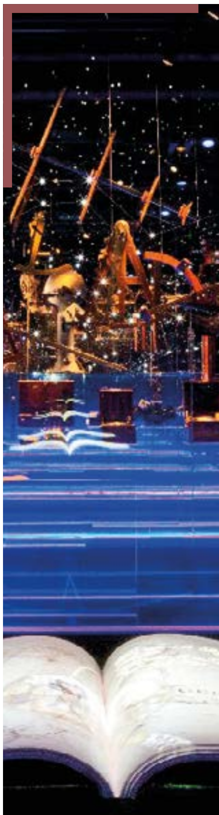

2019

UNIVERSAL REGISTRATION DOCUMENT

Integrated Report
Annual Financial Report

CHARGEURS
High Emotion Technology®

CONTENTS

UNIVERSAL REGISTRATION DOCUMENT

INTEGRATED REPORT
ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this Universal Registration Document was filed on April 6, 2020 with the AMF, as the competent authority under Regulation (EU) 2017/1129, without prior approval as allowed by Article 9 of the Regulation. The Universal Registration Document may be used as a prospectus for a public offer of financial instruments or the admission of financial instruments for trading on a regulated market, provided that it is accompanied by an information memorandum (or listing particulars) and, if necessary, summary and detailed descriptions of all the amendments made to the Universal Registration Document. In this case, the prospectus comprising the Universal Registration Document and the information memorandum or listing particulars is submitted to the AMF for approval in accordance with Regulation (EU) 2017/1129.

Our integrated report

The purpose of the integrated report is to present the raison d'être of the Chargeurs Group and how it creates long-term value for all of its stakeholders – its customers, shareholders, employees and society at large.

The report is designed to give readers a holistic vision of the Group's challenges, while encouraging them to find out more as they read through the universal registration document.

It was prepared as a collaborative project involving the entire Executive Committee and led by the Investor Relations Department. By combining both financial and non-financial data, it paints a well-rounded picture of our actions and our performance, giving a clear meaning to what we do.

2019 INTEGRATED REPORT

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"Making our businesses iconic champions in high value-added niches."

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Chairman and Chief Executive Officer

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Message from the Chairman

"In an uncertain environment, Chargeurs intends to leverage all of the benefits of the major transformations it has successfully completed in recent years to gain new business and drive sustained growth."

Michaël Fribourg
Chairman and Chief Executive Officer

In October 2019, for the second year in a row Chargeurs was included in the Gaïa Index – the benchmark sustainable development index for listed French mid-caps.

2020 opens a new decade for your Group – a decade of ambition, and also a decade of opportunities that we intend to seize methodically and with discipline and distinction, to strengthen our competitive advantages, widen our leadership and deliver a profitable return on the strategic investments committed in past years. During this decade, in 2022, we will celebrate the Group's 150th anniversary. Few companies can boast of such longevity and of having lived through both good and more uncertain times. We've demonstrated remarkable resilience and all our initiatives in recent years have dramatically strengthened our resources.

This seasoned experience is proving to be especially valuable as 2020 gets underway. As we write this report, we are in the midst of the COVID-19 health crisis, which emerged in Asia and has now spread around the world. Apparently, lockdown, financial crisis, crisis of morale and recession are the ingredients of a new economic cycle. But let me make this clear: we are not worried about a possible new cycle. On the contrary, it would open up new opportunities that could potentially accelerate our transformation.

Under these conditions, your Group has not only ensured the absolute safety of its employees around the world, but has also assertively taken unparalleled measures to repurpose its production facilities to meet the new needs created by this crisis. In fact, among the leading global manufacturers, Chargeurs was one of the first to shift its output to sanitary gel and protective masks for healthcare professionals and other exposed professions. By repurposing part of its manufacturing and logistics resources in just a few hours, Chargeurs and its employees demonstrated their exceptional agility, reaffirmed our commitment to social responsibility and people, and deployed new operations to temporarily replace the ones impacted by the lockdown. We will maintain these efforts for as long as necessary.

