's governance system operates smoothly. The directors recognize that the purpose of these sections of the Code is to encourage the Board to consider these issues, without necessarily being required to prepare explicit, detailed responses.

Chargeurs' practices and procedures in the areas of risk management and internal control are based on the general principles defined by the AMF in its July 22, 2010 document entitled "*Cadre de Référence sur les dispositifs de gestion des risques et de contrôle interne: Guide de mise en oeuvre pour les valeurs moyennes et petites*", which provides a risk management and internal control framework and guidelines for small- and mid-cap companies.

4.2. MIDDLENEXT CORPORATE GOVERNANCE CODE RECOMMENDATIONS THAT WERE NOT APPLICABLE OR WERE NOT APPLIED AT DECEMBER 31, 2017

Recommendation	Chargeurs' position
R3: Composition of the Board – Independent directors There are five criteria justifying the independence of directors, characterized by the absence of any significant financial, contractual or family relationship likely to affect their independence of judgment. Consequently, an independent director must not: – be – or have been in the past five years – a salaried employee or corporate officer of the Company or of a company in its Group; – have – or have had in the past two years – significant business relations with the Company or its Group (as a customer, supplier, competitor, service provider, creditor, banker, etc.); – be a major shareholder of the Company or hold a significant percentage of its voting rights; – have any close family relationship or other personal ties with a corporate officer or a major shareholder of the company – be – or have been in the past six years – a Statutory Auditor of the company. Independence is also a state of mind whereby a person must be capable of fully exercising their freedom of judgment and of putting forward objections or stepping down if they consider this necessary.	The criteria that Chargeurs' Board of Directors uses to assess the independence of its members is closely based on the recommendations in the MiddleNext Code. In practice, the independent members of the Board meet all of the criteria set out in the Middlenext Code. However, the Board has decided not to apply the new timeframes recommended in the September 2016 revised version of the MiddleNext Code for criteria (i) and (ii) in its Rules of Procedure. In criterion (i), the length of time during which an independent director must not have been an employee or corporate officer of the company or its group has been extended to five years in the revised Code (from three previously), and in criterion (ii), the number of years during which an independent director must not have had significant business relations with the company or group has now been set at two years. The extension of the timeframes for these two criteria would not have affected the terms of office of the Group's directors. The Board considered that these extended timeframes do not provide an additional guarantee of independence compared with the previously applicable periods and that the lengths of time concerned should be assessed in light of each director's specific situation.
R15: Corporate officers and employment contracts In compliance with the relevant regulations, the Board of Directors should decide whether or not to authorize the following corporate officers to continue to have an employment contract when serving their terms: the Chairman, the Chairman and Chief Executive Officer, the Chief Executive Officer (for joint-stock corporations with a Board of Directors), the Chairman of the Management Board (for joint stock corporations with a Management Board and a Supervisory Board) and the Managing Partner (for partnerships limited by shares). The reasons for the decision should be presented in detail in the Board's report to the Annual General Meeting.	This recommendation does not apply to Chargeurs as the Chairman and Chief Executive Officer does not have an employment contract with the Company.
R17: Supplementary pension plans In addition to the authorization procedures provided for by law, in the interests of transparency, the Board of Directors' report to the Annual General Meeting should include details of any defined benefit supplementary pension plans set up for corporate officers, and the reasons for such benefits.	This recommendation does not apply to Chargeurs as there are no supplementary pension plans.

4.3. GOVERNANCE STRUCTURE AND BOARD COMMITTEES

GOVERNANCE STRUCTURE

As a reminder, when Colombus Holding SAS became Chargeurs' major shareholder in 2015, and in view of the fact that each Group division already has their own operational management team, the Board of Directors decided to put in place a governance structure that is better suited to the Company's situation. It therefore combined the positions of Chairman of the Board and Chief Executive Officer, appointing Michaël Fribourg to this post.

Chairman and Chief Executive Officer

Following the decision to change the Company's governance structure, the Board of Directors appointed Michaël Fribourg as:

- Chairman of the Board of Directors, for his term as a member of the Board; and
- Chief Executive Officer, for a period of five years.

The Chairman and Chief Executive Officer (i) organizes and leads the work of the Board and reports thereon to the shareholders at General Meetings; (ii) oversees the effectiveness of the Company's governance structures and monitors compliance with generally accepted governance principles and best practices; and (iii) assumes responsibility for implementing the strategy decided by the Board of Directors and for the day-to-day management of the Company.

Combining the roles of Chairman and Chief Executive Officer fully respects the balanced governance rules described in this report and is a perfect fit with Chargeurs' decentralized operational structure under which there is a separate CEO for each of the Company's four business lines. It also facilitates highly efficient management and reporting processes and contributes to the Group's development, thanks to the regular, effective discussions that take place between the Chairman and Chief Executive Officer and the business line's CEOs, in an overall climate of trust and confidence.

The new governance structure not only gives the Group a clear, strong vision of its future prospects and development, led by a Chairman and Chief Executive Officer who has deep and unrivaled expertise in the Company's businesses and the operational challenges they face, but also enables responsive decision-making – an essential requirement for today's fiercely competitive global markets. At the same time, it is the best type of structure for achieving the Group's strategic transformation that is being spearheaded by the new Chairman and Chief Executive Officer.

Lastly, having a combined position of Chairman and Chief Executive Officer facilitates dialog between the Board and shareholders, as they have a single point of contact, and this forges close investor relations with shareholders, based on strong and ongoing communication. In particular, every year the Chairman and Chief Executive Officer meets with shareholders and financial analysts when Chargeurs releases its annual results.

Restrictions on the Chairman and Chief Executive Officer's powers

In accordance with the Company's bylaws, when the Chairman of the Board also performs the role of Chief Executive Officer, he has the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and except for those powers that the law attributes to shareholders in General Meetings and to the Board of Directors. He represents the Company in its dealings with third parties.

Internal restrictions on the Chairman and Chief Executive Officer's powers concern the requirement to obtain the Board of Directors' prior approval before issuing any guarantees that are binding on the Company, except in cases where the Board of Directors has expressly delegated its authority within the limits defined in articles L. 225-35 and R. 225-28 of the French Commercial Code.

BOARD OF DIRECTORS

Membership

A list of the members of the Board of Directors is provided in section 4.4.2 of the Registration Document.

The Board has five members, including the Chairman and Chief Executive Officer, as well as a non-voting director (*censeur*) who attends Board meetings in a consultative capacity.

Non-voting directors shall be responsible for ensuring the strict application of these bylaws and the corporate decisions. They shall be invited to meetings of the Board of Directors and shall participate in the proceedings in an advisory capacity, without their absence affecting the validity thereof.

The criteria used by the Board to assess whether directors are independent are set out in its Rules of Procedure and are largely based on the recommendations of the MiddleNext Code. Consequently, the Board assesses whether each member:

- is an executive in the Company or the Group or has any particular ties with any of the executives of the Company or the Group;
- is – or has been in the past three years – an employee or a corporate officer of the Company or another Group entity;
- is a significant client, supplier or banker of the Company or a company of the Group, or a client, supplier or banker for whom the Company or the Group represents a significant share of its business;
- has a close family relationship with a corporate officer;
- is – or has been in the past six years – a Statutory Auditor of the Company.

Having reviewed each of its member's situations on a case-by-case basis, the Board considers that it has two independent directors (Isabelle Guichot and Cécilia Ragueneau) as of the date of this Registration Document. In practice, the two independent directors meet all of the criteria set out in the Middlenext Code.

Directors are appointed for a term of three years, which is perfectly adapted to the Company's operations and requirements. Their terms of office are staggered, as shown in the table in section 4.4.2 of the Registration Document.

Changes to the Board of Directors in 2017, as authorized by the Shareholders at the Annual General Meeting of April 20, 2017

In view of the recent changes made to the Board's structure, the Annual General Meeting of April 20, 2017 approved:

- the election of Cécilia Ragueneau as an independent director to replace Catherine Sabouret whose term of office expired at the close of that meeting. As a result of her election there are still two women on the Board, therefore complying with the provisions of French Act 2011-103 dated January 27, 2011 relating to balanced gender representation on Corporate Boards;
- the re-election of Emmanuel Coquoin as a director.

Information about the Annual General Meeting of April 16, 2018

Re-election of Michaël Fribourg, whose term of office is due to expire at the close of the Annual General Meeting of April 16, 2018.

The Company's directors have diverse professional and personal backgrounds and significant international experience. The names of the members of the Board and their profiles are provided in section 4.4.2 of the Registration Document, which is published on Chargeurs' website. These profiles show a range of complementary skills and experience, representing a major asset for the Group.

In accordance with AMF recommendation 2013-20 issued on November 18, 2013, the Registration Document includes a summary table setting out changes in the Board's membership during 2017, as well as the independence status of each director as assessed using the criteria applied by the Board.

The Board does not have any members representing either employee shareholders or employees in general, as the Company's headcount is below the thresholds specified in articles L. 225-23 and L. 225-27-1 of the French Commercial Code that trigger the requirement for employee representation.

Professional ethics and conduct, roles and responsibilities and organization of the work of the Board of Directors

The Board of Directors' roles and responsibilities and main operating procedures are set out in the Company's bylaws. At its March 14, 2016 meeting, the Board decided to introduce a set of Rules of Procedure that supplement the bylaws by setting out the organizational and operating procedures of the Board and its Committees as well as the rights and obligations of directors, non-voting directors and members of the Board Committees.

The Rules of Procedure were subsequently amended at the Board meeting held on December 7, 2016 in order to take into account the main provisions of the revised version of the MiddleNext Code as well as the new role of Audit Committees specified in article L. 823-19 of the French Commercial Code, as amended by Government Order 2016-315 dated March 17, 2016, relating to audit reform.

The Rules of Procedure correspond to an internal document but substantial extracts are included in this report.

Each director is informed of the obligations arising from their appointment and the rules of professional ethics and conduct applicable to them in accordance with the provisions of the Rules of Procedure and the recommendations contained in the MiddleNext Code. The Company has not identified any cases of non-compliance with these rules.

To the best of the Company's knowledge, as of the date of this document there are no conflicts of interest between the duties that the directors have to the Company and their personal interests or other duties. Likewise, no conflicts of interest were identified during 2017.

Furthermore, no new related-party agreements as defined in article L. 225-38 of the French Commercial Code were entered into or renewed during 2017, other than those related to the non-compete agreement and termination benefits for Michaël Fribourg, approved by the Board of Directors on March 8, 2017 and by the Annual General Meeting on April 20, 2017. These commitments given to the Chairman and Chief Executive Officer are described in section 4.5 of this Registration Document.

The directors have been given a guide on the prevention of insider trading, which reminds them of their legal and regulatory obligations in their capacity as "insiders" with respect to Chargeurs. They have also been advised of the new disclosure rules applicable to transactions in the Company's securities, as required under the European Market Abuse Regulation – which came into force in France on July 3, 2016 – and the related implementation regulation dated March 10, 2016.

The Board of Directors determines the Company's business strategy and oversees its implementation.

It generally meets at least four times a year: twice to examine the interim and annual financial statements, once to review Group strategy in relation to the budget and business plan, and once after the Annual General Meeting to implement the decisions voted by shareholders. At each meeting, the directors also discuss the Group's business performance, major projects and any matters specifically submitted to the Board.

Since 2016, the Board's workload has increased considerably and now far exceeds simply monitoring the Group's daily running. Consequently, special Board meetings are held to discuss and review the Company's key strategic projects. In practice this means that Board meetings may be called at any time depending on the current circumstances and the directors are fully involved in overseeing the Group's main strategic goals and actions. As at the date of this Registration Document, the Board had held nine meetings since the beginning of 2017.

At its meetings, the Board also regularly reviews and is consulted on the measures put in place by the Company in relation to succession planning for top executives and other key personnel. Succession planning was earmarked as a priority from the start of 2016 and continued in 2017 in order to anticipate future requirements and adapt the Group's organizational structure in line with its developments and growth. In 2016, this led the Company to expand its Executive Committee by appointing (i) a Secretary General, whose main responsibilities will include overseeing the succession planning policy and ensuring the continued excellence of the Group's management teams, and (ii) an Executive Vice-President, International Business Development and Acquisitions. In 2017, the composition of the Executive Committee evolved and was enhanced by the appointment of a new Group Chief Financial Officer, a new Executive Vice-President, International Business Development and Acquisitions, and early in the year, a new General Manager for Chargeurs Technical Substrates. In addition, in early 2018, Audrey Petit, Group Strategy Director & Head of Chargeurs Business Solutions, joined the Executive Committee, as did Angela Chan, who was appointed General Manager of Chargeurs Fashion Technologies on April 16, 2018, thus increasing the percentage of women on the Executive Committee. Prior to each Board meeting, the directors receive all of the information and documents they require in order to perform their duties, in the form of a meeting pack that contains the agenda and a presentation of the Company's operations and the various projects submitted for their approval. The meeting pack is provided sufficiently in advance so that the directors can effectively prepare for the Board's discussions. They may also ask the Chairman and Chief Executive Officer to give them any additional information they may consider useful for carrying out their work.

The Chairman and Chief Executive Officer communicates transparently with the members of the Board, keeping them up to date about the Company's operations, business trends and developments and competition.

The directors also have numerous opportunities to meet and discuss with the Chief Executive Officers of the Group's four business lines, both during the Board meetings dealing with the presentation of their forecast accounts and budget and during visits to Chargeurs' production sites. They may also be invited to attend seminars organized by the Group to deal with strategic issues.

The directors receive attendance fees, whose aggregate amount is approved by shareholders at the Annual General Meeting. In 2017, the total amount of these fees paid was €300,000, which was allocated among the directors based on their attendance at meetings of the Board and the Board Committees (apart from the Chairman and Chief Executive Officer who does not receive fees for his role as a director of the Company). At the Annual General Meeting on April 20, 2017, the shareholders approved the recommendation of the Board of Directors to set at €300,000 the total fees payable to directors for 2017 and all subsequent years until a new amount is set at an Annual General Meeting. These higher fees reflect the increased workload of the Board and its two Board Committees and the resulting higher level of commitments and responsibilities required of their members. In accordance with article L. 225-102-1 of the French Commercial Code, a table summarizing the directors' fees received by the directors and the non-voting director is provided in section 4.5 of this Registration Document.

Other disclosures

To the best of the Company's knowledge, in the past five years (i) none of the members of the Board of Directors has been convicted in relation to fraudulent offenses, (ii) none of the members of the Board of Directors has been associated with any bankruptcies, receiverships or liquidations, (iii) none of the members of the Board of Directors has been subject to any official public incriminations and/or sanctions by statutory or regulatory authorities (including designated professional bodies), and (iv) none of the members of the Board of Directors has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

To the best of the Company's knowledge, there are no family relationships between any members of the Board of Directors.

No service agreements have been entered into between any Board member, member of Management and the Company or any of its subsidiaries under which that Board member would be granted benefits.

To the best of the Company's knowledge, none of the Board's members have agreed to any restrictions – other than those provided for under the applicable laws and regulations or in the Company's bylaws or the Board's Rules of Procedure – on the sale within a certain timeframe of their shareholding in the Company.

Work of the Board of Directors in 2017

In 2017, the Board of Directors met nine times, with an attendance rate of 91%. The meetings lasted between one and three hours depending on the items on the agenda. Considerable demands were therefore made on the directors, who were highly involved in the Company's major projects.

During these meetings the Board, *inter alia*:

- authorized for issue the 2016 parent company and consolidated financial statements, based on which the shareholders at the April 20, 2017 AGM approved the Board's recommendation to pay a total dividend of €0.55 for the year (representing a final dividend of €0.35 taking into account the interim dividend already paid out);
- approved the parent company and consolidated financial statements for the first half of 2017, based on which the Board decided to pay an interim dividend of €0.25 per share for 2017;
- examined the provisional 2017 financial statements and the 2018 budget;
- approved the resolutions and reports to be submitted to the Annual General Meeting of April 20, 2017;
- launched the 2017-2018 share buyback program;
- launched a free share grant program for certain Group employees;
- set up a stronger compliance system in accordance with the compliance provisions of French Act 2016-1691 dated December 9, 2016 (the "Sapin 2 Act");
- launched a new Euro PP issue amounting to €50 million;
- reviewed the strategies and opportunities for acquisitions of each business line;
- reviewed the Group's major strategic investments, including in the form of site visits;
- reviewed the Group's main strategic goals and decisions, including a new plan to optimize operations, called "Game Changer"; examined acquisition opportunities, such as the acquisitions of Omma (Italy) and Walco (USA) by Chargeurs Protective Films; and analyzed opportunities for strategic investments in the Group's businesses;
- set the Chairman and Chief Executive Officer's variable compensation for 2017, payment of which is subject to shareholder approval, at the Annual General Meeting of April 16, 2018, of the fixed, variable and exceptional components making up his total compensation package for 2017 (*ex post* vote); and set the 2018 compensation policy for the Chairman and Chief Executive Officer, which is also subject to shareholder approval at the Annual General Meeting of April 16, 2018 (*ex ante* vote);
- gave an opinion on the appointment of the new General Manager of Chargeurs Fashion Technologies.

As well as attending meetings, the directors were invited to visit several production sites both in and outside France in order to give them further insight into the Group's operations, notably as regards its strategic investments.

Assessment of the Board of the Directors

In line with best governance and continuous improvement practices, the Chairman and Chief Executive Officer proposed that the Board of Directors conduct a formal annual assessment of its composition, procedures and practices, as well as those of its special Committees. This internal self-assessment, which had previously been done through an informal exchange of views between the directors, is now a formal procedure that complies with the provisions of the MiddleNext Code, to which the Company refers. Led by the Chairman and Chief Executive Officer, the assessment is based on a questionnaire sent to all of the directors, giving them the opportunity to express their views on the practices and procedures of the Board and its Committees, and to make suggestions for improvement. The Board then devotes an agenda item to reviewing and discussing the outcome of the questionnaire. This initiative, which reflects a constructive approach to improving procedures and practices, was applauded by all directors. The first self-assessment of the Board was conducted at the Board meeting on March 6, 2018, and resulted in a globally very positive assessment of the composition, functioning and dynamic of the Board and its Committees. The directors found the make-up of the Board to be balanced and suited to the Company's needs and requirements.

Generally-speaking, the Board and its Committees function well, with regular meetings, active members and open and constructive dialogue. The Board ensures that all compliance and ethics rules set out in its Rules of Procedure are upheld by all members.

The directors consider that they have a sufficiently active role to play with regard to the Group's operations and its long-term strategy, and that all of the conditions are met to enable the Board and its Committees to carry out their designated roles and responsibilities. In particular, the information provided is considered satisfactory and the presentations by management and their strategic focus sufficient to enable the Board to take informed decisions as to the Group's strategy and future acquisitions.

Similarly, discussions with the Managing Directors of the Group's four business lines, both during the Board meetings where they are invited to present their activity, during the strategic seminars organized by the Group and during visits to Chargeurs' production sites were deemed to be very positive.

For 2018, the directors were also asked to put forward proposals regarding the different issues they would like to tackle more in-depth or would like to include on the agenda of the Board of Directors or one of its specialized committees. Lastly, the directors acknowledged the positive changes made to the Group over the last two years since the new governance structure has been in place as well as the concrete implementation of the Board's formal self-assessment process.

COMPENSATION COMMITTEE

Membership structure and roles and responsibilities of the Compensation Committee

The Compensation Committee was set up by the Board of Directors at its meeting on December 16, 2015. At December 31, 2017, it had two members: Cécilia Ragueneau (independent director and Chair of the Compensation Committee) and Nicolas Urbain (a non-director member, who is the permanent representative of Colombus Holdings SAS on Chargeurs SA's Board).

The profiles of the Compensation Committee members are provided in section 4.4.2 of this Registration Document.

The membership structure of the Compensation Committee and the experience of each of its members are suited to the Board of Directors' size and requirements.

The Board's Rules of Procedure state,

"The roles and responsibilities of the Compensation Committee include putting forward proposals and recommendations to the Board of Directors concerning:

- the Company's overall executive compensation policy;
- the compensation packages awarded to executives and the calculation methods used for setting the relevant amounts; and
- more generally, any matters concerning executive compensation submitted to the Committee by the Chairman of the Board of Directors.

The Compensation Committee may use the services of external specialists, at the Company's expense, provided it informs the Chairman of the Board in advance and receives the Board's prior approval. Where this is the case, the Committee is required to report on the use of such specialists to the Board of Directors."

Consequently, the Compensation Committee assists the Board in the above-mentioned areas and helps it to set the compensation and benefits of executives so that the Company can retain, motivate and hire the best talent, while ensuring that executive pay is aligned with shareholders' interests and the Company's performance.

The Compensation Committee applies the seven criteria listed in the thirteenth recommendation (R13) of the MiddleNext Code relating to setting and disclosing executive compensation: Completeness, Balance, Benchmark, Consistency, Clarity, Measurement and Transparency.

Work of the Compensation Committee in 2017

The Compensation Committee met four times in 2017, with an attendance rate of 100%.

During these meetings, the Committee reviewed and issued recommendations on the following matters:

Compensation and benefits of the Chairman and Chief Executive Officer

The Committee issued recommendations to assist the Board with setting the variable portion of the Chairman and Chief Executive Officer's compensation for 2017 based on (i) the achievement levels of the performance criteria set by the Board at its December 7, 2016 meeting, and (ii) an assessment of Chargeurs' share performance in 2017.

It also issued recommendations about the Chairman and Chief Executive Officer's compensation package for 2018.

All of these recommendations were followed by the Board on December 19, 2017.

Information on the compensation and benefits of the Company's Chairman and Chief Executive Officer is provided in section 4.5 of the Registration Document.

Fixed and variable compensation awarded to the Chief Executive Officers of the Group's four business lines

After reviewing the fixed and variable compensation for 2017 awarded to the Chief Executive Officers of the Group's four business lines, the Compensation Committee put forward proposals to the Board about their variable compensation for 2018.

Directors' fees

The Committee issued a recommendation on the aggregate amount of directors' fees to be set for 2018, which will remain unchanged at €300,000 gross based on an unchanged composition of the Board and, subject to shareholder approval at the Annual General Meeting of April 16, 2018, increased to €360,000 if an additional director is elected.

AUDIT COMMITTEE

Membership structure and roles and responsibilities of the Audit Committee

At its meeting on December 3, 2009, the Board decided to set up an Audit Committee in application of article L. 823-19 of the French Commercial Code.

At December 31, 2017, this Committee had two members: Isabelle Guichot (Independent director and Chair of the Audit Committee) and Emmanuel Coquoin (director). The Board's non-voting director, Georges Ralli, also attends Audit Committee meetings.

The profiles of the Audit Committee members are provided in section 4.4.2 of this Registration Document.

The membership structure of the Audit Committee and the experience of each of its members are suited to the Board of Directors' size and requirements.

When determining the roles and responsibilities of the Audit Committee, the Company referred to the report of the AMF Working Group on Audit Committees, which was issued in 2010 and can be viewed on the AMF's website at *http://www.amf-france.org*.

The Board's Rules of Procedure state,

"The Audit Committee's roles and responsibilities include:

- monitoring the processes used to prepare financial information and the methods applied for preparing the financial statements and, where necessary, putting forward recommendations on ensuring the integrity of financial information;
- reviewing and analyzing the annual financial statements and reporting to the Board on this review;
- monitoring the effectiveness of the measures put in place related to risk management, internal control, regulatory and operational compliance and respecting the applicable rules on professional ethics and conduct;
- monitoring and participating in the procedure for selecting Statutory Auditors including submitting recommendations (i) in accordance with Article 16 of EU Regulation 537/2014 at the end of the selection procedure for appointing new Statutory Auditors (notably when the existing Statutory Auditors' term has reached the maximum authorized duration); or (ii) on re-appointing existing Statutory Auditors;
- overseeing the work carried out by the Statutory Auditors and giving an opinion on the quality of their engagement, taking into account the observations and conclusions of the French Auditors' Oversight Body (H3C) following its periodic quality controls;
- ensuring compliance with the rules guaranteeing the independence of the Statutory Auditors, and, in particular (i) verifying that the conditions set out in article 6 of EU Regulation 537/2014 are respected (compliance with the conditions applicable before accepting or continuing an engagement for a statutory audit, annual confirmation of independence and assessment of any threats to their independence), and (ii) taking the measures required in accordance with paragraph 3 of article 4 of said EU Regulation if the total fees received by the Statutory Auditors from the Company in each of the last three consecutive fiscal years exceed 15% of those Auditors' total client fees for the year concerned;
- approving any supply of non-audit services by the Statutory Auditors which are authorized in the "Authorized Services Charter" drawn up by the Audit Committee;
- examining the Chairman's report on the membership of the Board of Directors, the preparation and organization of its work, and internal control and risk management procedures; and
- regularly reporting to the Board on the Committee's work, notably on the role it plays in relation to monitoring the audit engagements of the Statutory Auditors, and issuing any recommendations concerning the above-mentioned topics and informing the Board on any difficulties it may encounter."

"The Audit Committee meets as often as the Committee's Chair thinks fit and at least twice a year, before the Board meetings held to approve the publication of the interim and annual financial statements. Other meetings may be requested by the Chairman of the Board if he considers it necessary. Agendas for Audit Committee meetings are drawn up by the Committee Chair, or in her absence the Chairman of the Board.

The Committee Chair regularly reports to the Board of Directors on the work of the Audit Committee and promptly informs the Board if any difficulties are encountered."

Work of the Audit Committee in 2017

The Audit Committee met four times in 2017, with an attendance rate of 100%.

During these meetings, the Committee particularly focused on the following:

- examining the process used to prepare the draft parent company and consolidated financial statements for 2016 and the draft Chairman's Report on Corporate Governance and Internal Control that were submitted to the April 20, 2017 Annual General Meeting;
- examining the process used to prepare the draft financial statements for the first half of 2017;
- meeting audit firms and issuing a recommendation to the Board of Directors following the invitation to tender launched by the Company for the appointment of a new Statutory Auditor at the April 20, 2017 Annual General Meeting;
- reviewing the work and findings of the law firm commissioned by the Company to update the legal risk maps.

During its meetings held in 2017, the Audit Committee heard reports from the Group Chief Financial Officer, the Group Secretary General, the Statutory Auditors (during the meetings concerning the review of the financial statements) and the law firm commissioned to update Chargeurs' legal risks map.

4.4. PRESENTATION OF THE MEMBERS OF MANAGEMENT, THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

4.4.1. PRESENTATION OF THE MEMBERS OF MANAGEMENT

Executive Committee

Michaël Fribourg
Chairman and Chief Executive Officer, Chargeurs

Olivier Buquen
Chief Financial Officer

Joëlle Fabre-Hoffmeister
Group Secretary General
and Chief Compliance Officer

Laurent Derolez
Chief Executive Officer,
Chargeurs Protective Films

Bernard Vossart
Managing Director, Chargeurs Fashion
Technologies (until April 16, 2018)

Angela Chan
Managing Director,
Chargeurs Fashion Technologies
(as of April 16, 2018)

Patrick Bonnefond
Managing Director
Chargeurs Technical Substrates

Federico Paullier
Managing Director
Chargeurs Luxury Materials

Sampiero Lanfranchi
Executive Vice-President, International
Business Development
and Acquisitions

Audrey Petit
Group Strategy Director & Head
of Chargeurs Business Solutions

4.4.2. PRESENTATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Members of the Board of Directors and Board Committees at December 31, 2017

Name	Current position within the Company	Date first elected/ appointed	Current term expires	Audit Committee	Compensation Committee
 **Michaël Fribourg**	**Director**	**Oct. 30, 2015 Board meeting (appointed by the Board)***	**2018 AGM**	**N/A**	**N/A**
	Chairman and Chief Executive Officer	**Oct. 30, 2015 Board meeting**	**2020 Board meeting**		
 Colombus Holding SAS, represented by Nicolas Urbain	Director	Oct. 30, 2015 Board meeting (appointed by the Board)	2019 AGM	N/A	Nicolas Urbain, Non-director member
 Emmanuel Coquoin	Director	Oct. 30, 2015 Board meeting (appointed by the Board)	2020 AGM	Member	N/A
 Isabelle Guichot	Independent director	May 4, 2016 AGM	2019 AGM	Chair	N/A
 Cécilia Ragueneau	Independent director	April 20, 2017 AGM	2020 AGM	N/A	Chair
 Georges Ralli	Non-voting director	May 4, 2016 AGM	2019 AGM	Non-voting director	Non-voting director

* *Eduardo Malone resigned on October 30, 2015 and Michaël Fribourg was appointed as a director by the Board.*

Changes in Board membership in 2017

- Expiration of the term of office of Catherine Sabouret (independent director and Chair of the Audit Committee).
- Appointment of Cécilia Ragueneau (independent director and Chair of the Compensation Committee).
- Re-election of Emmanuel Coquoin (director and a member of the Audit Committee).
- Appointment of Isabelle Guichot (independent director) as Quality Chair of the Audit Committee.

Name Directorship and other positions held in Chargeurs, date term expires	Directorships and other positions held in other companies
Colombus Holding SAS Head office: 55, avenue Marceau 75116 Paris, France **Director:** **Permanent representative on the Board of Directors:** **Nicolas Urbain, member of the Compensation Committee** **Current term expires at the Annual General Meeting** **to be held in 2019**	
Profile Nicolas Urbain is currently Chief Executive Officer of EFFICAP II. He holds a post-graduate degree in corporate and tax law from Paris II University and is a certified public accountant. Mr. Urbain has worked for CLINVEST in both Paris and New York and has served in various management positions at companies in the pharmaceutical, services and real estate industries. He has also been a financial engineering consultant. Business address: 112, avenue Kléber, 75116 Paris, France	Directorships and positions held **Chief Executive Officer of:** — EFFICAP II – Non-Group **Chairman of the Board of Directors of:** — Financière Sicomax SA* – Non-Group — Outside Living Industries SA* – Non-Group **Chairman of:** — "ID" Immobilier Développement SAS – Non-Group **Legal Manager of:** — CDB Finances SARL* – Non-Group Other directorships and positions held in the last five years None
Emmanuel Coquoin **Director and member of the Audit Committee** **Current term expires at the Annual General Meeting** **to be held in 2020**	
Profile For the last eight years, Emmanuel Coquoin has been Investment Director at Habert Dassault Finance. He is a graduate of IEP Paris and holds an MBA from INSEAD. He began his career at Barclays Bank, Paris as an analyst and subsequently worked in the Corporate Finance division in London as an Associate Director. Business address: 112, avenue Kléber, 75116 Paris, France	Directorships and positions held **Investment Director at:** — Habert Dassault Finance – Non-Group **Director** — I-Ten SA – Non-Group — Atsuke – Non-Group — Relaxnews – Non-Group Other directorships and positions held in the last five years **Non-executive director of:** — Geary LSF* – Non-Group

* *Listed company.*

Name Directorship and other positions held in Chargeurs, date term expires	Directorships and other positions held in other companies

Isabelle Guichot

Independent director, Chair of the Audit Committee and member of the Ethics Committee
Current term expires at the Annual General Meeting to be held in 2019

Profile

A graduate of HEC Business School, Isabelle Guichot began her career at Cartier International where she held the following posts: Project Manager at Cartier Incorporated in New York (1988-89) and then Vice Secretary General (1989-91); Sales Director at Cartier International (1992-95), Chief Executive Officer of Cartier SA France (1996-99), President and Chief Executive Officer of Van Cleef & Arpels International (1999-2005) and Lancel (2003-2005). She subsequently served in the following posts in the Pinault Printemps Redoute (PPR) group: Development Director at Gucci Group (2005-07), President and Chief Executive Officer of Sergio Rossi (2005-07) and President and Chief Executive Officer of Balenciaga SA (2007-17). She was also a member of the Board of Directors of the Kering Foundation. Honor: Ms. Guichot has been named a Knight of the French Legion of Honor and of the French National Order of Merit. Awards: She won the *Femme en Or* Whirlpool Trophy in 2003 and 2004 and the *Trofémina* Siemens prize in 2005.

Business address: 24, rue du Mail – 75002 Paris

Directorships and positions held

Chief Operating Officer
- Maje SAS – Non-Group

Other directorships and positions held in the last five years

Chairman and Chief Executive Officer of:
- Balenciaga SA (2017) – Non-Group

Chairman of:
- Arcades Ponthieu SAS (France) (2017) – Non-Group
- Balenciaga Retail Italia (2017) – Non-Group
- Balenciaga Spain (2017) – Non-Group
- Balenciaga America (2017) – Non-Group

Director
- The Kering Foundation (2017) – Non-Group
- Balenciaga UK (2017) – Non-Group
- Balenciaga Asia Pacific Limited (HK) (2017) – Non-Group
- Balenciaga Asia Pacific Limited (Taiwan Branch) (2017) – Non-Group
- Balenciaga Korea (2017) – Non-Group
- Balenciaga Japan (2017) – Non-Group

Legal Manager of:
- Balenciaga Fashion Shanghai (China) (2017) – Non-Group

Acting director of:
- Balenciaga Logistica (Switzerland) (2017) – Non-Group

Cécilia Ragueneau

Independent director and Chair of the Compensation Committee
Current term expires at the Annual General Meeting to be held in 2020

Profile

Cécilia Ragueneau holds a Master's Degree in International Business (European Business School), a post-graduate degree in Marketing Studies (University Paris I-Panthéon Sorbonne) and an Executive MBA from the European Institute Of Business Administration (INSEAD – VIVENDI Talents program).
She began her career as a Head of Studies at Cofremca-Sociovision (1995-2000), before joining the Canal+ group in 2000 where she served as Group Marketing Manager (2000-2003), Executive Director of Group Studies (2003-2005), CANAL+ Executive Director of Channel Marketing (2005-2008), CANAL+ Director of New Channel Content (2008-2011) and Chief Executive Officer of i>TÉLÉ (2011-2015).
In 2017, she became Chief Executive Officer of RMC.

Business address: 12, rue d'Oradour-sur-Glane – 75015 Paris, France

Directorships and positions held

Chief Executive Officer of:
- RMC SAS – Non-Group

Other directorships and positions held in the last five years

Chief Executive Officer of:
- iTÉLÉ (2011-2015) – Non-Group

Non-voting Director (*censeur*)

Name Directorship and other positions held in Chargeurs, date term expires	Directorships and other positions held in other companies
Georges Ralli **Non-voting director** **Current term expires** **at the Annual General Meeting to be held in 2019**	
Profile Georges Ralli holds a post graduate diploma in banking and finance from the University of Paris-V, and is a graduate of the Paris Institut d'Études Politiques (economics and finance option) and the Institut Commercial in Nancy. He joined Crédit Lyonnais in 1970 where he served in a number of management positions until 1981 (General Accounting Research department responsible for monitoring statutory ratios and consolidation procedures for the Group – Alsace Regional Head Office in charge of corporate customers – Financial Affairs department responsible for the primary equity market business). In 1982, he became Secretary to the Commission for Savings Development and Protection, then, from 1982 to 1985, managed the Financial Negotiations department of Crédit du Nord (primary equity and bond markets, mergers and acquisitions, proprietary investment). He joined Lazard in 1986 to help develop its primary equity market business. In 1989, he moved to the mergers and acquisitions department. He became managing partner in 1993 and was appointed as co-head of mergers and acquisitions at Lazard LLC in 1999. From 2000 to 2012, George Ralli was Managing Director and Deputy Chairman of the Executive Committee of Lazard LLC (USA). At the same time, he headed up its French branch (Maison Française) until 2009. Until 2012, he was President of the European mergers and acquisitions activities (Maison Lazard) and European asset management and private banking businesses activities (Lazard Frères Gestion and Lazard Wealth Management Europe). Currently, he is both shareholder and legal manager of IPF Partners, an investment fund specialized in the healthcare sector. In 2017, he was involved in setting up LLC Real Estate Fund SCA, based in Luxembourg. Business address: IPF Partners – 8 rue Toepffer – 1206 Geneva (Switzerland)	Directorships and positions held **Vice-Chairman and member of the Board of Directors and Chairman of the Audit Committee** – Carrefour* – Non-Group **Legal Manager** – IPF Management 1 SARL (Luxembourg) – Non-Group – IPF Partners SARL (Switzerland) – Non-Group – Kampos Sarl (Switzerland) – Non-Group – LLC RE Management SARL (Luxembourg) – Non-Group **Director and Chairman of the Audit, Risks and Sustainable Development Committee of:** – ICADE SA* – Non-Group **Director** – Quadrature Investment Managers – Non-Group Other directorships and positions held in the last five years – Director of SILIC SA (term expired: 2013) – Non-Group – Director of Veolia Environnement* (term expired: 2015) – Non-Group – Director, member of the Audit Committee and Chairman of the Compensation Committee of Chargeurs SA* (term expired: 2016) – Group

* *Listed company.*

Director whose term of office expires at the April 16, 2018 Annual General Meeting

Name Directorship and other positions held in Chargeurs, date term expires	Directorships and other positions held in other companies
Michaël Fribourg Chargeurs shares held: Michaël Fribourg in one of the major shareholders in Colombus Holding SAS which owns 6,484,805 Chargeur shares Date of birth: August 14, 1982 **Chairman and Chief Executive Officer of: Current term expires at the Annual General Meeting to be held in 2018**	
Profile Michaël Fribourg founded Columbus Holding with the support of leading French long-term institutional investors – CM-CIC Investissement, EFFI-INVEST II, BNP Paribas Développement and Harwanne (Covéa Group) – and several French family offices. He began his career in the cabinet office of Renaud Dutreil (Minister for Trade, Craft Industry and Small Businesses and Enterprises), where he worked from 2005 to 2006 before joining the Inspection générale des finances (the French tax inspectorate), where he led several advisory and support projects for the French administration and for the Office of the French President. In 2011, he became Special Adviser to the Minister for Industry, Energy and the Digital Economy, serving as co-chief of staff. Mr. Fribourg is a graduate of École normale supérieure, Institut d'études politiques de Paris (Sciences-Po) and École nationale d'administration. He also holds postgraduate degrees in philosophy and economics, as well as a master's degree in modern humanities. In 2009, he became a member of the Inspection générale des finances. He is currently a Senior Lecturer at Sciences Po Paris. Business address: 112, avenue Kléber, 75116 Paris, France	Directorships and positions held **Chairman and Chief Executive Officer of:** – Chargeurs SA* – Group **Chairman** – Colombus Holding SAS – Non-Group – MF Holding SAS – Non-Group – Médicis Participations SAS – Non-Group – Benext Venture SAS – Non-Group – Colombus Century Holding – Non-Group – Colombus Premium Holding – Non-Group – Coleffi – Non-Group – Colombus BlueSky Holding – Non-Group – Harwanne Compagnie de Participations industrielles et financières – Non-Group – Chargeurs Textiles SAS – Group – Main Tape Company, Inc. (United States) – Group **Managing Director of:** – Colombus Family Holding SAS – Non-Group **Vice-Chairman and Director of:** – Lanas Trinidad SA – Group – Lanera Santa Maria SA – Group **Legal Manager** – Financière Herschel SARL – Non-Group – Chargeurs Boissy SARL – Group **Director** – EMC2 SAS – Non-Group – CMI SA – Group **Permanent representative of:** – Chargeurs Textiles SAS on the Board of Directors of Chargeurs Films de Protection SA – Group **Member of:** – Association Le Millénaire – Non-Group Other directorships and positions held in the last five years **Chairman of:** – Colombus Family Holding SAS (2015) – Non-Group **Director of:** – Novacel Belgium NV (2017) – Group **Member of the Supervisory Board of:** – Groupe JOA – Non-Group

* *Listed company.*

4.5. REMUNERATION PAYABLE TO THE GROUP'S DIRECTORS AND OFFICERS

The principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the Chairman and Chief Executive Officer's total compensation and benefits package, i.e., the compensation policy in his regard (*ex ante* vote), and the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits package due or awarded to the Chairman and Chief Executive Officer in 2017 (*ex post* vote) are described in resolutions 9 and 10 as presented in section 7.2 of the report of the Board of Directors on the resolutions to be submitted to the Annual General Meeting of April 16, 2018.

The tables below are based on the templates provided by the AMF in its recommendation dated December 22, 2008 (no. 2009-16, as amended on December 17, 2013, December 5, 2014 and April 13, 2015) and the table numbers used are the same as in those templates. Based on the definitions provided in this recommendation, in Chargeurs' case "directors" refers to members of the Board of Directors and "executive directors" refers to Chargeurs' Chairman and Chief Executive Officer.

TABLE 1: "SUMMARY TABLE OF COMPENSATION AND STOCK OPTIONS AND FREE SHARES GRANTED TO EACH EXECUTIVE DIRECTOR"

Chargeurs' executive director did not receive any multi-annual compensation, stock options or free shares in the years presented. The details of all of his compensation are provided in Table 2 below.

As no stock options or free shares have been granted, the following tables are not applicable in this Registration Document:

- table 4: "Stock options granted during the year to each director by the issuer or any other Group company";
- table 5: "Stock options exercised during the year by each executive director";
- table 6: "Free shares granted to each director";
- table 7: "Free shares that became available during the year for each director";
- table 8: "Summary of stock option plans";
- table 9: "Stock options granted to and exercised by the ten employees (not directors of the Company) who received the greatest number of stock options";
- table 10: "Summary of free share plans".

TABLE 2: COMPENSATION AWARDED TO EACH EXECUTIVE DIRECTOR

Michaël Fribourg, Chairman and Chief Executive Officer	Fiscal 2015 (from Oct. 30, 2015 through Dec. 31, 2015)		Fiscal 2016		Fiscal 2017	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€63,920	€63,920	€375,000	€375,000	€450,000	€450,000
Annual variable compensation	€31,960	N/A	€485,500(1)	€31,960	€615,000	€485,500(1)
Compensation for corporate officer positions in other Group companies	N/A	N/A	€40,000	€40,000	€60,000	€60,000
Benefits in kind	N/A	N/A	€15,921(2)	€15,921	€21,228(2)	€21,228
Special bonus	N/A	N/A	€50,000(3)	€50,000(3)	€60,000(4)	€0(4)
TOTAL	**€95,880**	**€63,920**	**€966,421**	**€512,881**	**€1,206,228**	**€1,016,728**

(1) The variable compensation of €485,500 due for 2016 was paid during 2017.
(2) These amounts correspond to the personal protection and travel insurance plans taken out on behalf of the Chairman and CEO as well as the unemployment insurance policy for which the contributions are subject to payroll taxes and accounted for as a benefit in kind.
(3) Relates to a special bonus paid following the success of the Euro PP private placement (May 2016) with very attractive interest rates.
(4) Relates to a special bonus paid following the success of the Euro PP private placement (June 2017) with very attractive interest rates.

Eduardo Malone, Chairman of the Board of Directors	Fiscal 2015 (from Jan. 1, 2015 through Oct. 30, 2015)		Fiscal 2016		Fiscal 2017	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€125,000(1)	€125,000(1)	N/A	N/A	N/A	N/A
Annual variable compensation	N/A	N/A	N/A	N/A	N/A	N/A
Compensation for corporate officer positions in other Group companies	€6,850	€6,850	N/A	N/A	N/A	N/A
Company car	N/A	N/A	N/A	N/A	N/A	N/A
Special bonus	N/A	N/A	N/A	N/A	N/A	N/A
Retirement bonus	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	**€131,850**	**€131,850**	**N/A**	**N/A**	**N/A**	**N/A**

(1) Corresponding to the compensation paid under the service agreement between Chargeurs Boissy and Sofi Emy.

Martine Odillard, Managing Director	Fiscal 2015 (from Jan. 1, 2015 through Oct. 30, 2015)		Fiscal 2016		Fiscal 2017	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€550,000(1)	€550,000(1)	N/A	N/A	N/A	N/A
Annual variable compensation	€540,000	€936,838	N/A	N/A	N/A	N/A
Compensation for corporate officer positions in other Group companies	N/A	N/A	N/A	N/A	N/A	N/A
Company car	€6,577(2)	€6,577(2)	N/A	N/A	N/A	N/A
Settlement indemnity	€1,600,000	N/A	N/A	€1,600,000	N/A	N/A
Paid vacation indemnity	€15,833	N/A	N/A	€15,833	N/A	N/A
2 months' notice payment	€67,489	N/A	N/A	€67,489	N/A	N/A
TOTAL	**€2,779,899**	**€1,493,415**	**N/A**	**€1,683,322**	**N/A**	**N/A**

(1) €550,000 breaking down as €458,333 for her duties as Chargeurs General Manager (from January 1, 2015 through October 30, 2015) and €91,667 for her position as an employee of Chargeurs Boissy (from October 31, 2015 through December 31, 2015).
(2) €6,577 breaking down as €5,481 for the company car provided in her role as Chargeurs General Manager (from January 1, 2015 through October 30, 2015) and €1,096 for her role as an employee of Chargeurs Boissy (from October 31, 2015 through December 31, 2015).

The annual amount of directors' fees was set by shareholders at the April 20, 2017 Annual General Meeting.

The Board of Directors, acting on the recommendation of the Compensation Committee, asked shareholders to set at €300,000 the total fees payable to directors for the current year and all subsequent years until a new amount is set at an Annual General Meeting.

In accordance with the Board's Rules of Procedure, the allocation of directors' fees to Board members is primarily based on their actual attendance at Board and Committee meetings. As recommended in the MiddleNext Corporate Governance code, a summary table is provided below of the fees paid in previous years to the Company's directors (who did not receive any other form of compensation from the Company). The Chairman and Chief Executive Officer does not receive directors' fees from Chargeurs SA.

TABLE 3: DIRECTORS FEES (AND OTHER COMPENSATION) RECEIVED BY NON-EXECUTIVE DIRECTORS

Emmanuel Coquoin	Amount due for 2015 (from Oct. 30, 2015 through Dec. 31, 2015)	Amount due for 2016	Amount due for 2017
Directors' fees	€2,740	€48,780	€80,488
Other compensation	N/A	N/A	N/A
TOTAL	**€2,740**	**€48,780**	**€80,488**

Isabelle Guichot	Amount due for 2015	Amount due for 2016	Amount due for 2017
Directors' fees	N/A	€29,268	€58,537
Other compensation	N/A	N/A	N/A
TOTAL	**N/A**	**€29,268**	**€58,537**

Cécilia Ragueneau	Amount due for 2015	Amount due for 2016	Amount due for 2017 (from April 20, 2017 through December 31, 2017)
Directors' fees	N/A	N/A	€43,902
Other compensation	N/A	N/A	N/A
TOTAL	**N/A**	**N/A**	**€43,902**

Catherine Sabouret	Amount due for 2015	Amount due for 2016	Amount due for 2017 (from January 1, 2017 through April 20, 2017)
Directors' fees	€13,700	€48,780	€14,634
Other compensation	N/A	N/A	N/A
TOTAL	**€13,700**	**€48,780**	**€14,634**

Nicolas Urbain (Non-director member of the Compensation Committee)	Amount due for 2015 (from Oct. 30, 2015 through Dec. 31, 2015)	Amount due for 2016	Amount due for 2017
Directors' fees	€2,500	€43,902	€58,537
Other compensation	N/A	N/A	N/A
TOTAL	**€2,500**	**€43,902**	**€58,537**

Georges Ralli Non-voting director *(censeur)*	Amount due for 2015	Amount due for 2016	Amount due for 2017
Directors' fees	€13,700	€29,268	€43,902
Other compensation	N/A	N/A	N/A
TOTAL	**€13,700**	**€29,268**	**€43,902**

Jérôme Seydoux	Amount due for 2015 (from Jan. 1, 2015 through Oct. 30, 2015)	Amount due for 2016	Amount due for 2017
Directors' fees	€5,480	N/A	N/A
Other compensation	N/A	N/A	N/A
TOTAL	**€5,480**	**N/A**	**N/A**

TABLE 11: SUMMARY TABLE OF EXECUTIVE DIRECTORS' INDEMNITIES AND BENEFITS

	Employment contract	Supplementary pension plan	Non-compete clause indemnity	Termination benefit[1]
Michaël Fribourg Chairman and Chief Executive Officer, Chargeurs First appointed: Oct. 30, 2015 Board meeting Current term expires 2020 Board meeting Director First appointed: Oct. 30, 2015 Board meeting Current term expires 2018 AGM	No	No	Yes[2]	Yes[3]

(1) Michaël Fribourg's termination benefit is applicable as from 2017.

(2) In view of his roles and responsibilities, Michaël Fribourg has daily access to confidential information about the Company and other Group entities, as well as their clients, which, if disclosed to competitors, could severely harm the Company's interests. Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefore and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with those of the Chargeurs Group. This undertaking applies in the main countries where the Group has premises or an operating presence. As consideration, if Michaël Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the directors' fees received for his corporate officer positions in Group companies) and the full amount of his variable compensation received for the last full fiscal year.

(3) Pursuant to this agreement, if Michaël Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer, or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, Michaël Fribourg will receive an indemnity equal to his total gross compensation received for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the directors' fees received for his corporate officer positions in Group companies) and the full amount of his variable compensation received for the last full fiscal year. In accordance with article L. 225-42-1 of the French Commercial Code, the payment of this indemnity is contingent on reaching, during the last full fiscal year, the quantitative objectives for Michaël Fribourg's variable compensation.

2017 FREE SHARE PLAN

During 2017, Chargeurs launched a free share plan for selected Group employees. The shares granted under this plan will only vest if certain pre-defined individual quantitative and qualitative targets are met. The details of the plan were described in a press release dated July 28, 2017 (set out below).

Press release dated July 28, 2017:

Chargeurs' Extraordinary General Meeting which met on April 20, 2017, authorized, by virtue of its twentieth resolution and in accordance with Articles 225-197-1 *et seq.* of the French Commercial Code, that the Board of Directors grant, on one or more occasions, existing or new Chargeurs shares free of consideration to beneficiaries selected by the Board from among the employees and/or officers of the Company or of entities or groupings affiliated to the company within the meaning of Article L. 225-197-2 of the French Commercial Code, subject to a global cap of 1% of the company's issued capital on April 20, 2017 (twentieth resolution).

Following this authorization, the Board of Directors opted, on July 20, 2017, to allocate, subject to performance criteria, a total of 31,400 shares, i.e., 0.14% of the capital of the Company to key executive personnel who play a direct role in Chargeurs' strategy to speed the pace of business growth. The shares in question will be subject to a vesting period of one year and a lock-up period of one year from their final grant date. At his own request, the Chairman and Chief Executive Officer will not benefit from the present share grants.

4.6. CODE OF CONDUCT AND ETHICS COMMITTEE

Chargeurs has committed to a number of international human rights standards currently in force, including:

- the Universal Declaration of Human Rights;
- the United Nations (UN) Global Compact;
- the United Nations Guiding Principles on Business and Human Rights;
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- the International Labour Organization (ILO) Conventions.

In 2017, Chargeurs decided to strengthen its commitment by pledging to support the United Nations Global Compact and its ten universally accepted principles, namely that businesses:

1. support and respect the protection of internationally proclaimed human rights;
2. ensure they are not complicit in human rights abuses;
3. uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. uphold the elimination of all forms of forced and compulsory labor;
5. uphold the effective abolition of child labor;
6. uphold the elimination of discrimination in respect of employment and occupation;
7. support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility;
9. encourage the development and diffusion of environmentally friendly technologies;
10. work against corruption in all its forms, including extortion and bribery.

To mark the occasion, Chargeurs has grouped together all of the values and principles held by the Group and has formally enshrined them in its code of conduct in order to raise awareness and encourage everyone to apply them in full.

The code of conduct is available on Chargeurs' website at www.chargeurs.fr. *www.chargeurs.fr/fr/content/responsabilite-sociale-et-environnementale*.

In parallel, an Ethics Committee was created during 2017.

ROLE OF THE ETHICS COMMITTEE

The role of the Ethics Committee is to define and recommend best governance and ethics practices for the Group to the Board of Directors, and to make sure that the code of conduct is properly applied.

Its responsibilities include:

- providing an advisory opinion on any situation that may violate the Code of Conduct;
- expressing a position on the most critical cases, which are submitted to the Committee by the Compliance Officer;
- investigating reported violations under the whistleblowing system and deciding what action needs to be taken: closing the case, adopting appropriate corrective measures or initiating disciplinary and/or legal proceedings;
- providing an advisory opinion on the suitability of the measures adopted by the Group in various situations.

ETHICS COMMITTEE MEMBERSHIP

The Ethics Committee has three members, comprising two well-known persons from outside the Group and Isabelle Guichot, chair of the Committee, who is also a member of the Audit Committee. They are selected based on their experience, independence and support of humanist values.

The Group's Compliance Officer serves as Secretary and Rapporteur General of the Ethics Committee and presents its members with an analysis of the Group's ethics issues.

If necessary, the Chairman and CEO of the Group may, on the initiative of the Ethics Committee, personally participate in the Committee.

Ethics Committee members are chosen by the Chairman and CEO of Chargeurs SA and approved by the Board of Directors.

Each member is appointed for a two-year term.

The Ethics Committee is chaired by one of the three selected members, on the recommendation of the Chairman and CEO of the Board of Directors.

COMPENSATION OF ETHICS COMMITTEE MEMBERS

No compensation is paid to Isabelle Guichot for her membership of the Ethics Committee.

The two non-director members receive a fixed fee determined by the Board of Directors at the beginning of each year of office. This fee was set at €15,000 each for 2017 (on a *pro rata* basis for the period of activity during the second half).

5 FINANCIAL AND ACCOUNTING INFORMATION

5.1. THE GROUP'S 2017 CONSOLIDATED FINANCIAL STATEMENTS

5.1.1. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

In accordance with article 28 of European regulation no. 809/2004 of April 29, 2004, this document contains the following information:

- the consolidated financial statements for the year ended December 31, 2016 on pages 106 to 150 and 151 of the Registration Document filed with the French financial markets authority, the AMF, under number R. 18-002 on January 9, 2018;
- the consolidated financial statements and the Statutory Auditors' Report for the year ended December 31, 2015 on pages 152 to 196 and 197 of the Registration Document filed with the French financial markets authority, the AMF, under number R. 18-002 on January 9, 2018.

Consolidated Income Statement

		Year ended December 31	
(in euro millions)	Note	**2017**	2016
Revenue	**4**	**533.0**	**506.4**
Cost of sales		(391.4)	(376.4)
Gross profit		**141.6**	**130.0**
Distribution costs		(56.4)	(54.8)
Administrative expenses		(36.6)	(32.6)
Research and development costs		(4.2)	(3.7)
Recurring operating profit		**44.4**	**38.9**
Other operating income	5	0.1	-
Other operating expenses	5	(6.0)	(5.0)
Operating profit		**38.5**	**33.9**
Finance costs, net		(6.7)	(4.3)
Other financial expense		(1.8)	(1.5)
Other financial income		-	3.8
Net financial expense	**7**	**(8.5)**	**(2.0)**
Share of profit/(loss) of equity-accounted investees	13	(0.8)	(2.0)
Pre-tax profit for the period		**29.2**	**29.9**
Income tax expense	8	(4.0)	(4.9)
Profit from continuing operations		**25.2**	**25.0**
PROFIT FOR THE PERIOD		**25.2**	**25.0**
ATTRIBUTABLE TO OWNERS OF THE PARENT		**25.2**	**25.0**
Attributable to non-controlling interests		-	-
Earnings per share *(in euros)*	9	1.09	1.09
Diluted earnings per share *(in euros)*	9	1.10	1.09

Consolidated Statement of Comprehensive Income

		Year ended December 31	
(in euro millions)	Note	**2017**	2016
Profit for the period		**25.2**	**25.0**
Exchange differences on translating foreign operations	16	(16.5)	(4.5)
Cash flow hedges		(0.2)	(0.7)
Total items that may be reclassified subsequently to profit or loss		**(16.7)**	**(5.2)**
Other components of other comprehensive income		(0.1)	0.2
Actuarial gains and losses on post-employment benefit obligations	18	0.5	(1.7)
Total items that will not be reclassified to profit or loss		**0.4**	**(1.5)**
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET		(16.3)	(6.7)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**8.9**	**18.3**
Attributable to:			
Owners of the parent		8.9	19.5
Non-controlling interests		-	(1.2)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

ASSETS

(in euro millions)	Note	Dec. 31, 2017	Dec. 31, 2016
Intangible assets	10	88.3	92.1
Property, plant and equipment	11	63.2	61.8
Investments in associates and joint ventures	13	11.7	14.9
Deferred tax assets	8	30.3	29.0
Non-current financial assets		2.6	2.4
Other non-current assets		0.5	0.5
NET NON-CURRENT ASSETS		**196.6**	**200.7**
Inventories and work-in-progress	15	107.3	105.4
Trade receivables	15	53.0	47.3
Factored receivables(1)		47.8	50.7
Derivative financial instruments	15	0.4	0.5
Other receivables	15	23.5	23.0
Current income tax receivables	15	3.7	2.2
Cash and cash equivalents	17	214.8	161.5
		450.5	**390.6**
TOTAL ASSETS		**647.1**	**591.3**

(1) Receivables for which title has been transferred (see note 3.2).
The accompanying notes are an integral part of the consolidated financial statements.

EQUITY AND LIABILITIES

(in euro millions)	Note	Dec. 31, 2017	Dec. 31, 2016
Equity attributable to owners of the parent	16	229.9	227.3
TOTAL EQUITY		**229.9**	**227.3**
Long-term borrowings	17	179.3	133.1
Pension and other post-employment benefit obligations	18	16.4	16.7
Provisions	19	0.7	0.5
Other non-current liabilities	20	3.1	3.1
NET NON-CURRENT LIABILITIES		**199.5**	**153.4**
Trade payables	15	96.7	91.3
Other payables	15	42.5	39.7
Factoring liabilities(1)		47.8	50.7
Current income tax liability	15	2.8	1.9
Derivative financial instruments	15	1.3	1.8
Short-term portion of long-term borrowings	17	10.1	8.1
Short-term bank loans and overdrafts	17	16.5	17.1
NET CURRENT LIABILITIES		**217.7**	**210.6**
TOTAL EQUITY AND LIABILITIES		**647.1**	**591.3**

(1) Receivables for which title has been transferred (see note 3.2).
The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

(in euro millions)	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Cash flow hedges	Actuarial gains and losses on post-employment benefit obligations	Treasury stock	Equity attributable to owners of the parent	Non-controlling interests	Total equity
AT DECEMBER 31, 2015	**3.7**	**53.0**	**146.2**	**21.4**	**0.3**	**(5.1)**	**(0.2)**	**219.3**	**3.1**	**222.4**
Payment of dividends	-	-	(11.5)	-	-	-	-	(11.5)	-	(11.5)
Profit for the period	-	-	25.0	-	-	-	-	25.0	-	25.0
Effect of changes in scope of consolidation	-	-	-	-	-	-	-	-	(1.9)	(1.9)
Other comprehensive income/(expense) for the period	-	-	0.2	(3.3)	(0.7)	(1.7)	-	(5.5)	(1.2)	(6.7)
AT DECEMBER 31, 2016	**3.7**	**53.0**	**159.9**	**18.1**	**(0.4)**	**(6.8)**	**(0.2)**	**227.3**	**-**	**227.3**
Issue of share capital	-	7.2	-	-	-	-	-	7.2	-	7.2
Share-based payment	-	-	0.3	-	-	-	-	0.3	-	0.3
Payment of dividends(1)	-	-	(13.8)		-	-	-	(13.8)	-	(13.8)
Profit for the period	-	-	25.2	-	-	-	-	25.2	-	25.2
Other comprehensive income/(expense) for the period	-	-	(0.1)	(16.5)	(0.2)	0.5	-	(16.3)	-	(16.3)
AT DECEMBER 31, 2017	**3.7**	**60.2**	**171.5**	**1.6**	**(0.6)**	**(6.3)**	**(0.2)**	**229.9**	**-**	**229.9**

(1) Of the €13.8 million paid in 2017, €6.6 million was paid in cash and €7.2 million in the form of shares.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

		Year ended December 31	
(in euro millions)	Note	**2017**	2016
Cash flows from operating activities			
Pre-tax profit of consolidated companies		30.0	31.9
Adjustments to reconcile pre-tax profit to cash generated from operations		13.6	6.1
▪ *Depreciation and amortization expense*	*10 & 11*	*10.2*	*9.9*
▪ *Provisions and pension and other post-employment benefit obligations*		*0.3*	*(1.2)*
▪ *Impairment of non-current assets*		*-*	*0.6*
▪ *Fair value adjustments*		*(0.3)*	*0.7*
▪ *Impact of discounting*		*0.2*	*0.3*
▪ *(Gains)/losses on sales of investments in non-consolidated companies and other non-current assets*		*-*	*(3.6)*
▪ *Exchange (gains)/losses on foreign currency receivables and payables*		*3.2*	*(0.6)*
Income tax paid		(7.0)	(8.0)
Cash generated by operations		**36.6**	**30.0**
Dividends from equity-accounted investees	13	0.8	0.3
Change in operating working capital	15	(6.7)	0.8
Net cash from operating activities		**30.7**	**31.1**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of the cash acquired(1)		(5.5)	(19.7)
Proceeds from disposals of subsidiaries, net of cash transferred		-	(0.9)
Purchases of intangible assets	10	(0.8)	(0.7)
Purchases of property, plant and equipment	11	(12.8)	(10.2)
Proceeds from sales of intangible assets and property, plant and equipment		0.7	0.1
Other movements		0.5	0.1
Net cash from/(used in) investing activities		**(17.9)**	**(31.3)**
Cash flows from financing activities			
Proceeds from issues of shares on conversion of dividends		7.2	-
Dividends paid to owners of the parent		(13.8)	(11.5)
Proceeds from new borrowings	17	56.1	92.2
Repayments of borrowings	17	(8.5)	(10.3)
Change in bank overdrafts	17	0.8	(0.5)
Other movements		-	(6.0)
Net cash from financing activities		**41.8**	**63.9**
Increase in cash and cash equivalents		**54.6**	**63.7**
Cash and cash equivalents at beginning of period	17	161.5	97.7
Effect of changes in foreign exchange rates on cash and cash equivalents		(1.3)	0.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**17**	**214.8**	**161.5**

(1) The €5.5 millions recorded under this item primarily relates to the respective acquisition prices for Walco Machines (United States), Asidium Somerra (France) and Omma (Italy).
The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Chargeurs and its subsidiaries (the Chargeurs Group) are organized around four business lines:

- **Chargeurs Protective Films (CPF)** develops, manufactures and markets (i) technical solutions to protect steel, aluminum, plastic and other surfaces during the production process and (ii) laminators for temporary surface protection films **(CPSM)**;
- **Chargeurs Fashion Technologies (CFT)**manufactures and markets garment interlinings;
- **Chargeurs Technical Substrates (CTS)** develops, manufactures and markets functionalized coated technical substrates;
- **Chargeurs Luxury Materials (CLM)** manufactures and markets premium wool tops.

Chargeurs is a *société anonyme* governed by the laws of France. Its headquarters are located at 112, avenue Kléber, 75016 Paris, France.

Chargeurs shares are listed on Euronext Paris.

The consolidated financial statements for the year ended December 31, 2017 were approved by the Board of Directors on March 6, 2018 and will be submitted to shareholders for approval at the Annual General Meeting on April 16, 2018.

The Board of Directors has decided to ask shareholders at the April 16, 2018 Annual General Meeting to approve payment of a dividend of €0.60 per share for 2017. A €0.25 interim dividend was paid in September 2017. At this same Annual General Meeting, the shareholders will be asked to approve a stock dividend alternative.

1 – Significant events of the year

1.1. EURO PRIVATE PLACEMENT (EURO PP)

In line with its overall development strategy, during 2017 the Chargeurs Group further optimized its balance sheet structure and long-term financial resources by carrying out a new Euro PP, raising a total of €50.0 million, repayable at maturity, to be used for general corporate purposes. The Euro PP comprises:

- a €40.0 million 8-year private placement notes issue underwritten in particular by AG2R La Mondiale and Suravenir; and
- a €10.0 million 10-year bank loan underwritten and arranged by Bank of China Limited.

1.2. CREDIT FACILITIES

During 2017, Chargeurs obtained new 5-year confirmed credit facilities representing an aggregate €23.0 million, none of which had been drawn down at December 31, 2017.

1.3. ACQUISITIONS

During the year, Chargeurs acquired the entire capital of Walco Machines (USA), Omma (Italy) and Asidium Somerra (France). These three innovative niche companies specialize in the design and manufacture of machinery used to apply temporary surface protection films (laminators).

Somerra, Walco and Omma now form a new sub-group called Chargeurs Protective Specialty Machines (CPSM).

Integrated into the Chargeurs Protective Films segment, this new business reflects the Group's underlying strategy of partnering key CPF clients in their international expansion, by proposing an ever-broader offering of products and services that encompasses both the temporary surface protection films themselves and the laminators used for applying them.

None of these acquisitions are subject to price adjustment clauses.

The acquired assets and liabilities were initially recognized at their acquisition-date fair values and the main fair value adjustments related to inventories.

The purchase price allocation and related goodwill calculation will be finalized within twelve months of the acquisition dates.

The table below shows the fair values of the acquired assets and liabilities at the acquisition date for the three entities:

(in euro millions)	Acquisition-date fair value
Total non-current assets	0.3
Total current assets	9.1
TOTAL ASSETS	**9.4**
Total non-current liabilities	0.8
Total current liabilities	4.1
TOTAL LIABILITIES	**4.9**
NET ASSETS ACQUIRED	**4.5**
Purchase price	9.8
PROVISIONAL GOODWILL	**5.3**

Since their consolidation, these entities have contributed €3.4 million to the Group's revenue.

2 – Summary of significant accounting policies

2.1. BASIS OF PREPARATION

The 2017 consolidated financial statements of the Chargeurs Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The IFRSs and related interpretations adopted by the European Union can be viewed on the website of the European Financial Reporting Advisory Group at http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The significant accounting policies applied to prepare the consolidated financial statements are described below. Unless otherwise specified, these policies were applied consistently in all the periods presented.

The consolidated financial statements are presented in millions of euros.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving the highest degree of judgment or estimation complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.2. LIST OF NEW, REVISED AND AMENDED STANDARDS AND INTERPRETATIONS

2.2.1. New standards, amendments to existing standards and interpretations whose application was mandatory for the first time in the year ended December 31, 2017

Adopted by the European Union

- Amendment to IAS 7 – Disclosure Initiative.
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses.
- Annual Improvements to IFRSs (2014-2016 Cycle).

2.2.2. New standards, amendments to existing standards and interpretations applicable in future periods that were early adopted by the Group

- None.

2.2.3. New standards, amendments to existing standards and interpretations applicable in future periods and not early adopted by the Group

Adopted by the European Union

- IFRS 9 — Financial Instruments.
- IFRS 15 — Revenue from Contracts with Customers.
- Clarifications to IFRS 15 — Revenue from Contracts with Customers.
- Amendments to IFRS 4 – Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts.
- IFRS 16 — Leases.

Not yet adopted by the European Union

- Amendments to IFRS 2 — Classification and Measurement of Share-based Payment Transactions.
- IFRS 17 – Insurance Contracts.
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration.
- Amendments to IAS 40 – Transfers of Investment Property.
- IFRIC 23 – Uncertainty over Income Tax Treatments.
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation.
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures.
- Annual Improvements to IFRSs (2015-2017 Cycle).

Application of IFRS 15 – Revenue from Contracts with Customers, is mandatory from January 1, 2018. The Group has finalized its main analyses of the potential impacts that applying IFRS 15 may have on the revenue of its various businesses. In view of the nature of the Group's operations, the findings of the analyses confirm that the new standard will not lead to any changes in the revenue recognition methods currently used. Consequently, the Group does not expect its application of IFRS 15 to have a material impact on the level of its annual revenue.

Application of IFRS 9 – Financial Instruments, is also mandatory as from January 1, 2018. This standard introduces new methods for (i) classifying and measuring financial assets (based on the entity's business model for managing the financial assets, (ii) recognizing impairment losses (based on expected, rather than incurred, losses) and (iii) hedge accounting (better alignment of hedge accounting with the entity's risk management activities). The Group does not expect IFRS 9 to have a material impact on the classification and measurement of its financial assets and at this stage believes that its existing hedging relationships and hedge effectiveness meet the requirements of IFRS 9. In addition, based on its initial analyses of its historical credit losses, it does not believe that the new expected losses impairment model will have a material impact on its consolidated financial statements.

IFRS 16 – Leases, which is applicable from January 1, 2019, fundamentally changes lessees' accounting treatment of leases as it replaces the current dual accounting model with a single model, requiring operating leases to be brought on balance sheet in the same way as finance leases. In view of the specific features of certain leases (notably their renewal clauses), the terms of leases brought on balance sheet under IFRS may, in some cases, differ from those used when previously measuring those leases as off-balance sheet commitments, as only the duration of the firm commitment was taken into account. The commitments referred to in Note 23.4 – Operating leases, may not therefore be fully representative of the lease liabilities that will have to be recognized under IFRS 16. The Group is currently still analyzing the potential impact of IFRS 16 on its consolidated financial statements.

2.3. CONSOLIDATION METHODS

2.3.1. Subsidiaries

Subsidiaries are all entities that are directly or indirectly controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments that meet the above criteria but which are not material are measured at cost less any impairment.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The directly attributable costs of the business combination are recognized as an expense for the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially recognized at their acquisition-date fair values. Goodwill arising on a business combination is measured as the excess of (a) over (b) as follows: (a) the aggregate of: (i) the acquisition-date fair value of the consideration transferred; (ii) the amount of any non-controlling interest in the acquiree (which can be measured either at fair value or based on the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets);

(iii) the fair value of any previously held equity interest in the acquiree (as remeasured at the acquisition date with any resulting gain or loss recognized in profit); (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

If the cost of an acquisition is less than the fair value of the Group's share of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated in consolidation.

Accounting policies of subsidiaries have been aligned with the policies adopted by the Group to ensure consistency.

2.3.2. Transactions with non-controlling interests

Sales of shares to non-controlling interests resulting in a loss of control of the subsidiary give rise to gains and losses for the Group that are recorded in the income statement. Sales of shares to non-controlling interests that do not result in a loss of control are treated as an equity transaction with owners and recognized in the statement of changes in equity.

Acquisitions of additional shares in a subsidiary (above 50%) are recognized in the statement of changes in equity.

2.3.3. Associates and joint ventures

Joint arrangements are arrangements of which Chargeurs and one or more other parties have joint control.

The Group has joint control of an arrangement when decisions about the relevant activities require the unanimous consent of Chargeurs and the other parties sharing control.

The Group has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the entity but does not have control or joint control of those policies, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

Investments in joint ventures (entities of which the Group has joint control) and associates (entities over which the Group has significant influence) are accounted for by the equity method and are initially recognized at cost. The carrying amount of investments in associates and joint ventures includes goodwill (net of any accumulated impairment losses) identified on acquisition (see note 2.10).

The Group's share of post-acquisition profits or losses of associates and joint ventures is recognized in the income statement, and its share of post-acquisition movements in equity – which have no impact on profit or loss – is recognized directly in equity.

Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture concerned. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment in value of the assets transferred. Accounting policies of associates and joint ventures have been aligned where necessary with the policies adopted by the Group to ensure consistency.

2.3.4. Non-consolidated companies

Distribution companies that have been recently created and/or individually generate less than €3 million in annual revenue are not consolidated.

The effect on equity of including these companies in the scope of consolidation at December 31, 2017 would not have had a material impact on Group equity.

2.4. OPERATING SEGMENTS

An operating segment is a group of assets and operations corresponding to a management unit. Chargeurs' senior management team — which is the Group's chief operating decision maker — has identified four operating segments for the Chargeurs Group:

- "Protective Films", which encompasses activities relating to the temporary protection of surfaces and laminators.
- "Fashion Technologies", which corresponds to the Group's technical textile operations.
- "Technical Substrates", which concerns functionalized coated technical substrates.
- "Luxury Materials", which comprises top making and sales of premium combed wool.

The reported segment information also includes a "non-operating" segment that primarily consists of the Group's holding companies.

The Group's segment information is based on the sectors identified above, which are the segments used in the Group's internal reporting system and reported to Chargeurs' senior management team for the purposes of making decisions about allocating resources and assessing performance.

A geographical area is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments. Chargeurs has three geographical areas: Europe (including the Group's home market, France), the Americas and Asia (including the Pacific region and Africa).

2.5. FOREIGN CURRENCY TRANSLATION

2.5.1. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the functional currency).

2.5.2. Transactions and balances

Foreign currency transactions are translated into each entity's functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Gains and losses on foreign currency cash flow hedges are accumulated in equity and reclassified to the income statement when the exchange gain or loss on the hedged item is recognized.

Exchange gains and losses arising from translation of foreign currency receivables and payables are recognized in the income statement, under "Other financial income" or "Other financial expense".

2.5.3. Foreign operations

The results and financial position of all Group entities that have a functional currency other than the euro are translated as follows: (i) items in the statement of financial position are translated at closing exchange rates, (ii) income statement items are translated at average exchange rates for the period, and (iii) all resulting exchange differences are recognized as a separate component of equity under "Translation reserve" or "Non-controlling interests".

Exchange differences arising from the translation of the net investment in subsidiaries with a functional currency other than the euro, and of instruments designated as hedges of such investments, are recorded under "Translation reserve" in equity.

When a foreign operation is sold, the exchange differences accumulated in the translation reserve are reclassified to the income statement and taken into account in determining the gain or loss on sale.

2.6. REVENUE RECOGNITION

Revenue from sales of goods and services is recognized, net of value-added tax, rebates and discounts, when the risks and rewards incidental to ownership of the goods are transferred to the customer or when the service is rendered.

2.7. RECURRING OPERATING PROFIT

Recurring operating profit is used by the Group as an indicator of sustainable long-term performance. It is stated before other operating income and expense, which correspond to non-recurring items that represent material amounts, are unusual in nature and occur infrequently, and therefore distort assessments of the Group's underlying performance.

Recurring operating profit corresponds to gross profit after distribution costs, administrative expenses and research and development costs.

2.8. OTHER OPERATING INCOME AND EXPENSE

Other operating income and expense include non-recurring items that represent material amounts, are unusual in nature and occur infrequently, with the result that they are difficult to predict. They primarily include restructuring costs, impairment losses and gains and losses on disposal of property, plant and equipment and intangible assets.

2.9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding, representing the number of shares issued less the average number of Chargeurs shares held by the Company or its subsidiaries.

Depending on the circumstances and financial market conditions at the year-end, the dilutive effect taken into account for the calculation of diluted earnings per share may result from employee stock options, stock warrants and/or convertible bonds. The dilutive instruments concerned are taken into account as from their grant or issue date, except in cases where their exercise price exceeds the market price of Chargeurs shares.

2.10. INTANGIBLE ASSETS

2.10.1. Goodwill

Goodwill represents the excess of the cost of an acquisition over the acquisition-date fair value of the Group's share of the net identifiable assets of the acquired subsidiary. Goodwill arising on acquisitions of subsidiaries is included in "Intangible assets".

Goodwill is tested annually for impairment and is carried at cost less any accumulated impairment losses. Impairment losses recognized against goodwill are irreversible.

The calculation of gains and losses on the disposal of an entity take into account the carrying amount of any goodwill relating to that entity.

Goodwill arising on acquisitions of associates and joint ventures is recorded under "Investments in associates and joint ventures" and is included in the impairment tests carried out on equity-accounted companies.

2.10.2. Trademarks and licenses

Trademarks and licenses are initially recognized at historical cost. They have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (between fifteen and twenty years).

2.10.3. Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful lives of the software concerned (between three and five years).

Costs associated with developing and maintaining computer software are recognized as an expense as incurred.

2.10.4. Development costs

Development costs are capitalized when the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical and financial resources to complete the development;
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Capitalized development costs are amortized over the estimated useful life of the asset concerned.

2.10.5. Impairment of intangible assets

Goodwill and other intangible assets with indefinite useful lives are tested for impairment at least once a year and more often where there is an indication that they may be impaired. An impairment loss is recognized if the asset's carrying amount exceeds its recoverable amount (see note 10).

Any impairment losses recognized against goodwill are irreversible.

The carrying amount of goodwill in the consolidated statement of financial position corresponds to the gross amount less any accumulated impairment losses.

2.11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (other than land) are stated at cost less depreciation and any accumulated impairment losses. Land is not depreciated and is therefore stated at cost less any accumulated impairment losses. Cost comprises the purchase price, capitalized interest and initial fair value adjustments. Capitalized interest corresponds to interest costs, whether on designated loans or on other designated sources of financing, that arise during the period preceding the date the asset is put into service.

On first-time adoption of IFRS, land and buildings were measured at fair value at January 1, 2004 (the IFRS transition date) based on independent valuations, and said fair values were used as the assets' deemed cost at that date.

The cost of dismantling and removing old assets or restoring the site on which new assets are located is included in the cost of the new assets.

Each significant part of an item of property, plant or equipment whose useful life is different from that of the asset as a whole is recognized and depreciated separately.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

- buildings: 15 to 40 years;
- plant and equipment: 4, 8, 12 or 20 years;
- fixtures and fittings: 5 to 10 years.

2.11.1. Leases

Leases that do not transfer to the Group substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

Leases that transfer to the Group substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases and recognized as assets and liabilities. The capitalized amount corresponds to the lower of the fair value of the leased property at the inception of the lease and the present value of the minimum lease payments.

2.11.2. Impairment of property, plant and equipment

Impairment tests are performed whenever there is any internal or external indication that the carrying amount of any items of property, plant or equipment may be impaired.

The Group also carries out annual impairment tests by operating segment which include property, plant and equipment.

If these tests show that the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in addition to accumulated depreciation. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In the absence of an observable market price, the recoverable amount of a cash-generating unit is considered to be equal to the higher of its value in use, corresponding to the discounted future cash flows expected to be generated by the unit, and its fair value less costs to sell. In practice, most calculations are based on value in use.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the sale proceeds with the carrying amount of the sold asset and are recognized in the income statement.

2.12. FINANCIAL ASSETS AND LIABILITIES

2.12.1. Non-current financial assets

The Group classifies its financial assets into the categories described below in accordance with IAS 39 and measures them either at fair value through profit or loss or at amortized cost. They are initially recognized at fair value, which generally corresponds to the price paid for the assets concerned, i.e. their transaction price, including any related acquisition costs.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and financial assets designated upon initial recognition as at fair value through profit or loss. Derivative instruments are categorized as held for trading, unless they are designated as part of a hedging relationship. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within twelve months of the reporting date.

Gains and losses relating to these financial assets are recognized in "Other financial income" or "Other financial expense".

The Group's financial assets at fair value through profit or loss primarily correspond to derivative instruments (see note 21).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of them within twelve months of the reporting date. They mainly correspond to investments in non-consolidated companies (see note 14).

The fair value of investments in non-consolidated companies whose shares are quoted in an active market is determined by reference to the quoted market price at the reporting date. Gains and losses arising on fair value remeasurements of these assets are recognized in the statement of comprehensive income (directly in equity). When the financial asset is derecognized any such amounts accumulated in equity are taken to the income statement and included in "Other financial income" or "Other financial expense".

Investments in non-consolidated companies whose shares are not quoted in an active market are stated at cost, which the Group considers corresponds to their fair value. However, an impairment loss is recognized in the event of a prolonged decline in their value in use, determined based on the most appropriate financial criteria, including the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in "Other receivables" under current assets, except when they are due more than twelve months after the reporting date, in which case they are recorded as non-current assets under "Long-term loans and receivables" or "Other non-current assets".

Loans and receivables are measured at amortized cost using the effective interest method. If there is objective evidence that they are impaired, an impairment loss is recorded to write these assets down to their fair value. They are tested for impairment at each reporting date, or whenever there is an indication that they may be impaired, by comparing their recoverable amount with their carrying amount. Any impairment losses are recorded in the income statement.

Trade receivables have short maturities and are therefore stated at nominal value.

They are recorded under "Long-term loans and receivables" or "Other non-current assets".

2.12.2. Financial liabilities

Financial liabilities as defined by IAS 39 include borrowings measured at amortized cost and financial liabilities measured using the fair value option.

Borrowings and other financial liabilities are generally measured at amortized cost using the effective interest method. Operating liabilities have original maturities of less than one year and are therefore stated at nominal value.

The Group's financial liabilities mainly correspond to borrowings (see note 17), other non-current liabilities, trade payables and other payables in the consolidated statement of financial position.