While this unprecedented situation is creating enormous economic uncertainty, which will naturally impact us, your Group also intends to capitalize on all the changes we have led in recent years.

In 2019, all of Chargeurs' businesses clearly proved their growth potential and resilience. Impelled by their dedication to excellence, they fulfilled the ambitions inspired by our Game Changer competitiveness program. That program is supporting our strategy of distinctive, targeted acquisitions that are making Chargeurs a world champion in segments with very high potential for value creation, such as protection for premium homebuilding materials, fashion and luxury goods, and experience.

In 2019, revenue rose by a robust 9.2% to €626.2 million, and recurring operating profit hit an all-time high of €41.4 million. These results mean that I can once again reaffirm my confidence in reaching our target of more than €1 billion in full-year revenue in 2021, with a normative operating margin of more than 10%.

2019, a year of transition with pivotal achievements for the future of the Group

In a challenging, volatile business environment, Chargeurs successfully focused its resources on stepping up the pace of transformation. In 2019, the peak of the Game Changer transformation program was reached with the implementation of major capital projects, such as the start-up of the new techno-smart production line in Italy, that have brought additional premium production capacity on-stream to help us meet our future objectives. As part of its responsible approach, Chargeurs pursued its premiumization strategy by massively greening its solutions in every business line, while securing an unprecedented improvement in its financial flexibility. These efforts were a necessary step towards further strengthening our lead in every market in 2020.

Creation of a global champion in museum services: Chargeurs Museum Solutions

In 2019, Chargeurs impelled the development of a new premium niche market, museum services, which stand as a new category of luxury cultural goods. Attesting to the business unit's transformation, Chargeurs Museum Solutions now brings together the world's broadest portfolio of integrated museum exhibit services, working closely with world-renowned institutions, curators, architects and designers. In this fast-growing, very high value-added experiential luxury market, our presence across the museum project value chain means that we can offer customers around the world synergies and seamless solutions unmatched anywhere on the planet. This new world champion will enable the Group to win market share in new territories with high growth potential, such as the Middle East.

Protective mask and sanitizing hand gel manufactured by Chargeurs

Another milestone on the way to €1 billion in revenue 2021

With High Emotion Technology®, its new global marketing signature that expresses all the emotional wisdom of its solutions, the Group is forging its own future, shaped by continuous innovation, inimitable expertise and a highly demanding culture of service. All our employees are deeply committed to giving their very best to every stakeholder, demonstrating the core values that unite them: reliability, passion, commitment and boldness.

Lastly, the new acquisitions have broadened and deepened our portfolio of high-potential businesses, products and services, while confirming the validity of our profitable growth strategy, which, barring any unforeseen changes in the economic environment, will deliver more than €750 million in full-year revenue in 2020.

Financial highlights

Chargeurs, an innovative Group

Present in more than **90** countries

4 businesses

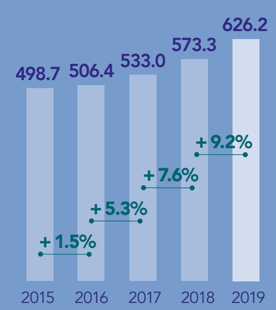
16 production plants

16 laboratories

More than **2,000** employees

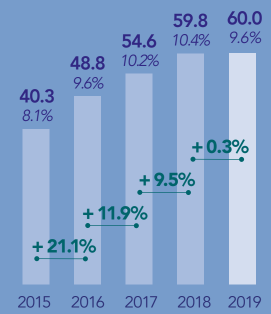
Chargeurs is a global manufacturing and services Group that holds leading positions in high value-added niche businesses.