2.12.3. Fair value disclosures

IFRS 7 requires companies to disclose the technique used to measure financial instruments at fair value, based on the three levels of inputs introduced in the fair value hierarchy. These are: quoted prices in an active market (level 1), directly observable market inputs other than level 1 inputs (level 2), and inputs not based on observable market data (level 3).

The table below shows the fair value hierarchy classification for the Group's financial assets measured at fair value. No financial liabilities are measured at fair value other than derivative instruments.

	Level 1	Level 2	Level 3
Marketable securities	X		
Derivative instruments		X	
Investments in non-consolidated companies			X

2.13. DERIVATIVE INSTRUMENTS AND HEDGES

The Group uses derivatives to hedge its exposure to currency risks (see note 21). All derivative instruments are recognized in the statement of financial position at fair value, irrespective of whether that fair value is positive or negative.

The Group hedges forecast transactions in foreign currencies, such as sales of products in dollars. Changes in the fair value of derivative instruments that qualify as hedges of forecast transactions are recognized directly in equity and subsequently reclassified to profit or loss in the same period or periods when the transaction is settled and impacts profit or loss.

Changes in the fair value of hedged firm commitments and of currency derivatives that qualify as fair value hedges are recorded in the income statement.

Changes in the fair value of financial instruments used to hedge currency risks on the Group's net investment in foreign operations that result from changes in exchange rates, are recognized in equity under "Translation reserve", offsetting all or part of the opposite change in the fair value of the underlying net investment caused by changes in exchange rates.

Depending on the circumstances, interest rate swaps are used to convert variable rate debt into fixed rate debt and vice versa. In the first case, gains and losses arising from remeasurement of the swaps at fair value are initially recorded in other comprehensive income and reclassified into profit or loss when the variable rate interest is recognized.

In the second case, the gains and losses are recognized directly in profit or loss and the carrying amount of the hedged portion of the underlying debt is adjusted to reflect the rate change.

Fair value adjustments to interest rate and currency derivatives classified as held for trading are recognized immediately in the income statement.

2.14. DEFERRED TAXES

Deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base, as follows:

- all deferred tax liabilities are recognized;
- deferred tax assets arising from temporary differences or from tax loss carryforwards are recognized only when it is probable that the differences will reverse or the assets will be recovered in the foreseeable future.

Deferred tax assets and liabilities are adjusted at the year-end for enacted changes in tax rates and tax laws.

Deferred tax assets and liabilities are offset within each company or taxable entity.

2.15. INVENTORIES

Inventories are carried at the lower of cost and net realizable value. Cost is determined by the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of finished products and work-in-progress includes raw materials, direct production costs and production overheads based on normal capacity utilization rates.

Turnover and obsolescence of inventories are analyzed by segment and category of inventory in order to determine the appropriate level of impairment.

2.16. TRADE RECEIVABLES

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, less any provisions for impairment. Amortized cost is measured by the effective interest method. An impairment loss is recognized for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Indications that a receivable may be impaired include significant financial difficulties encountered by the debtor, the probability of the debtor filing for bankruptcy or a financial restructuring, a risk of default or a missed payment. The amount of the impairment loss recognized corresponds to the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the initial effective interest rate. It is recorded in the income statement under "Distribution costs".

2.17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents analyzed in the statement of cash flows correspond to cash in hand, marketable securities and short-term deposits. Cash equivalents are highly liquid instruments with short maturities (less than three months) that are not exposed to any material risk of changes in value.

Marketable securities are classified as financial assets at fair value through profit or loss. Short-term bank deposits and cash in hand are classified as loans and receivables and are measured at amortized cost.

Bank overdrafts are recorded under "Short-term bank loans and overdrafts" in current liabilities.

2.18. SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or stock options are recorded in equity as a deduction from the issue proceeds, net of tax.

When any Group company purchases Chargeurs shares (treasury stock), the consideration paid, including directly attributable incremental costs (net of income taxes), is deducted from equity attributable to owners of the parent until the shares are canceled, re-issued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the parent.

2.19. BORROWINGS

Borrowings are initially recognized at fair value, net of transaction costs. They are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are classified as non-current.

2.20. EMPLOYEE BENEFITS

Obligations for the payment of post-employment benefits and other long-term employee benefits are measured by the projected unit credit method and recognized in accordance with IAS 19R.

The recognized obligation takes into account the fair value of plan assets – for example under insured plans – at the reporting date.

Actuarial gains and losses on post-employment benefit obligations are recognized in other comprehensive income and may not be subsequently reclassified to profit or loss.

Actuarial gains and losses on other long-term employee benefits and length-of-service awards payable to employees on retirement are recognized in the income statement in the period in which they arise.

Gains and losses arising from plan amendments are recognized in the income statement under "Other operating income" or "Other operating expense".

Employee benefit expense is divided into two categories as follows:

- the increase in the provision due to the passage of time, net of the return on plan assets, is recognized as a financial expense. The expected return on plan assets is measured using an interest rate that is the same as the discount rate used for calculating the provision;
- the expense corresponding to service cost is allocated to the relevant operating expense line items by function.

2.21. PROVISIONS

Provisions for site remediation, restructuring costs and legal claims are recognized when (i) the Group has a present legal or constructive obligation as a result of past events, (ii) it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) the amount of the provision can be reliably estimated. Restructuring provisions include lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability concerned. The increase in the carrying amount of provisions to reflect the passage of time is recognized as interest expense.

3 – Use of critical accounting estimates and assumptions

The preparation of financial statements under IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

3.1. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The critical accounting estimates and assumptions that could result in a material adjustment to the carrying amount of assets and liabilities during subsequent periods are analyzed below.

3.1.1. Impairment of goodwill

Goodwill is tested for impairment on an annual basis as described in note 2.10. The recoverable amounts of cash-generating units (CGUs) are determined based on calculations of value in use, which require the use of estimates (see note 10).

3.1.2. Income tax expense

Deferred tax assets are recognized for tax loss carryforwards only if it is considered probable that there will be sufficient future taxable profit against which the loss can be utilized.

Deferred tax assets arising from tax loss carryforwards and deductible temporary differences are assessed based on taxable profit projections over a period of five years for all tax jurisdictions.

3.2. CRITICAL JUDGMENTS

For several years, the Group has sold receivables under no-recourse agreements involving the transfer of title.

Accordingly, these receivables are no longer recognized in the financial statements of the relevant entities.

IAS 39 – Financial Instruments: Recognition and Measurement, which deals with the derecognition of financial assets, including trade receivables, requires entities to base their analysis on the following three criteria:

- whether the entity has transferred the contractual rights to receive the cash flows of the financial asset;
- whether the entity has transferred substantially all the risks and rewards of ownership of the financial asset;
- whether the entity has retained control of the financial asset.

Based on Chargeurs' analysis of the sale contracts in relation to these three criteria, it was deemed prudent to keep these receivables in the consolidated statement of financial position and to record a liability for the amount of the cash proceeds received.

The receivables are covered by credit insurance, with the Chargeurs Group entities only retaining risks relating to foreign exchange, dilution and payment delays.

The presentation of these items in the consolidated financial statements has remained unchanged since 2005, but may change in the future following renegotiations of contracts or changes in sale procedures.

4 – Segment reporting

4.1. INFORMATION BY OPERATING SEGMENT

Chargeurs analyzes its business based on four operating segments.

4.1.1. Income statement by operating segment

Year ended Dec. 31, 2017 *(in euro millions)*	Chargeurs Protective Films [1]	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Luxury Materials	Non-operating	Inter-segment eliminations	Consolidated
Revenue	**281.0**	**131.2**	**25.8**	**95.0**	**-**	**-**	**533.0**
EBITDA	**40.3**	**11.3**	**4.9**	**2.6**	**(4.5)**	**-**	**54.6**
Depreciation and amortization	(6.0)	(3.2)	(0.9)	-	(0.1)	-	(10.2)
Recurring operating profit/(loss)	**34.3**	**8.1**	**4.0**	**2.6**	**(4.6)**	**-**	**44.4**
Other operating income and expense[2]	(1.6)	(1.2)	(0.3)	(0.5)	(2.3)	-	(5.9)
Operating profit/(loss)	**32.7**	**6.9**	**3.7**	**2.1**	**(6.9)**	**-**	**38.5**
Net financial expense							(8.5)
Share of profit/(loss) of equity-accounted investees							(0.8)
Profit before tax							**29.2**
Income tax expense							(4.0)
Profit for the period							**25.2**

(1) The year-on-year increase in Chargeurs Protective Films' revenue includes (i) a €12.3 million impact arising from changes in scope of consolidation following the acquisition of Main Tape in the second half of 2016 and (ii) €3.4 million related to the acquisitions of Walco, Somerra and Omma in 2017.

(2) For 2017, the "Other" line notably includes costs incurred in connection with the development and growth programs of the different business lines and the departure of Group executives, including non-compete indemnities paid in accordance with Group practice.

Year ended December 31, 2016 *(in euro millions)*	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Luxury Materials	Non-operating	Inter-segment eliminations	Consolidated
Revenue	**250.3**	**132.0**	**24.6**	**99.5**	**-**	**-**	**506.4**
EBITDA	**33.2**	**11.7**	**4.7**	**2.9**	**(3.7)**	**-**	**48.8**
Depreciation and amortization	(5.2)	(3.7)	(0.9)	-	(0.1)	-	(9.9)
Recurring operating profit/(loss)	**28.0**	**8.0**	**3.8**	**2.9**	**(3.8)**	**-**	**38.9**
Other operating income and expense [1]	(1.7)	(2.1)	-	-	(1.2)	-	(5.0)
Operating profit/(loss)	**26.3**	**5.9**	**3.8**	**2.9**	**(5.0)**	**-**	**33.9**
Net financial expense							(2.0)
Share of profit/(loss) of equity-accounted investees							(2.0)
Profit before tax							**29.9**
Income tax expense							(4.9)
Profit for the period							**25.0**

(1) This line primarily corresponds mainly to acquisition and restructuring costs.

4.1.2. Assets and liabilities by operating segment

At December 31, 2017 *(in euro millions)*	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Luxury Materials	Non-operating	Total
Assets[(1)]	185.8	91.9	25.6	52.2	29.0	384.5
Liabilities[(2)]	88.3	36.9	7.9	25.5	4.9	163.5
CAPITAL EMPLOYED	**97.5**	**55.0**	**17.7**	**26.7**	**24.1**	**221.0**
Capital expenditure	8.2	5.3	0.4	-	0.1	14.0

At December 31, 2016 *(in euro millions)*	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Luxury Materials	Non-operating	Total
Assets[(1)]	180.8	94.1	24.0	55.1	25.1	379.1
Liabilities[(2)]	80.0	35.1	8.5	24.6	6.8	155.0
CAPITAL EMPLOYED	**100.8**	**59.0**	**15.5**	**30.5**	**18.3**	**224.1**
Capital expenditure	7.5	3.8	0.6	-	-	11.9

(1) Assets other than cash and cash equivalents and factored receivables.
(2) Excluding equity attributable to owners of the parent, borrowings (convertible bonds, long-term borrowings, short-term portion of long-term borrowings and short-term bank loans and overdrafts) and factoring liabilities.

4.1.3. Additional information

Year ended December 31, 2017 *(in euro millions)*	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Luxury Materials	Non-operating	Consolidated
Depreciation of property, plant and equipment	(5.8)	(3.7)	-	-	(0.1)	(9.6)
Impairment:						
▪ Property, plant and equipment (note 5)	(0.1)	0.1	-	-	-	-
▪ Inventories	(1.5)	(0.4)	-	-	-	(1.9)
▪ Trade receivables	-	-	-	-	-	-
Restructuring costs (note 5)	-	(0.9)	-	-	-	(0.9)

Year ended December 31, 2016 *(in euro millions)*	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Luxury Materials	Non-operating	Consolidated
Depreciation of property, plant and equipment	(4.9)	(3.3)	(0.9)	-	(0.1)	(9.2)
Impairment:						
▪ Property, plant and equipment (note 5)	-	(0.6)	-	-	-	(0.6)
▪ Inventories	(2.2)	(0.3)	-	(0.1)	-	(2.6)
▪ Trade receivables	0.1	0.1	-	-		0.2
Restructuring costs (note 5)	-	(1.2)	-	-	(0.6)	(1.8)

4.2. INFORMATION BY GEOGRAPHICAL AREA

4.2.1. Revenue

The Group generates over 90% of its revenue outside France.

In the table below, revenue is analyzed by customer location.

	Year ended December 31			
(in euro millions)	2017		2016	
Europe	250.6	47%	250.1	49%
Asia-Pacific and Africa	141.9	27%	129.4	26%
Americas	140.5	26%	126.9	25%
TOTAL	**533.0**	**100%**	**506.4**	**100%**

The main countries where the Group's customers are located are the following:

	Year ended December 31			
(in euro millions)	2017		2016	
United States	100.4	19%	91.7	18%
Italy	65.0	12%	74.0	15%
China and Hong Kong	52.9	10%	49.6	10%
Germany	49.2	9%	43.7	9%
France	39.2	7%	37.7	7%
TOP 5 COUNTRIES	**306.7**	**58%**	**296.7**	**59%**
Other countries	226.3	42%	209.7	41%
TOTAL	**533.0**	**100%**	**506.4**	**100%**

4.2.2. Non-current assets by country of location

The following tables provide an analysis of non-current assets and capital expenditure based on the geographical area in which the assets are located.

NON-CURRENT ASSETS

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Europe	96.8	88.7
Asia-Pacific and Africa	12.3	15.0
Americas	87.3	97.0
TOTAL	**196.4**	**200.7**

PURCHASES OF PROPERTY, PLANT AND EQUIPMENT

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Europe	10.2	10.1
Asia-Pacific and Africa	0.7	0.7
Americas	2.5	0.6
TOTAL	**13.4**	**11.4**

5 – Other operating income and expense

Other operating income and expense can be analyzed as follows:

(in euro millions)	Year ended December 31 2017	2016
Restructuring costs[(1)]	(0.9)	(1.8)
Asset retirements	(0.5)	(0.3)
Impairment of non-current assets	-	(0.6)
Acquisition-related expenses[(2)]	(2.5)	(2.0)
Other[(3)]	(2.0)	(0.3)
TOTAL	**(5.9)**	**(5.0)**

(1) At December 31, 2017, restructuring costs were incurred mainly by the Fashion Technologies business unit.
(2) Acquisition-related expenses correspond to costs incurred in connection with the Group's business development and growth programs.
(3) For 2017, the "Other" line notably includes costs incurred in connection with the departure of Group executives, including non-compete indemnities paid in accordance with Group practice.

6 – Number of employees and payroll costs

6.1. NUMBER OF EMPLOYEES

The average number of employees of fully consolidated subsidiaries was as follows in 2017 and 2016:

	Dec. 31, 2017	Dec. 31, 2016
Employees in France	553	528
Employees outside France	978	1,013
TOTAL EMPLOYEES	**1,531**	**1,541**

6.2. PAYROLL COSTS

(in euro millions)	Year ended December 31 2017	2016
Wages and salaries	59.9	54.5
Payroll taxes	23.2	20.3
Discretionary profit sharing	4.0	3.0
TOTAL	**87.1**	**77.8**

7 – Financial income and expense

(in euro millions)	Year ended December 31 2017	2016
▪ Finance costs[(1)]	(7.0)	(4.7)
▪ Interest income on loans and investments	0.3	0.4
Finance costs, net	**(6.7)**	**(4.3)**
Factoring cost	**(0.8)**	**(0.6)**
▪ Effect of changes in scope of consolidation	-	3.8
▪ Interest expense on employee benefit obligations	(0.2)	(0.4)
▪ Exchange gains and losses on foreign currency receivables and payables	(1.1)	-
▪ Other	0.3	(0.5)
OTHER FINANCIAL INCOME AND EXPENSE	**(1.0)**	**2.9**
NET FINANCIAL EXPENSE	**(8.5)**	**(2.0)**

(1) In 2017, the Group took advantage of the historically low interest rates to once again increase its borrowings for the purpose of accelerating its development.

8 – Income tax

8.1. INCOME TAX EXPENSE

Income tax expense reported in the income statement is analyzed in the table below.

(in euro millions)	Year ended December 31 2017	2016
Current taxes	(5.8)	(7.5)
Deferred taxes	1.8	2.6
TOTAL	**(4.0)**	**(4.9)**

The table below reconciles the Group's actual tax charge to the theoretical tax charge that would apply based on the weighted average tax rate of the consolidated companies (which is similar to the French tax rate):

(in euro millions)	Year ended December 31 2017	2016
Pre-tax profit of consolidated companies	30.0	31.9
Standard French income tax rate	34.43%	34.43%
Tax at the standard rate	(10.3)	(11.0)
Income tax expense for the period	(4.0)	(4.9)
DIFFERENCE BETWEEN INCOME TAX EXPENSE FOR THE PERIOD AND TAX AT THE STANDARD RATE	**6.3**	**6.1**
Effect of differences in foreign tax rates	1.3	0.4
Effect of permanent differences between book profit and taxable profit	(0.6)	1.5
Change in tax assets recognized for tax losses:		
■ Reversals of valuation allowances on tax loss carryforwards recognized in prior periods(1)	1.7	2.2
■ Utilizations of tax loss carryforwards covered by valuation allowances(2)	4.7	3.9
■ Effect of unrelieved tax losses	(0.2)	(0.5)
Other(3)	(0.6)	(1.4)
DIFFERENCE BETWEEN INCOME TAX EXPENSE FOR THE PERIOD AND TAX AT THE STANDARD RATE	**6.3**	**6.1**

(1) Including €1.4 million in deferred tax assets recognized at December 31, 2017 on the French tax group's tax loss carryforwards, based on earnings forecasts for the next five years.
(2) At December 31, 2017, this amount primarily corresponded to the utilization of the French tax group's tax loss carryforwards.
(3) The 2017 figure includes a €0.7 million expense relating to the CVAE tax in France.

8.2. DEFERRED TAXES

8.2.1. Analysis of the net deferred tax asset

(in euro millions)	Dec. 31, 2016	Income statement impact	Equity impact	Translation adjustment	Other	Dec. 31, 2017
France	22.3	1.4	-	-		23.7
United States	3.3	-	-	(0.4)	-	2.9
Germany	0.7	0.3	-	-	-	1.0
Other countries	2.7	0.1	-	(0.2)	0.1	2.7
TOTAL	**29.0**	**1.8**	**-**	**(0.6)**	**0.1**	**30.3**

	Dec. 31, 2017			Dec. 31, 2016		
(in euro millions)	Tax loss carryforwards and tax credits	Temporary differences	Total	Tax loss carryforwards and tax credits	Temporary differences	Total
Deferred tax assets						
▪ Recoverable beyond 12 months	28.4	0.9	29.3	29.1	0.8	29.9
▪ Recoverable within 12 months	-	7.9	7.9	-	8.4	8.4
Deferred tax liabilities, net						
▪ To be settled beyond 12 months	-	(6.3)	(6.3)	-	(8.5)	(8.5)
▪ To be settled within 12 months	-	(0.6)	(0.6)	-	(0.8)	(0.8)
TOTAL	**28.4**	**1.9**	**30.3**	**29.1**	**(0.1)**	**29.0**

8.2.2. Analysis of tax loss carryforwards

No deferred tax assets have been recognized for a significant portion of the evergreen losses of the various tax groups.

Tax loss carryforwards were as follows at December 31, 2017:

(in euro millions)	French tax group	US tax group	German tax group	Other countries, excluding tax groups	Total tax loss carryforwards
Available until					
2018	-	-	-	0.6	0.6
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022 and beyond	-	84.6	-	3.3	87.9
Evergreen losses	197.2	-	25.1	9.7	232.0
TOTAL TAX LOSS CARRYFORWARDS AT DECEMBER 31, 2017	**197.2**	**84.6**	**25.1**	**13.6**	**320.5**
o/w recognized	*84.5*	*8.3*	*3.4*	*1.4*	*97.6*
o/w unrecognized	*112.7*	*76.3*	*21.7*	*12.2*	*222.9*
TOTAL TAX LOSS CARRYFORWARDS AT DECEMBER 31, 2016	**205.8**	**86.3**	**26.4**	**18.9**	**337.4**
o/w recognized	*73.1*	*9.4*	*2.5*	*1.8*	*86.8*
o/w unrecognized	*132.7*	*76.9*	*23.9*	*17.1*	*250.6*

In some countries (notably the United States and Germany) deferred tax assets can only be recognized for tax loss carryforwards if the company has a stable direct or indirect ownership structure.

9 – Earnings per share

Basic earnings per share are calculated by dividing profit from continuing operations attributable to owners of the parent by the weighted average number of shares outstanding during the period.

Basic earnings per share amounted to €1.09 in 2017 (Net profit/average number of shares).

Diluted earnings per share takes into account the weighted average number of performance shares granted to employees (see note 16.4). For 2017, the calculation of diluted earnings per share also involved adding back to profit from continuing operations the €0.3 million recognized for performance shares during the year.

	Year ended December 31			
	2017		2016	
(in euro millions)	**Basic**	**Diluted**	Basic	Diluted
Profit from continuing operations (in euro millions)	25.2	25.5	25.0	25.0
Weighted average number of shares	23,156,635	23,172,464	22,955,692	22,955,692
EARNINGS PER SHARE FROM CONTINUING OPERATIONS *(IN EUROS)*	**1.09**	**1.10**	**1.09**	**1.09**

10 – Intangible assets

10.1. GOODWILL

10.1.1. Movements in goodwill

The table below provides a breakdown of goodwill by cash-generating unit (CGU).

(in euro millions)	Protective Films	Fashion Technologies[1]	Technical Substrates	**Total**
DECEMBER 31, 2015	**59.1**	**6.6**	**11.0**	**76.7**
Additions	10.9	-	-	10.9
Translation adjustment	2.5	0.1	-	2.6
DECEMBER 31, 2016	**72.5**	**6.7**	**11.0**	**90.2**
Additions	5.3	-	-	5.3
Translation adjustment	(8.6)	(0.7)	-	(9.3)
DECEMBER 31, 2017	**69.2**	**6.0**	**11.0**	**86.2**

(1) The goodwill related to Etacol was included in the Fashion Technologies CGU for the years ended December 31, 2015 and 2016 (see below).

Protective Films

The Protective Films operating segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single CGU.

The acquisition in 2017 of Walco in the United States, Somerra in France and Omma in Italy – all of which specialize in designing and manufacturing the laminators used to apply temporary surface protection films – gave rise to provisional goodwill of €5.3 million (see note 2.1).

As these three companies have been included in the Protective Films segment and their acquisitions are expected to generate synergies for the business unit as a whole, the full amount of this provisional goodwill has been allocated to the Protective Films CGU.

A portion of Chargeurs Protective Films goodwill is denominated in US dollars and the dollar's depreciation against the euro between December 31, 2016 and 2017 resulted in an €8.6 million decrease in the carrying amount of that goodwill.

Fashion Technologies

The Fashion Technologies segment also has a global management structure that is aligned with local needs. In prior periods, Etacol – a wholly-owned Chargeurs Fashion Technologies subsidiary – constituted a separate CGU. However, in light of the organizational, industrial and commercial synergies between Etacol (100% owned subsidiary of CFT) and Chargeurs Fashion Technologies, they were combined into a single CGU in 2017.

A portion of Chargeurs Fashion Technologies' goodwill is denominated in Bangladesh taka and the €0.7 million decrease in its carrying amount in 2017 was due to this currency's depreciation against the euro over the year.

Technical Substrates

The Technical Substrates operating segment comprises a single entity, Senfa. This business is monitored separately by Management in view of its development and growth outlook.

10.1.2. Goodwill impairment tests

The tests performed at the level of each CGU at December 31, 2017 showed that their recoverable amounts were higher than their carrying amounts, including for goodwill.

10.1.3. Main assumptions used and sensitivity tests

The recoverable amount of the CGUs was determined based on value-in-use calculations,

using the five-year cash flow projections contained in the business plans approved by management, as adjusted to comply with IAS 36. Cash flows beyond this five-year period were extrapolated by using the estimated growth rates shown in the table below.

The uncertain economic environment was taken into account in the CGUs' business plans, by basing revenue and earnings growth forecasts on conservative estimates. Projections assumed reasonable growth in the Group's profitability indicators over the duration of the plans.

The following method was used:

- a cash flow simulation model was developed based on various market parameters;
- the cash flow simulations were broken down into various scenarios based on different assumptions for WACC, growth rates and/or recurring operating profit, taking into account the probability of each situation occurring.

The final value allocated to the CGUs' goodwill corresponds to the average value of all of the different simulated scenarios.

THE MAIN VALUE-IN-USE ASSUMPTIONS APPLIED WERE AS FOLLOWS:

	2017			2016		
	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates	Chargeurs Protective Films	Chargeurs Fashion Technologies	Chargeurs Technical Substrates
Average weighted operating margin over the business plan period(1)	11.40%	6.40%	15.20%	11.10%	6.20%	15.10%
Perpetuity growth rate(2)	1.00%	1.00%	2.00%	1.00%	1.00%	2.00%
Discount rate	7.50%	8.50%	8.50%	7.86%	8.49%	8.45%

(1) Recurring operating profit as a % of revenue.
(2) The perpetuity growth rate is equal to or less than the medium- to long-term growth rate for the industry as a whole and for all the segments. The rate is used only for inflation.

Sensitivity tests

Tests were performed to determine the sensitivity of the values obtained to changes in all of the key assumptions presented above. A 100 basis-point increase in the discount rate used to calculate the recoverable amount of goodwill, combined with a 100 basis-point reduction in operating margin (corresponding to changes in the key assumptions that Management considers "reasonably possible"), would not lead to the recognition of any impairment losses on the goodwill allocated to any of the Group's CGUs.

Similarly, the goodwill held by the Group's CGUs would not be affected if the objectives contained in the five-year business plans were achieved a year later than forecast.

10.2. OTHER INTANGIBLE ASSETS

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
DECEMBER 31, 2015	**0.5**	**0.1**	**0.3**	**0.9**	**1.8**
Capitalized development costs	-	0.2	-	-	0.2
Additions	0.1	-	-	0.4	0.5
Changes in scope of consolidation	0.1	-	-	-	0.1
Amortization	(0.1)	-	-	(0.6)	(0.7)
DECEMBER 31, 2016	**0.6**	**0.3**	**0.3**	**0.7**	**1.9**
Capitalized development costs	-	0.2	-	-	0.2
Additions	0.1	-	-	0.5	0.6
Amortization	(0.1)	(0.1)	-	(0.4)	(0.6)
Other	-	0.1	-	(0.1)	-
DECEMBER 31, 2017	**0.6**	**0.5**	**0.3**	**0.7**	**2.1**

11 – Property, plant and equipment

Changes in the carrying amount of property, plant and equipment can be analyzed as follows:

(in euro millions)	Land	Buildings	Plant and equipment	Fixtures and fittings	Assets under construction	Total
DECEMBER 31, 2015	**2.6**	**10.3**	**34.2**	**4.6**	**4.2**	**55.9**
Additions	-	0.7	7.4	1.2	2.1	11.4
Disposals	-	-	(0.2)	-	(0.1)	(0.3)
Changes in scope of consolidation	-	-	4.5	-	0.1	4.6
Depreciation	-	(1.5)	(6.8)	(0.8)	-	(9.2)
Impairment	-	-	(0.3)	(0.3)	-	(0.6)
Other	-	0.5	2.0	0.3	(2.8)	-
Translation adjustment	-	-	-	-	(0.1)	(0.1)
DECEMBER 31, 2016	**2.6**	**10.0**	**40.8**	**5.0**	**3.4**	**61.8**
Additions(1)	-	0.4	6.6	1.5	4.9	13.4
Disposals	-	-	(0.4)	-	(0.3)	(0.7)
Changes in scope of consolidation		-	0.1	-	-	0.1
Depreciation	-	(1.4)	(7.3)	(0.9)	-	(9.6)
Other	(0.1)	0.1	1.6	0.2	(1.8)	-
Translation adjustment	-	(0.4)	(1.0)	(0.1)	(0.3)	(1.8)
DECEMBER 31, 2017	**2.5**	**8.7**	**40.4**	**5.7**	**5.9**	**63.2**

(1) Including €0.6 million worth of assets acquired under finance leases.

12 – Finance leases

The carrying amount of property, plant and equipment acquired under finance leases is as follows:

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
Land	1.2	1.2
Buildings	19.5	19.5
Plant and equipment	36.2	36.0
Fixtures, fittings and other	7.0	7.0
GROSS VALUE	**63.9**	**63.7**
Accumulated depreciation	**(50.1)**	**(47.3)**
NET VALUE	**13.8**	**16.4**

Future minimum lease payments under finance leases and the carrying amount of the corresponding liabilities can be analyzed as follows:

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
Future minimum lease payments under finance leases	14.5	19.5
Finance lease liabilities	13.4	17.8
Future finance cost	**1.1**	**1.7**

Future lease payments can be analyzed by maturity as follows:

(in euro millions)	Future minimum lease payments	Finance lease liabilities
Due in less than one year	5.5	5.1
Due in one to five years	9.0	8.3
Due in more than five years	-	-
TOTAL AT DECEMBER 31, 2017	**14.5**	**13.4**
Due in less than one year	5.5	4.9
Due in one to five years	13.3	12.3
Due in more than five years	0.7	0.6
TOTAL AT DECEMBER 31, 2016	**19.5**	**17.8**

The main finance leases correspond to sale-and-leaseback transactions on real estate and equipment leases for machinery. Financing is generally obtained for periods ranging from six to 15 years and corresponds to secured debt.

13 – Equity-accounted investees

13.1. COMPANIES

Luxury Materials segment

CW Uruguay comprises Lanas Trinidad SA and its subsidiaries.

CW Argentina comprises Chargeurs Wool Argentina and its subsidiary, Peinadura Rio Chubut.

Zhangjiagang Yangtse Wool Combing Co. Ltd comprises Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse (Australia) PTY Ltd.

Movements in equity-accounted investees (associates and joint ventures) can be analyzed as follows:

(in euro millions)	Dec. 31, 2016	Share of profit/ (loss)	Dividends received	Translation adjustment	Scope changes	Other	**Dec. 31, 2017**
CW Uruguay	7.7	(0.3)	-	(0.9)	-	-	6.5
CW Argentina	2.3	0.1	-	(0.4)	-	-	2.0
Zhangjiagang Yangtse Wool Combing Co. Ltd	3.4	(0.5)	-	(0.1)	-	-	2.8
Other	0.9	-	(0.8)	(0.1)	-	-	-
Total Chargeurs Luxury Materials	**14.3**	**(0.7)**	**(0.8)**	**(1.5)**	**-**	**-**	**11.3**
TOTAL JOINT VENTURES	**14.3**	**(0.7)**	**(0.8)**	**(1.5)**	**-**	**-**	**11.3**
Wool USA	0.6	(0.1)	-	(0.1)	-	-	0.4
TOTAL ASSOCIATES	**0.6**	**(0.1)**	**-**	**(0.1)**	**-**	**-**	**0.4**
TOTAL EQUITY-ACCOUNTED INVESTEES	**14.9**	**(0.8)**	**(0.8)**	**(1.6)**	**-**	**-**	**11.7**

(in euro millions)	Dec. 31, 2015	Share of profit/ (loss)	Dividends received	Translation adjustment	Scope changes	Other	Dec. 31, 2016
CW Uruguay	8.0	(0.3)	(0.3)	0.3	-	-	7.7
CW Argentina	1.6	0.2	-	(0.2)	-	0.7	2.3
Zhangjiagang Yangtse Wool Combing Co. Ltd	4.5	(1.1)	-	-	-	-	3.4
Other	0.1	0.8	-	-	-	-	0.9
Total Chargeurs Luxury Materials	**14.2**	**(0.4)**	**(0.3)**	**0.1**	**-**	**0.7**	**14.3**
Ningbo Lailong Bertero Interlining Co. Ltd	3.4	(0.8)	-	(0.1)	(2.5)	-	-
Ningbo Chargeurs Yak Textile Trading Co. Ltd	-	(0.9)	-	(0.1)	1.0	-	-
Total Chargeurs Fashion Technologies	**3.4**	**(1.7)**	**-**	**(0.2)**	**(1.5)**	**-**	**-**
TOTAL JOINT VENTURES	**17.6**	**(2.1)**	**(0.3)**	**(0.1)**	**(1.5)**	**0.7**	**14.3**
Wool USA	0.5	0.1	-	-	-	-	0.6
TOTAL ASSOCIATES	**0.5**	**0.1**	**-**	**-**	**-**	**-**	**0.6**
TOTAL EQUITY-ACCOUNTED INVESTEES	**18.1**	**(2.0)**	**(0.3)**	**(0.1)**	**(1.5)**	**0.7**	**14.9**

13.2. KEY FIGURES FOR THE MAIN EQUITY-ACCOUNTED INVESTEES

Key figures for material equity-accounted investees are presented below (on a 100% basis):

	At December 31, 2017			At December 31, 2016		
	Chargeurs Luxury Materials			Chargeurs Luxury Materials		
(in euro millions)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd
Non-current assets	2.7	0.9	4.7	3.5	1.4	5.3
Current assets	38.9	20.0	15.1	41.7	21.6	15.1
Cash and cash equivalents	1.7	0.2	3.9	0.7	0.2	2.5
Other non-current liabilities	0.1	-	-	0.1	-	-
Current financial liabilities	21.8	11.0	6.1	23.4	12.3	7.4
Other current liabilities	8.4	7.2	12.1	7.0	7.2	8.7
TOTAL NET ASSETS	**13.0**	**2.9**	**5.5**	**15.4**	**3.7**	**6.8**
% interest	50%	50%	50%	50%	50%	50%
Group share	6.5	1.5	2.8	7.7	1.8	3.4
Other	-	0.5	0.0	-	0.5	0.0
CARRYING AMOUNT	**6.5**	**2.0**	**2.8**	**7.7**	**2.3**	**3.4**

	At December 31, 2017			At December 31, 2016				
	Chargeurs Luxury Materials			Chargeurs Luxury Materials			Chargeurs Fashion Technologies	
(in euro millions)	CW Uruguay[1]	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd[2]	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Ningbo Lailong Bertero Interlining Co. Ltd	Yak Textile Tading Co. Ltd
Revenue	49.9	20.0	24.4	51.8	19.2	33.6	5.4	6.1
Depreciation, amortization and impairment	(0.5)	-	(0.8)	(0.6)	-	(1.3)	(0.1)	(1.6)
Finance costs, net	(0.7)	(0.4)	(3.7)	(0.8)	(1.0)	(0.5)	-	-
Income tax expense	-	-	-	-	-	-	-	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(0.6)**	**0.1**	**(0.9)**	**(0.2)**	**0.7**	**(2.1)**	**(1.7)**	**(1.8)**
% interest	50%	50%	50%	50%	50%	50%	49%	49%
Other	-	-		(0.1)	(0.2)	-	-	-
GROUP SHARE OF PROFIT/(LOSS)	**(0.3)**	**0.1**	**(0.5)**	**(0.3)**	**0.2**	**(1.1)**	**(0.8)**	**(0.9)**

(1) Lanas Trinidad's results for the period included restructuring cost incurred to adapt its production capacity to market requirements.
(2) The restructuring measures carried out within Zhangjiagang during prior years resulted in a significant improvement in its results in 2017.

13.3. TRANSACTIONS WITH EQUITY-ACCOUNTED INVESTEES

In 2017, the main transactions with the Group's equity-accounted investees were as follows:

- with Lanas Trinidad, Chargeurs Wool Argentina, Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse Pty Ltd: :
  - purchases recorded in the Luxury Materials segment's cost of sales for €37.3 million;
  - trade payables for €10.6 million;
  - trade receivables for €5.4 million.

14 – Non-current financial assets

At December 31, 2017, non-current financial assets mainly comprised deposits (€1.1 million) and investments in non-consolidated companies (€1.5 million).

The carrying amounts of the Group's main investments in non-consolidated companies can be analyzed as follows:

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
Interests of over 50%	1.4	0.7
Interests of between 20% and 50%	-	-
Interests of less than 20%	0.1	0.1
TOTAL	**1.5**	**0.8**

As these investments are not listed they cannot be valued using observable market inputs and are therefore classified at level 3 in the fair value hierarchy, in accordance with IFRS 13. The fair value of these assets is close to their carrying amount. An impairment loss is recorded where necessary.

Investments in non-consolidated companies mainly include shares in CFT Éthiopie (€1.0 million, of which €0.7 million relates to shares purchased in 2017).

15 – Working capital

15.1. ANALYSIS OF CHANGE IN WORKING CAPITAL

(in euro millions)	Dec. 31, 2016	Change in operating working capital(1)	Other changes	Translation adjustment	Impact of changes in scope of consolidation	Dec. 31, 2017
Inventories and work-in-progress	105.4	6.8	-	(7.1)	2.2	107.3
Trade receivables	47.3	8.3	-	(4.2)	1.6	53.0
Derivative financial instruments	0.5	-	(0.1)	-	-	0.4
Other receivables	23.0	0.4	-	(0.3)	0.4	23.5
Current income tax receivables	2.2	-	1.5	-	-	3.7
ASSETS	**178.4**	**15.5**	**1.4**	**(11.6)**	**4.2**	**187.9**
Trade payables	91.3	6.6	-	(2.4)	1.2	96.7
Derivative financial instruments	1.8	-	(0.5)	-	-	1.3
Other payables	39.7	1.9	-	(1.2)	2.1	42.5
Current income tax liability	1.9	0.3	-	-	0.6	2.8
LIABILITIES	**134.7**	**8.8**	**(0.5)**	**(3.6)**	**3.9**	**143.3**
WORKING CAPITAL	**43.7**	**6.7**	**1.9**	**(8.0)**	**0.3**	**44.6**

(1) Reported in the consolidated statement of cash flows under "Net cash from operating activities".

(in euro millions)	Dec. 31, 2015	Change in operating working capital(1)	Other changes	Translation adjustment	Impact of changes in scope of consolidation	Dec. 31, 2016
Inventories and work-in-progress	101.0	3.4	-	0.7	0.3	105.4
Trade receivables	44.6	4.4	-	0.5	(2.2)	47.3
Derivative financial instruments	1.1	-	(0.6)	-	-	0.5
Other receivables	23.6	(2.6)	-	-	2.0	23.0
Current income tax receivables	1.3	-	0.9	-	-	2.2
ASSETS	**171.6**	**5.2**	**0.3**	**1.2**	**0.1**	**178.4**
Trade payables	90.6	3.9	(0.2)	0.5	(3.5)	91.3
Derivative financial instruments	0.3	0.2	1.3	-	-	1.8
Other payables	38.9	1.9	(1.3)	(0.2)	0.4	39.7
Current income tax liability	1.5	-	0.4	-	-	1.9
LIABILITIES	**131.3**	**6.0**	**0.2**	**0.3**	**(3.1)**	**134.7**
WORKING CAPITAL	**40.3**	**(0.8)**	**0.1**	**0.9**	**3.2**	**43.7**

(1) Reported in the consolidated statement of cash flows under "Net cash from operating activities".

15.2. INVENTORIES AND WORK-IN-PROGRESS

Inventories and work-in-progress can be analyzed as follows:

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Gross value		
Raw materials and supplies	42.7	41.1
Finished and semi-finished goods and work-in-progress	70.3	70.5
Other	0.6	0.4
TOTAL - GROSS VALUE	**113.6**	**112.0**
Provisions for impairment	(6.3)	(6.6)
NET VALUE	**107.3**	**105.4**

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
PROVISIONS FOR IMPAIRMENT AT JANUARY 1	**(6.6)**	**(6.0)**
Increase in provisions for impairment of inventory	(1.8)	(2.6)
Reversals of provisions used	1.4	1.1
Reversals of surplus provisions	0.6	0.5
Translation adjustment	0.1	0.4
PROVISIONS FOR IMPAIRMENT AT DECEMBER 31	**(6.3)**	**(6.6)**

No inventories have been pledged as collateral.

15.3. TRADE RECEIVABLES

(in euro millions)	Dec. 31, 2017	Not yet due	Past due	Dec. 31, 2016	Not yet due	Past due
Trade receivables						
Gross value	56.1	48.1	8.0	50.6	41.0	9.6
Provisions for impairment	(3.1)	(0.3)	(2.8)	(3.3)	(0.3)	(3.0)
NET VALUE	**53.0**	**47.8**	**5.2**	**47.3**	**40.7**	**6.6**

TRADE RECEIVABLES BY DUE DATE

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Less than one month past due	2.9	4.6
One-to-three months past due	1.7	1.4
Three-to-six months past due	0.6	0.2
More than six months past due	-	0.4
NET VALUE	**5.2**	**6.6**

As these receivables are all short term and are not interest bearing, changes in interest rates do not generate any material interest rate risk.

Given their short maturities, their fair value may be considered to be close to their carrying amount.

Customer credit risks are managed on a local, decentralized basis. Provisions for past-due receivables are determined on a case-by-case basis, taking into account the amount recoverable under credit insurance, local practices, the customer's payment history and the total balance due (see note 21).

15.4. MISCELLANEOUS RECEIVABLES

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Short-term tax receivables	3.7	2.2
Other receivables	23.5	23.0
Accruals	-	1.8
Provisions for impairment	-	(1.8)
NET VALUE	**27.2**	**25.2**

"Other receivables" primarily include tax credits, the difference between the nominal amount of receivables sold under no-recourse contracts and the sale proceeds, and supplier advances. The fair value of these assets approximates their carrying amount.

16 – Equity

16.1. SHARE CAPITAL

All Chargeurs shares have been called and are fully paid-up. Changes in the number of shares outstanding since December 31, 2016 are as follows:

SHARES OUTSTANDING AT DECEMBER 31, 2016	**22,966,144**
New shares issued as payment of the balance of the dividend for 2016	243,356
New shares issued as payment of the interim dividend for 2017	121,097
SHARES OUTSTANDING AT DECEMBER 31, 2017	**23,330,597**

Based on a par value of €0.16 per share, shares outstanding represented issued capital of €3,732,896 at December 31, 2017.

Double voting rights

Chargeurs SA's bylaws provide that shares registered in the name of the same owner for at least two years carry double voting rights. Consequently, in accordance with article L. 225-124 of the French Commercial Code (*Code de commerce*), holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings. At December 31, 2017, 817,123 shares carried double voting rights.

16.2. INTERIM DIVIDENDS

Payment of an interim dividend for 2016

In 2016, Chargeurs' Board of Directors decided to pay a dividend in view of the Group's performance during that year.

An interim dividend of €0.20 per share was paid in 2016 and the balance of €0.35 was paid in 2017, with shareholders given the option of receiving this payment in cash or in the form of shares. In total, 243,356 new shares were issued as payment for the dividend to shareholders who opted for the stock dividend alternative, based on a price per share of €18.39. As a result of this share issue the Company's share capital was raised to €3,713,520 divided into 23,209,500 ordinary shares with a par value of €0.16 each.

Payment of an interim dividend for 2017

On September 6, 2017, Chargeurs' Board of Directors decided to pay a €0.25 interim dividend in view of the Group's performance during that year. Shareholders were given the option of receiving their interim dividend either in cash or in the form of new shares.

At the end of the option exercise period, which ran from September 13 to September 21, 2017, 47.25% of the rights exercised were for payment of the dividend in the form of shares. Consequently, on September 29, 2017 121,097 new shares were issued at a unit price of €22.30 in payment for the 2017 interim dividend. These new shares (ISIN FR0013282464) carry dividend rights from January 1, 2018 and will be merged with the Company's ordinary shares (ISIN FR0000130692) after the ex-dividend date for the balance of the 2017dividend.

As a result of this share issue, Chargeurs' share capital was raised to €3,732,896, divided into 23,330,597 shares with a par value of €0.16 each.

The amount of the interim dividend paid in cash on September 29, 2017 totaled approximately €3.0 million.

16.3. TREASURY STOCK

Treasury stock comprises Chargeurs SA shares held by the Group, including shares held under a liquidity contract that complies with an AMF-recognized code of ethics. At December 31, 2017 the Group held 13,334 shares in treasury, unchanged from one year earlier.

16.4. SHARE-BASED PAYMENT

By way of the twentieth resolution (extraordinary resolution) of the April 20, 2017 Annual General Meeting, in accordance with articles L.225-197-1 *et seq.* of the French Commercial Code, the Company's shareholders authorized the Board of Directors to grant, on one or more occasions, existing or new Chargeurs shares free of consideration to beneficiaries to be selected by the Board from among the employees and/or officers of the Company or of entities or groupings affiliated to the Company within the meaning of article L.225-197-2 of the French Commercial Code. The free share grants carried out in accordance with this resolution are subject to an overall ceiling of 1% of the Company's capital as at the date of that Annual General Meeting.

On July 20, 2017, the Board of Directors used this authorization to grant a total of 31,400 performance shares, representing 0.14% of the Company's capital, to a number of key executives of the Chargeurs Group. These shares are subject to a one-year vesting period followed by a one-year lock-up period. At his own request, the Chairman and Chief Executive Officer was not a beneficiary of this performance share plan. The 31,400 new shares to be issued at the end of the vesting period will only actually vest if the applicable performance conditions are met and the beneficiary is still a member of the Group.

At December 31, 2017, a €0.3 million expense had been recognized within payroll costs in the income statement for this plan, with a corresponding increase in equity.

16.5. TRANSLATION RESERVES

Movements in 2017 in the Group's translation reserves by main currency can be analyzed as follows:

(in euro millions)	Translation reserves by main currency at Dec. 31, 2016	Increase/(decrease)	**Translation reserves by main currency at Dec. 31, 2017**
US dollar	16.6	(11.0)	5.6
Chinese yuan	7.3	(1.0)	6.3
Argentine peso	(10.1)	(0.7)	(10.8)
New Zealand dollar	1.9	(1.2)	0.7
Other	2.4	(2.6)	(0.2)
TOTAL	**18.1**	**(16.5)**	**1.6**

17 – Long- and short-term debt, cash and cash equivalents

17.1. NET CASH POSITION

17.1.1. Change in net cash position

	Cash movements				Non-cash movements			
(in euro millions)	Dec. 31, 2016	Increase	Decrease	Changes in scope of consolidation	Assets acquired under finance leases	Changes in exchange rates	Other	**Dec. 31, 2017**
Marketable securities	44.2	46.3	-	-	-	-	-	90.5
Term deposits	2.7	-	(0.5)	-	-	(0.2)	-	2.0
Cash at bank	114.6	3.8	-	5.0	-	(1.1)	-	122.3
CASH AND CASH EQUIVALENTS	**161.5**	**50.1**	**(0.5)**	**5.0**	**-**	**(1.3)**	**-**	**214.8**
Bank borrowings	123.4	56.1	(3.5)	0.2	-	(0.2)	-	176.0
Finance lease liabilities	17.8	-	(5.0)	-	0.6	-	-	13.4
Bank overdrafts	17.1	0.8	-	-	-	(1.4)	-	16.5
TOTAL BANK BORROWINGS AND OVERDRAFTS	**158.3**	**56.9**	**(8.5)**	**0.2**	**0.6**	**(1.6)**	**-**	**205.9**
NET CASH POSITION/(NET DEBT POSITION)	**3.2**	**(6.8)**	**8.0**	**4.8**	**(0.6)**	**0.3**	**-**	**8.9**

There were no restrictions on the use of the cash and cash equivalents held by Group at December 31, 2017.

The average interest rate on long-term borrowings after hedging was 2.77% at December 31, 2017 and 2.79% at December 31, 2016.

At December 31, 2017, Group companies had financing facilities maturing at different dates representing a total of €284.1 million, of which €78.2 million was undrawn (versus a total of €217.7 million at December 31, 2016 of which €60.9 million was undrawn).

Euro private placements (Euro PP)

During 2017 Chargeurs put in place two new Euro PPs for amounts of €40.0 million and €10.0 million before fees.

These placements raised eight and ten year financing, repayable at maturity, which will be used for general corporate purposes.

New revolving credit facilities

In 2017 Chargeurs obtained three new confirmed credit facilities for a total of €23.0 million, none of which had been drawn down at December 31, 2017.

Financial covenants

The €122.0 million Euro PPs and credit facilities representing an aggregate €30.0 million are subject to the following bank covenants that were complied with at December 31, 2017:

- Net debt/equity ≤ 0.85; and
- Net debt/EBITDA ≤ 3.50.

17.1.2. Analysis of the change in net cash position

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
NET CASH FROM OPERATING ACTIVITIES	30.7	31.1
NET CASH USED IN INVESTING ACTIVITIES	(17.9)	(31.3)
Other movements	-	(6.0)
Dividends paid to owners of the parent	(6.6)	(11.5)
OTHER CASH FLOWS	(6.6)	(17.5)
New finance lease liabilities	(0.6)	(1.6)
Impact of changes in scope of consolidation	(0.2)	(0.8)
Currency effect	0.3	-
CHANGE IN NET CASH	**5.7**	**(20.1)**

17.2. ANALYSIS OF DEBT BY MATURITY AND INTEREST RATE

	Dec. 31, 2017			Dec. 31, 2016		
(in euro millions)	Total	Of which fixed rate	Of which variable rate	Total	Of which fixed rate	Of which variable rate
Due in less than one year	10.1	8.6	1.5	8.1	6.8	1.3
Due in one to two years	9.0	7.5	1.5	8.2	6.9	1.3
Due in two to three years	22.3	21.0	1.3	7.2	5.5	1.7
Due in three to four years	21.4	20.5	0.9	21.8	20.3	1.5
Due in four to five years	3.0	2.4	0.6	20.8	20.0	0.8
Due in more than five years	123.6	123.6	-	75.1	74.3	0.8
TOTAL	**189.4**	**183.6**	**5.8**	**141.2**	**133.8**	**7.4**

In 2017 the Group extended the average maturity of its debt from 5.1 to 5.2 years.

At December 31, 2017, the carrying amount of fixed-rate debt was €183.6 million after hedging. The proportion of average debt at fixed rates of interest was 96.4% in 2017 and 91.2% in 2016.

An interest rate swap has been set up on a notional amount of €30.0 million to convert the variable interest rate on certain credit facilities to fixed rate. The swap qualifies as a cash flow hedge and is measured at fair value with changes in fair value recognized in other comprehensive income. In 2017, changes in fair value represented a negative €0.2 million.

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.

17.3. ANALYSIS OF DEBT BY CURRENCY

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Euro	187.8	140.4
Other	1.6	0.8
TOTAL	**189.4**	**141.2**

18 – Pension and other post-employment benefit obligations

Pension and other post-employment benefit obligations can be analyzed as follows by geographical area:

(in euro millions)	France	United States	Italy	Germany	Other	Dec. 31, 2017
Present value of obligations — funded plans	1.5	16.8	-	-	-	18.3
Fair value of plan assets	(0.6)	(14.6)	-	-	-	(15.2)
NET PRESENT VALUE OF OBLIGATIONS — FUNDED PLANS	**0.9**	**2.2**	**-**	**-**	**-**	**3.1**
Present value of obligations — unfunded plans	6.5	0.5	2.5	2.4	1.4	13.3
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**7.4**	**2.7**	**2.5**	**2.4**	**1.4**	**16.4**

(in euro millions)	France	United States	Italy	Germany	Other	Dec. 31, 2016
Present value of obligations — funded plans	2.7	19.0	-	-	-	21.7
Fair value of plan assets	(0.8)	(15.8)	-	-	-	(16.6)
NET PRESENT VALUE OF OBLIGATIONS — FUNDED PLANS	**1.9**	**3.2**	**-**	**-**	**-**	**5.1**
Present value of obligations — unfunded plans	5.2	0.6	1.9	2.5	1.4	11.6
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**7.1**	**3.8**	**1.9**	**2.5**	**1.4**	**16.7**

MOVEMENTS IN PROVISIONS FOR THE PROJECTED BENEFIT OBLIGATION

(in euro millions)	Dec. 31, 2016	Net expense recognized in the income statement	Benefits paid during the period	Employer contributions	Actuarial gains and losses)	Impact of changes in scope of consolidation	Translation adjustment	Dec. 31, 2017
Post-employment benefit obligations	14.4	0.9	(0.6)	(0.3)	(0.3)	0.6	(0.4)	14.3
Post-employment healthcare plans	0.6	-	-	-	-	-	(0.1)	0.5
Other long-term benefit obligations	1.7	-	(0.1)	-	-	-	-	1.6
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**16.7**	**0.9**	**(0.7)**	**(0.3)**	**(0.3)**	**0.6**	**(0.5)**	**16.4**

Post-employment benefits under defined benefit plans correspond to statutory length-of-service awards payable to employees on retirement in France and other plans giving rise to less significant obligations. Other long-term employee benefits consist mainly of jubilee awards.

18.1. FUNDED PLANS

Movements in the projected benefit obligation under funded plans were as follows:

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
PROJECTED BENEFIT OBLIGATION AT JANUARY 1	**21.7**	**20.9**
Service cost	0.1	0.1
Interest cost	0.7	0.8
Benefits paid out of plan assets	(1.6)	(1.6)
Actuarial (gains)/losses for the period	0.7	0.9
Translation adjustment	(2.3)	0.6
Change from a funded to an unfunded obligation	(1.0)	-
PROJECTED BENEFIT OBLIGATION AT DECEMBER 31	**18.3**	**21.7**

Movements in the fair value of plan assets for funded plans were as follows:

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	**16.6**	**16.8**
Expected return on plan assets	0.6	0.6
Employer contributions	0.3	0.3
Actuarial gains/(losses) for the period	1.2	-
Benefits paid out of plan assets	(1.6)	(1.6)
Translation adjustment	(1.9)	0.5
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**15.2**	**16.6**

BREAKDOWN OF PLAN ASSETS

	Dec. 31, 2017	Dec. 31, 2016
Money market funds	2%	3%
Equities	54%	49%
Bonds	42%	44%
Real estate	2%	4%
TOTAL	**100%**	**100%**

18.2. UNFUNDED PLANS

Movements in the projected benefit obligation under unfunded plans can be analyzed as follows:

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
PROJECTED BENEFIT OBLIGATION AT JANUARY 1	**11.6**	**10.5**
Service cost	0.6	0.5
Interest cost	0.2	0.2
Benefits paid out of Company reserves	(0.6)	(0.5)
Actuarial (gains)/losses for the period	-	0.8
Translation adjustment	(0.1)	0.1
Change from a funded to an unfunded obligation	1.0	-
Impact of changes in scope of consolidation	0.6	-
PROJECTED BENEFIT OBLIGATION AT DECEMBER 31	**13.3**	**11.6**

18.3. ANALYSIS OF THE EXPENSE RECOGNIZED IN THE INCOME STATEMENT

The amounts recognized in the income statement for defined benefit plans and other long-term employee benefits can be analyzed as follows:

	Year ended December 31	
(in euro millions)	**2017**	2016
Service cost	0.7	0.6
Interest cost	0.3	0.4
NET EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**1.0**	**1.0**

The service cost is accounted for by function in cost of sales, distribution and administrative expenses, and research and development costs. The interest cost is recognized in financial expense.

18.4. CHANGES IN THE NET LIABILITY RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

Changes in the net liability recognized in the statement of financial position can be analyzed as follows:

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
NET LIABILITY AT JANUARY 1	**16.7**	**14.6**
Net expense recognized in the income statement	1.0	1.0
Benefits paid during the period	(0.6)	(0.5)
Employer contributions	(0.3)	(0.3)
Actuarial (gains)/losses for the period	(0.5)	1.7
Impact of changes in scope of consolidation	0.6	-
Exchange differences on foreign plans	(0.5)	0.2
NET LIABILITY AT DECEMBER 31	**16.4**	**16.7**

18.5. MAIN ACTUARIAL ASSUMPTIONS USED, SENSITIVITY TESTS AND PROJECTED BENEFIT OBLIGATION

The main actuarial assumptions at December 31, 2017 and 2016 were as follows:

	Dec. 31, 2017	Dec. 31, 2016
Europe:		
Discount rate applied to the projected benefit obligation(1)	1.25%	1.25%
Estimated future salary increases		
▪ Managers	2.50%	2.50%
▪ Other employees	2.00%	2.00%
Long-term (underlying) inflation rate	2.00%	2.00%
North America:		
Discount rate applied to the projected benefit obligation(1)	3.62%	4.05%
Probable retirement age	62 to 65 years	62 to 65 years

(1) Discount rates are based on market interest rates for prime corporate bonds.

A 1-point increase or decrease in the estimated growth rate for healthcare costs would not have a material impact on the related projected benefit obligation, service cost or interest cost.

A 1-point increase in the discount rate and inflation rate would have a €1.7 million negative impact on the projected benefit obligation.

At December 31, 2017, the average duration of the Group's employee benefit obligations was between 7 and 21 years

The Group pays contributions into funded plans and also pays benefits directly under unfunded plans. The total estimated amount of benefits that will be paid under defined benefit plans during the year ending December 31, 2018 is €2.0 million.

19 – Provisions

The amount reported under "Provisions" in the statement of financial position does not include short-term provisions, which are included in "Other payables".

(in euro millions)	Long-term provisions	Short-term provisions	Total
DECEMBER 31, 2015	**0.7**	**0.8**	**1.5**
Additions	-	0.1	0.1
Reversals of provisions used	-	(0.2)	(0.2)
Reversals of surplus provisions	(0.2)	(0.2)	(0.4)
Impact of changes in scope of consolidation	-	0.1	0.1
DECEMBER 31, 2016	**0.5**	**0.6**	**1.1**
Additions	0.2	0.5	0.7
Reversals of provisions used	-	(0.2)	(0.2)
Reversals of surplus provisions	-	(0.1)	(0.1)
DECEMBER 31, 2017	**0.7**	**0.8**	**1.5**

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Provisions for other contingencies	1.5	1.1
TOTAL	**1.5**	**1.1**

Cash outflows covered by provisions for other contingencies will amount to €0.8 million in 2018 and €0.7 million in subsequent years.

20 – Other non-current liabilities

At December 31, 2017, "Other non-current liabilities" included a €2.9 million guarantee received in respect of a license.

21 – Financial risk management

By virtue of its global footprint the Chargeurs Group is exposed to financial risks in the normal course of business, including:

- market risk (foreign exchange risk, interest rate risk and price risk on certain commodities);
- credit risks; and
- liquidity risks.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Derivative instruments are used to hedge certain risk exposures. They are classified at level 2 in the fair value hierarchy, in accordance with IFRS 13 and as explained in note 2.12.

The fair values of derivatives recognized in the statement of financial position can be analyzed as follows:

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
Assets	0.4	0.5
Liabilities	(1.3)	(1.8)
NET	**(0.9)**	**(1.3)**

	Dec. 31, 2017		Dec. 31, 2016	
(in euro millions)	**Fair value**	**Notional**	Fair value	Notional
Assets net of liabilities				
Fair value hedges				
CURRENCY HEDGES[(1)]	(0.2)	28.1	(0.9)	(14.6)
Cash flow hedges				
CURRENCY HEDGES[(1)]	(0.3)	2.7	0.1	35.7
INTEREST RATE HEDGES	(0.4)	(30.0)	(0.5)	(30.0)
DERIVATIVE INSTRUMENTS — NET ASSET/(LIABILITY)	**(0.9)**	**0.8**	**(1.3)**	**(9.0)**

(1) *Notional amounts shown in parentheses correspond to net borrower positions for interest rate derivatives and net seller positions for all other derivatives.*

MATURITIES OF DERIVATIVES AT FAIR VALUE

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
Less than 6 months	(0.4)	(0.9)
More than 6 months	(0.5)	(0.4)
TOTAL	**(0.9)**	**(1.3)**

21.1. MARKET RISKS

Market risks are monitored internally using reporting schedules that compare the entities' exposure to identified risks with market value indicators. These indicators are based on data covering foreign currencies and commodity prices that directly or indirectly affect the Group's operations and the value of its assets.

21.1.1. Foreign exchange risk

The Group operates internationally (see note 4), with over 90% of revenue generated outside France and more than 50% outside Europe. Its exposure to foreign exchange risk, which mainly concerns the US dollar and Chinese yuan, relates to future commercial transactions, recognized assets and liabilities denominated in foreign currencies and net investments in foreign operations.

Foreign exchange risk arising on future commercial transactions and recognized assets and liabilities denominated in foreign currencies

Group entities mainly use forward contracts to manage these risks as well as call options for its most common foreign currencies (US dollar, Chinese yuan and British pound). External foreign exchange contracts are designated by each business segment as fair value hedges, cash flow hedges or hedges of a net investment in a foreign operation, as appropriate.

The total net notional amount of currency hedges at December 31, 2017 was €30.8 million, corresponding to hedges of assets and liabilities and firm commitments of subsidiaries as well as cash flow hedges of net sales and net purchases, mainly in US dollars.

NET NOTIONAL AMOUNTS OF CURRENCY DERIVATIVES BY CURRENCY (NEGATIVE NOTIONAL AMOUNT = NET SELLER POSITION)

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
US dollar	14.5	15.6
British pound	4.7	2.2
Euro	0.6	1.3
Australian dollar	0.4	1.1
Chinese yuan	10.6	1.0
TOTAL	**30.8**	**21.1**

The risk management policy for Chargeurs Protective Films and Chargeurs Fashion Technologies involves hedging a portion of forecast transactions (mainly export sales) in each major currency for the subsequent twelve months. Forecast transactions are determined during the budget process and the percentage applied is determined in line with the IFRS definition of "highly probable forecast transactions" for hedge accounting purposes.

Chargeurs Luxury Materials' main foreign exchange exposures relating to transactions and borrowings in foreign currencies concern the US dollar and the New Zealand dollar, and are hedged using forward contracts.

In connection with an intragroup loan set up in US dollars, in 2016 Chargeurs SA put in place a currency swap to hedge the foreign exchange risk related to the principal and interest on this loan. The swap qualifies as a fair value hedge.

Currency risk arising on net investments in foreign operations:

In order to manage exposures to changes in exchange rates for the US dollar and various Asian currencies on a long-term basis, Chargeurs has relocated production facilities to Asia and the dollar zone. Over 30% of its assets are located outside Europe.

The following table presents the sensitivity of consolidated equity to foreign exchange risk, based on data at December 31, 2017.

(in euro millions)	Translation reserves by currency	Effect of a 10% increase in the exchange rate against the euro	Effect of 10% decrease in the exchange rate against the euro
US dollar	5.6	0.6	(0.6)
Chinese yuan	6.3	0.6	(0.6)
Argentine peso	(10.8)	1.1	(1.1)
New Zealand dollar	0.7	0.1	(0.1)
Other	(0.2)	0.0	(0.0)
TOTAL	**1.6**	**2.4**	**(2.4)**

21.1.2. Interest rate risk

The Group's interest rate risk management policy is aimed at reducing its exposure to fluctuations in interest rates. It uses interest rate swaps to convert a portion of its variable rate debt into fixed rate debt, which enables it to manage and reduce the volatility of its future cash flows related to interest payments.

At December 31, 2017 variable-to-fixed rate swaps had been set up for two variable rate credit facilities, representing a notional amount of €30 million.

NET NOTIONAL AMOUNTS OF INTEREST RATE DERIVATIVES BY CURRENCY (NEGATIVE NOTIONAL AMOUNT = NET BORROWER POSITION)

(in euro millions)	Dec. 31, 2017	Dec. 31, 2016
Euro	(30.0)	(30.0)

A 1-point increase in interest rates would have a negative €0.2 million impact on net debt (including amounts received for no-recourse receivables sales) that is not hedged against interest rate risks.

21.1.3. Price risk

The Group is exposed to price risk on certain materials that are essential for its production operations.

The Protective Films segment is exposed to risks relating to certain oil byproducts, which it manages via its supplier contracts and sales pricing strategy.

The Fashion Technologies segment is exposed to fluctuations in the prices of fibers used in its products, a risk it manages by placing suppliers in competition with one another and through its sales pricing strategy.

The Technical Substrates segment is exposed to fluctuations in the prices of chemical raw materials used in its manufacturing process. It manages this risk exposure by having several approved suppliers for its strategic products in order to diversify the related risk.

The Luxury Materials segment systematically matches its fixed-price sale commitments with fixed-price purchase commitments.

21.2. CREDIT RISK

21.2.1. Trade receivables

The Group has no significant concentrations of credit risk as no one customer represents more than 5% of revenue. In addition, it obtains protection against receivables risk through credit insurance and letters of credit wherever possible.

The risk of non-recovery of trade receivables is reviewed at each monthly close and provisions for impairment are recognized for the following:

- Doubtful receivables: these correspond to receivables for which legal proceedings have been launched. Such receivables are written down in an amount representing their full value excluding tax, less any credit insurance settlements receivable.
- Past-due receivables: these correspond to receivables that are not disputed by customers but for which the Group has not yet obtained the related settlement despite several reminders. The impairment recognized on these receivables depends on the payments already received, or which are expected, and any changes in the customer's legal and financial situation.

At December 31, 2017 past-due receivables totaled €5.2 million.

21.2.2. Country risk

The Group's geographical diversity means that it is not significantly exposed to political risk.

At December 31, 2017, four of the five main countries in which the Group's customers are located were rated at least "A" by Standard & Poor's.

Country	% of total revenue	Credit rating(1)
United States	19%	AA+
Italy	12%	BBB-
China and Hong Kong	10%	AAA (Hong Kong)
		AA- (China)
Germany	9%	AAA
France	7%	AA

(1) S&P/Moody's rating

21.2.3. Banking counterparty risk

The Group deals only with leading financial institutions for derivative instruments, cash-settled transactions and cash deposits.

21.2.4. Insurance counterparty risk

As part of its overall risk management strategy, Chargeurs has set up insurance policies covering customer default, freight, property and casualty, business interruption, liability and other risks. These policies are taken out with a number of different insurance companies, which were all rated at least "A" by Standard & Poor's at December 31, 2017.

Insured risks	Credit rating[(1)]
Customer default	A
Freight	A+
Property & casualty	A
Liability	A+

(1) S&P/Moody's rating

21.3. LIQUIDITY RISK

An analysis of the Group's borrowings is provided in note 17.

The Group manages its liquidity risk via the following three main strategies:

21.3.1. Ensuring that short-term assets exceed short-term liabilities

At December 31, 2017 *(in euro millions)*	Total	Due in less than one year	Due in one to five years	Due beyond five years
FINANCIAL ASSETS AND LIABILITIES				
Cash and cash equivalents	214.8	214.8	-	-
Long-term borrowings	(179.3)	-	(55.7)	(123.6)
Short-term portion of long-term borrowings	(10.1)	(10.1)	-	-
Short-term bank loans and overdrafts	(16.3)	(16.3)		
NET CASH POSITION/(NET DEBT POSITION)	**9.1**	**188.4**	**(55.7)**	**(123.6)**
Derivative instruments — assets	0.4	0.4	-	-
Deposits	1.1	-	1.1	-
Derivative instruments — liabilities	(1.3)	(1.3)	-	-
OTHER FINANCIAL ASSETS AND LIABILITIES	**0.2**	**(0.9)**	**1.1**	**-**
SUB-TOTAL — FINANCIAL ASSETS AND LIABILITIES	**9.3**	**187.5**	**(54.6)**	**(123.6)**
Working capital				
Trade receivables	53.0	53.0	-	-
Inventories	107.3	107.3	-	-
Trade payables	(96.7)	(96.7)	-	-
SUB-TOTAL — OPERATING ASSETS AND LIABILITIES	**63.6**	**63.6**	**-**	**-**
TOTAL FINANCIAL AND OPERATING ASSETS AND LIABILITIES	**72.9**	**251.1**	**(54.6)**	**(123.6)**

At December 31, 2016 *(in euro millions)*	Total	Due in less than one year	Due in one to five years	Due beyond five years
FINANCIAL ASSETS AND LIABILITIES				
Cash and cash equivalents	161.5	161.5	-	-
Long-term borrowings	(133.1)	-	(58.0)	(75.0)
Short-term portion of long-term borrowings	(8.1)	(8.1)	-	-
Short-term bank loans and overdrafts	(17.1)	(17.1)	-	-
NET CASH POSITION/(NET DEBT POSITION)	**3.2**	**136.3**	**(58.0)**	**(75.0)**
Derivative instruments — assets	0.5	0.5	-	-
Deposits	1.6	-	1.6	-
Derivative instruments — liabilities	(1.8)	(1.8)	-	-
OTHER FINANCIAL ASSETS AND LIABILITIES	**0.3**	**(1.3)**	**1.6**	**-**
SUB-TOTAL — FINANCIAL ASSETS AND LIABILITIES	**3.5**	**135.0**	**(56.4)**	**(75.0)**
Working capital				
Trade receivables	47.3	47.3	-	-
Inventories	105.4	105.4	-	-
Trade payables	(91.3)	(91.3)	-	-
SUB-TOTAL — OPERATING ASSETS AND LIABILITIES	**61.4**	**61.4**	**-**	**-**
TOTAL FINANCIAL AND OPERATING ASSETS AND LIABILITIES	**64.9**	**196.4**	**(56.4)**	**(75.0)**

NB : Receivables sold by the Group under no-recourse agreements are not included in the above table as the sales involve the transfer of ownership (see note 3). However, for reasons of prudence the Group has kept these receivables in the consolidated statement of financial position with a liability recognized for the amount of the cash proceeds received.

21.3.2. Forging partnerships with banks while maintaining a diversified lender base

The Group works with over 25 banks and financial institutions, of which the five largest represent 50% of its available credit facilities (see note 17). At December 31, 2017, depending on the rating agency, the five main banking partners had short-term ratings of at least A1 and P1 and long-term ratings of at least A and A1, with stable outlooks.

21.3.3. Applying strict rules for financing arrangements

When negotiating financing arrangements, the Group is particularly careful to ensure that the related documentation minimizes liquidity risk. To this end, specific negotiation standards have been issued and documentation for material financing arrangements has to be validated at several different levels.

22 – Related-party transactions

The Group has identified the following related parties:

- its joint ventures and associates (see note 13);
- its senior executives.

22.1. DIRECTORS' AND SENIOR EXECUTIVES' COMPENSATION

	Year ended December 31	
(in euro thousands)	**2017**	2016
Compensation awarded to directors	300.0	200.0
Compensation awarded to senior executives	1,206.2	966.4
SHORT-TERM BENEFITS	**1,506.2**	**1,166.4**
TOTAL AWARDED FOR THE PERIOD	**1,506.2**	**1,166.4**

22.2. FEES PAID TO THE STATUTORY AUDITORS

	Pricewaterhouse-Coopers Audit		Crowe		**2017**		Pricewaterhouse-Coopers Audit		S&W Associés		2016	
(in euro millions)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Statutory and contractual audit services												
Parent company	0.1		0.1		0.2		0.2		0.1		0.3	
Subsidiaries	0.3		0.2		0.5		0.6		0.0		0.6	
SUB-TOTAL	**0.4**	**57%**	**0.3**	**75%**	**0.7**	**64%**	**0.8**	**80%**	**0.1**	**100%**	**0.9**	**82%**
Services other than accounts certification(1)												
Parent company	0.2		0.0		0.2		0.0		0.0		0.0	
Subsidiaries	0.1		0.1		0.2		0.2		0.0		0.2	
SUB-TOTAL	**0.3**	**43%**	**0.1**	**25%**	**0.4**	**36%**	**0.2**	**20%**	**0.0**	**0%**	**0.2**	**18%**
TOTAL	**0.7**		**0.4**		**1.1**		**1.0**		**0.1**		**1.1**	

(1) *Services other than accounts certification (referred to as "SACC" in the French regulations) primarily includes services required under the applicable laws and regulations, services provided in relation to acquisitions and sales of entities, and technical advisory services concerning accounting, tax or any other audit-related matters.*

23 – Commitments and contingencies

23.1. COMMERCIAL COMMITMENTS

At December 31, 2017, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €1.0 million.

23.2. GUARANTEES

At December 31, 2017, Chargeurs and its subsidiaries had given guarantees to third parties for a total of €31.1 million.

Also at that date, Chargeurs had pledged inventories and receivables as a counter-guarantee for an $8.1 million bank credit facility taken out by one of its US subsidiaries.

23.3. COLLATERAL

At December 31, 2017, Chargeurs and its subsidiaries had granted collateral representing a total of €2.5 million.

23.4. OPERATING LEASES

Future minimum payments under operating leases break down as follows by maturity:

(in euro millions)	**Dec. 31, 2017**	Dec. 31, 2016
Due in less than one year	2.2	1.6
Due in one to five years	7.3	4.4
Due in more than five years	2.4	1.1
TOTAL	**11.9**	**7.1**

Operating leases mainly concern premises (€6.8 million) and plant and equipment.

24 – Subsequent events

Chargeurs SA and a number of its subsidiaries have renegotiated with French financial institutions the terms and conditions of the Group's factoring programs in Europe.

The new programs provide for no-recourse sales with the transfer of substantially all of the risks and rewards of ownership of the sold receivables. Only the non-material risk of dilution is not transferred to the purchaser.

25 – Main consolidated companies

At December 31, 2017, 58 companies were fully consolidated (compared with 56 in 2016), and 9 were accounted for by the equity method (unchanged from 2016).

Parent company	Chargeurs SA
A – MAIN FULLY CONSOLIDATED COMPANIES	
France	Chargeurs Boissy SARL – Chargeurs Textiles SAS – Chargeurs Entoilage SA
Germany	Chargeurs Deutschland GmbH – Leipziger Wollkämmerei AG
PROTECTIVE FILMS SEGMENT	
Holding company for the segment	**Chargeurs Films de Protection SA**
France	Novacel SA – Asidium (Somerra)
Italy	Boston Tapes S.p.A. – Boston Tapes Commercial S.r.l. – Novacel Italia S.r.l. – Omma S.r.l
Germany	Novacel GmbH
United Kingdom	Novacel UK Ltd
Spain	Novacel Iberica S.p.a
Belgium	S.A. Novacel Belgium N.V.
North America	Chargeurs Protective Films Inc. – Novacel Inc. – Main Tape Inc. – T.L.C. Inc – Walco Machines Company
Asia	Novacel Shanghai Co. Ltd. (China) – Novacel Korea Ltd. (South Korea)
TECHNICAL SUBSTRATES SEGMENT	
France	Senfa
FASHION TECHNOLOGIES SEGMENT	
Holding company for the segment	**Fitexin**
France	Lainière de Picardie BC SAS
Italy	Chargeurs Interfodere Italia
Germany	Lainière de Picardie Deutschland GmbH
United Kingdom	Chargeurs Interlining (UK) Ltd
Portugal	Chargeurs Entretelas (Iberica) Ltd
Romania	Lainière de Picardie Insertii S.r.l.
North America	Lainière de Picardie Inc.
South America	Lainière de Picardie Golaplast Brazil Textil Ltda – Entretelas Americanas SA – Lainière de Picardie DHJ Chile SA
Africa	Stroud Riley (Proprietary) Limited (South Africa – ADT Chargeurs Entoilage Tunisie SARL (Tunisia)
Asia	Chargeurs Interlining (H.K.) Limited – LP (Wujiang) Textiles Co. Ltd – Lainière de Picardie Korea Co. Ltd – DHJ Interlining Limited – Etacol Bangladesh Ltd – Chargeurs Interlining Singapore PTE Ltd (Singapore) – Intissel Lanka PVT Ltd (Sri Lanka) – Intissel China Ltd (China)
LUXURY MATERIALS SEGMENT	
Holding company for the segment	**Chargeurs Wool Holding GmbH**
France	Chargeurs Wool (Eurasia) SAS
Italy	Chargeurs Wool Sales (Europe) S.r.l.
New Zealand	Chargeurs Wool (NZ) Limited
North America	Chargeurs Wool (USA) Inc.
B - MAIN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD (LUXURY MATERIALS SEGMENT)	
North America	USA Wool (35%)
South America	Lanas Trinidad SA (50%) (Uruguay) – Chargeurs Wool (Argentina) SA (50%) and its subsidiary Peinaduria Rio Chubut (25%)
Asia Pacific	Zhangjiagang Yangtse Wool Combing Co. Ltd (50%) and its subsidiary Yangtse (Australia) Pty Ltd

The percentages indicated correspond to Chargeurs' percentage of control at December 31, 2017 for companies that are not almost or entirely wholly owned by the Group.

5.1.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2017)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

À l'Assemblée Générale des actionnaires

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Chargeurs SA for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of Protective Films, Fashion Technologies and Technical Substrates goodwill

DESCRIPTION OF RISK

In line with its growth strategy, the Chargeurs Group has made a number of acquisitions, leading to the recognition of goodwill in the Protective Films, Fashion Technologies and Technical Substrates cash-generating units.

This goodwill, which is presented in Note 10.1 to the consolidated financial statements, represents the difference between the cost of an acquisition and the fair value of the Group's share of its net identifiable assets at the date of acquisition.

The Group's businesses are each treated as separate cash-generating units (CGUs) because they are managed on a global basis to meet the needs of global customers. Goodwill arising on acquisitions is allocated to the CGU to which the acquired business belongs.

It is tested for impairment at least once a year and more often where there is an indication that it may be impaired. This is the case if the carrying amount of the goodwill exceeds its recoverable amount. Any unfavourable change in the expected return on businesses to which goodwill has been allocated, whether due to internal factors or external factors related to the economic and financial environment in which those businesses operate, may have a material adverse effect on the recoverable amount of the goodwill and require the recognition of an impairment loss. When any such change occurs, it is necessary to reassess the relevance of all of the assumptions used to determine the recoverable amount and the reasonableness and consistency of the calculation inputs used.

During each annual accounts closing process, management obtains assurance that the carrying amount of goodwill, which is presented in the balance sheet for €86.2 million, is not greater than its recoverable amount and there is no risk that it may be impaired.

The Group's impairment testing process is described in Note 10.1.2 and details of the assumptions used are provided in Note 10.1.3. The recoverable amount of goodwill allocated to the Protective Films, Fashion Technologies and Technical Substrates CGUs was determined by reference to its value in use calculated on the basis of the discounted present value of expected future cash flows from the groups of assets in each CGU.

The determination of these recoverable amounts, which are very significant, is based to a very large extent on management's judgment concerning in particular the growth rate and operating margin assumptions used to calculate projected future cash flows and the discount rate applied to the results of the calculation. The globalized competitive environment in which the Group's subsidiaries operate may be a source of uncertainties that could lead to a decline in their revenues and adversely affect their operating profit. For these reasons, we deemed the measurement of goodwill to be a key audit matter.

HOW OUR AUDIT ADDRESSED THIS RISK

We examined the compliance of the methodology applied by the Group with current accounting standards.

We also verified the accuracy and completeness of the source data used by the Group in the impairment tests as well as of the components of the carrying amount of the Protective Films, Fashion Technologies and Technical Substrates CGUs which were tested by the Group.

In addition, we conducted a critical analysis of the methods applied to implement the main assumptions and examined the analysis performed by the Group to determine the sensitivity of the value in use to a change in said assumptions. In particular:

- with respect to the five-year cash flow projections, we verified:
  - the reasonableness of the five-year cash flow projections in view of the economic and financial context in which the businesses operate and the reliability of the process by which the estimates are calculated, by examining the reasons for differences between projected and actual cash flows;
  - the consistency of the five-year future cash flow projections with management's most recent estimates, as presented to the Board of Directors during the budget process;
- with respect to the long-term growth rate beyond five years, we verified:
  - the consistency of the growth rate for projected cash flows beyond five years with the rates used for comparable companies, based on a sample of analysis reports about the company;
- with respect to the discount rate applied to future cash flow projections, we verified:
  - the calculation of the discount rates applied to the estimated future cash flows from each business, by verifying the relevance and consistency of the various discounting inputs that determine each CGU's weighted average cost of capital (gearing ratio, risk-free interest rate, market premium, unlevered beta, specific risk premium and cost of debt).

We also verified that Note 10.1 provides appropriate disclosures.

Measurement of the deferred tax assets of the American and French tax groups

DESCRIPTION OF RISK

Deferred tax assets of €30.3 million are carried in the consolidated balance sheet. Details of these assets are disclosed in Note 8.2 to the consolidated financial statements. The reported amount corresponds mainly to the tax savings expected from the future use of tax losses that may be carried forward for up to five years. At December 31, 2017, deferred tax assets had been recognized for €97.6 million worth of tax loss carryforwards out of total tax loss carryforwards of €320.5 million, of which €197.2 million concerned the French tax group and €84.6 million concerned the American tax group.