REVENUE(1)
(in € millions)



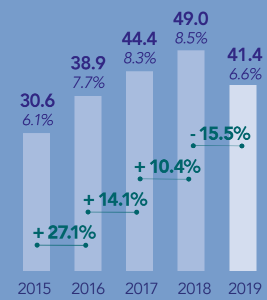
+26% since 2015

EBITDA(2)
(in € millions and % of revenue)



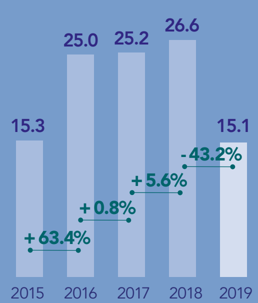
+49% since 2015

RECURRING OPERATING PROFIT(3)
(in € millions and % of revenue)



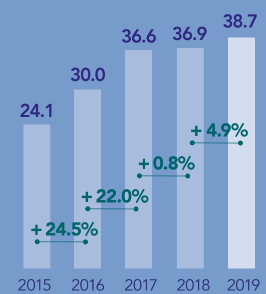
+35% since 2015

ATTRIBUTABLE NET PROFIT(4)
(in € millions)



-1% since 2015

CASH FLOW(5)
(in € millions)



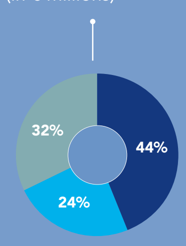
+61% since 2015

DIVIDEND PER SHARE
(in €)

+33% since 2015

€626.2m
in revenue in 2019

2019 REVENUE BY REGION
(in € millions)



EUROPE 44%
€274.1m

ASIA 32%
€202.2m

AMERICAS 24%
€149.9m

(1) See note 2.6 to the 2019 consolidated financial statements.
(2) See note 2.7 to the 2019 consolidated financial statements and the financial glossary on section 8.7.
(3) See note 2.8 to the 2019 consolidated financial statements and the financial glossary on section 8.7.
(4) See note 9 to the 2019 consolidated financial statements.
(5) See the financial glossary on page section 8.7.

Innovation and heritage since 1872

Since its founding in 1872, the Chargeurs Group has consistently stayed one step ahead of the major shifts in the French economy. Its current performance is led by a culture of constant innovation, backed by a sincere commitment to remaining true to its heritage.

1872

CREATION OF A GLOBAL GROUP

French banker and businessman Jules Vignal creates Compagnie des Chargeurs Réunis in 1872.
The transatlantic shipping line operates the first regular services between France and Latin America, followed by services between France and its empire in Africa and Asia.

1945 1970

CHARGEURS RÉUNIS EXPANDS ACROSS THE WORLD

Chargeurs Réunis creates the UTA airline and Causse-Walon, a specialty overland transportation company. The Group also diversifies by investing in non-industrial businesses, such as tourism, chemicals, finance and insurance. Later, these interests are gradually sold.

1980 1990

DIVERSIFICATION INTO TEXTILES, PLASTICS AND THE MEDIA

Jérôme Seydoux, a French captain of industry who is the largest shareholder in Pricel, one of Europe's leading textile groups, acquires a controlling stake in Chargeurs Réunis. He contributes Pricel's assets and makes Chargeurs the spearhead of a new industrial adventure for more than 30 years. Chargeurs acquires a controlling interest in the Prouvost industrial empire and diversifies into media by taking over Pathé, investing in BSkyB, creating the La Cinq television station and purchasing the *Libération* newspaper. At the same time, Chargeurs disposes of its assets in maritime shipping, air transportation and overland transportation.

1996

FRANCE'S FIRST SPIN-OFF TRANSACTION

Jérôme Seydoux separates the manufacturing operations from the media empire in preparation for what will be France's first spin-off transaction.
The manufacturing empire is then refocused to form what is today the Chargeurs Group.

2000 2014

REFOCUSING ON SPECIALTY MATERIALS

Retaining its lead shareholders, Jérôme Seydoux and Eduardo Malone, Chargeurs strategically refocuses on high value-added technical businesses where it holds global leadership positions.
In 2008, all of the remaining garment-making operations are sold. After using the proceeds to retire all of its debt, Chargeurs steps up its innovation strategy.