The probable future use of these tax losses is governed by French and international tax rules which therefore determine whether a deferred tax asset may be recognized. These rules may change over time and are different from one country to another. The Group's broad international presence makes the analysis more complicated. Notwithstanding the Group's policy of complying with the tax laws and regulations applicable in each country where it does business and also with international tax rules, certain provisions of these laws and regulations may be a source of risks because they are ambiguous or difficult to interpret, or because of changes in the way they are interpreted by local tax authorities.

Lastly, the probability of deferred tax assets being recovered depends on the ability of the subsidiaries in the two tax groups (French and American) to meet the objectives set in the five-year business plans prepared by their management and approved by the Board of Directors.

We deemed this subject to be a key audit point due to the risks associated with specific local tax rules and practices, the use of assumptions to determine the probability of the deferred tax assets recognised for tax loss carryforwards at December 31, 2017 being recovered and the high level of judgment exercised by management in preparing these assumptions.

HOW OUR AUDIT ADDRESSED THIS RISK

Deferred tax assets are only recognised when it is probable that the company will have future taxable profits sufficient to recover them.

Our audit approach consisted of assessing the probability that the companies will have sufficient taxable profit in future against which the tax loss carryforwards generated to date can be utilised, taking into account:

- the existence of deferred tax liabilities related to income taxes levied by the same taxation authority which may be offset against existing tax loss carryforwards before they expire; and
- the ability of the two tax groups to generate sufficient future taxable profits against which the tax loss carryforwards can be utilised.

All of these analyses were performed with the assistance of our tax experts where necessary, in particular for the review of the transfer prices applied within the Group and the examination of local tax rules. We verified that the methodology used by management to identify existing tax loss carryforwards that will be offset against deferred tax loss carryforwards or utilised against future taxable profits is appropriate.

We also verified the reasonableness of the main data and assumptions (growth in profits, long-term business outlook) used as the basis for preparing the taxable profit projections underlying the recognition of deferred tax assets for tax loss carryforwards and assessing their recoverability.

We also verified that Note 8.2 provides appropriate disclosures.

Verification of the information pertaining to the Group presented in the management report

As required by law and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors Chargeurs SA by the Shareholders' Meetings of April 20, 2017 (HAF Audit & Conseil) and April 30, 1996 (PricewaterhouseCoopers Audit).

As at December 31, 2017, HAF Audit & Conseil and PricewaterhouseCoopers Audit were in the first and twenty-second year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris, March 16, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	HAF Audit & Conseil Member of Crowe Horwath International
Éric Bertier	Marc de Prémare

5.2. 2017 FINANCIAL STATEMENTS OF THE PARENT COMPANY

5.2.1. 2017 FINANCIAL STATEMENTS OF THE PARENT COMPANY

Statement of financial position

At December 31 (in euro thousands).

ASSETS

(in euro thousands)	Note	2017 Gross	2017 Accumulated depreciation, amortization and provisions	2017 Net	2016 Net
FIXED ASSETS	Note 2				
Intangible assets					
Patents, licenses, trademarks, processes and other rights		72	5	67	1
Property and equipment					
Land		-	-	-	-
Buildings		-	-	-	-
Other		483	372	111	135
Assets under construction		-	-	-	-
Advances and prepayments		-	-	-	-
Investments and other financial assets(1)					
Shares in subsidiaries and affiliates	Note 3.2	507,211	52,350	454,861	376,211
Loans to subsidiaries and affiliates	Note 4	5,167	-	5,167	5,249
Other long-term investments		340	74	266	246
Other long-term loans	Note 4	24,085	6	24,079	25,892
Other		2,786	-	2,786	2,733
TOTAL I		**540,144**	**52,807**	**487,337**	**410,467**
CURRENT ASSETS					
Prepayments to suppliers		23	-	23	-
Trade receivables(2)	Note 4	2,178	-	2,178	330
Other receivables(2)	Note 4	4,714	-	4,714	2,308
Marketable securities	Note 8	64,217	52	64,165	14,432
Cash at bank and in hand		78,913	-	78,913	74,381
Accruals and other assets		-	-	-	-
Prepaid expenses(2)	Note 4	198	-	198	154
Cash instruments		266		266	-
TOTAL II		**150,509**	**52**	**150,457**	**91,605**
Deferred charges		-	-	-	-
TOTAL III		**-**	**-**	**-**	**-**
Unrealized translation losses		-	-	-	-
TOTAL IV		**-**	**-**	**-**	**-**
TOTAL ASSETS (I + II + III + IV)		**690,653**	**52,859**	**637,794**	**502,072**
(1) Due within one year		*21,472*	-	*21,472*	*21,954*
(2) Due beyond one year		-	-	-	-

EQUITY AND LIABILITIES

(in euro thousands)	Note	2017	2016
EQUITY	Note 9		
Share capital		3,733	3,675
Share premium account		60,132	53,015
Revaluation reserve		-	-
Reserves:			
▪ Legal reserve		400	400
▪ Untaxed reserves		-	-
▪ Other reserves		319,534	279,002
Retained earnings		-	-
Profit for the period		56,355	54,364
Untaxed provisions		-	-
TOTAL I		**440,154**	**390,456**
Provisions for contingencies and charges	**Note 3.1**		
Provisions for contingencies		341	205
Provisions for charges		-	-
TOTAL II		**341**	**205**
Liabilities(1)	**Note 4**		
Bonds	Note 11	81,241	40,490
Bank borrowings(2)	Note 11	72,250	62,115
Other borrowings	Note 12	36,521	2,840
Trade payables		2,489	2,418
Accrued taxes and payroll costs		2,444	1,254
Customer prepayments		6	6
Other payables		2,348	1,774
Cash instruments		-	514
Accruals and other liabilities(1)			
Deferred income		-	-
TOTAL III		**197,299**	**111,411**
Unrealized translation gains		-	-
TOTAL IV			
TOTAL EQUITY AND LIABILITIES (I + II + III + IV)		**637,794**	**502,072**
(1) Due beyond one year		*152,000*	*102,000*
Due within one year		*45,299*	*9,411*
(2) Including short-term bank loans and overdrafts .		-	-

Income statement

Years ended December 31

(in euro thousands)	2017	2016
Operating revenues[1]	**3,613**	**1,819**
Operating expense[3]		
Purchases of goods and external charges	(6,672)	(4,786)
Taxes other than on income	(218)	(111)
Salaries and wages	(2,299)	(1,370)
Payroll taxes	(950)	(538)
Amortization, depreciation and provisions:		
▪ amortization and depreciation of fixed assets	(72)	(70)
▪ provisions for contingencies and charges	(140)	-
▪ debt issuance costs	(205)	(128)
Other	(349)	(233)
OPERATING PROFIT/(LOSS)	**(7,292)**	**(5,417)**
Financial income[1]		
From investments in subsidiaries and affiliates[2] :		
▪ shares in subsidiaries and affiliates	14,937	13,486
▪ loans to subsidiaries and affiliates	1,451	821
From other marketable securities and investments[2]	-	-
Other interest income[2]	392	560
Provision reversals and expense transfers	47,483	42,402
Foreign exchange gains	2,912	1,076
Income from disposals of marketable securities	-	-
	67,175	**58,345**
Financial expense[3]		
Amortization and provisions	(2,864)	(12)
Interest expense[4]	(4,080)	(1,733)
Other financial expense	-	-
Foreign exchange losses	(2,913)	(1,076)
Losses on disposals of marketable securities	(102)	-
	(9,959)	**(2,821)**
NET FINANCIAL INCOME	**57,216**	**55,524**
Profit before tax and non-recurring items	**49,924**	**50,107**
Non-recurring income[1]		
From revenue transactions	65	32
From capital transactions		
▪ proceeds from sales of fixed assets	122	48
▪ other	-	-
Provision reversals and expense transfers	72	19
	259	**99**
Non-recurring expense		
On revenue transactions	(32)	(22)
On capital transactions		
▪ carrying amount of assets sold	(42)	(13)
▪ other	(4)	-
Depreciation, amortization and provisions:		
▪ untaxed provisions	-	-
▪ other provisions	(68)	(133)
	(146)	**(168)**
NET NON-RECURRING INCOME/(EXPENSE)	**113**	**(69)**
PROFIT BEFORE TAX	**50,037**	**50,038**
INCOME TAX BENEFIT	**6,318**	**4,326**
PROFIT FOR THE PERIOD	**56,355**	**54,364**
(1) Of which income related to prior years	*-*	*-*
(2) Of which income from related companies.	*16,643*	*14,723*
(3) Of which expenses related to prior years	*-*	*-*
(4) Of which interest paid to related companies.	*(7)*	*-*

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (IN EURO MILLIONS)

Chargeurs SA is the parent company of the Chargeurs Group.

1 – Accounting principles and policies

Chargeurs' parent company financial statements have been prepared in accordance with French generally accepted accounting principles, as set out in articles L.123-12 to L.123-28 of the French Commercial Code (*Code de commerce*), and in the 2014 accounting plan set out in regulation 2014-2003 of the *Autorité des normes comptables*, including the principles of prudence and segregation of accounting periods:

- they are presented on a going concern basis;
- and accounting methods have been applied consistently from one year to the next;
- except for the changes in methods described below.

1.1. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost excluding capitalized interest, or at their transfer value.

For property and equipment that cannot be broken down into separate component parts, depreciation is calculated by the straight-line method based on the estimated useful life of each category of asset, as follows:

- furniture: 10 years;
- computer equipment: 3 years.

1.2. INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS

- Shares in subsidiaries and affiliates are stated at cost. In 2005, Chargeurs elected to recognize the incidental expenses on acquisitions of these shares directly as an expense. Since 2007, these costs have been added back for tax purposes and deferred over five years.
- Other long-term investments are stated at cost excluding incidental expenses, or at their transfer value.

Where appropriate, these investments are written down to their fair value, determined by reference to Chargeurs' equity in the net assets of the companies concerned, adjusted for unrealized capital gains or losses and profitability criteria.

This item also includes Chargeurs shares acquired through share buyback programs.

1.3. MARKETABLE SECURITIES

Marketable securities are stated at the lower of cost and market value on the basis of the average price for the last month of the year.

1.4. FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recorded at the exchange rate prevailing on the transaction date. Assets and liabilities in foreign currencies are converted at the year-end rates. Gains or losses arising on translation are carried under "Unrealized translation gains" or "Unrealized translation losses". Provision is made for unrealized losses by way of a charge to the income statement, except when they can be set off against unrealized gains in linked transactions.

1.5. FORWARD CURRENCY TRANSACTIONS

Losses or gains arising from forward currency contracts not used as hedges are taken to the income statement in cases where they are settled by taking a reverse position in the same period, whatever the final maturity.

The policy under French GAAP for forward financial instruments and hedging transactions was amended by way of ANC regulation 2015-05 dated July 2, 2015, effective for accounting periods beginning on or after January 1, 2017. This regulation requires the underlying of a hedging instrument to be accounted for in the same way as the instrument itself. In 2016 and 2017 Chargeurs SA used a financial instrument to hedge a loan denominated in US dollars. As the underlying is a financial asset, the currency impacts of the hedge and its underlying were included in financial income and expense in 2016 and 2017 (applying the rules of the new regulation). The first-time application of this regulation did not therefore have an impact on the presentation of Chargeurs SA's financial statements.

2 – Fixed assets

	Dec. 31, 2016	Acquisitions/ increases	Disposals/ decreases	Dec. 31, 2017
Intangible assets (gross)	**0.0**	**0.1**	**-**	**0.1**
Property and equipment (gross)	**0.4**	**0.1**	**-**	**0.5**
INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS (GROSS)				
Shares in subsidiaries and affiliates(1)	473.2	34.0	-	507.2
Loans to subsidiaries and affiliates	5.2	-	-	5.2
Other long-term loans(2)	25.9	4.3	6.1	24.1
Other long-term investments(3)	0.3	9.5	9.5	0.3
Other(4)	2.7	-	-	2.7
TOTAL (GROSS)	**507.8**	**48.0**	**15.6**	**540.1**

(1) The increase in this item is due to Chargeurs Entoilage's sale of Senfa shares to Chargeurs SA.

(2) The increase in "Other long-term loans" corresponds to three loans – one US dollar-denominated loan for $1.7 million (€1.5 million) and two euro-denominated loans (€2.4 million and €0.3 million) – granted during the year to three indirect subsidiaries of Chargeurs SA in order to optimize the Group's overall cost of debt. A currency hedge has been taken out covering the full amount of the US dollar loan to protect the Company from exposure to currency risk. The decrease in this item reflects the €3.4 million repayment by subsidiaries of loans granted in 2015 and 2017 as well as a €2.7 million impact of fluctuations in exchange rates related to the US dollar-denominated loan. This negative currency effect was, however, offset by an equivalent increase in the value of the currency hedge related to this loan.

(3) This item primarily corresponds to 13,334 Chargeurs shares acquired at a gross cost of €0.2 million with a view to being canceled. No Chargeurs shares were canceled during the year. The movements in this item in 2017 concern the purchase and sale of Chargeurs shares under the liquidity contract.

(4) This item consists of the amounts allocated to Banque Rothschild for the liquidity contract as well as the security deposit paid to the owners of the Company's headquarters.

3 – Provisions

3.1. PROVISIONS FOR CONTINGENCIES AND CHARGES

In accordance with regulation 2014-03 of the *Autorité des normes comptables*, the Company records a provision to cover clearly identified contingencies and charges of uncertain timing or amount arising from past or present events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

	Dec. 31, 2016	Charges for the year	Reversals for the year (used)	Reversals for the year (unused)	Dec. 31, 2017
Provisions for contingencies	0.2	0.1	-	-	0.3
Provisions for charges	-	-	-	-	-
TOTAL	**0.2**	**0.1**	**-**	**-**	**0.3**
Of which movements included in operating income and expense		*0.1*	-	-	
Of which movements included in financial income and expense		-	-	-	
Of which movements included in non-recurring income and expense		-	-	-	

3.2. IMPAIRMENT

	Dec. 31, 2016	Charges for the year	Reversals for the year	Dec. 31, 2017
Impairment of investments	97.1	2.9	47.6	52.4
Impairment of other receivables	-	-	-	-
TOTAL	**97.1**	**2.9**	**47.6**	**52.4**
Of which movements included in operating income and expense		-	-	
Of which movements included in financial income and expense		*2.9*	*47.6*	
Of which movements included in non-recurring income and expense		-	-	

- Chargeurs' policy is to classify impairment losses and reversals relating to investments under financial income and expense. However, in accordance with the recommendations issued by the Ordre des experts-comptables, this general rule is not applied to reversals of impairment losses relating to divested shares, which are recorded under non-recurring income.
- Receivables are measured at their nominal value and written down based on the recovery risk as assessed at the year-end.

4 – Maturities of receivables and payables

Total loans and receivables, before impairment, amounted to €33.7 million at December 31, 2017, breaking down as follows:

- loans to subsidiaries and affiliates for €5.2 million;
- other long-term loans for €24.1 million;
- trade receivables for €2.2 million;
- other receivables for €4.7 million.

Maturities of loans and receivables are as follows:

	2017
Due within one year	28.4
Due beyond one year	7.8
TOTAL	**36.2**

Maturities of debt and other payables are as follows:

	2017
Due within one year	45.3
Due in one to five years	30.0
Due beyond five years	122.0
TOTAL	**197.3**

The total includes €81.2 million in bond debt, €72.3 million in bank borrowings, €36.5 million in other borrowings and €7.3 million in other payables.

Debt due beyond one year consists of:

- two bank loans from Landesbank Saar for a total of €30.0 million.

Debt due beyond five years consists of:

- two Euro private placements representing a total of €122.0 million.

All of these borrowings are subject to the following covenants that were complied with at December 31, 2017:

- Net debt/equity ≤ 0.85;
- Net debt/EBITDA ≤ 3.50.

Trade payables comprise amounts due within 60 days and totaled €2.5 million at December 31, 2017 (€2.4 million at December 31, 2016).

5 – Items recorded under several headings in the statement of financial position

	Gross amounts concerning elated companies	Other investments
Shares in subsidiaries and affiliates and other long-term investments	507.2	-
Receivables	31.7	-
Debt and other payables	39.6	-

6 – Breakdown of accrued income

At December 31, 2017, accrued income amounted to €0.6 million and mainly corresponded to the refund of the 3% tax on dividends ("CRD") claimed by Chargeurs from the French State following the ruling by France's Constitutional Court that this tax was unconstitutional.

7 – Accrued expenses

Accrued expenses totaled €2.5 million at December 31, 2017 and primarily consisted of professional fees, service costs and various payroll costs.

8 – Marketable securities

At December 31, 2017, marketable securities amounted to €64.2 million and mainly comprised money market mutual fund units and time deposits.

9 – Equity

9.1. CHANGES IN EQUITY

AT JANUARY 1, 2017 (BEFORE APPROPRIATION)	**336.1**
2016 profit appropriated by decision of the AGM on April 20, 2017	54.4
AT JANUARY 1, 2017 (AFTER APPROPRIATION)	**390.5**
Profit for the period	56.4
Payment of the 2016 cash dividend as approved at the AGM on April 20, 2017	(3.5)
Payment of an interim dividend for 2017 as decided by the Board of Directors on September 29, 2017	(3.2)
AT DECEMBER 31, 2017 (BEFORE APPROPRIATION)	**440.2**

9.2. CHANGES IN SHARE CAPITAL

	Number of shares	Par value
Shares outstanding at January 1, 2017	22,966,144	€0.16
Payment of the 2016 cash dividend as approved at the AGM on April 20, 2017	243,356	€0.16
Payment of an interim dividend for 2017 as decided by the Board of Directors on September 29, 2017	121,097	€0.16
SHARES OUTSTANDING AT DECEMBER 31, 2017	**23,330,597**	**€0.16**

All Chargeurs shares have been called and are fully paid-up.

9.3. SHARE PREMIUM ACCOUNT AND RESERVES AT DECEMBER 31, 2017

These items break down as follows:

	2017
Share premium account	60.1
Legal reserve	0.4
Other reserves	160.9
Restricted reserve (capital reduction)	164.4
Interim dividend	(5.8)
TOTAL	**380.0**

10 – Double voting rights

Chargeurs' bylaws provide that shares registered in the name of the same owner for more than two years carry double voting rights. Consequently, in accordance with article L. 225-124 of the French Commercial Code (Code de commerce), holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings.

At December 31, 2017, 817,123 shares carried double voting rights.

11 – Bonds and bank borrowings

As part of its overall development strategy, in 2016 Chargeurs broadened its sources of long-term business finance by negotiating its first-ever Euro private placements (Euro PPs) – one for €57.0 million and the other for €15.0 million – marking its first-ever Euro PP financing. Both of these Euro PPs raised seven-year financing, repayable at maturity.

In 2017, Chargeurs SA carried out a third Euro PP, comprising:

- €40,0 million in private placement notes; and
- a €10,0 million loan.

As a reminder, in 2015 and 2016 Chargeurs took out two €15.0 million loans with Landesbank Saar, which carry variable-rate interest (covered by a variable-to-fixed-rate swap) and are repayable in full at maturity on October 30, 2020 and September 28, 2021 respectively.

12 – Other borrowings

The €36.5 million total for this item at December 31, 2017 includes (i) a €33.7 million loan granted by Chargeurs Entoilage in connection with its sale of Senfa shares to Chargeurs SA and (ii) loans from several Group subsidiaries whose sole purpose is to act as financial holding companies.

13 – Financial income and expense

13.1. AMORTIZATION AND PROVISIONS

ADDITIONS

	2017
Impairment of Chargeurs Textiles shares	2.9
TOTAL	**2.9**

REVERSALS

	2017
Impairment of Chargeurs Films de Protection shares	43.9
Impairment of Chargeurs Entoilage shares	3.6
Impairment of treasury stock	0.02
TOTAL	**47.52**

14 – Non-recurring income and expense

	2017	
Type	Non-recurring expenses	Non-recurring income
Provision for the risk of repayment of tax benefits to subsidiaries in the event of a return to profit	0.1	-
Disposal gain on treasury stock	-	0.1
Reversals of surplus provisions	-	0.1
Other	-	0.1
TOTAL	**0.1**	**0.3**

15 – Income tax

15.1. ANALYSIS OF INCOME TAX

	2017	2016
Tax on recurring profit	-	-
Tax on dividends	(0.1)	(0.3)
Dividend tax refund	0.5	
Group relief	5.9	4.6
Other	-	-
INCOME TAX BENEFIT	**6.3**	**4.3**

Since January 1, 1996, Chargeurs and most of its French subsidiaries that are at least 95%-owned, directly or indirectly, have filed a consolidated tax return. Under French group relief rules, the losses of certain subsidiaries in the tax group can be set off against the taxable profit of other companies in the group. The profitable subsidiaries pay Chargeurs SA the amount of tax that would have been due on their profit if they were taxed on a standalone basis, and Chargeurs SA pays the tax due by the tax group.

In 2017, €68,000 was added to the provision for the risk of repayment of tax benefits to subsidiaries expected to return to profit in 2018.

The setting off of losses reported by certain subsidiaries against the taxable profits of other subsidiaries resulted in a current tax saving of €5.9 million, representing a cash flow benefit.

Non-deductible expenses that are disclosable to shareholders pursuant to articles 223 *quater* and 39-4 of the French Tax Code and the related tax impact amounted to €0.02 million in 2017.

16 – Commitments given, guarantees and sureties

Guarantees and sureties concern:

- subsidiaries and related companies 20.3
- other 0.0

The interest rate risk on the Landesbank Saar loans totaling €30.0 million has been hedged by means of variable-to-fixed rate swaps. At December 31, 2017, these swaps had an estimated negative fair value of €331,870.76.

17 – Unrecognized deferred taxes

At December 31, 2017, under French group relief rules, Chargeurs had evergreen tax loss carryforwards of €197.2 million.

Timing differences between book income and expense and income and expense for tax purposes were not material in 2017.

18 – Directors' and senior executives' compensation

Compensation allocated to directors and senior executives in 2017 amounted to €300,000 and €1,206,228 respectively (including directors' fees paid by subsidiaries).

19 – Employee benefit obligations

19.1 RETIREMENT BENEFITS

The Company's retirement benefit obligations were measured at December 31, 2017, based on employees' seniority and the probability that they will still be with the Company at their retirement date.

The Company's retirement benefit obligations were measured at December 31, 2010 based on years of service and the probability that employees would still be on the Company's payroll at their retirement date. These benefit obligations have not been recorded in the financial statements, as the amounts involved are not material.

20 – Fees paid to the Statutory Auditors

Chargeurs SA paid €250 thousand in fees to the Statutory Auditors in 2017 (disclosure made in application of French Decree 2008-1487 of December 30, 2008).

21 – Performance share plan

By way of the twentieth resolution (extraordinary resolution) of the April 20, 2017 Annual General Meeting, in accordance with articles L.225-197-1 *et seq.* of the French Commercial Code, the Company's shareholders authorized the Board of Directors to grant, on one or more occasions, existing or new Chargeurs shares free of consideration to beneficiaries to be selected by the Board from among the employees and/or officers of the Company or of entities or groupings affiliated to the Company within the meaning of article L.225-197-2 of the French Commercial Code. The free share grants carried out in accordance with this resolution are subject to an overall ceiling of 1% of the Company's capital as at the date of that Annual General Meeting.

On July 20, 2017, the Board of Directors used this authorization to grant a total of 31,400 performance shares, representing 0.14% of the Company's capital, to a number of key executives of the Chargeurs Group. These shares are subject to a one-year vesting period followed by a one-year lock-up period. At his own request, the Chairman and Chief Executive Officer was not a beneficiary of this performance share plan. The 31,400 new shares to be issued at the end of the vesting period will only actually vest if the applicable performance conditions are met and the beneficiary is still a member of the Group.

At December 31, 2017, a total of €46,803 had been recognized within payroll taxes for the employer social security costs payable in relation to this plan.

Information concerning subsidiaries and affiliates

AT DECEMBER 31, 2017 (IN € THOUSANDS)

Companies	Share capital	Reserves	% interest	Cost of investment	Carrying amount of investment	2017 revenue[(1)]	2017 profit/ (loss) included in equity	Gross dividends received by Chargeurs during 2017
A.DETAILED INFORMATION CONCERNING EQUITY INVESTMENTS WITH A CARRYING AMOUNT IN EXCESS OF 1% OF CHARGEURS' CAPITAL								
1. Subsidiaries (at least 50%-owned by Chargeurs)								
Chargeurs Textiles	31,085	12,894	100	69,480	43,779	-	496	518
Chargeurs Films de Protection	139,617	87,179	100	286,266	270,604	-	12,241	12,268
Chargeurs Entoilage	11,540	59,718	99.99	109,092	105,162	-	25,489	2,089
Senfa	3,152	3,980	100	34,000	34,000	25,843	2,213	-
Chargetex 34	114	(8)	100	6,277	114	-	(2)	-
Chargetex 35	499	(12)	100	1,337	501	-	(4)	-
2. Affiliates (10% to 50%-owned by Chargeurs)								
Other companies	-	-	-	-	-			
B. AGGREGATE INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES								
1. Subsidiaries not listed in A								
French companies	150	123	-	76	18	-	102	5
Foreign companies	-	-	-	-	-	-	-	-
2. Affiliates not listed in A								
French companies	-	-	-	-	-	-	-	-
Foreign companies	296	3,562	-	671	671	57,794	1,108	-

(1) The majority of the companies owned by Chargeurs SA are purely financial holding companies and therefore do not generate any revenue.

Five-year financial summary (in euro thousands unless otherwise specified)

	2017	2016	2015	2014	2013
I – Capital at December 31					
Share capital	3,733	3,675	3,675	2,563	2,294
Number of shares	23,330,597	22,966,144	22,966,144	16,021,311	14,340,575
Number of convertible bonds	-	-	-	218,069	272,393
II – Results of operations					
Operating revenue, investment income, interest income and other revenues (excluding tax)	20,393	16,686	11,289	9,059	6,880
Profit/(loss) before tax, amortization, depreciation and provisions	5,831	7,978	2,994	(3,053)	2,115
Income tax benefit	6,318	4,326	4,438	2,133	1,605
Net profit/(loss)	56,355	54,364	45,496	17,372	(4,552)
Total dividends	13,998	12,631	6,888	3,204	-
III – Per share data					
Earnings/(loss) per share after tax, before amortization, depreciation and provisions	0.52	0.53	0.32	(0.06)	0.26
Earnings/(loss) per share	2.42	2.37	1.98	1.08	(0.32)
Dividend per share	0.60	0.55	0.30	0.20	-
IV – Employee data					
Number of employees	8	3	2	1	2
Total payroll	2,299	1,370	2,731	1,322	913
Total benefits	950	538	1,117	334	273

5.2.2. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2017)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Chargeurs SA for the year ended December 31, 2017.

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 December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.5 to the parent company financial statements, which indicates that the first-time application of ANC regulation 2015-05 of July 2, 2015 on forward financial instruments and hedging has no impact on the Company.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of shares in subsidiaries and affiliates

DESCRIPTION OF RISK

Shares in subsidiaries and affiliates represent one of the largest assets on the balance sheet, with a carrying amount of €455 million at December 31, 2017. As explained in Note 1.2 to the financial statements, they are initially recognised at cost and are subsequently measured at the lower of cost and fair value, determined by reference to Chargeurs' equity in the net assets of the companies concerned, adjusted for unrealized capital gains or losses and profitability criteria.

Estimating the fair value of shares in subsidiaries and affiliates requires management to exercise judgment when choosing the data to be used for the estimates, which may be historical or projected.

The globalized competitive environment in which Chargeurs' subsidiaries operate may be a source of uncertainties that could lead to a decline in their revenues and adversely affect their operating profit.

Accordingly, we deemed the measurement of shares in subsidiaries and affiliates, loans to these entities and related provisions for contingencies, to be a key audit matter, due to the inherent risks associated with certain components of the valuation, in particular the probability of projected results being achieved.

HOW OUR AUDIT ADDRESSED THIS RISK

In order to assess the reasonableness of the estimated fair values of shares in subsidiaries and affiliates, based on the information provided to us, our audit procedures consisted mainly of verifying that the estimated fair values determined by management were based on an appropriate justification of the choice of measurement method and the underlying data and, depending on the investee concerned:

- obtaining the cash flow and business projections for the entities concerned, drawn up by their operational management teams, and assessing their consistency with the most recent business plans prepared under the supervision of their executive management for each business, as approved by the Board of Directors if applicable;
- verifying the consistency of the assumptions used with the economic environment at the balance sheet date and at the date on which the financial statements were prepared;
- comparing the projections used for previous periods with actual performances in order to measure the achievement of past objectives;
- verifying that the cash flow projections were adjusted to take account of the amount of debt held by the entity concerned;
- verifying that the carrying amount of any impaired investments was written down to their fair value.

In addition to assessing the fair values of shares in subsidiaries and affiliates, our work also consisted of:

- assessing the recoverability of loans to subsidiaries and affiliates, based on our analyses of the investments in these companies;
- verifying that a provision for contingencies had been recognised in all cases where the Company is liable for the losses of a subsidiary with negative net assets.

We also verified that Notes 3.2 and 13.1 provide appropriate disclosures.

Verification of the management report and of the other documents provided to the shareholders

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

Information given in the management report with respect to the Company's financial position and the financial statements

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 other documents provided to the shareholders with respect to the financial position and the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 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.

Concerning the information given in accordance with the requirements of article L.225-37-5 of the French Commercial Code relating to items that the Company deems liable to have an impact in the event of a public tender or exchange offer, we verified the consistency of said information with the underlying documents provided to us. Based on this work, we have no matters to report on the information.

Other 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.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors for Chargeurs SA by the Shareholders' Meetings of April 20, 2017 (HAF Audit & Conseil) and April 30, 1996 (PricewaterhouseCoopers Audit).

As at December 31, 2017, HAF Audit & Conseil and PricewaterhouseCoopers Audit were in the first and twenty-second year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris, March 16, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	HAF Audit & Conseil Member of Crowe Horwath International
Éric Bertier	Marc de Prémare

5.3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(Annual General Meeting for the approval of the financial statements for the year ended December 31, 2017)

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

In our capacity as Statutory Auditors of Chargeurs SA, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

We were not informed of any agreements or commitments entered into during the year to be submitted for approval at the Annual General Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during the year

We were informed that the following agreements and commitments, already approved by the General Meeting of April 20, 2017, following the Statutory Auditors' special report of March 27, 2017, were implemented during the year.

Non-compete undertaking by Michaël Fribourg

Person concerned

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs SA.

Nature, purpose and conditions

On March 8, 2017, the Board of Directors approved a two-year non-compete agreement between Michaël Fribourg and Chargeurs SA, to take effect in the event that his operational duties as Chairman or Chief Executive Officer are terminated. In exchange, Mr Fribourg shall be entitled to compensation in an amount equal to the aggregate gross compensation paid to him with respect to the last fiscal year, including directors' fees paid by Group companies and all variable compensation paid to him over the period.

Reason provided by the Company

Given his responsibilities, Mr Fribourg has access to confidential information about the Chargeurs Group, its businesses and its customers, whose disclosure to competitors, including if Mr Fribourg were take up a position with any such competitors, would have a serious adverse effect on the Group's interests.

Compensation for loss of office payable to Michaël Fribourg

Person concerned

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs SA.

Nature, purpose and conditions

On March 8, 2017, the Board of Directors approved the compensation due to Michaël Fribourg for loss of office for any reason other than resignation or dismissal for serious misconduct. The compensation shall correspond to the aggregate gross compensation paid to Mr Fribourg with respect to the last fiscal year, including directors' fees paid by Group companies and all variable compensation paid to him over the period.

Reason provided by the Company

In accordance with the recommendations of the Compensation Committee, the Board of Directors wished to define the compensation and benefits due to Mr Fribourg in the event of loss of office in accordance with market practices and current legislation.

Neuilly-sur-Seine and Paris, March 16, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	HAF Audit & Conseil Member of Crowe Horwath International
Éric Bertier	Marc de Prémare

5.4. OTHER FINANCIAL AND ACCOUNTING INFORMATION

5.4.1. FIVE-YEAR FINANCIAL SUMMARY

	2017	2016	2015	2014	2013
I – Capital at December 31					
Share capital	3,733	3,675	3,675	2,563	2,294
Number of shares	23,330,597	22,966,144	22,966,144	16,021,311	14,340,575
Number of convertible bonds	-	-	-	218,069	272,393
II – Results of operations					
Operating revenue, investment income, interest income and other revenues (excluding tax)	20,393	16,686	11,289	9,059	6,880
Profit/(loss) before tax, amortization, depreciation and provisions .	5,831	7,978	2,994	(3,053)	2,115
Income tax benefit	5,926	4,327	4,438	2,133	1,605
Net profit/(loss)	56,355	54,364	45,496	17,372	(4,552)
Total dividends	13,998	12,631	6,888	3,204	-
III – Per share data					
Earnings/(loss) per share after tax, before amortization, depreciation and provisions	0.52	0.53	0.32	(0.06)	0.26
Earnings/(loss) per share	2.42	2.37	1.98	1.08	(0.32)
Dividend per share	0.60	0.55	0.30	0.20	-
IV – Employee data					
Number of employees	8	3	2	1	2
Total payroll	2,299	1,370	2,731	1,322	913
Total benefits	950	538	1,117	334	273

5.4.2. RESULTS OF THE PARENT COMPANY

On March 6, 2018 the Board of Directors approved the financial statements of Chargeurs SA, showing:

- operating revenues of €3,613 thousand;
- profit for the period of €56,355 thousand.

The financial statements were prepared in accordance with the same principles and methods as in prior years.

Operating revenues totaled €3.6 million, versus €1.8 million in 2016 and the Company reported an operating loss of €7.3 million versus an operating loss of €5.4 million for 2016.

Profit before tax and non-recurring items amounted to €49.9 million compared with €50.1 million in 2016 and Chargeurs SA reported net financial income of €57.2 million (versus €55.5 million in 2016), including €14.9 million in dividends (€13.5 million in 2016).

After taking into account net non-recurring income of €0.1 million (versus net non-recurring expense of €0.1 million in 2016) and a €6.3 million income tax benefit, relating mainly to the tax consolidation group which Chargeurs SA heads (€4.3 million in 2016), Chargeurs SA ended the year with profit of €56.4 million, compared with €54.4 million in 2016. The Company's high level of earnings for 2017 is attributable to €44.6 million in net reversals of provisions recorded in prior years for shares held by Chargeurs SA in consolidated companies (€42.4 million in 2016).

5.4.3. PAYMENT TIMES FOR TRADE PAYABLES AND RECEIVABLES

Trade payables

A) Invoices received but not paid at the reporting date (past due)

(in euro thousands)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and beyond	Total
Number of invoices concerned	26	7	5	1	39
Total amount (incl. VAT) of invoices concerned	390	69	37	24	520
% of total purchases for the year (excl. VAT)	6%	1%	1%	0%	8%

B) Invoices not included in (A) above, relating to unrecognized doubtful debts

Number of invoices excluded	None
Total amount (incl. VAT) of invoices excluded	None

C) Reference payment times used

Legal payment times used to calculate late payments	
Contractual payment times used to calculate late payments	On receipt of the invoice/30 days end of month/ 60 days from the invoice date

Trade receivables

A) Invoices issued but not paid at the reporting date (past due)

(in euro thousands)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and beyond	Total
Number of invoices concerned.			1	5	6
Total amount (incl. VAT) of invoices concerned			12	96	108
% of total revenue for the year (excl. VAT)			0%	3%	3%

B) Invoices not included in (A) above, relating to unrecognized disputed receivables

Number of invoices excluded	None
Total amount (incl. VAT) of invoices excluded	None

C) Reference payment times used

Legal payment times used to calculate late payments	
Contractual payment times used to calculate late payments	25 days end of month

6

SHARE CAPITAL AND OWNERSHIP STRUCTURE

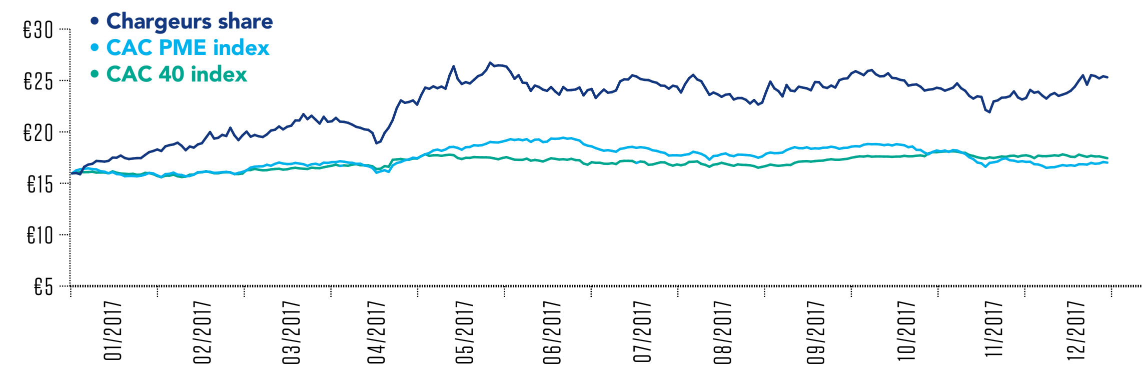
6.1. STOCK MARKET INFORMATION

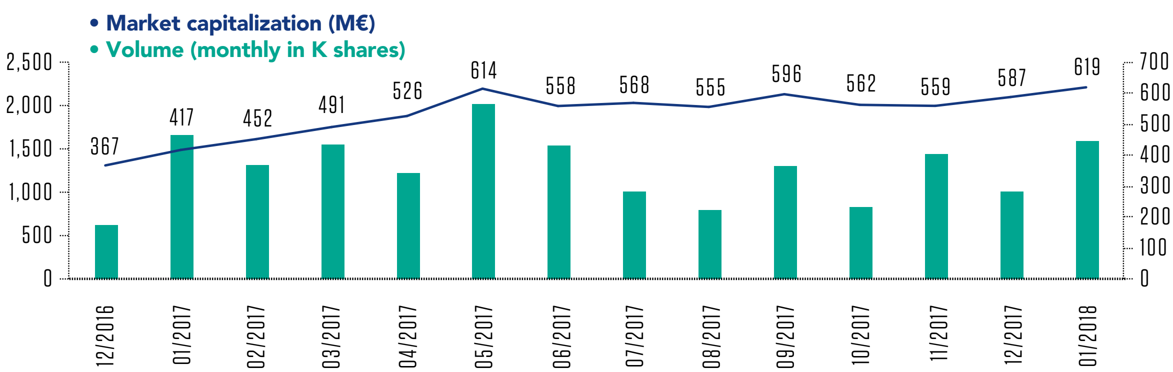
6.1.1. SHARE PERFORMANCE

Share performance in 2017

A gain of 58.6%

Chargeurs shares gained 58.6% year on year between December 31, 2016 and December 31, 2017. This stock market performance acknowledges the success of the operational acceleration plan Game Changer.





6.1.2. SHARE INFORMATION

	2017	2016	2015
Price on December 31	€25.31	€15.96	€9.00
Number of shares outstanding *(in millions)*	23.3	23.0	16.0
Interim dividend (gross)	€0.25	€0.20	€-
Final dividend (gross)	€0.35	€0.35	€0.30
Total dividend (gross)	€0.60	€0.55	€0.30
Attributable profit *(in € millions)*	25.2	25.0	15.3
Payout rate[(1)]	56%	51%	45%

(1) Based on net profit for the year concerned.

ELIGIBLE PEA PME

Stock market data

Market listing

Market: NYSE Euronext/Compartment B. ISIN: FR0000130692 – CRI.
Indices: EnterNext© PEA-PME and CAC PME.
SRD: Eligible for deferred settlement in the long-only segment.

6.1.3. 2018 FINANCIAL CALENDAR

Wednesday, March 7, 2018	2017 annual results
Monday, April 16, 2018	First-quarter 2018 financial information
Monday, April 16, 2018	Annual General Meeting
Thursday, September 6, 2018	First-half 2018 results
Wednesday, November 14, 2018	Third-quarter 2018 financial information

6.1.4. ANALYSTS COVERED

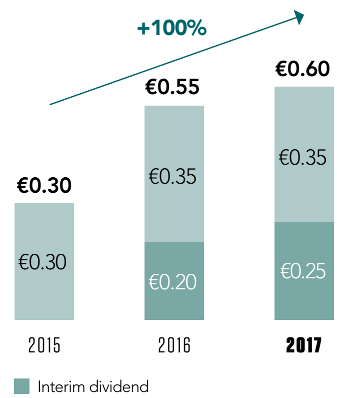
ALPHAVALUE
BERENBERG PARTNERSHIP SINCE 1590
ID. MidCaps
MIDCAP PARTNERS
ODDO BHF
Portzamparc GROUPE BNP PARIBAS

6.2. DIVIDENDS PAID

At its meeting held on March 6, 2018 under the chairmanship of Michaël Fribourg, the Board of Directors decided to recommend to shareholders at the April 16, 2018 Annual General Meeting the payment of a 2017 dividend of €0.60 per share (including the €0.25 interim dividend paid in September 2017), representing an increase of 9.1% compared with the 2016 dividend of €0.55.

In recognition of the strategic Game Changer plan's success and the improvement in the Group's operational performance in 2017, the Board of Directors wishes to reward Chargeurs' shareholders for their loyalty and long-term commitment.

DIVIDEND



6.3. OWNERSHIP STRUCTURE

6.3.1. CHANGES IN SHARE CAPITAL

	Number of convertible bonds	Number of shares	Share capital *(in euros)*
January 1, 2015	**218,069**	**16,021,311**	**2,563,409.76**
Conversion of bonds tendered in 2015	216,784	6,937,088	1,109,934.08
Convertible bonds redeemed at face value at maturity	1,285[(1)]	7,745	1,239.2
January 31, 2016[(2)]	**-**	**22,966,144**	**3,674,583.04[(3)]**
January 31, 2017	**-**	**22,966,144**	**3,674,583.04[(3)]**
New shares issued for the payment of dividends in shares		364,453[(4)]	58,312.48
DECEMBER 31, 2017	**-**	**23,330,597**	**3,732,895.52[(3)]**

(1) 1,285 convertible bonds were redeemed at face value giving each holder €55 per convertible bond and a stock-based remuneration equal to 6.06 Chargeurs shares.
(2) As of December 31, 2015, 22,958,399 shares were issued and outstanding.
(3) Par value: €0.16 per share.
(4) 364,453 shares were issued in 2017, of which 243,356 were new shares issued in payment of the balance of the dividend for financial year 2016, and 121,097 new shares issued in payment of an interim dividend for 2017 (see note 16 to the consolidated financial statements for the year ended December 31, 2017).

At December 31, 2017, the Company's share capital amounted to €3,732,895.52, divided into 23,330,597 shares with a par value of €0.16 each.

Convertible bonds that matured in 2015

The Chargeurs convertible bonds issued in April 2010 matured on January 1, 2016. Of the 415,083 subordinated convertible bonds initially issued, with pre-emptive subscription rights for existing shareholders, each with a face value of €55, a total of 413,798 (i.e., 99.7% of all the bonds issued) were converted into shares. The 1,285 bonds that were not converted were redeemed. A total of 12,589,047 shares were created on conversion of bonds as part of the program, thereby increasing the number of shares making up Chargeurs' share capital to 22,966,144 on January 11, 2016.

2017 interim dividend payment

On September 6, 2017, the Chargeurs Board of Directors approved the payment of an interim dividend of €0,25 per share, based on 2017 performance. The interim dividend could be paid either in cash or new shares.

The period during which shareholders could opt to reinvest the dividend began on September 13, 2017 and ended on September 21, 2017, at which date 47.25% of the voting rights exercised were in favor of the payment being made in shares: 121,097 new shares at a price of €22.30 each were created. Carrying dividend rights from January 1, 2018, the new shares issued on September 29, 2017 (ISIN: FR0013282464) in payment of the 2017 interim dividend will be merged with the ordinary shares (ISIN: FR0000130692) after the ex-dividend of the 2017 final dividend.

As a result of this transaction; the Company's share capital amounted to €3,732,895, divided into 23,330,597 ordinary shares with a par value of €0.16.

The amount paid in cash at September 29, 2017 stood at around €3.0 million.

Financial instruments with rights to Chargeurs shares

At the date of this Registration Document, there were no financial instruments with rights to Chargeurs shares.

Ownership structure

Number of shares with double voting rights

At December 31, 2017, the total number of shares carrying double voting rights amounted to 817,123 out of a total of 24,134,386.

Trading in Chargeurs shares by management or members of the Board of Directors in 2017

None.

6.3.2. FREE SHARE PLAN

On July 28, 2017, the Company set up a free share plan for its key executive personnel. The details of this plan are set out in section 4.5, "Compensation of directors and officers".

6.4. ADDITIONAL INFORMATION ABOUT THE COMPANY'S CAPITAL

6.4.1. BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

The Company's share capital and voting rights broke down as follows at December 31, 2017, January 31, 2017, and January 31, 2016:

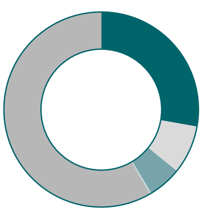
The Company does not have any clause in its bylaws waiving double voting rights for all fully-paid up shares registered in the name for the same holder for at least two consecutive years.

	December 31, 2017			January 31, 2017			January 31, 2016		
	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights
Colombus Holding SAS	6,484,805	27.8%	29.8%	6,484,805	28.2%	28.1%	6,334,805	27.58%	27.29%
Sycomore Asset Management	1,927,705	8.3%	8.3%	1,324,026	5.8%	5.7%	1,372,966	5.98%	5.91%
Amundi	1,303,517	5.6%	5.6%	N/A	N/A	N/A	N/A	N/A	N/A
Quaero Capital SA	N/A	N/A	N/A	N/A	N/A	N/A	1,574,000	6.85%	6.78%
Treasury stocks	13,334	0.1%	0.0%	13,334	0.1%	0.0%	13,334	0.1%	0.0%
Other shareholders	13,601,236	58.2%	56.3%	15,143,979	65.9%	66.2%	13,684,373	59.59%	60.02%
TOTAL	**23,330,597**	**100%[1]**	**100%**	**22,966,144**	**100.0%**	**100.0%**	**22,966,144**	**100%**	**100%**

(1) o/w 22.3% held by private shareholders, 17.2% by international corporate shareholders and 32.6% by French corporate shareholders.

OWNERSHIP STRUCTURE

% of total outstanding shares as of December 31, 2017



- 27.8% – Colombus Holding SAS
- 8.3% – Sycomore Asset Management
- 5.6% – Amundi
- 0.1% – Treasury stocks
- 58.2% – Other shareholders

Number of shares: 23,330,597

Information on Colombus Holding SAS

The company Columbus Holding SAS, established by Michaël Fribourg, is 75%-held by leading French long-term institutional investors (CM-CIC Investissement, EFFI-INVEST II, BNP Paribas Développement, Harwanne of COVÉA group), and 25%-held by several French family offices. No shareholder has control over Colombus Holding, as such control is defined in article L.233-3 of the French Commercial Code.

Disclosure of statutory and regulatory ownership thresholds crossed since January 31, 2017

By way of a letter received on September 8, 2017, Amundi SA, acting on behalf of funds it manages, disclosed that on September 7, 2017 it had raised its interest to above the threshold of 5% of the Company's share capital and voting rights and that at that date it held, on behalf of said funds, 1,171,243 Chargeurs shares, representing the same number of voting rights, i.e., 5.05% of the capital and 5.03% of the voting rights.

As far as Chargeurs is aware, at the date of this Registration Document, there were no shareholders other than those shown in the table above, that owned more than 5% of the Company's capital or voting rights.

Liquidity contract

On March 29, 2016 Chargeurs signed a 12-month, automatically renewable liquidity contract with Rothschild & Banque. A total of €2,600,000 has been allocated to the liquidity account for the implementation of this contract, which complies with the AMAFI code of ethics approved by the AMF on March 21, 2011.

6.4.2. SHARE BUYBACK PROGRAM

In view of its excellent showing in first-half 2017 and the confidence it has in its performance for full-year 2017, Chargeurs has decided to launch a share buyback program. On September 8, 2017, the Group appointed investment services provider, Rothschild Martin Maurel, to carry out the program. This provider will be authorized to purchase Chargeurs shares (depending on market conditions) for up to €12 million at a maximum price of €30 per share.

The program, which will run until September 7, 2018 at the latest, falls within the scope of the fourteenth resolution of the April 20, 2017 Annual General Meeting, whereby the shareholders:

- granted the Board of Directors an authorization, which it may delegate, to purchase up to 2,296,614 Chargeurs shares. The shares may be purchased in one or more transactions at any time, as determined by the Board (except while a public offer for the Company's shares is in progress). Under no circumstances may these purchases lead to the Company holding over 10% of its capital;
- resolved that the shares may be bought back and held in accordance with the applicable laws and regulations for the following purposes:
  - to ensure the liquidity of Chargeurs' shares or to make a market in the shares through an investment service provider acting independently under a liquidity contract that complies with a code of ethics approved by France's securities regulator (*Autorité des Marchés Financiers*),
  - to hold shares for future delivery in payment or exchange for the securities of other companies, in cash, stock-for-stock or capital contribution transactions conducted as part of the Company's external growth strategy, within the limits set by the applicable regulations,
  - to reduce the Company's capital by canceling the acquired shares,
  - to hold shares for delivery or exchange on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for Chargeurs shares,
  - for allocation under stock option plans set up by the Company and governed by articles L. 225-177 et seq. of the French Commercial Code or any similar plan,
  - for allocation or sale to employees in connection with employee profit-sharing plans or any employee savings plan set up at Company or Group level (or any similar plan) in accordance with the applicable laws, especially articles L. 3332-1 et seq. of the French Labor Code,
  - for allocation under free share or performance share plans governed by articles L. 225-197-1 et seq. of the French Commercial Code, and/or
  - for the implementation of any accepted market practice or any market practice that may be authorized in the future under the applicable laws or by France's securities regulator;
- resolved that the shares may be bought back, sold or transferred at any time (except while a public offer for the Company's shares is in progress) and by any method within the limits allowed under the applicable regulations, in on- or off-market transactions, including through block purchases or sales, or through the use of options or derivatives traded on a regulated market or over-the-counter, including call options;
- set the maximum purchase price at €30 per share, which may be adjusted by the Board of Directors if appropriate to take into account the effect of any corporate actions. The maximum amount that may be invested in the buyback program will therefore be €68,898,420;
- gave the Board of Directors full powers to use this authorization, directly or through a legally authorized representative, to place any and all buy and sell orders on all markets or carry out any and all off-market transactions, enter into all agreements, prepare all documents, carry out all filing and other formalities with all authorities and organizations, allocate or re-allocate the purchased shares to the various purposes in compliance with the applicable laws and regulations, and generally do everything necessary for implementing the decisions made by the Board pursuant to this authorization;
- resolved that this authorization is given for a period of 18 months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Treasury shares

At December 31, 2017 the Company held 13,334 shares in treasury, representing an aggregate purchase price of €230,851.35, i.e., an average per-share purchase price of €17.31.

6.4.3. FINANCIAL AUTHORIZATIONS

SUMMARY OF AUTHORIZATIONS CURRENTLY IN FORCE TO CARRY OUT CORPORATE ACTIONS

Transactions/securities concerned	Duration of the authorization from the date of this Meeting and expiration date	Ceiling	Authorization utilized in 2017	Method for determining the price of shares issued
Share buyback program (14th resolution of the April 20, 2017 AGM)	18 months October 20, 2018	€30 per share, with a maximum investment of €2,296,614 (par value). The Company may not hold more than 10 % of its capital	Utilized(1)	N/A
Issues with pre-emptive subscription rights Issue of all types of securities, paid up in cash or by capitalizing additional paid-in capital, reserves, profits or other eligible items (5th resolution of the March 14, 2016 AGM)	26 months May 13, 2018	€900,000 (par value) for shares and €100 million for debt securities (with issues deducted from the blanket ceiling of €1.5 million, hereinafter named "the Blanket Ceiling")	Not utilized	The Board of Directors is responsible for setting the amounts, features, terms and conditions for each issue, including the price of the securities to be issued.
Issues without pre-emptive subscription rights Issues of all types of securities through public offerings (6th resolution of the March 14, 2016 AGM)	26 months May 13, 2018	€350,000 (par value) (with issues deducted from the Blanket Ceiling)	Not utilized	(i) New shares to be issued will be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average price quoted on Euronext Paris over the three trading days preceding the pricing date, less a maximum discount of 5%, as specified in articles L.225-136-1, paragraph 1 and R.225-119 of the French Commercial Code), as adjusted where necessary for the difference in cum rights dates. (ii) Issues of securities with rights to Chargeurs shares will be priced so that the amount received immediately by the Company plus the amount to be received in the future, if any, for each share issued as a result of the exercise of rights to shares, is at least equal to the issue price defined in the above paragraph, as adjusted if necessary for the difference in cum rights dates. The Board of Directors is responsible for setting the amounts, features, terms and conditions for each issue, including the price of the securities to be issued.
Greenshoe option (8th resolution of the March 14, 2016 AGM)	26 months May 13, 2018	Up to 15% increase in securities issued with or without pre-emptive subscription rights (with the additional securities deducted from the ceiling set in the relevant resolution and from the Blanket Ceiling)	Not utilized	For the issues carried out pursuant to the fifth and sixth resolutions, the Board of Directors may increase the number of securities and issue them at the same price as for the initial offer.

Transactions/securities concerned	Duration of the authorization from the date of this Meeting and expiration date	Ceiling	Authorization utilized in 2017	Method for determining the price of shares issued
Issues of securities in payment for the shares of other companies tendered to a public exchange offer initiated by the Company (10th resolution of the March 14, 2016 AGM)	26 months May 13, 2018	€900,000 (par value) (with issues deducted from the Blanket Ceiling)	Not utilized	The Board of Directors is authorized to set the amounts, features and issuance terms and conditions of the securities to be issued in payment for those tendered to the Company, including the issue price.
Issues of securities in payment for the shares or other securities of other companies contributed to the Company (11th resolution of the March 14, 2016 AGM)	26 months May 13, 2018	10% of the share capital on the issue date (with issues deducted from the Blanket Ceiling)	Not utilized	The Board of Directors is authorized to set the amounts, features and issuance terms and conditions of the securities to be issued in payment for the shares or other securities of other companies contributed to the Company, including the issue price.
Free shares granted to beneficiaries selected from among employees and executives, with a waiver of shareholders' pre-emptive subscription rights (20th resolution of the April 20, 2017 AGM)	26 months June 20, 2019	1% of the Company's share capital as at the April 20, 2017 AGM	Authorization utilized by the Board of Directors on July 20, 2017 to grant 31,400 shares, i.e., 0.14% of the share capital, to key executive personnel, excluding the Chairman and CEO(2)	N/A
Employee rights issue (21st resolution of the April 20, 2017 AGM)	26 months June 20, 2019	€100,000 (par value) (with issues deducted from the Blanket Ceiling)	Not utilized	The Board of Directors is authorized to set the issue price of the new shares pursuant to article 3332-19 of the French Labor Code. The shares could not be offered at a price that is greater than the average (as calculated in accordance with article L. 3332-19 of the French Labor Code) of the prices quoted for Chargeurs shares over the 20 trading days preceding the date of the decision setting the opening date of the subscription period, nor could they be offered at a discount of more than 20% of this average. The Board of Directors is authorized to reduce or eliminate said discount, if appropriate, in particular due to differences in foreign laws, regulations and tax rules.
Cancellation of shares held in treasury (15th resolution of the April 20, 2017 AGM)	26 months June 20, 2019	10% of the share capital per 24-month period	Not utilized	N/A

(1) See section 6.4.2 of this Registration Document for a description of the implementation of the share buyback program.
(2) See section 4.5 of this Registration Document for a description of the free share plan.

6.4.4. ITEMS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OFFER

None of the items mentioned in article L. 225-100-3 of the French Commercial Code would have an impact in the event of a public tender offer, except for the following:

- the Company's capital structure, as described in the Report of the Board of Directors presented at the Annual General Meeting and published on Chargeurs' website;
- direct or indirect investments in the Company's shares of which Chargeurs is notified pursuant to articles L. 233-7 and L. 233-12 of the French Commercial Code, and which are discussed in the Report of the Board of Directors presented at the Annual General Meeting and published on Chargeurs' website;
- the rules governing the election or replacement of Board members and changes to the Company's bylaws, referred to in articles 9, 10 and 21 of the bylaws;
- the powers of the members of the Board of Directors, defined in article 13 of the bylaws;
- following the adoption of a number of resolutions by shareholders at the March 14, 2016 and April 20, 2017 Annual General Meetings, the Board of Directors has been authorized to issue and buy back Chargeurs shares. A list of these authorizations is set out in section 6.4.3 of the Registration Document.

6.4.5. OTHER INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

Change of control

To the best of the Company's knowledge, as at the date of this Registration Document, there were no shareholder agreements or other agreements in place whose implementation could lead to a change of control of Chargeurs at a subsequent date.

Options over the share capital of any Group member or conditional or unconditional agreements to put the share capital of any Group member under option

As at the date of this Registration Document, no share capital of any Group member was under option or agreed conditionally or unconditionally to be put under option.

Disclosure thresholds (extract from article 6 of the Company's bylaws)

"In addition to the applicable legal disclosure thresholds, any individual or legal entity (including any accredited intermediary representing non-resident shareholders), acting either alone or in concert, that either directly or indirectly comes to hold or ceases to hold, by whatever means, a number of shares representing 2% of the share capital or voting rights or any multiple thereof, must inform the company of the number of shares and voting rights held, as well as the number of shares and voting rights deemed to be held by that individual or legal entity for disclosure purposes in accordance with Article L. 233-9 of the French Commercial Code. Said notice must be sent to the registered office of the company by registered letter with return receipt requested (or an equivalent method for non-resident shareholders) within five trading days of the relevant disclosure threshold being crossed.

Shareholders that have crossed a disclosure threshold are also required to inform the company of the number of securities held that carry a deferred right to shares and of the number of voting rights attached to said securities.

Failure to comply with these requirements shall result in the undisclosed shares being stripped of voting rights at General Meetings at the request of one or more shareholders separately or together owning at least 2% of the share capital or voting rights and provided the failure to disclose is noted in the minutes of a General Meeting. Similarly, any voting rights that have not been duly disclosed may not be exercised. Any such voting disqualification shall apply to all General Meetings held during a period of two years commencing on the date on which the failure to disclose is remedied."

Appropriation and distribution of profit (article 26 of the Company's bylaws)

"At least 5% of profit for the year, less any prior year losses, is allocated to the legal reserve, until such time as the legal reserve represents one tenth of the share capital.

Profit available for distribution corresponds to profit for the year, less any losses brought forward from prior years and any amounts appropriated to reserves in compliance with the law and these bylaws, plus any retained earnings.

The General Meeting may decide to carry forward all or part of the amount to the following year, or to appropriate all or part of the amount to reserves.

Any remaining amount of profit available for distribution is paid out to shareholders in the form of dividends.

The General Meeting may also decide to pay dividends to shareholders out of distributable reserves."

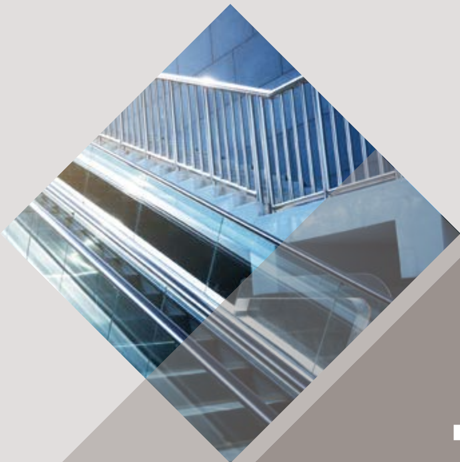
Payment of interest and dividends (article 27 of the Company's bylaws)

"The method of paying interest and dividends shall be determined by a vote at the General Meeting or, failing that, by the Board of Directors.

At the General Meeting, shareholders may be granted the option of receiving all or part of their dividend or interim dividend in the form of shares. Any request by a shareholder for the payment of a dividend in shares must be made within the time period set at the General Meeting, which may not exceed three months following said meeting. This time period may be suspended by the Board of Directors for a period not exceeding three months, subject to the applicable laws and regulations."

Pledge agreements concerning share capital

To the best of the Company's knowledge, it has no pledge agreements concerning its share capital.



7

INFORMATION ABOUT THE ANNUAL GENERAL MEETING OF APRIL 16, 2018

7.1. AGENDA

ORDINARY BUSINESS

1. Approval of the parent company financial statements for the year ended December 31, 2017;
2. Approval of the consolidated financial statements for the year ended December 31, 2017;
3. Appropriation of profit for 2017 and approval of a dividend;
4. Stock dividend alternative for the 2017 final dividend;
5. Stock dividend alternative for the 2018 interim dividend;
6. Approval of agreements governed by article L. 225-38 of the French Commercial Code;
7. Setting directors' fees;
8. Re-election of Michaël Fribourg as a director;
9. Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits payable to the Chairman and Chief Executive Officer;
10. Approval of the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2017;
11. Authorization for the Board of Directors to carry out a share buyback program.

EXTRAORDINARY BUSINESS

12. Authorization for the Board of Directors to reduce the Company's capital by a maximum of 10% by canceling shares bought back by the Company;
13. Authorization for the Board of Directors to (i) issue, with pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares, and/or (ii) increase the Company's capital by capitalizing reserves, profits, additional paid-in capital or other capitalizable items;
14. Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares, to be offered to the public through a public offer;
15. Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, ordinary Chargeurs shares and/or securities with direct or indirect rights to shares, through a private placement governed by article L. 411-2 II of the French Monetary and Financial Code;
16. Authorization for the Board of Directors to increase the number of securities with direct or indirect rights to shares offered in any issue with or without pre-emptive subscription rights;
17. Authorization for the Board of Directors to set the issue price of securities issued without pre-emptive subscription rights pursuant to the fourteenth and fifteenth resolutions, subject to compliance with the terms of the resolutions concerned and a cap representing 10% of the Company's capital;
18. Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares in payment for shares tendered to a public exchange offer launched by the Company for the shares of another company;
19. Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares in payment for other companies' shares or securities with rights to shares contributed to the Company;
20. Authorization for the Board of Directors to carry out employee share issues, without pre-emptive subscription rights for existing shareholders;
21. Blanket ceiling on share issues carried out pursuant to the thirteenth to twentieth resolutions of this Meeting;
22. Powers to carry out legal formalities.

7.2. REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTIONS PRESENTED AT THE ANNUAL GENERAL MEETING OF APRIL 16, 2018

ORDINARY RESOLUTIONS

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2017)

The purpose of the first resolution is to approve the parent company financial statements for the year ended December 31, 2017.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2017)

The purpose of the second resolution is to approve the consolidated financial statements for the year ended December 31, 2017.

Third resolution

(Appropriation of profit for 2017 and approval of a dividend)

The purpose of the third resolution is to appropriate profit for 2017 and set the dividend for that year. The Board of Directors is recommending that the shareholders:

- note that profit available for distribution amounts to €217,314,317.55 comprising profit for 2017 of €56,355,107.97, "Retained Earnings" for €0, and "Other reserves" of €160,959,209.58;
- resolve to pay a total of €13,925,700 to the shareholders as a dividend;
- credit the balance of profit available for distribution to "Retained earnings", which would therefore be increased from €0 to €203,388,617.55.

Based on the number of shares carrying dividend rights at December 31, 2017 – i.e. 23,209,500 shares with a par value of €0.16 each – the dividend per share would amount to €0.60, representing a 9% increase compared with 2016. The 121,097 shares issued on September 29, 2017 will not be eligible for the 2017 dividend as they only carry dividend rights as from January 1, 2018.

An interim dividend of €0.25 per share was paid on September 29, 2017. Consequently, the final per-share dividend payable is €0.35. The ex-dividend date for this amount will be April 26, 2018 and it will be paid on May 17, 2018.

The amounts corresponding to final dividends not paid on shares held in treasury stock on April 26, 2018 will be credited to "Other reserves".

Both the €0.25 interim dividend and the €0.35 final dividend are eligible for the 40% tax relief provided for in article 158-3 2° of the French General Tax Code (*Code général des impôts*) for individual shareholders who are French tax residents.

In accordance with the disclosure requirements of article 243 bis of the French Tax Code, the shareholders are informed that the following dividends were paid for the last three fiscal years:

Year	Number of shares(1)	Total dividend payout(2) (*in €*)	Dividend per share (*in €*)
2014	16,021,311	3,204,262.20	0.20
2015	22,958,399	6,887,519.70	0.30
2016	22,966,144	12,631,379.20	0.55

(1) Based on historical data at December 31 of each year.
(2) Theoretical values calculated based on the number of shares at December 31 of each year.

The total amounts of the dividends paid for 2014, 2015 and 2016 were eligible for the 40% tax relief provided for in article 158-3 2° of the French General Tax Code.

Fourth resolution

(Stock dividend alternative for the 2017 final dividend)

In the fourth resolution, in accordance with articles L. 232-18 *et seq.* of the French Commercial Code and article 27 of the Company's bylaws, the shareholders are invited to approve an option for their final dividend for 2017 to be paid in either cash or new shares.

Each shareholder will be able to exercise this option to choose between cash payment or the stock dividend alternative but the payment method opted for will apply to all of the shares they hold.

If this resolution is adopted, in accordance with article L. 232-19 of the French Commercial Code, the issue price of the new shares delivered as payment for the final dividend would be set at 90% of the average of the opening prices quoted for the Company's shares during the twenty trading days preceding the date of this Meeting, less the amount of the final per-share dividend and rounded up to the nearest euro cent.

Shareholders who opt to reinvest their final dividend would need to notify their bank or broker between April 26, 2018 (the ex-dividend date for the final dividend) and May 7, 2018. Any shareholder whose option has not been exercised by that date will automatically receive a cash dividend.

The final dividend will be paid on May 17, 2018, and shareholders who have opted for the stock dividend alternative will also receive their shares on that date.

The new shares would carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their issue date.

If the amount of a stock dividend does not correspond to a whole number of shares, the shareholder concerned will receive the nearest lower whole number of shares and the difference in cash.

The Board is asking the shareholders to grant it full powers, which it may delegate, to take all necessary measures to pay the final dividend in the form of shares, and notably to:

- set the issue price of the shares in accordance with the above terms and conditions;
- carry out any and all transactions related and/or consecutive to exercise of the option to reinvest the dividend;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out any and all formalities related to the issue, listing and servicing of the shares issued under this authorization and any and all filing and other legal formalities and take any and all measures required to achieve the purpose of this resolution.

Fifth resolution

(Stock dividend alternative for the 2018 interim dividend)

In the fifth resolution, as the Company's capital is fully paid up, in accordance with article 27 of the Company's bylaws and articles L. 232-12, L. 232-13 and L. 232-18 *et seq.* of the French Commercial Code, the shareholders are invited to approve an option for any interim dividends set by the Board of Directors for 2018 to be paid either in cash or new shares.

Each shareholder will be able to exercise this option to choose between cash payment or the stock dividend alternative for each interim dividend paid but the payment method opted for will apply to the all of the shares they hold.

If this resolution is adopted, in accordance with article L. 232-19 of the French Commercial Code, the issue price of the new shares delivered as payment for the interim dividend(s) would be at least 90% of the average of the opening prices quoted for the Company's shares during the twenty trading days preceding the date of the Board's decision to pay the interim dividend, less the net amount of the interim dividend and rounded up to the nearest euro cent.

The Board of Directors would set the duration of the period during which the shareholders may opt for the stock dividend alternative, which would commence on the date of the Board's decision to pay the interim dividend and expire within three months of that date.

The new shares would carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their issue date.

If the amount of a stock dividend does not correspond to a whole number of shares, the shareholder concerned will receive the nearest lower whole number of shares and the difference in cash.

The Board is asking the shareholders to grant it full powers, which it may delegate, to take all necessary measures to implement this resolution, and notably to:

- carry out any and all transactions related and/or consecutive to exercise of the option to reinvest the dividend;
- set the issue price of the shares in accordance with the above terms and conditions;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out any and all formalities related to the issue, listing and servicing of the shares issued under this authorization and any and all filing and other legal formalities and take any and all measures required to achieve the purpose of this resolution.

Sixth resolution

(Approval of agreements governed by article L. 225-38 of the French Commercial Code)

In the sixth resolution, the Board of Directors is recommending that the shareholders approve the conclusions of the Statutory Auditors' special report on related-party agreements and commitments for the year ended December 31, 2017, as well as any related-party agreements referred to therein.

Seventh resolution

(Setting directors' fees)

In the resolution, the Board of Directors, acting on the recommendation of the Compensation Committee, is asking shareholders to maintain at €300,000 the total fees payable to directors for the current year and all subsequent years until a new amount is set at an Annual General Meeting.

The total amount of directors' fees reflects the heavy workload of the Board and its two committees as well as the higher level of commitments and responsibilities taken on by their members as a result of the Board's workload (it met nine times in both 2017 and 2016).

In accordance with the Board's Rules of Procedure, the allocation of directors' fees to Board members is primarily based on their actual attendance at Board and committee meetings.

As recommended in the MiddleNext Corporate Governance Code (the "MiddleNext Code"), a summary table is provided below of the fees paid in 2017 and previous years to the Company's directors (who did not receive any other form of compensation from the Company). The Chairman and Chief Executive Officer does not receive any directors' fees from Chargeurs SA (at his own request).

	Directors' fees[1]		
(in € unless otherwise specified)	For the fiscal year ended Dec. 31, 2015 (from Oct. 30, 2015 through Dec. 31, 2015)[2]	For the fiscal year ended Dec. 31, 2016	**For the fiscal year ended Dec. 31, 2017**
Emmanuel Coquoin	2,740	48,780	80,488
Isabelle Guichot	N/A	29,268	58,537
Cécilia Ragueneau	N/A	N/A	43,902[3]
Catherine Sabouret	13,700	48,780	14,634[4]
Nicolas Urbain (Non-director member of the Compensation Committee)	2,500	43,902	58,537
Georges Ralli (Non-voting director)	13,700	29,268	43,902
TOTAL	**32,640**	**199,998**	**300,000**

(1) Gross amounts before tax. No other compensation was paid to non-executive directors.
(2) Amounts calculated on a proportionate basis for the period from October 30, 2015 through December 31, 2015.
(3) Amounts calculated on a proportionate basis for the period from April 20, 2017 through December 31, 2017.
(4) Amounts calculated on a proportionate basis for the period from January 1, 2017 through April 20, 2017.

Eighth resolution

(Re-election of Michaël Fribourg as a director)

In the eighth resolution, the shareholders are asked to re-elect Michaël Fribourg as a director for a three-year term.

Ninth and tenth resolutions

(Approval of (i) the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits payable to the Chairman and Chief Executive Officer for 2018 and (ii) the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2017)

In accordance with article L. 225-37-2, paragraph 1, and article L. 225-100 of the French Commercial Code, the shareholders are invited to approve, respectively, (i) the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components making up the total compensation and benefits of the Chairman and Chief Executive Officer, corresponding to his compensation package (*ex ante* vote) and (ii) the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive officer for 2017 *(ex post* vote).

The Chairman and Chief Executive Officer's compensation policy is set by the Board of Directors based on the recommendations of the Compensation Committee. The Board of Directors is seeking approval of this policy for 2018, which is described below and was set at the Board meetings held on December 19, 2017 and March 6, 2018 based on the recommendations of the Compensation Committee.

In accordance with the requirements of paragraph 2 of article L. 225-37-2 of the French Commercial Code and the September 2016 version of the MiddleNext Code, a table is provided below summarizing the components of the compensation paid or awarded to the Chairman and Chief Executive Officer for 2017 and prior fiscal years. In application of these requirements, the payment of the Chairman and Chief Executive Officer's variable compensation for 2017 will be contingent on the shareholders' approval of the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2017.

COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2017

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits payable to the Chairman and Chief Executive Officer for 2017 were approved by a 99.6% vote at the Annual General Meeting of April 20, 2017.

As a reminder, the Chairman and Chief Executive Officer does not hold an employment contract with Chargeurs.

He has a strong personal commitment with respect to the Group in which he holds shares through Colombus Holding SAS, which he founded and in which he is a major shareholder. Since his appointment, the Chairman and Chief Executive Officer and Colombus Holding SAS have not sold any Chargeurs shares. Furthermore, at his request, the Chairman and Chief Executive Officer has never benefited from any free share plans or any free stock options.

The Chairman and Chief Executive Officer's compensation package for 2017 was set by the Board of Directors based on the recommendations of the Compensation Committee.

The Chairman and Chief Executive Officer's compensation package for 2017 comprised a fixed component and a variable component.

When he took up office in 2015, the Chairman and Chief Executive Officer proposed that the costs of his office be significantly contained as part of the "Performance, Discipline, Ambitions" plan. His compensation for 2017 reflects the same concern for financial discipline as for the previous two fiscal years, while at the same time taking into account the strong increase in the Group's earnings which is the product of its transformation and expansion strategy driven by the Chairman and the Chief Executive Officer who has put in place a new organizational structure and a strategy of faster organic and acquisition led growth, which now form part of a new performance acceleration plan called "Game Changer". These good results have also fueled a sharp rise in the Chargeurs share price, which jumped 58.2% in 2017 reaching a record high.
The Chairman and Chief Executive Officer's basic fixed compensation for 2017 amounted to €450,000 (gross).

The Chairman and Chief Executive Officer's variable compensation for 2017 was contingent on the achievement of quantitative and qualitative objectives, which were appropriately weighted at 60% and 40% respectively.

As his performance levels exceeded the triggering threshold set for his quantitative objectives when he took up office in 2015 and in view of the Group's strong recurring operating profit figure for 2017, the Chairman and Chief Executive Officer was eligible for 100% of his basic variable compensation based on quantitative objectives. In addition, thanks to the successful implementation of the Game Changer plan and its impressive contribution to the considerable qualitative improvement in the Group's performance (quality of earnings), all of the Chairman and Chief Executive Officer's qualitative objectives were not only achieved but also exceeded, notably concerning:

- implementing the Group's strategy and using its resources in such a way as to enhance its efficiency and effectiveness;
- modernizing the Group's organizational structure and international talent management policy;
- putting in place a new digital strategy for the Group.

Consequently, the Chairman and Chief Executive Officer was eligible for the full amount of his basic variable compensation, corresponding to 50% of his basic fixed compensation, i.e. €225,000.

On top of this basic variable compensation, for 2017 the Chairman and Chief Executive Officer was eligible for additional variable compensation if the performance targets set were exceeded. In view of the quantitative successes of the Game Changer plan, the target threshold for quantitative performance set in 2016 as measured by the level of recurring operating profit was substantially exceeded and consequently the Chairman and Chief Executive Officer was eligible for this additional amount of variable compensation based on outperformance, which amounted to €310,000 for 2017.

In addition, a portion of the Chairman and Chief Executive Officer's variable compensation for 2017 was specifically based on shareholder return. The shareholder return objective was measured on the basis of the following two criteria, which each counted for 50% of the objective and were both significantly exceeded: (i) Chargeurs SA's share performance between the beginning and end of the year concerned (based on the average closing share price for the last twenty trading days of the year compared with the average closing price for the first twenty trading days of the year)(1) and (ii) the amount of dividends paid during the year divided by the average closing share price for the first twenty trading days of the year(2). This objective is directly linked to shareholders' immediate interests. Consequently, the Chairman and Chief Executive Officer was awarded variable compensation of €240,000 based on the shareholder return objective (50% for the first criteria and 50% for the second criteria).

Lastly, acting on the recommendation of the Compensation Committee, in view of the successful new Euro PP issue – which raised €50 million in 8-to-10-year financing with very attractive interest rates and was in the Group's strategic interests – the Board granted the Chairman and Chief Executive Officer a special bonus of €60,000.

In line with the policy of tightly controlling the costs of the Chairman and Chief Executive Officer's compensation, which the Chairman and Chief Executive Officer recommended himself when he first took up office, **his total variable compensation is capped at 150% of his basic fixed compensation.** Consequently, despite the significant outperformance of his objectives in 2017 – which theoretically would result in the Chairman and Chief Executive Officer receiving total variable compensation of €835,000, **because of the cap put in place at the Chairman and Chief Executive Officer's own request,** his **variable compensation** for 2017 comes to a total gross amount of €675,000.

The Chairman and Chief Executive Officer received gross compensation of €60,000 for his directorship duties in Group subsidiaries in 2017, but at his request he was not paid any directors' fees in his capacity as a member of the Board of Directors of Chargeurs SA. Also at his request, he has not been granted any stock options or free shares, he is not a member of a supplementary pension plan and he does not receive any benefits in kind such as a company car.

COMPENSATION AND BENEFITS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2018

As was the case in previous years, the Chairman and Chief Executive Officer does not have an employment contract.

The Chairman and Chief Executive Officer's compensation policy for 2018 was set by the Board of Directors based on the recommendation of the Compensation Committee.

As in 2017, the underlying principles for his compensation policy were based on budgetary discipline and aligning the rules used to determine his compensation with the annual assessment of his individual performance and that of the Group.

In view of the outstanding performances achieved in 2017, the Chairman and Chief Executive's compensation policy for 2018 is based on the same rules and caps as for 2017. Therefore, the overall amount of his compensation for 2018, excluding the fees he receives for the directorships he holds in other Group companies, is capped in the same proportions as his compensation for 2017.
The Chairman and Chief Executive Officer's compensation for 2018 comprises a fixed component and a variable component as follows:

Basic fixed compensation

The Group's policy is to ensure that it carefully controls the fixed component of the Chairman and Chief Executive Officer's compensation.
Despite the excellent performances and earnings growth achieved in 2017 and the change in the Group's size, the gross amount of the Chairman and Chief Executive Officer's basic fixed compensation for 2018 has been kept at €450,000, unchanged from 2017.

(1) The Compensation Committee defines this criteria as follows: if there is a difference in the Chargeurs share price between the beginning and the end of the financial year in question (based on the average closing share price for the last twenty trading days of the year compared with the average closing price for the first twenty trading days of the year) that is 5% higher than the SBF120, a special bonus of €120,000 will be attributed.

(2) The Compensation Committee defines this criteria as follows: if the amount of dividend paid during the year (based on the average closing share price for the last twenty trading days of the year compared with the average closing price for the first twenty trading days of the year) is 2% higher than for peer companies, a special bonus of €120,000 will be attributed. The Compensation Committee defines peer companies as Danaher, ITW and Griffon (50%); Serge Ferrari, Sioen Guillin and Bolloré (50%).

Variable compensation

The Chairman and Chief Executive Officer's variable compensation for 2018 will be contingent on the following three types of objectives:

- financial objectives, based on the Group's financial performance, particularly consolidated recurring operating profit;
- individual non-financial objectives, based on successful implementation of key strategic long-term actions as assessed by the Compensation Committee;
- a shareholder return objective, measured on the basis of the following two criteria which each count for 50% of this objective: (i) Chargeurs SA's share performance between the beginning and end of the year concerned (based on the average closing share price for the last twenty trading days of the year compared with the average closing price for the first twenty trading days of the year), and (ii) the amount of dividends paid during the year divided by the average closing share price for the first twenty trading days of the year. This objective is directly linked to shareholders' immediate interests.

The Chairman and Chief Executive Officer's basic variable compensation for 2018 is based on quantitative and qualitative objectives, which are appropriately weighted, at 60% and 40% respectively. If the pre-defined threshold tied to the Group's recurring operating profit is fully reached and the Group's strategic qualitative objectives are deemed to be met by the Compensation Committee, the Chairman and Chief Executive Officer will be eligible for 100% of his basic variable compensation, which represents 50% of his basic fixed compensation. Where the financial objectives are exceeded, as measured by the difference between actual recurring operating profit for 2018 and the threshold that triggers payment of his basic variable compensation, the Chairman and CEO may also be eligible for an additional amount of variable compensation. This additional variable compensation is tied to the Group achieving an ambitious target in terms of recurring operating profit predefined in 2017 when setting objectives for 2018. The Chairman and Chief Executive Officer shall also be eligible for specific variable compensation which is linked directly to Shareholder Return such as it is defined above and subject to the same criteria as in 2017. Lastly, the Chairman and CEO may be eligible for special bonuses in the event of successful transactions. As was the case in 2017 and 2016, the total variable compensation for which the Chairman and Chief Executive Officer is eligible for 2018 will, at his own request, be capped at 150% of his basic fixed compensation.