Since 2015

TRANSITION IN OWNERSHIP AND CHANGE IN SCALE

Jérôme Seydoux and Eduardo Malone sell their equity interest to Colombus Holding SAS, an investment company founded by Michaël Fribourg and dedicated to supporting the future of Chargeurs. Michaël Fribourg transitions the Group to a unique, distinctive excellence model, considerably strengthens the balance sheet, leads targeted acquisitions and deploys the Game Changer operational excellence plan. Chargeurs then successfully upscales its operations to become the global champion in high value-added niche markets.

Our outstanding achievements

The Game Changer operating performance acceleration plan has instilled discipline in our daily practices as we pursue our long-term vision. Since its launch in 2017, it has driven many outstanding achievements and initiated a number of highly promising new developments currently in the pipeline.

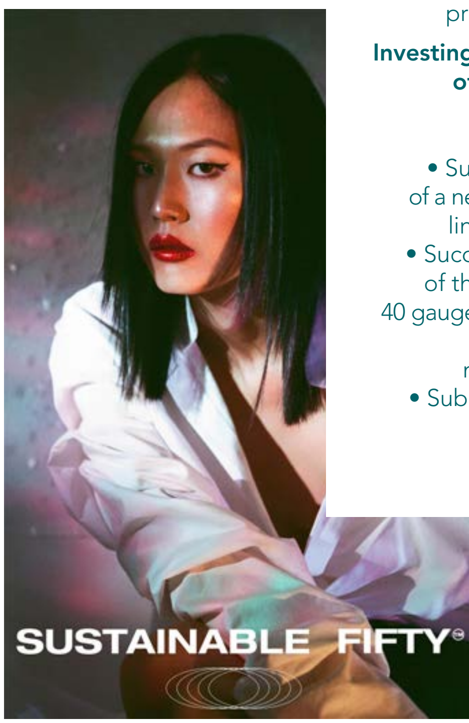
INNOVATION

Disruptive innovations:

- Anti-moire effect for interlining at CFT-PCC
- Launch of **Sustainable Fifty** – the world's largest range of eco-responsible interlinings – at CFT-PCC
- Commercial success of innovative Sublimis textile ranges
- Anti-counterfeit protection for premium textile products at CTS, using RFID chips
- The Hermès de l'Innovation prize for excellence in the "Best creative synthesis" category, honoring the Group's ability to create value

Chargeurs Creative Collection: Launch of a new end-to-end offer of museum services solutions

- Managing high-tech projects in the museum heritage and conservation sector
- Design and production of iconic decors and stagings that are revolutionizing the visitor experience
- End-to-end design project solutions for all sectors



MANUFACTURING

Optimization of supplier and customer logistics across all businesses

- Re-engineering raw materials and logistics flows
- Automating new production phases

Investing in the industry of the future and game-changing technologies:

- Successful start-up of a new 4.0 production line by CPF in Italy
- Successful operation of the new high-tech 40 gauge machine at CFT
- Mastering new materials at CMS
- Sublimation printing line at Leach

SALES AND MARKETING

Developing bundled "products + services" solutions:
• "Films + Machines" at CPF thanks to the acquisitions of Somerra, Omma and Walco in 2017
• "Textiles + Lightboxes" at CMS following the acquisition of Leach in 2018

Rollout of High Emotion Technology®, the global branding signature for all of the Group's businesses

Heightened visibility of our iconic B2B brands:
• Novacel at CPF
• Lainière de Picardie and Sustainable Fifty at CFT-PCC
• Leach at CMS
• Nativa Precious Fiber and Amédée Paris at CLM

Working closely with our partners and expanding internationally:
• Partnership with the Brooklyn Museum in New York for the landmark Pierre Cardin exhibition
• Strengthening ties with major regional distributors in the United States for CMS
• A new sales office in Abu Dhabi opened by CFT-PCC
• A new sales office and services for North American customers of CMS