The qualitative objectives applicable to the Chairman and Chief Executive Officer's variable compensation for 2018 are based on four action areas (each of which have an equal weighting), namely enhancing the Group's:

- talent management;
- marketing tools;
- smart manufacturing; and
- innovation.

Compensation for directorships in other Group companies

As part of the Group's international development and external growth policy, the Chairman and Chief Executive Officer is called upon to closely monitor certain subsidiaries which play a strategic role. In light of this, he will receive €96,000 in compensation for 2018 relating to his responsibilities as a corporate officer. However, and at his own request, the Chairman and Chief Executive Officer does not receive any directors' fees for his roles and responsibilities as Chairman of the Board of Directors such as they are set out in the Company's bylaws.

Payment of the Chairman and Chief Executive Officer's variable compensation

In application of paragraph 2 of article L. 225-37-2 of the French Commercial Code, the Chairman and Chief Executive Officer's variable compensation and any special bonuses for 2018 will only be paid if the shareholders at the 2019 Annual General Meeting approve the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2018.

Directors' fees

As stated above, the Chairman and Chief Executive Officer does not receive any directors' fees for his roles and responsibilities as Chairman of the Board of Directors as set in the Company's bylaws (i.e. in relation to organizing the Board's work and operating procedures). As in prior years, and again at his own request, he will not receive any directors' fees in his capacity as a member of the Board of Directors of Chargeurs SA.

Benefits in kind

The Chairman and Chief Executive Officer does not receive any benefits in kind such as a company car. However, in 2018 the Group may provide him with private use of group's means of transport for certain business trips. The use of this mean of transport – which will be calculated on a variable hourly cost basis – will be recognized as a benefit in kind and capped at an annual amount of €22,000. In addition, the Chairman and Chief Executive Officer is a beneficiary of the same personal protection and travel insurance plans as the Group's employees. The Company has also taken out an unemployment insurance policy on his behalf for which the contributions (representing an annual amount of €22,000) are subject to payroll taxes and are therefore accounted for as a benefit in kind.

Commitments given to the Chairman and Chief Executive Officer

At its meeting on March 8, 2017, the Board of Directors approved a non-compete agreement between Michaël Fribourg and the Company which reflects the Group's standard practices. This commitment was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

In view of his roles and responsibilities, Michaël Fribourg has daily access to confidential information about the Company and other Group entities, as well as their clients, which, if disclosed to competitors, could severely harm the Company's interests.

Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefor and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with those of the Chargeurs Group in the segments of temporary surface protection or garment interlining. This undertaking applies in the main countries where the Group has premises or an operating presence. As consideration, if Michaël Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the directors' fees received for his directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year.

Also on March 8, 2017, the Board of Directors approved a related-party agreement setting out the benefits that would be payable to Michaël Fribourg by Chargeurs SA in the event that (i) his term of office is not renewed, (ii) he is removed from office, (iii) his roles as Chairman and Chief Executive Officer are separated, or (iv) there is a change in the Company's strategy or control. This agreement, which reflects the Group's standard practices, was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

Pursuant to this agreement, if Michaël Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, Michaël Fribourg will receive an indemnity equal to his total gross compensation received for the last full fiscal year.

For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the directors' fees received for his directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year.

In accordance with article L. 225-42-1 of the French Commercial Code, the payment of this indemnity is contingent on reaching, during the last full fiscal year, the threshold for consolidated recurring operating profit that triggers the payment of the portion of Michaël Fribourg's variable compensation that is based on quantitative objectives.

Compensation of the Chairman and Chief Executive Officer due and paid for fiscal 2017, 2016 and 2015 (Article L. 225-37-2, para. 2.C, of the French Commercial Code and the MiddleNext Code)

TABLE 2: COMPENSATION AWARDED TO EACH EXECUTIVE DIRECTOR

	Fiscal 2015 (from Oct. 30, 2015 through Dec. 31, 2015)		Fiscal 2016		Fiscal 2017	
Michaël Fribourg, Chairman and Chief Executive Officer	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€63,920	€63,920	€375,000	€375,000	€450,000	€450,000
Annual variable compensation	€31,960	N/A	€485,500(1)	€31,960	€615,000	€485,500(1)
Compensation for directorships in other Group companies	N/A	N/A	€40,000	€40,000	€60,000	€60,000
Benefits in kind	N/A	N/A	€15,921(2)	€15,921	€21,228(2)	€21,228
Special bonus	N/A	N/A	€50,000(3)	€50,000(3)	€60,000(4)	€0
TOTAL	**€95,880**	**€63,920**	**€966,421**	**€512,881**	**€1,206,228**	**€1,016,728**

(1) The variable compensation of €485,500 due for 2016 was paid during 2017.
(3) These amounts correspond to the personal protection and travel insurance plans taken out on behalf of the Chairman and CEO as well as the unemployment insurance policy for which the contributions are subject to payroll taxes and accounted for as a benefit in kind.
(3) Corresponding to a special bonus awarded following the success of the Euro PP private placement in May 2016 with very attractive interest rates.
(4) Corresponding to a special bonus awarded following the success of the Euro PP private placement in June 2017 with very attractive interest rates.

TABLE 11: SUMMARY TABLE OF EXECUTIVE DIRECTORS' INDEMNITIES AND BENEFITS

	Employment contract	Supplementary pension plan	Non-compete clause indemnity	Termination benefit[1]
Michaël Fribourg — Chairman and Chief Executive Officer, Chargeurs First appointed: Oct. 30, 2015 Board meeting Current term expires: 2020 Board meeting — Director First appointed: Oct. 30, 2015 Board meeting Current term expires: 2018 AGM	No	No	Yes[1]	Yes[1]

(1) See Chapter 4, section 4.5 of this Registration Document on related-party agreements and commitments.

Eleventh resolution

(Authorization for the Board of Directors to carry out a share buyback program)

In the eleventh resolution, the Board of Directors is seeking a new authorization to carry out a share buyback program so that the Company can purchase its own shares at any time, except when a public offer for the Company's shares is in progress. The maximum number of shares that could be bought back under this authorization would be set at 10% of the Company's total outstanding shares at the date the authorization is used, not including any additional shares that may be issued to take into account the effect of any corporate actions that may be carried out subsequent to the 2018 Annual General Meeting. However, the Company may in no circumstances hold, either directly or indirectly through subsidiaries, more than 10% of its share capital.

The maximum per-share purchase price under the program would be €35, which the Board of Directors may adjust in order to take into account the effect of any corporate actions.

At December 31, 2017, out of the 23,330,597 shares making up its share capital, the Company directly held 13,334 shares. Consequently, the maximum number of shares that the Company would be able to purchase under the share buyback program would be 2,331,726, and the maximum amount that it could invest in the program would be eighty-one million, six hundred and ten thousand, four hundred and ten euros (€81,610,410).

The shares may be bought back or sold at any time, except while a public offer for the Company's shares is in progress, and by any method within the limits allowed under the applicable regulations, in on- or off-market transactions, including through block purchases or sales, or through the use of options or derivatives traded on a regulated market or over the counter, including call options.

The objectives of the buyback program would be the same as for the previously authorized program. Consequently, the shares may be bought back and held in accordance with the applicable laws and regulations for the following purposes: (a) to ensure the liquidity of Chargeurs' shares or to make a market in the shares through an investment services provider; (b) to hold shares for future delivery in payment or exchange for the securities of other companies in connection with external growth transactions; (c) to reduce the Company's capital by canceling the acquired shares; (d) to hold shares for delivery or exchange on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for Chargeurs shares; (e) for allocation under stock option plans set up by the Company or any similar plan; (f) for allocation or sale to employees in connection with employee profit-sharing plans or any employee savings plan set up at Company or Group level (or any similar plan); (g) for allocation under free share or performance share plans, and/or (h) for the implementation of any accepted market practice or any market practice that may be authorized in the future under the applicable laws or by France's securities regulator (the Autorité des Marchés Financiers).

The Board of Directors would be given full powers to use this authorization, directly or through a legally authorized representative, to place any and all buy and sell orders on all markets or carry out any and all off-market transactions, enter into all agreements, prepare all documents, carry out all filing and other formalities with all authorities and organizations, allocate or re-allocate the purchased shares to the various purposes in compliance with the applicable laws and regulations, and generally do everything necessary for implementing the decisions made by the Board pursuant to this authorization.

This authorization is being sought for a period of eighteen months from the date of this Meeting and would supersede the unused portion of the authorization previously granted for the same purpose.

EXTRAORDINARY RESOLUTIONS

After these ordinary resolutions the Board will then present a set of resolutions designed to give the Company the financial resources needed to support its strategic development, and allow all of our businesses, shareholders and – within the regulatory framework – employees to participate in its success. These resolutions are presented below. The purpose of the twelfth, thirteenth and fourteenth resolutions as well as the eighteenth to twenty-first resolutions is to renew financial authorizations that are due to expire and to adapt the ceilings set in the previous resolutions in line with the Company's new financial situation and share price.

Twelfth resolution

(Authorization for the Board of Directors to reduce the Company's capital by a maximum of 10% by canceling shares bought back by the Company)

In accordance with article L. 225-209 of the French Commercial Code, the Board of Directors is seeking the renewal – for a period of twenty-six months – of the authorization given at the April 20, 2017 Annual General Meeting to reduce the Company's capital, on one or more occasions, by canceling Chargeurs shares that the Company already holds and/or that it may purchase in the future under the share buyback program.

The Company did not cancel any of its shares in 2017.

In accordance with the law, the total number of shares canceled in any given twenty-four month period could not exceed 10% of the Company's share capital.

The difference between the carrying amount of the canceled shares and their par value would be charged against any available reserves or share premium accounts.

The Board of Directors would be given full powers – which may be delegated – to (i) reduce the Company's capital on one or more occasions by canceling shares as described above, (ii) amend the Company's bylaws to reflect the new capital, (iii) carry out any and all filing formalities and (iv) take any and all measures that contribute, directly or indirectly to the completion of the capital reduction(s).

This authorization would supersede the unused portion of the authorization previously granted for the same purpose at the April 20, 2017 Annual General Meeting.

Other financial authorizations included in the Meeting's extraordinary business

The thirteenth to twenty-first resolutions are all aimed at giving the Board of Directors the standard authorizations it needs for the Company's financial management, notably by authorizing it to increase the capital by various methods. Each resolution would authorize the Board to increase the capital for a specific purpose, except for the thirteenth and fourteenth resolutions, which correspond to general authorizations to issue shares with or without pre-emptive subscription rights. The purpose of these financial authorizations is to give the Board the necessary flexibility when it comes to choosing planned issues and to decide the type of financial instruments to be issued based on the prevailing situation in the financial markets and the available opportunities.

These resolutions fall into two broad categories: resolutions that preserve shareholders' pre-emptive subscription rights and those that cancel these rights.

Shareholders have "pre-emptive subscription rights". These rights may be detached and traded during the subscription period. Each shareholder has the right to subscribe for a number of new shares representing the same percentage of the issue as his or her stake in the Company's capital. This right is exercisable during a period of at least five trading days from the opening date of the subscription period.

In order for the Company to seize growth opportunities, for some of these resolutions, shareholders will be asked to waive their pre-emptive subscription rights in advance and to allow the Board to carry out immediate or deferred share issues without pre-emptive subscription rights. This is because, depending on market conditions, the categories of investors likely to be interested in the offer and the type of securities issued, it may be preferable or even necessary to cancel shareholders' pre-emptive subscription rights in order to place the issues on the best possible terms, particularly where speed is of the essence or where the securities are being offered on foreign markets. Canceling these rights may enable the Company to raise larger amounts of capital because investors consider the issue terms to be more attractive. Lastly, in some cases the cancellation of shareholders' pre-emptive subscription rights is a legal requirement. For example in the case of the resolution authorizing the Board to offer shares to employees who are members of an employee savings plan, the law specifically states that shareholders must waive their pre-emptive subscription rights in favor of participating employees.

Naturally, these authorizations – which are commonly used in most companies of the same size as Chargeurs – would not be unlimited. Firstly, each authorization would be given for a fixed period only. In addition, the Board could increase the capital only by clearly specified amounts. Beyond those amounts, it would have to seek a further authorization by calling another Shareholders' Meeting.

If the Board uses one of these authorizations given by the shareholders, when it makes its decision it will have to issue a further report describing the final terms of the transaction and its dilutive impact on shareholders and holders of securities with rights to shares, in accordance with the applicable laws and regulations. This report, and any related report by the Statutory Auditors, would be made available to shareholders and holders of securities with rights to shares, and would be read out at the next Annual General Meeting.

An overview of the thirteenth to twenty-first resolutions is presented below.

Thirteenth resolution

(Authorization for the Board of Directors to (i) issue, with pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares, and/or (ii) increase the Company's capital by capitalizing reserves, profits, additional paid-in capital or other capitalizable items)

The purpose of this resolution is to grant the Board an authorization – which it may delegate – to issue ordinary shares (and not preference shares) or securities with rights to shares or to debt securities, **with pre-emptive subscription rights for existing shareholders**, in order to finance the Group's development.
The resolution would also authorize the Board to capitalize reserves, profits, additional paid-in capital or any other capitalizable items and to issue bonus shares or increase the par value of existing Chargeurs shares.

The aggregate nominal amount of the capital increase(s) carried out using this authorization (either immediately or at a future date in the case of issues of securities with rights to shares) **would be capped at €1.8 million.**

This ceiling would be deducted from the **€1.8 million blanket ceiling set in the twenty-first resolution of this Meeting** (if said resolution is adopted) as provided for in article L. 225-129-2 of the French Commercial Code. These ceilings will not include the par value of any shares to be issued in the case of any new corporate actions in order to protect the rights of holders of securities with rights to shares.

The aggregate face value of debt securities issued under this resolution **would be capped at €300 million.** This amount represents the blanket ceiling for all debt securities issues carried out pursuant to this authorization and the authorizations given in the fourteenth, fifteenth, sixteenth, eighteenth and nineteenth resolutions of this Meeting, such that the aggregate face value of debt securities issued pursuant to said authorizations will be deducted from the above blanket ceiling.

This resolution, along with the fourteenth and fifteenth resolutions, allow **all types of financial instruments with rights to shares** to be issued, to give the Company a degree of flexibility in conducting external growth and financing transactions, and also to enable transactions to be carried out that optimize the Company's balance sheet structure.

This resolution and certain other resolutions presented at this Meeting would allow the Board to decide to issue shares or securities with rights either to new shares, such as bonds convertible or redeemable for shares and bonds with stock warrants, or to existing shares. They may consist of debt securities, as in the above examples, or equity instruments such as shares with stock warrants.
In accordance with the law, if the shareholders decide to authorize the Board of Directors to issue securities with rights to shares they automatically waive their pre-emptive rights to subscribe for the shares to be issued on conversion, redemption or exercise of the rights attached to the securities.

This authorization is being sought for a period of twenty-six months from the date of this Meeting and would supersede the unused portion of the authorization previously granted for the same purpose at the March 14, 2016 Annual General Meeting.

Fourteenth resolution

(Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares, to be offered to the public through a public offer)

This authorization would allow the Board of Directors to finance acquisitions or raise funds by issuing shares and/or securities with rights to shares and/or securities with rights to debt securities on the markets in France and/or abroad through a public offer **without pre-emptive subscription rights for existing shareholders**.

The shareholders are asked to waive their pre-emptive subscription rights for the reasons set out in the section of this report entitled "Other financial authorizations included in the Meeting's extraordinary business". The Board of Directors may, however, if it deems fit, offer shareholders a priority right to subscribe for all or part of the issue, exercisable in due proportion to their stake in the Company's capital for a period set by the Board.

The aggregate nominal amount of the capital increase(s) carried out without pre-emptive subscription rights using this authorization (either immediately or at a future date) would be capped at €370,000.

The issues would be deducted from the blanket ceiling set in the twenty-first resolution of this Meeting (if said resolution is adopted) as provided for in article L. 225-129-2 of the French Commercial Code. These ceilings will not include the par value of any shares to be issued in the case of any new corporate actions in order to protect the rights of holders of securities with rights to shares.

The aggregate face value of debt securities issued under this resolution **would be capped at €300 million.**

Shares issued directly would be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days that precede the pricing date, less **a maximum discount of 5%**, as adjusted if necessary for the difference in cum-rights dates).

In accordance with the law, if the shareholders decide to authorize the Board to issue securities with rights to shares they automatically waive their pre-emptive rights to subscribe for the shares to be issued on conversion, redemption or exercise of the rights attached to the securities.

This authorization is being sought for a period of twenty-six months from the date of this Meeting and would supersede the unused portion of the authorization previously granted for the same purpose at the March 14, 2016 Annual General Meeting.

Fifteenth resolution

(Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, ordinary Chargeurs shares and/or securities with direct or indirect rights to shares, through a private placement governed by article L. 411-2 II of the French Monetary and Financial Code)

In the fifteenth resolution the Board of Directors is seeking an authorization to carry out private placements of shares or compound securities, without pre-emptive subscription rights for existing shareholders. The shares or compound securities would be offered exclusively to (i) investment service providers or third-party asset managers, or (ii) qualified investors or a closed group of investors who are investing their own funds.

This authorization would make it easier for the Company to raise funds at the best rates available in the market, as private placements are a quicker and easier solution than public offers. The shareholders are being asked to waive their pre-emptive subscription rights in order to allow the Board to carry out private placements according to a simplified process, through the issue in France and/or abroad of shares and/or securities with rights to shares of the Company (apart from preference shares or securities with rights to preference shares).

If granted, this authorization could be used on one or more occasions and the Board would have full discretionary powers to set the amounts and timings of the issues, which may be carried out at any time **apart from when a public offer for the Company's shares is in progress**.

The aggregate nominal amount of capital increases without pre-emptive subscription rights that could be carried out immediately or at a future date pursuant to this resolution would be capped at €370,000. This ceiling will not include the par value of any shares to be issued in the case of any new corporate actions in order to protect the rights of holders of securities with rights to shares.

In addition, the Company's capital could not be increased by any more than 10% per year through private placements (i.e. below the 20% cap set in article L. 225-136, paragraph 3, of the French Commercial Code). Lastly, the capital increase(s) carried out in accordance with this resolution would be deducted from (i) the blanket ceiling (as provided for in article L. 225-129-2 of the French Commercial Code) of €1.8 million set in the twenty-first resolution, and (ii) the overall €370,000 sub-ceiling for capital increases set in point 5 of the fourteenth resolution, if these two respective resolutions are adopted.

The maximum aggregate face value of debt securities that could be issued under this resolution would be set at €300 million and would be deducted from the €300 million ceiling provided for in point 5 of the thirteenth resolution (if said resolution is adopted).

Shares issued directly would be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average price quoted on Euronext Paris over the three trading days preceding the pricing date, less a maximum discount of 5%, as specified in articles L. 225-136-1, paragraph 1 and R. 225-119 of the French Commercial Code), as adjusted where necessary for the difference in cum rights dates.

Issues of other securities would be priced so that the amount received immediately by the Company plus the amount to be received in the future, if any, for each share issued as a result of the exercise of rights to shares, is at least equal to the issue price defined in the above paragraph, as adjusted if necessary for the difference in cum-rights dates.

The Board of Directors would be given full powers to use this authorization, either directly or through a duly authorized representative in accordance with the conditions set by law and the Company's bylaws.

This authorization is being sought for a period of twenty-six months from the date of this Meeting and would supersede any other authorization previously granted for the same purpose.

Sixteenth resolution

(Authorization for the Board of Directors to increase the number of securities with direct or indirect rights to shares offered in any issue with or without pre-emptive subscription rights)

Subject to the adoption of the fourteenth, fifteenth and sixteenth resolutions (capital increases with or without pre-emptive subscription rights), in the seventeenth resolution the shareholders are asked to give the Board of Directors a greenshoe option to increase the number of securities offered for each issue carried out pursuant to the thirteenth, fourteenth and fifteenth resolutions. If this option were exercised, the additional securities would be issued at the same price as for the initial offer and would be subject to the timeframes and ceilings provided for in the regulations applicable on the original issue date (i.e., currently, the additional issue must be carried out within thirty days of the end of the subscription period of the initial offer and is subject to a ceiling of 15% of the initial offer amount, in accordance with articles L. 225-135-1 and R. 225-118 of the French Commercial Code).

The aggregate nominal amount of capital increases carried out pursuant to this resolution without pre-emptive subscription rights would be deducted from the ceiling set in the fourteenth resolution of this Meeting and the aggregate nominal amount of capital increases with pre-emptive subscription rights would be deducted from the ceiling set in the twenty-first resolution.

This authorization is being sought for a period of twenty-six months from the date of this Meeting and would supersede the authorization previously granted for the same purpose.

Seventeenth resolution

(Authorization for the Board of Directors to set the issue price of securities issued without pre-emptive subscription rights pursuant to the fourteenth or fifteenth resolution, subject to compliance with the terms of the resolution concerned and a cap representing 10% of the Company's capital)

Subject to the adoption of the fourteenth and fifteenth resolutions (capital increases without pre-emptive subscription rights), in the seventeenth resolution the Board is seeking an authorization to set the price of shares or other securities issued pursuant to the fourteenth and fifteenth resolutions, in accordance with article L. 225-136 1 of the French Commercial Code.

Under the terms of this resolution, the Board would be authorized to set the issue price in such a way that the amount received or receivable by the Company for each share issued under the fourteenth and fifteenth resolution is not less than one of the following three amounts, to be chosen at the Board's discretion:

(i) the volume-weighted average share price for the twenty (20) trading days preceding the pricing date; or

(ii) the volume-weighted average share price for the ten (10) trading days preceding the pricing date; or

(iii) the volume-weighted average share price for the trading day preceding the pricing date less a maximum discount of 15%, provided that the amount to be received per share is at least equal to the par value.

The maximum nominal amount of the capital increase(s) for which the price of the shares or other securities issued is set in accordance with this resolution could not exceed 10% of the Company's capital per twelve-month period and would be deducted from the €370,000 ceiling set in the fourteenth resolution (provided the fourteenth resolution is adopted).

This authorization is being sought for a period of twenty-six months from the date from the date of this Meeting and would supersede any other authorization previously granted for the same purpose.

Eighteenth resolution

(Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares in payment for shares tendered to a public exchange offer launched by the Company for the shares of another company)

The purpose of this resolution is to authorize the Board of Directors to issue shares and/or securities with rights to shares in the event of a public exchange offer launched by the Company in France or abroad for the shares of another company that are traded on one of the regulated markets referred to in article L. 225-148 of France's Commercial Code.

The shares or securities with rights to shares would be issued without pre-emptive subscription rights for existing shareholders.

If granted, this authorization could be used on one or more occasions and the Board would have full discretionary powers to set the amounts and timings of the issues which may be carried out at any time **apart from when a public offer for the Company's shares is in progress.**

The aggregate nominal amount of the capital increase(s) carried out using this authorization (either immediately or at a future date) would be capped at €370,000 and would be deducted from the overall ceiling for capital increases set in point 5 of the fourteenth resolution (if said resolution is adopted). These ceilings do not include the par value of any shares to be issued in the case of any new corporate actions in order to protect the rights of holders of securities with rights to shares or holders of other rights to shares.

The aggregate face value of debt securities issued under this resolution would be capped at €300 million and would be deducted from the €300 million blanket ceiling for issues of debt securities set in point 5 of the thirteenth resolution.

The Board of Directors would be given full powers to decide the nature and characteristics of the securities to be issued, with the amount of the capital increase depending on the results of the offer and the number of shares in the target company tendered to the offer, the exchange ratio and the number of shares or securities with rights to shares actually issued.

This authorization is being sought for a period of twenty-six months and would supersede the unused portion of the previous authorization granted for the same purpose at the March 14, 2016 Annual General Meeting.

Nineteenth resolution

(Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares in payment for other companies' shares or securities with rights to shares contributed to the Company)

In this resolution the Board of Directors is seeking an authorization to carry out acquisitions financed by shares or securities with rights to shares, to be delivered in payment for other companies' shares or securities with rights to shares contributed to the Company. The shareholders are being asked to waive their pre-emptive rights to subscribe for such securities so that the Board has the necessary flexibility to seize acquisition opportunities as and when they arise.

If granted, this authorization could be used on one or more occasions and the Board would have full discretionary powers to set the amounts and timings of the issues, which may be carried out at any time **apart from when a public offer forthe Company's shares is in progress**.

The aggregate nominal amount of the capital increase(s) carried out pursuant to this resolution (either immediately or at a future date) could not exceed 10% of the Company's capital on the date the authorization is used. **This amount would be deducted from the €370,000 blanket ceiling for capital increases** set in point 5 of the fourteenth resolution (if said resolution is adopted). These ceilings do not include the par value of any shares to be issued in the case of any new corporate actions in order to protect the rights of holders of securities with rights to shares or holders of other rights to shares.

The aggregate face value of debt securities issued under this resolution would be capped at €300 million and would be deducted from the €300 million blanket ceiling for issues of debt securities set in point 5 of the thirteenth resolution.

Under the terms of this resolution, the Board of Directors would be authorized to set the issue terms, the exchange ratio and the amount of any balance to be paid in cash.

This authorization is being sought for a period of twenty-six months and would supersede the unused portion of the previous authorization granted for the same purpose at the March 14, 2016 Annual General Meeting.

Twentieth resolution

(Authorization for the Board of Directors to carry out employee share issues, without pre-emptive subscription rights for existing shareholders)

In the twenty-first resolution shareholders are invited to authorize the Board of Directors to carry out one or more capital increases, as provided for in articles L. 3332-18 to L. 3332-20 of the French Labor Code, by issuing ordinary Chargeurs shares to employees and other eligible persons as defined by law who are members of a Company or Group employee savings plan set up by the Company or by any French or foreign companies affiliated to it within the meaning of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code.

Under this resolution:

- preference shares would be specifically excluded from the authorization;
- the aggregate nominal amount of the capital increases carried out pursuant to this authorization would be capped at €200,000 and this amount would be deducted from the €1.8 million blanket ceiling on capital increases set in the twenty-first resolution;
- the shareholders would waive their pre-emptive rights to subscribe for the shares to be issued pursuant to this authorization;
- the shares could not be offered at a price that is greater than the average (as calculated in accordance with article L. 3332-19 of the French Labor Code) of the prices quoted for Chargeurs shares over the twenty trading days preceding the date of the decision setting the opening date of the subscription period, nor could they be offered at a discount of more than 20% of this average. The Board of Directors would be authorized to reduce or eliminate said discount, if appropriate, in particular due to differences in foreign laws, regulations and tax rules;
- the Board of Directors would be able to allocate free shares to the above beneficiaries – either new shares to be paid up by capitalizing reserves, profits or additional paid-in capital or existing shares – in respect of (i) the employer's matching contribution, if any, provided for in the employee savings plan rules, and/or (ii) the discount, provided that their monetary value, determined by reference to the subscription price, would not result in the ceilings specified in articles L. 3332-1 1 and L. 3332-19 of the French Labor Code being exceeded.

This authorization is being sought for a period of twenty-six months and would supersede the unused portion of the previous authorization granted for the same purpose at the April 20, 2017 Annual General Meeting.

Twenty-first resolution

(Blanket ceiling on share issues carried out pursuant to the thirteenth to twentieth resolutions of this Meeting)

The purpose of the twenty-first resolution is to set a blanket ceiling of €1.8 million for the overall amount of capital increases that may be carried out, immediately and/or at a future date, pursuant to the authorizations given in the thirteenth to twentieth resolutions.

This ceiling does not include the par value of any shares to be issued in the case of any new corporate actions in order to protect the rights of holders of securities with rights to shares.

Twenty-second resolution

(Powers to carry out legal formalities)

The shareholders are asked to grant the Board of Directors all of the necessary powers to carry out the legal formalities required in relation to the above-described resolutions.

We thank you in advance for demonstrating your confidence in Chargeurs by voting for these resolutions recommended by the Board.

7.3. DRAFT RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING OF APRIL 16, 2018

ORDINARY RESOLUTIONS

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2017)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' report on the parent company financial statements, the shareholders approve the parent company financial statements for the year ended December 31, 2017, as presented, showing profit for the year of €56,355,107.97, together with all the transactions for the year reflected in the financial statements or referred to in the aforementioned reports.

The shareholders therefore give full discharge to the members of the Board of Directors for the fulfillment of their duties during the year ended December 31, 2017.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2017)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2017, as presented.

Third resolution

(Appropriation of profit for 2017 and approval of a dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having noted that profit available for distribution amounts to €217,314,317.55 comprising profit for 2017 of €56,355,107.97, “Retained Earnings” for €0, and "Other reserves" of €160,959,209.58, the shareholders approve the appropriations recommended by the Board of Directors.

Consequently, the shareholders resolve to appropriate profit available for distribution as follows:

- Dividend: 13,925,700 euros
- Retained earnings: 203,388,617.55 euros
- Total: 217,314,317.55 euros

The amount in the "Retained earnings" account has therefore been reduced from €203,388,617.55 to €0.

Based on the number of shares carrying dividend rights at December 31, 2017 – i.e. 23,209,500 shares with a par value of €0.16 each – the dividend per share would amount to €0.60. The 121,097 shares issued on September 29, 2017 will not be eligible for the 2017 dividend as they only carry dividend rights as from January 1, 2018.

An interim dividend of €0.25 per share was paid on September 29, 2017. Consequently, the final per-share dividend payable is €0.35. The ex-dividend date for this amount will be April 26, 2018 and payment will be made on May 17, 2018.

The amounts corresponding to final dividends not paid on shares held in treasury stock on April 26, 2018 will be credited to "Retained earnings".

Both the €0.25 interim dividend and the €0.35 final dividend are eligible for the 40% tax relief provided for in article 158-3-2 of the French General Tax Code (*Code général des impôts*) for individual shareholders who are French tax residents.

In accordance with the disclosure requirements of article 243 bis of the French tax Code, shareholders are informed that the following dividends were paid for the last three fiscal years:

Year	Number of shares(1)	Total dividend payout(2) (*in €*)	Dividend per share (*in € unless otherwise specified*)
2014	16,021,311	3,204,262.20	0.20
2015	22,958,399	6,887,519.70	0.30
2016	22,966,144	12,631,379.20	0.55

(1) Based on historical data at December 31 of each year.
(2) Theoretical values calculated based on the number of shares at December 31 of each year.

The total amounts of the dividends paid for 2014, 2015 and 2016 were eligible for the 40% tax relief provided for in article 158-3-2 of the French General Tax Code.

Fourth resolution

(Stock dividend alternative for the 2017 final dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with articles L. 232-18 *et seq.* of the French Commercial Code and article 27 of the Company's bylaws, the shareholders resolve to offer each shareholder the option for the full amount of their final dividend for 2017 to be paid either in cash or in new shares.

Each shareholder will be able to exercise this option to choose between cash payment or the stock dividend alternative but the payment method opted for will apply to all of the shares they hold.

In accordance with article L. 232-19 of the French Commercial Code, the issue price of the new shares delivered as payment for the final dividend will amount to 90% of the average of the opening prices quoted for the Company's shares during the twenty trading days preceding the date of this Meeting, less the net amount of the final per-share dividend, as stated in the third resolution, and rounded up to the nearest euro cent.

Shareholders who opt to reinvest their final dividend must notify their bank or broker between April 26, 2018 (the ex-dividend date for the final dividend) and May 7, 2018. Any shareholders whose option has not been exercised by that date will automatically receive a cash dividend.

The final dividend will be paid on May 17, 2018, and shareholders who have opted for the stock dividend alternative will also receive their shares on this date.

The new shares would carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their date of issue.

If the amount of a stock dividend does not correspond to a whole number of shares, the shareholder concerned will receive the nearest lower whole number of shares and the difference in cash.

The shareholders give the Board of Directors full powers, which it may delegate, to take all necessary measures to pay the final dividend in the form of shares, and notably to:

- set the issue price of the shares in accordance with the above terms and conditions;
- carry out any and all transactions related and/or consecutive to exercise of the option to reinvest the dividend;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out any and all filing and other legal formalities and take any necessary measures to achieve the purpose of this resolution.

Fifth resolution

(Stock dividend alternative for the 2018 interim dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, the shareholders resolve that if the Board decides to allocate one or more interim dividends for 2018, such dividends may be paid either in cash or new shares at the discretion of the shareholder, in compliance with article 27 of the Company's bylaws and articles L. 232-12, L. 232-13 and L. 232-18 *et seq.* of the French Commercial Code.

Shareholders will be able to exercise this option to choose between cash payment or the stock dividend alternative for each interim dividend paid but the payment method opted for will apply to the all of the shares they hold.

If this resolution is adopted, in accordance with article L. 232-19 of the French Commercial Code, the issue price of the new shares delivered as payment for the interim dividend(s) would be at least 90% of the average of the opening prices quoted for the Company's shares during the twenty trading days preceding the date of the Board's decision to pay the interim dividend, less the net amount of the interim dividend and rounded up to the nearest euro cent.

The Board of Directors will set the duration of the period during which shareholders may opt for the stock dividend alternative, which will commence on the date of the Board's decision to pay the interim dividend and expire within three months of that date.

The new shares would carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their issue date.

If the amount of a stock dividend does not correspond to a whole number of shares, the shareholder concerned will receive the nearest lower whole number of shares and the difference in cash.

The shareholders grant the Board of Directors full powers, which it may delegate, to take all necessary measures to implement this resolution, and notably to:

- carry out any and all transactions related and/or consecutive to exercise of the option to reinvest the dividend;
- set the issue price of the shares in accordance with the above terms and conditions;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out any and all filing and other legal formalities and take any necessary measures to achieve the purpose of this resolution.

Sixth resolution

(Approval of agreements governed by article L. 225-38 of the French Commercial Code)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the Statutory Auditors' special report on related-party agreements and commitments, the shareholders approve said report and any agreements governed by article L. 225-38 of the French Commercial Code referred to therein.

Seventh resolution

(Setting directors' fees)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, the shareholders resolve to set at €300,000 the total fees payable to directors for the current year and all subsequent years until a new amount is set at an Annual General Meeting.

Eighth resolution

(Re-election of Michaël Fribourg as a director)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and noted that Emmanuel Coquoin's directorship is due to expire at the close of this Meeting, the shareholders re-elect Mr. Coquoin as a director for a three-year term expiring at the close of the Annual General Meeting to be held in 2021 to approve the 2020 financial statements.

Ninth resolution

(Opinion on the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits in kind payable to the Chairman and Chief Executive Officer)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with article L. 225-37-2 of the French Commercial Code, the shareholders issue a favorable opinion on the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits in kind payable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on the resolutions proposed at this Meeting.

Tenth resolution

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2017)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with article L. 225-100-2 of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits in kind payable to the Chairman and Chief Executive Officer for 2017 as presented and described in the report of the Board of Directors on the resolutions proposed at this Meeting.

Eleventh resolution

(Authorization for the Board of Directors to carry out a share buyback program)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in compliance with articles L. 225-209 et seq. of the French Commercial Code, the shareholders:

1. Grant the Board of Directors an authorization, which it may delegate, to purchase up to 10% of Chargeurs shares. The shares may be purchased in one or more transactions at any time, as determined by the Board (except while a public offer for the Company's shares is in progress). Under no circumstances may these purchases lead to the Company holding over 10% of

the Company’s total outstanding shares at the date the authorization is used, not including any additional shares that may be issued to take into account the effect of any corporate actions that may be carried out subsequent to the 2018 Annual General Meeting. However, the Company may in no circumstances hold, either directly or indirectly through subsidiaries, more than 10% of its share capital. At December 31, 2017, out of the 23,330,597 shares making up its share capital, the Company directly held 13,334 shares. Consequently, the maximum number of shares that the Company would be able to purchase under the share buyback program would be 2,331,726, and the maximum amount that it could invest in the program would be eight-one million, six hundred and ten thousand, four hundred and ten euros (€81,610,410).

2. Resolve that shares can be purchased and held for the following purposes:
   (a) to ensure the liquidity of Chargeurs' shares or to make a market in the shares through an investment service provider acting independently under a liquidity contract that complies with a code of ethics approved by France's securities regulator (the Autorité des Marchés Financiers);
   (b) to hold shares for future delivery in payment or exchange for the securities of other companies, in cash, stock-for-stock or capital contribution transactions conducted as part of the Company's external growth strategy, within the limits set by the applicable regulations;
   (c) to reduce the Company's capital by canceling the acquired shares;
   (d) to hold shares for delivery or exchange on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for Chargeurs shares;
   (e) for allocation under stock option plans set up by the Company and governed by articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan;
   (f) for allocation or sale to employees in connection with employee profit-sharing plans or any employee savings plan set up at Company or Group level (or any similar plan) in accordance with the applicable laws, especially articles L. 3332-1 *et seq.* of the French Labor Code;
   (g) for allocation under free share or performance share plans governed by articles L. 225-197-1 *et seq.* of the French Commercial Code; and/or
   (h) for the implementation of any accepted market practice or any market practice that may be authorized in the future under the applicable laws or by the Autorité des Marchés Financiers.
3. Resolve that the shares may be bought back, sold or transferred at any time (except while a public offer for the Company’s shares is in progress) and by any method within the limits allowed under the applicable regulations, in on- or off-market transactions, including through block purchases or sales, or through the use of options or derivatives traded on a regulated market or over-the-counter, including call options.
4. Set the maximum purchase price at €35 per share, which may be adjusted by the Board of Directors if appropriate to take into account the effect of any corporate actions. The maximum amount that may be invested in the buyback program will therefore be eighty-one million, six hundred and ten thousand, four hundred and ten euros (€81,610,410).
5. Give the Board of Directors full powers to use this authorization, directly or through a legally authorized representative, to place any and all buy and sell orders on all markets or carry out any and all off-market transactions, enter into all agreements, prepare all documents, carry out all filing and other formalities with all authorities and organizations, allocate or re-allocate the purchased shares to the various purposes in compliance with the applicable laws and regulations, and generally do everything necessary for implementing the decisions made by the Board pursuant to this authorization.
6. Resolve that this authorization is given for a period of eighteen months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

EXTRAORDINARY RESOLUTIONS

Twelfth resolution

(Authorization for the Board of Directors to reduce the Company's capital by a maximum of 10% by canceling shares bought back by the Company)

Voting in accordance with the quorum and majority rules applicable to extraordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' special report, in compliance with article L. 225-209 *et seq.* of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors to cancel, at its sole discretion and on one or more occasions, all or some of the Chargeurs shares held by the Company, now or in the future, subject to a cap of 10% of the issued capital per twenty-four month period. This limit will be adjusted if necessary to take into account the effects of any corporate actions carried out after the date of this Meeting.

2. Resolve that the difference between the carrying amount of the canceled shares and their par value will be charged against any available reserves or share premium accounts.
3. Give the Board of Directors full powers – which may be delegated – to (i) reduce the Company's capital on one or more occasions by canceling shares as described above, (ii) amend the Company's bylaws to reflect the new capital, (iii) carry out any and all publication formalities and (iv) take any and all measures that contribute, directly or indirectly to the completion of the capital reduction(s).
4. Resolve that this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Thirteenth resolution

(Delegation of authority to the Board of Directors (i) to issue, with pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares, and/or (ii) to issue shares to be paid up by capitalizing profits, reserves or additional paid-in capital)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report and the Auditors' special report, resolves, in accordance with the Commercial Code, particularly Articles L. 225-127 to L. 225-129, L. 225-129-2, L. 225-129-4, L. 225-130, L. 225-132 to L. 225-134 and L. 228-91 to L. 228-94:

1. To delegate to the Board of Directors the authority to carry out the securities issues described below, at its sole discretion and on one or several occasions. The Board shall have full discretionary powers to decide the amounts of said issues and their timing, which may include the period when a takeover bid for the Company is in progress.
   (a) Issuance, in France and/or abroad, with pre-emptive subscription rights for existing shareholders, of:
      (i) Chargeurs shares, and/or
      (ii) equity instruments convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for existing or new Chargeurs shares and/or with rights to Chargeurs debt securities, and/or
      (iii) any compound or other securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, including securities that also have rights to existing shares and/or to debt securities payable in both cases either in cash or by capitalizing debt; and/or
   (b) Issuance of Chargeurs bonus shares or increase in the shares' par value, paid up by capitalizing profits, reserves, additional paid-in capital or any other capitalizable items.
2. That this authorization may not be used to issue preference shares or securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for preference shares.
3. That securities issued pursuant to paragraph 1 (a) of this delegation of authority may consist of debt securities governed by or excluded from the scope of application of Articles L. 228-91 *et seq.* of the Commercial Code, or of warrants, or be attached to said securities or allow their issue as intermediate securities. They may represent senior or junior debt, have a fixed term or no fixed maturity, and be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.
4. That the aggregate par value of the Chargeurs shares issued immediately or at a future date as a result of the Board's use of this delegation of authority may not exceed one million eight hundred thousand euros (€1,800,000), and that:
   (a) this amount will be deducted from the blanket ceiling set in the twenty-first resolution, subject to said resolution being adopted by this Meeting;
   (b) this ceiling does not include the par value of any shares to be issued to protect the rights of holders of rights to Chargeurs shares (in accordance with the relevant laws and regulations and any contractual stipulations requiring such adjustments to be made in other cases).
5. That the aggregate face value of debt securities issued pursuant to this delegation of authority may not exceed three hundred million euros (€300,000,000) or the equivalent in any other currency or monetary unit as determined based on the exchange rate on the date the issue is decided, and that:
   (a) this amount represents the blanket ceiling for all debt securities issues carried out pursuant to this authorization and the authorizations given in the fourteenth, fifteenth, sixteenth, eighteenth and nineteenth resolutions of this Meeting, such that the aggregate face value of debt securities issued pursuant to said authorizations will be deducted from the above blanket ceiling;

(b) the above ceiling does not include the face value of debt securities governed by Articles L. 228-38 and L. 228-92, paragraph 3, of the Commercial Code, the issue of which is decided or authorized in accordance with Articles L. 228-36-A and L. 228-40 of the Commercial Code as well as with the Company's bylaws.

6. For issues of Chargeurs shares or other securities decided pursuant to paragraph 1 (a) of this delegation of authority:

(a) that shareholders shall have a pre-emptive right to subscribe for the shares or other securities to be issued by the Company, in due proportion to their stake in the Company's capital;

(b) that the Board of Directors shall have the option of allowing shareholders to subscribe for any shares or other securities not taken up by other shareholders exercising their pre-emptive rights. If the issue is oversubscribed, the available shares or debt securities will be allocated among participating shareholders proportionately to their stake in the Company's capital;

(c) that, in accordance with Article L. 225-134 of the Commercial Code, if the issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may follow one or several of the courses of action described below, in the order of its choice: (i) freely allocate all or some of the unsubscribed shares or debt securities among chosen investors, (ii) offer the unsubscribed shares or debt securities for subscription by the public, and/or (iii) limit the issue to the amount of subscriptions received, provided that at least three-quarters of the planned issue has been taken up;

(d) that in the case of a stock warrant issue, the warrants may be subscribed as described above and paid up in cash, or they may be allocated to existing shareholders without consideration, in which case the Board of Directors will have the option of deciding that rights to fractional shares will be non-transferable and that the underlying securities will be sold;

(e) that for the issuance of securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, this delegation of authority will automatically entail the waiver by shareholders of their pre-emptive right to subscribe for said new shares.

7. That, in the case of a share issue or an increase in the shares' par value paid up by capitalizing profits, reserves, additional paid-in capital or other capitalizable items, as provided for in paragraph 1 (b) of this resolution, rights to fractional shares shall be non-transferable and the underlying securities will be sold, with the proceeds allocated to the rights holders in accordance with the applicable regulatory stipulations.

8. That the Board of Directors shall have full powers to use this authorization, either directly or through a duly authorized representative in accordance with the conditions set by law and the Company's bylaws. In particular, the Board shall have full powers to:

(a) decide any share issue and, if applicable, postpone an issue;

(b) set the amount, features and terms and conditions of any issue, including the type of securities to be issued, the issue price (which may be at par or with a premium), the cum rights date, which may be retroactive, the method by which the securities are to be paid up, and, if applicable, the terms governing the allocation of warrants, their life and exercise conditions; determine the method for exercising the rights attached to the securities and the terms and conditions governing the conversion, redemption, exchange or exercise of the securities for Chargeurs shares; modify the above terms and conditions during the life of the securities, subject to compliance with the applicable formalities;

(c) in the case of a debt securities issue, decide whether they correspond to senior or junior debt (including, in the case of junior debt, their ranking in accordance with article L. 228-97 of the French Commercial Code), set their life (which may be indefinite), the interest rate and payment method, and decide all issuance terms and conditions, including the granting of guarantees or collateral, as well as the terms of repayment, including through the delivery of Company assets;

(d) determine – taking into account the applicable legal restrictions – the circumstances in which the Company may (i) purchase or exchange, in on- or off-market transactions, any issued securities or securities to be issued immediately or at a future date, in order to cancel them or for other purposes, or (ii) have the right to suspend exercise of any rights attached to the securities;

(e) make all adjustments required under the applicable laws and regulations and to comply with any contractual stipulations requiring adjustments to be made in other circumstances; determine the method to be used to protect the rights of securities holders and holders of other future rights to shares;

(f) charge the share issuance costs against the related premiums and deduct from the premiums the amount necessary to raise the legal reserve to the required amount;

(g) place on record each successive capital increase and amend the Company's bylaws to reflect the new capital;

(h) generally, enter into any and all agreements, take any and all measures and carry out all formalities related to the issue, listing and servicing of the securities issued under this authorization and to the exercise of the rights attached to the securities.

9. That this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Fourteenth resolution

(Delegation of authority to the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares, to be offered to the public)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report and the Auditors' special report, resolves, in accordance with the provisions of the Commercial Code, particularly Articles L. 225-127 to L. 225-129, L. 225-129-2, L. 225-129-4, L. 225-135, L. 225-136, L. 225-148 and L. 228-91 to L. 228-94:

1. To delegate to the Board of Directors the authority to carry out the securities issues described below, at its sole discretion and on one or several occasions. The Board shall have full discretionary powers to decide the amounts of said issues, which may be carried out in France and/or abroad through public offers without pre-emptive subscription rights for existing shareholders, and their timing, other than when a public offer for the Company's shares is in progress. The issues may consist of:

   (a) Chargeurs shares; and/or

   (b) equity instruments convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for existing or new Chargeurs shares and/or with rights to Chargeurs debt securities; and/or

   (c) any compound or other securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, including securities that also have rights to existing shares and/or to debt securities payable in both cases in cash or by capitalizing debt.

2. That this authorization may not be used to issue preference shares or securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for preference shares.

3. That securities issued pursuant to this authorization may consist of debt securities either governed by or excluded from the scope of application of articles L. 228-91 *et seq.* of the French Commercial Code, or of warrants, or be attached to said securities or allow their issue as intermediate securities. They may represent senior or junior debt, have a fixed term or no fixed maturity, and be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

4. That any public offers decided pursuant to this delegation of authority may be combined, in the same issue or through several issues conducted simultaneously, with private placements governed by Article L. 411-2 II of the Monetary and Financial Code that are decided pursuant to the fifteenth resolution of this Meeting.

5. That the aggregate nominal amount of the capital increase(s) carried out immediately or at a future date pursuant to this resolution may not exceed €370,000, and that:

   (a) this amount will be deducted from the blanket ceiling set in the twenty-first resolution, subject to said resolution being adopted by this Meeting;

   (b) this ceiling does not include the par value of any shares to be issued to protect the rights of holders of rights to Chargeurs shares (in accordance with the relevant laws and regulations and any contractual stipulations requiring such adjustments to be made in other cases).

6. That the aggregate face value of debt securities issued pursuant to this delegation of authority may not exceed and will be deducted from the ceiling placed on debt securities issues in paragraph 5 of the thirteenth resolution of this Meeting.

7. That shareholders shall not have a pre-emptive right to subscribe for shares and other securities issued pursuant to this delegation of authority but that the Board of Directors shall have the option of offering shareholders a priority right to subscribe for all or part of the issue, exercisable in due proportion to their stake in the Company's capital during a period and on terms to be decided by the Board of Directors in accordance with the applicable laws and regulations.

8. That for the issuance of securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, this delegation of authority will automatically entail the waiver by shareholders of their pre-emptive right to subscribe for said new shares.

9. That:

   (a) new Chargeurs shares issued directly will be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average price quoted on Euronext Paris over the three trading days preceding the pricing date, less a maximum discount of 5%, as specified in article L. 225-136-1, paragraph 1, and article R. 225-119 of the French Commercial Code), as adjusted where necessary for the difference in cum rights dates;

   (b) issues of securities with rights to Chargeurs shares will be priced so that the amount received immediately by the Company plus the amount to be received in the future, if any, for each share issued as a result of the exercise of rights to shares, is at least equal to the issue price defined in the above paragraph, as adjusted if necessary for the difference in cum rights dates.

10. To give the Board of Directors full powers to use this authorization, either directly or through a duly authorized representative in accordance with the conditions set by law and the Company's bylaws. In particular, the Board shall have full powers to:

    (a) decide any share issue and, if applicable, postpone an issue;

    (b) set the amount, features and terms and conditions of any issue, including the type of securities to be issued, the issue price (which may be at par or with a premium), the cum rights date, which may be retroactive, the method by which the securities are to be paid up, and, if applicable, the terms governing the allocation of warrants, their life and exercise conditions; determine the method for exercising the rights attached to the securities and the terms and conditions governing the conversion, redemption, exchange or exercise of the securities for Chargeurs shares; modify the above terms and conditions during the life of the securities, subject to compliance with the applicable formalities;

    (c) in the case of a debt securities issue, decide whether they correspond to senior or junior debt (including, in the case of junior debt, their ranking in accordance with article L. 228-97 of the French Commercial Code), set their life (which may be indefinite), the interest rate and payment method, and decide all issuance terms and conditions, including the granting of guarantees or collateral, as well as the terms of repayment, including through the delivery of Company assets;

    (d) determine – taking into account the applicable legal restrictions – the circumstances in which the Company may (i) purchase or exchange, in on- or off-market transactions, any issued securities or securities to be issued immediately or at a future date, in order to cancel them or for other purposes, or (ii) have the right to suspend exercise of any rights attached to the securities;

    (e) make all adjustments required under the applicable laws and regulations and to comply with any contractual stipulations requiring adjustments to be made in other circumstances; determine the method to be used to protect the rights of securities holders and holders of other future rights to shares;

    (f) charge the share issuance costs against the related premiums and deduct from the premiums the amount necessary to raise the legal reserve to the required amount;

    (g) place on record each successive capital increase and amend the Company's bylaws to reflect the new capital;

    (h) generally, enter into any and all agreements, take any and all measures and carry out all formalities related to the issue, listing and servicing of the securities issued under this authorization and to the exercise of the rights attached to the securities.

11. That this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Fifteenth resolution

(Authorization for the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, ordinary Chargeurs shares and/or securities with direct or indirect rights to shares, through a private placement governed by article L. 411-2-II of the French Monetary and Financial Code)

Voting in accordance with the quorum and majority rules applicable to extraordinary meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in compliance with the French Commercial Code (particularly articles L. 225-127 to L. 225-129, L. 225-129-2, L. 225-129-4, L. 225-135, L. 225-136, and L. 228-91 to L. 228-94, and article L. 411-2 II of the French Monetary and Financial Code) the shareholders:

1. Resolve that the Board shall have full discretionary powers to decide (i) the amounts of said issues, which may be carried out in France and/or abroad and shall consist of private placements governed by article L. 411-2-II of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders, and (ii) their timing (other than when a public offer for the Company's shares is in progress). The issues may consist of:

   (a) Chargeurs shares; and/or

   (b) equity instruments or debt securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for existing or new Chargeurs shares and/or with rights to Chargeurs debt securities; and/or

   (c) any compound or other securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares,

   including securities that also have rights to existing shares and/or to debt securities payable in both cases in cash or by capitalizing debt.

2. Resolve that this authorization may not be used to issue preference shares or securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for preference shares.

3. Resolve that securities issued pursuant to this authorization may consist of debt securities either governed by or excluded from the scope of application of articles L. 228-91 *et seq.* of the French Commercial Code, or of warrants, or be attached to said securities or allow their issue as intermediate securities. They may represent senior or junior debt, have a fixed term or no fixed maturity, and be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

4. Resolve that any offers governed by Article L. 411-2 II of the Monetary and Financial Code decided pursuant to this delegation of authority may be combined, in the same issue or through several issues conducted simultaneously, with public offers that are decided pursuant to the fourteenth resolution of this Meeting.

5. Resolve that the aggregate nominal amount of the capital increase(s) carried out immediately or at a future date pursuant to this resolution may not exceed €370,000, and that:

   (a) this amount will be deducted from the blanket ceiling set in the twenty-first resolution, subject to said resolution being adopted by this Meeting;

   (b) this amount will be deducted from the blanket ceiling set in point 5 of the fourteenth resolution, subject to said resolution being adopted by this Meeting;

   (c) share issues carried out pursuant to this resolution may not result in the Company's capital being increased by more than 10% per year, as determined on the date of the Board's decision to use the authorization; and

   (d) the above amounts do not include the par value of any shares that may be issued in the future to protect the rights of existing holders of rights to the Company's shares or securities with rights to shares (in accordance with the relevant laws and regulations and any contractual stipulations requiring such adjustments to be made in other cases).

6. Resolve that the aggregate face value of debt securities issued pursuant to this delegation of authority may not exceed and will be deducted from the ceiling placed on debt securities issues in paragraph 5 of the thirteenth resolution of this Meeting.

7. Resolve that shareholders shall waive their pre-emptive rights to subscribe for the shares and other securities issued pursuant to this authorization.

8. Note that for the issuance of securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, this authorization will automatically entail the waiver by shareholders of their pre-emptive rights to subscribe for said new shares.

9. Resolve that:

   (a) new Chargeurs shares issued directly will be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average price quoted on Euronext Paris over the three trading days preceding the pricing date, less a maximum discount of 5%, as specified in article L. 225-136-1, paragraph 1, and article R. 225-119 of the French Commercial Code), as adjusted where necessary for the difference in cum rights dates;

   (b) issues of securities with rights to Chargeurs shares will be priced so that the amount received immediately by the Company plus the amount to be received in the future, if any, for each share issued as a result of the exercise of rights to shares, is at least equal to the issue price defined in the above paragraph, as adjusted if necessary for the difference in cum rights dates.

10. Give the Board of Directors full powers to use this authorization, either directly or through a duly authorized representative in accordance with the conditions set by law and the Company's bylaws. In particular, the Board shall have full powers to:

   (a) decide any share issue and, if applicable, postpone an issue;

   (b) set the amount, features and terms and conditions of any issue, including the type of securities to be issued, the issue price (which may be at par or with a premium), the cum rights date, which may be retroactive, the method by which the securities are to be paid up, and, if applicable, the terms governing the allocation of warrants, their life and exercise conditions; determine the method for exercising the rights attached to the securities and the terms and conditions governing the conversion, redemption, exchange or exercise of the securities for Chargeurs shares; modify the above terms and conditions during the life of the securities, subject to compliance with the applicable formalities;

   (c) in the case of a debt securities issue, decide whether they correspond to senior or junior debt (including, in the case of junior debt, their ranking in accordance with article L. 228-97 of the French Commercial Code), set their life (which may be indefinite), the interest rate and payment method, and decide all issuance terms and conditions, including the granting of guarantees or collateral, as well as the terms of repayment, including through the delivery of Company assets;

   (d) determine - taking into account the applicable legal restrictions - the circumstances in which the Company may (i) purchase or exchange, in on- or off-market transactions, any issued securities or securities to be issued immediately or at a future date, in order to cancel them or for other purposes, or (ii) have the right to suspend exercise of any rights attached to the securities;

   (e) make all adjustments required under the applicable laws and regulations and to comply with any contractual stipulations requiring adjustments to be made in other circumstances; determine the method to be used to protect the rights of securities holders and holders of other future rights to shares;

   (f) charge the share issuance costs against the related premiums and deduct from the premiums the amount necessary to raise the legal reserve to the required amount;

   (g) place on record each successive capital increase and amend the Company's bylaws to reflect the new capital;

   (h) generally, enter into any and all agreements, take any and all measures and carry out all formalities related to the issue, listing and servicing of the securities issued under this authorization and to the exercise of the rights attached to the securities.

11. Resolve that this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Sixteenth resolution

(Authorization for the Board of Directors to increase the number of securities with direct or indirect rights to shares offered in any issue with or without pre-emptive subscription rights)

Voting in accordance with the quorum and majority rules applicable to extraordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' special report, in compliance with articles L. 225-135-1 and R. 225-118 of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors to increase the number of securities offered for each issue carried out pursuant to the thirteenth, fourteenth and fifteenth resolutions. If this authorization is used, the additional securities must be issued at the same price as for the initial offer and will be subject to (i) the timeframes and

ceilings provided for in the regulations applicable on the original issue date (i.e., currently, the additional issue must be carried out within thirty days of the end of the subscription period of the initial offer and subject to a ceiling of 15% of the initial offer amount) and (ii) the ceiling(s) set in the resolution pursuant to which the initial offer was carried out.

2. Resolve that the aggregate nominal amount of capital increases carried out pursuant to this resolution without pre-emptive subscription rights would be deducted from the ceiling set in the fourteenth resolution of this Meeting and the aggregate nominal amount of capital increases with pre-emptive subscription rights would be deducted from the ceiling set in the twenty-first resolution.
3. Resolve that this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Seventeenth resolution

(Authorization for the Board of Directors to set the issue price of securities issued without pre-emptive subscription rights pursuant to the fourteenth or fifteenth resolution, subject to compliance with the terms of the resolution concerned and a cap representing 10% of the Company’s capital)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report and the Auditors' special report, resolves, subject to adoption of the fourteenth and fifteenth resolutions and in accordance with Article L. 225-136-1 of the Commercial Code:

1. To authorize the Board of Directors, for each issue of shares or other securities decided pursuant to the fourteenth or fifteenth resolution, to set the issue price in such a way that the amount received or receivable by the Company for each share issued pursuant to the relevant delegation of authority is not less than one of the following three amounts, to be chosen at the Board's discretion:
   (i) the volume-weighted average share price for the twenty (20) trading days preceding the pricing date; or
   (ii) the volume-weighted average share price for the ten (10) trading days preceding the pricing date; or
   (ii) the volume-weighted average share price for the trading day preceding the pricing date less a maximum discount of 15%, provided that the amount to be received per share is at least equal to the par value.
2. That the maximum nominal amount of the capital increase(s) for which the price of the shares or other securities issued is set in accordance with this resolution could not exceed 10% of the Company’s capital per twelve-month period and would be deducted from the €370,000 ceiling set in the fourteenth resolution (provided the fourteenth resolution is adopted).
3. That this delegation of authority shall be given for a period of twenty-six (26) months from the date of this Meeting.
4. That this authorization supersedes, as from the date of this Meeting, any previous authorization given by shareholders for the same purpose.
5. That the Board of Directors shall have full powers to use this delegation of authority, directly or through any duly authorized representative subject to compliance with the law, on the respective terms set out in the fourteenth and fifteenth resolutions.

Eighteenth resolution

(Delegation of authority to the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares in payment for shares tendered to a public exchange offer launched by the Company for the shares of another company).

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report and the Auditors' special report, resolves, in accordance with Articles L. 225-129 *et seq.* of the Commercial Code, and especially Articles L. 225-129-2 and L. 225-148:

1. To delegate to the Board of Directors the authority to carry out the securities issues described below, at its sole discretion and on one or several occasions, other than when a public offer for the Company's shares is in progress. The issues may consist of:
   (a) Chargeurs shares; and/or
   (b) equity instruments convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for existing or new Chargeurs shares and/or with rights to Chargeurs debt securities; and/or

(c) any compound or other securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, including securities that also have rights to existing shares and/or to debt securities, issued in payment for securities tendered to a public exchange offer (including a paper offer with a cash alternative or a cash offer with a paper alternative) initiated by the Company, in France or abroad in compliance with local rules, for the shares of another company that are traded on one of the regulated markets referred to in Article L. 225-148 of the Commercial Code.

2. That this authorization may not be used to issue preference shares or securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for preference shares.

3. That securities issued pursuant to this authorization may consist of debt securities either governed by or excluded from the scope of application of articles L. 228-91 *et seq.* of the French Commercial Code, or of warrants, or be attached to said securities or allow their issue as intermediate securities. They may represent senior or junior debt, have a fixed term or no fixed maturity, and be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

4. That the shares or other securities issued under this delegation of authority will be offered exclusively to holders of the securities tendered to the public exchange offers referred to in paragraph 1 and that existing shareholders' pre-emptive right to subscribe for said shares or other securities will automatically be canceled. The General Meeting notes that if the Company issues securities with rights to new Chargeurs shares, this delegation of authority will automatically entail the waiver, by existing shareholders, of their pre-emptive right to subscribe for the shares to be issued immediately or at a future date following the conversion, exchange, redemption or exercise of said securities.

5. That the aggregate nominal amount of the capital increase(s) carried out immediately or at a future date pursuant to this resolution may not exceed €370,000, and that:

   (a) this amount will be deducted from the blanket ceiling set in point 5 of the fourteenth resolution, subject to said resolution being adopted by this Meeting;

   (b) this ceiling does not include the par value of any shares to be issued to protect the rights of holders of rights to Chargeurs shares (in accordance with the relevant laws and regulations and any contractual stipulations requiring such adjustments to be made in other cases).

6. That the aggregate face value of debt securities issued pursuant to this delegation of authority may not exceed and will be deducted from the ceiling placed on debt securities issues in paragraph 5 of the thirteenth resolution of this Meeting.

7. To give the Board of Directors full powers to use this authorization, either directly or through a duly authorized representative in accordance with the conditions set by law and the Company's bylaws. In particular, the Board shall have full powers to:

   (a) approve the list of shares or other securities eligible to be tendered to the offer, and note the quantity;

   (b) approve the amounts, features and issuance terms and conditions of the securities to be issued in payment for those tendered to the Company, including the nature of the securities, the quantity, the issue price and the cum rights date, and if applicable determine the terms and conditions for exercising the rights attached to securities with immediate or deferred rights to Chargeurs shares, and the conditions governing the exchange of these securities for shares, and amend, during the life of the securities, the terms and conditions referred to above, subject to compliance with the applicable formalities;

   (c) set the exchange ratio and determine the amount of any balance to be paid in cash;

   (d) make all adjustments required under the applicable laws and regulations and to comply with any contractual stipulations requiring adjustments to be made in other cases; determine the method to be used to protect the rights of securities holders and holders of other future rights to shares;

   (e) charge the share issuance costs against the related premiums and deduct from the premiums the amount necessary to raise the legal reserve to 10% of the new capital;

   (f) place on record each successive capital increase and amend the bylaws to reflect the new capital;

   (g) generally, enter into any and all agreements, take any and all measures and carry out all formalities related to the issue, listing and servicing of the securities issued under this delegation of authority and to the exercise of the rights attached to the securities.

8. To grant this authorization for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Nineteenth resolution

(Delegation of authority to the Board of Directors to issue, without pre-emptive subscription rights for existing shareholders, Chargeurs ordinary shares and/or securities with direct or indirect rights to shares in payment for other companies' shares or securities with rights to shares contributed to the Company)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report and the Auditors' special report, resolves, in accordance with Articles L. 225-129 *et seq.* of the Commercial Code, and especially Articles L. 225-129-2 and L. 225-147 paragraph 6:

1. To delegate to the Board of Directors the authority to carry out the securities issues described below, on one or several occasions at its sole discretion and based on the report of the expert appraiser(s) of capital contributions. The Board shall have full discretionary powers to decide the amounts of said issues and their timing, other than when a public offer for the Company's shares is in progress. The issues may consist of:
   (a) Chargeurs shares; and/or
   (b) equity instruments convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for existing or new Chargeurs shares and/or with rights to Chargeurs debt securities; and/or
   (c) any compound or other securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for new Chargeurs shares, including securities that also have rights to existing shares and/or to debt securities to be issued in payment for other companies' shares or securities with rights to shares, where Article L. 225-148 of the Commercial Code does not apply.
2. That this authorization may not be used to issue preference shares or securities convertible, redeemable, exchangeable or otherwise exercisable, immediately or at a future date, for preference shares.
3. That securities issued pursuant to this authorization may consist of debt securities either governed by or excluded from the scope of application of articles L. 228-91 *et seq.* of the French Commercial Code, or of warrants, or be attached to said securities or allow their issue as intermediate securities. They may represent senior or junior debt, have a fixed term or no fixed maturity, and be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.
4. That the shares or other securities issued under this delegation of authority shall be offered exclusively to holders of other companies' shares or securities in a transaction described in paragraph 1 and that existing shareholders' pre-emptive right to subscribe for said shares or other securities shall automatically be canceled. The General Meeting notes that if the Company issues securities with rights to new Chargeurs shares, this delegation of authority will automatically entail the waiver, by existing shareholders, of their pre-emptive right to subscribe for the shares to be issued immediately or at a future date following the conversion, exchange, redemption or exercise of said securities.
5. That the aggregate par value of shares issued immediately or at a future date pursuant to this delegation of authority may not exceed 10% of the share capital on the issue date, as adjusted if applicable for the effects of any corporate actions carried out since the date of this Meeting, and that:
   (a) this amount will be deducted from the blanket ceiling set in point 5 of the fourteenth resolution, subject to said resolution being adopted by this Meeting;
   (b) this ceiling does not include the par value of any shares to be issued to protect the rights of holders of rights to Chargeurs shares (in accordance with the relevant laws and regulations and any contractual stipulations requiring such adjustments to be made in other cases).
6. That the aggregate face value of debt securities issued pursuant to this delegation of authority may not exceed and will be deducted from the ceiling placed on debt securities issues in paragraph 5 of the thirteenth resolution of this Meeting.

7. To give the Board of Directors full powers to use this authorization, either directly or through a duly authorized representative in accordance with the conditions set by law and the Company's bylaws. In particular, the Board shall have full powers to:

   (a) decide any share issue in payment for the contributed shares or other securities of another company, and, if applicable, postpone an issue;

   (b) approve the amounts, features and issuance terms and conditions of the securities to be issued in payment for the contributed shares or other securities of another company, including the nature of the securities, the quantity, the issue price and the cum rights date, and if applicable determine the terms and conditions for exercising the rights attached to securities with immediate or deferred rights to Chargeurs shares, and the conditions governing the exchange of these securities for shares, and amend, during the life of the securities, the terms and conditions referred to above, subject to compliance with the applicable formalities;

   (c) approve the list of contributed shares or other securities, approve the report of the expert appraiser(s) of capital contributions and the value attributed to the contributed shares or other securities; determine the amount of the balance payable in cash, if any; approve the granting of any special benefits and, if the holders of the contributed shares or other securities agree, reduce the value attributed thereto or the remuneration of special benefits;

   (d) make all adjustments required under the applicable laws and regulations and to comply with any contractual stipulations requiring adjustments to be made in other cases; determine the method to be used to protect the rights of securities holders and holders of other future rights to shares;

   (e) charge the share issuance costs against the related premiums and deduct from the premiums the amount necessary to raise the legal reserve to 10% of the new capital;

   (f) place on record each successive capital increase and amend the bylaws to reflect the new capital;

   (g) generally, enter into any and all agreements, take any and all measures and carry out all formalities related to the issue, listing and servicing of the securities issued under this delegation of authority and to the exercise of the rights attached to the securities.

8. that this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Twentieth resolution

(Authorization for the Board of Directors to carry out employee share issues, without pre-emptive subscription rights for existing shareholders)

Voting in accordance with the quorum and majority rules applicable to extraordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' special report, in compliance with articles L. 225-129-2, L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code and articles L. 3332-1 *et seq.* of the French Labor Code, the shareholders:

1. Authorize the Board of Directors to carry out one or more capital increases, as provided for in articles L. 3332-18 to L. 3332-20 of the French Labor Code, by issuing ordinary Chargeurs shares to employees and other eligible persons as defined by law who are members of a Company or Group employee savings plan set up by the Company or by any French or foreign companies affiliated to it within the meaning of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code.

2. Resolve that this authorization may not be used to issue preference shares.

3. Resolve that the aggregate nominal amount of the capital increases carried out pursuant to this authorization would be capped at €200,000 and this amount would be deducted from the €1.8 million blanket ceiling on capital increases set in the twenty-first resolution.

4. Resolve to waive their pre-emptive rights to subscribe for the shares issued pursuant to this authorization, which will be offered for subscription either directly or through a corporate mutual fund or any other vehicle or entity allowed under the applicable laws and regulations, by employees and other eligible persons as defined by law who are members of a Company or Group employee savings plan set up by the Company or by any French or foreign companies affiliated to it within the meaning of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code.

5. Resolve that the shares may not be offered at a price that is greater than the average (as calculated in accordance with article L. 3332-19 of the French Labor Code) of the prices quoted for Chargeurs shares over the twenty trading days preceding the date of the decision setting the opening date of the subscription period, nor may they be offered at a discount of more than 20% of this average. The Board of Directors is authorized to reduce or eliminate said discount, if appropriate, in particular due to differences in foreign laws, regulations and tax rules.
6. Resolve that in accordance with article L. 3332-21 of the French Labor Code, the Board of Directors may allocate free shares to the above beneficiaries – either new shares to be paid up by capitalizing reserves, profit or the share premium account or existing shares – in respect of (i) the employer's matching contribution, if any, provided for in the employee savings plan rules, and/or (ii) the discount, provided that the monetary value of said shares, determined by reference to the subscription price, does not result in the ceilings specified in articles L. 3332-1-11 and L. 3332-19 of the French Labor Code being exceeded.
7. Give the Board of Directors full powers – which may be delegated in accordance with the applicable laws and regulations – to use this authorization, and in particular to:
   (a) set the amount of the capital increase(s), subject to the applicable ceiling, and determine the timing and the terms and conditions of each share issue;
   (b) set the issue price of the new shares in accordance with article L. 3332-19 of the French Labor Code, the method by which the shares will be paid up, the subscription period and the method by which employees and other eligible persons may exercise their subscription rights as defined above;
   (c) charge the taxes, fees and other expenses associated with the share issues against the related premiums and deduct from the premiums the amount required to increase the legal reserve to one tenth of the new capital after each issue;
   (d) make any adjustments it considers are required to comply with the applicable laws and regulations;
   (e) if free shares are allocated for the purposes set out in paragraph 6 above, determine the amounts to be capitalized to pay up the shares and decide the reserve, profit or share premium account from which said amounts will be transferred;
   (f) place on record the capital increases carried out, amend the Company's bylaws to reflect the new capital, prepare any and all deeds and carry out any and all formalities, directly or through a representative, and generally do everything necessary.
8. Resolve that this authorization is given for a period of twenty-six months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Twenty-first resolution

(Blanket ceiling on share issues carried out pursuant to the thirteenth to twentieth resolutions of this Meeting)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report and the Auditors' special report, resolves, in accordance with Article L. 225-129-2 of France's Commercial Code that the aggregate par value of all immediate and deferred share issues that may be carried out pursuant to the delegations of authority and authorizations given in the thirteenth to twentieth resolutions of this Meeting, shall not exceed one million eight hundred thousand euros (€1,800,000). This ceiling does not include the par value of any shares to be issued to protect the rights of holders of rights to Chargeurs shares (in accordance with the relevant laws and regulations and any contractual stipulations requiring such adjustments to be made in other cases).

Twenty-second resolution

(Powers to carry out legal formalities)

The shareholders give full powers to the bearer of an original, copy or extract of the minutes of this Meeting to carry out all filing and other formalities required by law.

8 ADDITIONAL INFORMATION

8.1. RELATIONSHIPS BETWEEN CHARGEURS AND ITS SUBSIDIARIES

8.1.1. ORGANIZATIONAL STRUCTURE AT DECEMBER 31, 2017

The table of subsidiaries and affiliates at December 31, 2017 is presented in note 25 to the 2017 consolidated financial statements.

There is no difference between the percentage of interest in share capital and voting rights for the Group's subsidiaries, with the exception of Chargeurs SA.

Information concerning the Group's major shareholders is provided in Chapter 6, section 6.4 of this Registration Document.

8.1.2. ROLE OF THE CHARGEURS PARENT COMPANY IN THE GROUP

The Chargeurs parent company acts as a holding company for the Group's companies, by:

- holding shares in the Group's main subsidiaries;
- managing central functions: the Group's business strategy, marketing strategy, financial and legal policy, control of operations, human resources policy, and communications;
- providing specialized assistance (legal, tax and financial expertise) to the subsidiaries, which pay a fee in return for these services;
- managing treasury and financing and setting up any guarantees.

8.1.3. FINANCIAL FLOWS BETWEEN THE CHARGEURS PARENT COMPANY AND ITS SUBSIDIARIES

The Chargeurs parent company receives dividends from its subsidiaries, as approved at the subsidiaries' respective Annual General Meetings and subject to the locally applicable laws and regulations. Aside from the dividends and the fee for shared services paid by the subsidiaries, the main financial flows between the Chargeurs parent company and its subsidiaries are in relation to cash pooling.

8.2. MAIN LEGAL CHARACTERISTICS

8.2.1. COMPANY NAME

The Company's name is Chargeurs.

8.2.2. REGISTERED OFFICE, REGULATORY FRAMEWORK, LEGAL FORM

Chargeurs is a joint-stock corporation (*société anonyme*) governed by French law, with a Board of Directors.

Its registered office is located at 112, avenue Kléber, 75016 Paris, France. The telephone number of the Company's registered office is +33 (0)1 47 04 13 40.

The Board of Directors may decide to transfer the registered office to another location within Paris or a neighboring *département*, subject to ratification by shareholders at the next Ordinary General Meeting. The transfer of the registered office to any other location shall be subject to a decision by shareholders at an Extraordinary General Meeting.

8.2.3. CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

"The Company has as its purpose, in all countries and in all its forms:

- *any and all trade and non-trade transactions concerning manufacturing or commercial activities, notably those related to the textile industry, the production of protective films and transportation;*
- *any and all transactions of a manufacturing, commercial and financial nature or involving moveable assets or real estate (i) related directly or indirectly to the above purpose or any similar, complementary or related purpose or any activities that contribute to the achievement and pursuit thereof, or (ii) related to company assets, including using or selling any discoveries, processes, expertise, original works or industrial and intellectual property rights, and using all types of cash and cash equivalents in the form of securities or loans, credit facilities, advances or any other form authorized by law.*

The Company may perform such transactions by any method and in any form, directly or indirectly, for itself or on behalf of third parties, either alone or with third parties, by creating new companies, contributing assets or funds, acquiring shares in existing companies, merging companies, setting up business leases, entering into partnerships and selling or leasing assets."

8.2.4. FISCAL YEAR

Chargeurs' fiscal year begins on January 1 and ends on December 31.

8.2.5. DATE OF INCORPORATION AND TERM

The Company was incorporated under the name Chargetex 1 on March 11, 1993 and was renamed Chargeurs on May 7, 1997.

The term of the Company has been set at ninety-nine years from the date of registration with the Trade and Companies Registry, unless said term is extended or the Company is wound up in advance of its term.

8.2.6. REGISTRATION PARTICULARS

The Company is registered with the Paris Trade and Companies Registry under number 390 474 898.

Its business identifier code is 7010Z.

8.2.7. RIGHTS ATTACHED TO SHARES (ARTICLE 7 OF THE COMPANY'S BYLAWS)

"Each share shall give rise to ownership of the Company's assets and a share of the profits in proportion to the number of shares issued. Each share shall also confer the right, whether during the term of the Company or upon liquidation, to payment of an equivalent net amount for any distribution or redemption, such that, where applicable, all shares, without distinction for any tax exemption or taxes to which this disbursement or redemption may give rise, shall be considered as a whole."

8.2.8. DOUBLE VOTING RIGHTS (EXTRACT FROM ARTICLE 19 OF THE BYLAWS)

"Each member of the General Meeting shall have a number of votes corresponding to the number of shares held or represented by proxy, subject to any limitations laid down by the applicable laws and regulations and in particular by the provisions of Articles L. 225-10, L. 233-29, L. 233-30 and L. 233-31 of the French Commercial Code.

However, all fully paid-up shares registered in the name of the same holder for at least two years as at the date of the General Meeting shall carry double voting rights relative to the percentage of the share capital that they represent, in accordance with the provisions of the first paragraph of Article L. 225-123 of the French Commercial Code. The same right may be granted in the case provided for in the second paragraph of said Article. The foregoing shall be subject to compliance with the provisions of Article L. 225-124 of the French Commercial Code."

8.2.9. GENERAL MEETINGS (ARTICLE 17 OF THE BYLAWS)

"A validly constituted General Meeting shall represent all of the shareholders of the company. The decisions made at General Meetings in accordance with the law and these bylaws shall be binding on all shareholders, including any who are absent, dissenting or incapable of voting.

All shareholders shall be entitled to participate in General Meetings, regardless of the number of shares they hold.

An Ordinary General Meeting must be held at least once a year, within six months of the end of the financial year, unless this timeframe is extended by a court of law.

Additional General Meetings – either Ordinary or Extraordinary depending on the tabled resolutions – may be held at any time during the year.

General Meetings shall be called by the method and within the timeframe provided by the law.

They are held at the registered office or any other venue specified in the Notice of Meeting.

The Board may decide to issue admission cards, in the form of its choice, to eligible persons in their name and for their use only."

8.2.10. CHANGES IN THE COMPANY'S SHARE CAPITAL AND RIGHTS ATTACHED TO SHARES

Any changes in the Company's share capital or in the voting rights attached to the shares making up the capital are subject to the applicable laws and regulations as the bylaws do not contain any specific provisions relating thereto.

8.3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, (i) 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 operations of Chargeurs and its consolidated companies, and (ii) the information constituting the Management Report (as shown in the cross-reference table provided in Chapter 8, section 8.6.3 of this Registration Document) presents a true and fair view of the business trends, results of operations and financial position of Chargeurs and its consolidated companies and describes the main risks and uncertainties they face.

I have received a letter from the Statutory Auditors confirming that they have verified the information about the Company's financial position and financial statements provided in this Registration Document and that they have read it in its entirety."

Paris, March, 23, 2018
Michaël Fribourg,
Chairman and Chief Executive Officer

8.4. DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of this Registration Document are available, free of charge, at the Company's registered office located at 112, avenue Kléber, 75116 Paris, France.

This Registration Document may also be viewed on the Company's website and on the AMF's website (*www.amf-france.org*).

The Board of Directors' Rules of Procedure, the Company's bylaws, and the resolutions and minutes of General Meetings and other corporate documents, as well as historic financial information and any valuations or statements issued by a valuer at the Company's request that must be made available to shareholders in accordance with the applicable laws and regulations, may be viewed, free of charge, at the Company's registered office.

In addition, regulatory information disclosed in accordance with the requirements of the AMF's General Regulations is available on the Company's website (*http://www.chargeurs.fr/*).

8.5. STATUTORY AUDITORS

STATUTORY AUDITORS

PricewaterhouseCoopers Audit, represented by Eric Bertier - 63, rue de Villiers – 92208 Neuilly-sur-Seine – France

- Member of Compagnie Régionale des Commissaires aux Comptes de Versailles.
- Term renewed at the April 20, 2017 Annual General Meeting until the close of the Annual General Meeting to be held in 2023.

HAF Audit & Conseil, member of Crowe Howarth International, represented by Marc de Prémare – 15 rue de la Baume – 75008 Paris, France

- Member of Compagnie Régionale des Commissaires aux Comptes de Paris.
- Appointed at the April 20, 2017 Annual General Meeting to replace S&W Associés S.A (Statutory Auditor for the fiscal years ending December 31, 2014, 2015 and 2016).

The Company no longer has any substitute auditors, following the decision at the April 20, 2017 Annual General Meeting not to renew their term.

8.6. CROSS-REFERENCE TABLES

8.6.1. CROSS-REFERENCE TABLE FOR THE KEY INFORMATION REQUIRED UNDER ANNEX I OF EUROPEAN COMMISSION REGULATION 809/2004

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