TALENT MANAGEMENT

Development of new skills and operations:
• Acquisition of MET Studio and Design PM at CMS: in-house development of new project-management businesses, creating a services arm dedicated to designing and fitting out museums

Game Changer Plan: harmonizing our organizational structure focused on performance and talent development:
• Agile organization: successful integration of PCC's teams and adaptation of our structures
• A more international management team: new hires with diverse profiles recruited across several continents to round out the team already in place
• A more formal structure for our innovation operations
• Implementation of a global Group system for HR management and skills monitoring

And we pursued our cross-business projects (managerial training, shared best practices, mobility, etc.) that are creating a Group culture dedicated to excellence and shaped to support our overall corporate mission

OUR BUSINESS:
CREATING ICONIC CHAMPIONS IN OUR HIGH VALUE-ADDED NICHE MARKETS

Chargeurs manufactures outstanding, innovative, reliable and bespoke products and services in global high-tech niche markets. All of our products share the same purpose: to contribute to our customers' success by helping them improve their performance.

Chargeurs' four businesses leverage the synergies from engineers, marketers, textile specialists designers and chemists to deliver solutions seamlessly aligned with customer needs. With their proud heritage of expertise and innovation-driven culture, Chargeurs employees are united in their commitment to shared values.

Protective Films

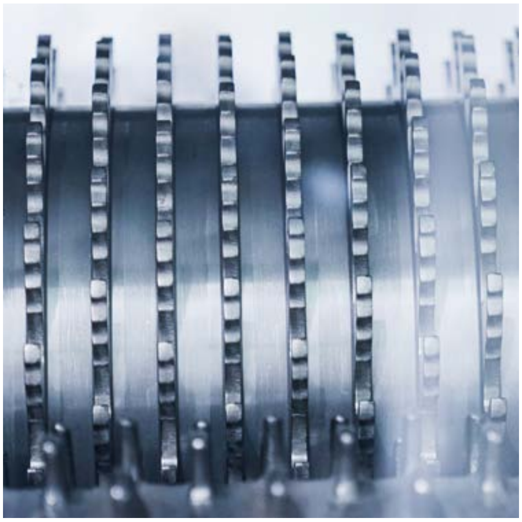
Chargeurs Protective Films supplies the construction, manufacturing and electronics industries with self-adhesive films for the temporary protection of fragile surfaces.

TO FIND OUT MORE, PLEASE TURN TO PAGE 12

PCC Fashion Technologies

Chargeurs PCC Fashion Technologies serves the world's leading luxury and menswear and womenswear brands. It designs interlinings, the only technical fabric used in garments, which keeps them flexible and helps them to retain their shape.

TO FIND OUT MORE, PLEASE TURN TO PAGE 13



Museum Solutions

Chargeurs Museum Solutions – a leader in museum services – comprises a manufacturing arm made up of Senfa, which specializes in technical textiles, and a services arm – Chargeurs Creative Collection – which is a global standard-setter for services to cultural establishments.

TO FIND OUT MORE, PLEASE TURN TO PAGE 14

Luxury Materials

The world leader in high quality combed wool, Chargeurs Luxury Materials is strategically focusing on outstanding, fully traceable high value-added products for the global luxury and sportswear markets.

TO FIND OUT MORE, PLEASE TURN TO PAGE 15

Chargeurs
Protective Films

The world leader in temporary surface protection

724
employees

more than
90%
of revenue generated in international markets

4
production plants

4
R&D and quality laboratories

€278.1m
in revenue in 2019,
up 22.4% since 2015

€23.6m
in recurring operating profit in 2019

For Chargeurs Protective Films, 2019 was marked by slowdowns in the German and Chinese markets, stemming from international trade talks on customs duties. However, the business continued to premiumize its products and expand its portfolio of bundled solutions, as well as announcing the successful start-up of its new Techno-Smart 4.0 production line one year ahead of schedule.

Chargeurs Protective Films manufactures self-adhesive films that protect fragile surfaces during production processes, handling, transportation and fitting. Any surface that must always look its best, such as sheets of plastic, stainless steel, aluminum or pre-coated metals, as well as PVC profiles, can be protected by a film engineered by Chargeurs Protective Films. The business serves a very wide range of industries, from construction to electronics and appliances.

The protectable surfaces feature an infinite variety of physical and chemical characteristics, which are constantly changing as technology advances.

Key factors in creating competitive differentiation include the outcomes from the business unit's research and innovation laboratories and its in-depth understanding of customer needs. Coating a film with its specific adhesive and then applying it to the surface with a high-precision laminator machine demand high-tech expertise and seamless coordination between the R&D and marketing teams.

Chargeurs Protective Films demonstrated its innovation capabilities and commitment to moving up the customer's needs chain by forming a new division, Chargeurs Protective Specialty Machines, to offer bundled solutions. The innovative, one-of-a-kind division has made the business the global specialist in protective film application solutions, while sustainably lengthening its lead over the competition.

Chargeurs
PCC Fashion Technologies

The world leader in technical textiles for the luxury and fashion industries

1,126
employees

more than
90 %
of revenue generated in international markets

7
production plants

7
R&D and quality laboratories

€210.6m
in revenue in 2019,
up 33.7% since 2015

€17.5m
in recurring operating profit in 2019

In 2019, Chargeurs PCC Fashion Technologies delivered an excellent operating and financial performance, led by a strategy focused on customer experience, and it successfully integrated PCC Interlining. This transformative acquisition has strengthened the global market leadership of Chargeurs PCC Fashion Technologies by combining the two businesses' robust, strategically related fundamentals.

Chargeurs PCC Fashion Technologies is the world's foremost expert in the production of interlinings for women's and men's clothing. Interlinings are the only technical fabric used in garments and are essential for helping them retain their shape and structure. They are generally hot-fused between the outer fabric and lining in coats, jackets and shirts.

The increasingly technical nature of today's garments is driving demand from the world's leading luxury and fashion brands, from ready-to-wear to fast fashion. Chargeurs PCC Fashion Technologies' chemists and textile engineers are constantly enhancing the value added of their interlinings by developing increasingly higher performance innovations that offer customers opportunities to continuously push back the boundaries of their creativity.

Technological innovation and agile responses to the latest fashion market trends are key to standing out from the competition. Showrooms in Paris, Milan and New York position teams at the heart of global fashion and the latest collections. In this way, customers can try out the interlinings on their prototypes and fabric samples to ensure that they deliver flawless performance.

With the successful integration of PCC Interlining, Chargeurs PCC Fashion Technologies has broadened its footprint in the United States and Asia and has topped the €200 million revenue mark. The new amalgamation's unprecedented marketing clout and comprehensive range of products and services are strengthening its position as a world leader and innovative champion in its markets.

Chargeurs Museum Solutions

The world leader in museum services

189
employees

more than 70%
of revenue generated in international markets

2
production plants: in Alsace (Senfa Technologies) and the United Kingdom (Leach Visual Solutions)

1
R&D and quality laboratory

€37.3m
in revenue in 2019,
up 83.7% since 2015

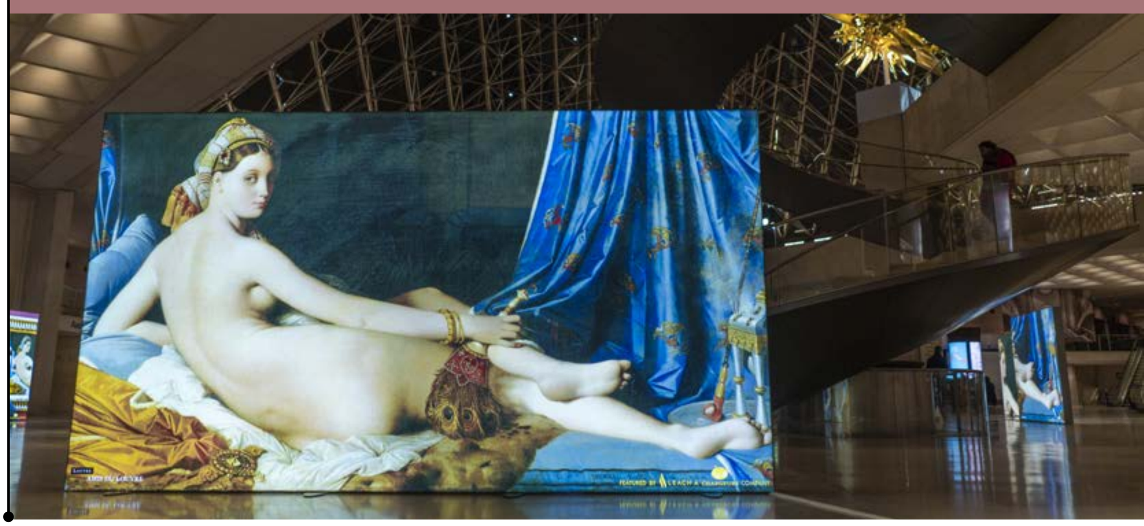
€2.8m
in recurring operating profit in 2019

Chargeurs Museum Solutions pursued its external growth in 2019 and created Chargeurs Creative Collection, a global standard-setter in museum services. Chargeurs Creative Collection – which is CMS's second operating arm along with Senfa Technologies – is made up of Leach, Design PM and MET Studio, and constitutes a network of experts in the market for museum heritage management and visitor experience services. This network will be further reinforced in 2020 with the addition of D&P and Hypsos. This strategic transformation will help Chargeurs Museum Solutions to top the €100 million revenue mark by end-2020.

Senfa functionalizes technical textiles used in the advertising, decoration, interior design, home furnishings and building markets. Coating adds specific properties to a textile base, enabling it, for example, to shade or diffuse light, filter electromagnetic waves, dampen noise or fireproof a panel.

Forming part of Chargeurs Creative Collection, Leach is highly proficient in the art of creating disruptive and immersive visual experiences. Its lightboxes featuring printed and backlit technical textiles offer an innovative, unrivaled experience for museum visitors and shoppers in the world's leading apparel chains. Additionally, the new acquisitions carried out in 2019 mean that Chargeurs has the most comprehensive museum heritage offer in the market, covering all aspects of installations for visitor areas, museums and exhibits.

Together, Senfa's technological expertise and the new Chargeurs Creative Collection network are giving CMS the artillery to enter new high-potential segments in the museums market. CMS offers end-to-end integrated and bespoke solutions to the world's current and future leading museums.



Chargeurs Luxury Materials

The world leader in premium, certified and traceable wool fibers

32
employees

100%
of revenue generated in international markets

4
partner combing mills in the United States, Uruguay, Argentina and China

4
R&D and quality laboratories

€100.2m
in revenue in 2019, **up 6.9% since 2015**

€2.7m
in recurring operating profit in 2019

In 2019, Chargeurs Luxury Materials topped the €100 million revenue mark. It achieved this performance by pursuing its strategy of premiumizing its product range and successfully deploying its Nativa Precious Fiber label, the world's leading label for certified, traceable premium-grade fibers designed for the most prestigious global luxury and sportswear brands. In addition, the launch of the online Amédée Paris brand of scarves and squares made of premium-grade fibers strengthened the business' positioning in the luxury industry.

Chargeurs Luxury Materials' expertise consists in selecting the finest, softest, most resistant greasy wool tops from producers worldwide. An optimized business model based on firm contracts enables the unit to produce, deliver and track solutions for its customers, who rank among the world's most prestigious brands.

The only trader capable of offering customers wool from every producing region, Chargeurs Luxury Materials is increasingly engaged in the wool production process, working closely with ranchers and stakeholders across the value chain. The high point of this commitment is Nativa Precious Fiber, the world's most demanding wool label, which uses blockchain technology to ensure that the fibers are seamlessly traceable "from the sheep to the shop".

It provides the stand-out quality and sustainable supply required by the world's most prestigious luxury and sportswear brands, while addressing their deep concerns for animal welfare, resource management and land development.

This sustainable approach is now embodied in the online Amédée Paris brand, the Group's first B-to-C brand, whose promising launch attests to the growing interest in high-quality, meaningful products.

Global challenges as new opportunities

Chargeurs' strategy reflects a complex, volatile world that is being reshaped by profound economic, technological, social and environmental change.

5 GLOBAL CHALLENGES

1 PREMIUMIZATION CONTINUES TO GAIN MOMENTUM

Premium markets are widening their Non-recurring income with commodities. Purchasing behavior is increasingly determined by total cost of ownership analyses, which tend to heighten the appeal of branded products.

2 MOVING UP THE VALUE CHAIN

The perceived utility value of a manufactured product is enhanced when it is supported by services. In this case, the supplier is no longer a manufacturer, but a provider of turnkey solutions.

CHARGEURS' STRENGTHS

1 Chargeurs brands are recognized for their reliability and quality. They set the standard of excellence in their businesses. This premiumization strategy is helping to drive continuous improvement in our manufacturing capabilities. The new "iconic" marketing approach is further strengthening the positioning of our products and services.

2 Customers want products that inspire complete confidence and make their lives easier. To position itself further and further up the value chain, Chargeurs is targeting acquisitions capable of bringing it closer to end-customers. It is also developing solutions built alongside customers and asserting its commitment to being a top-level technical partner.

OUR MISSION

We develop high value-added niche products and services that improve our customers' performance and success. We are leveraging our four core values – Reliability, Passion, Commitment and Boldness – to act as a Game Changer in our ecosystem.

3

THE SUPPLY CHAIN IS BECOMING MORE COMPLEX

Globalization is causing fragmentation of manufacturing and supply chains. Managing deliveries is becoming more and more of an issue as customers opt for just-in-time systems to optimize inventory.

Chargeurs has deployed a global, regionally based manufacturing and marketing organization that not only supports highly responsive manufacturing but also positions teams on the front lines, listening carefully to customer needs and capturing emerging trends.

4

ALL BUSINESSES ARE GOING DIGITAL

Digital transformation and the emergence of connected products is leading companies to completely revamp their production processes and, more generally, all of their business processes.

Thanks to Chargeurs' culture of innovation, we can proactively respond to these emerging customer needs with bundled, end-to-end solutions. The successful launch of the new Techno-Smart 4.0 production line has positioned the Protective Films business on the cutting edge of global industrial innovation.

5

CSR IS EMBEDDED IN CORPORATE STRATEGY

Changes in the environment and society are having short- and long-term impacts on businesses. Access to resources, climate change and the allocation of skills are all constant concerns, which are influencing how products and services are designed and the way they are marketed.

At Chargeurs, Corporate Social Responsibility is a deep reservoir of opportunities and innovations, and is an integral part of our culture of excellence over the long term.

OUR STRATEGY

Since 2015, Chargeurs has pursued a strategy designed to drive long-term, structurally profitable growth, with the goal of delivering €1 billion in full-year revenue in 2021 with an operating margin of more than 10%.

Operational excellence plans

2015: Performance, Discipline, Ambition program
2016: Chargeurs Business Standards
2017: Game Changer plan
2018: Iconic brand strategy
2019: High Emotion Technology®

Premiumizing our solutions

- Capital expenditure for very high value-added production capacity
- Disruptive innovations
- Bundled "Films + Machines" and "Textiles+ Lightboxes" solutions
- CSR as a continuous improvement driver

Transforming our corporate culture

- A spirit of aggressive growth instilled in every business
- Globalizing executive teams and organizations
- Investing in distinctive talents

A targeted, accretive acquisition strategy

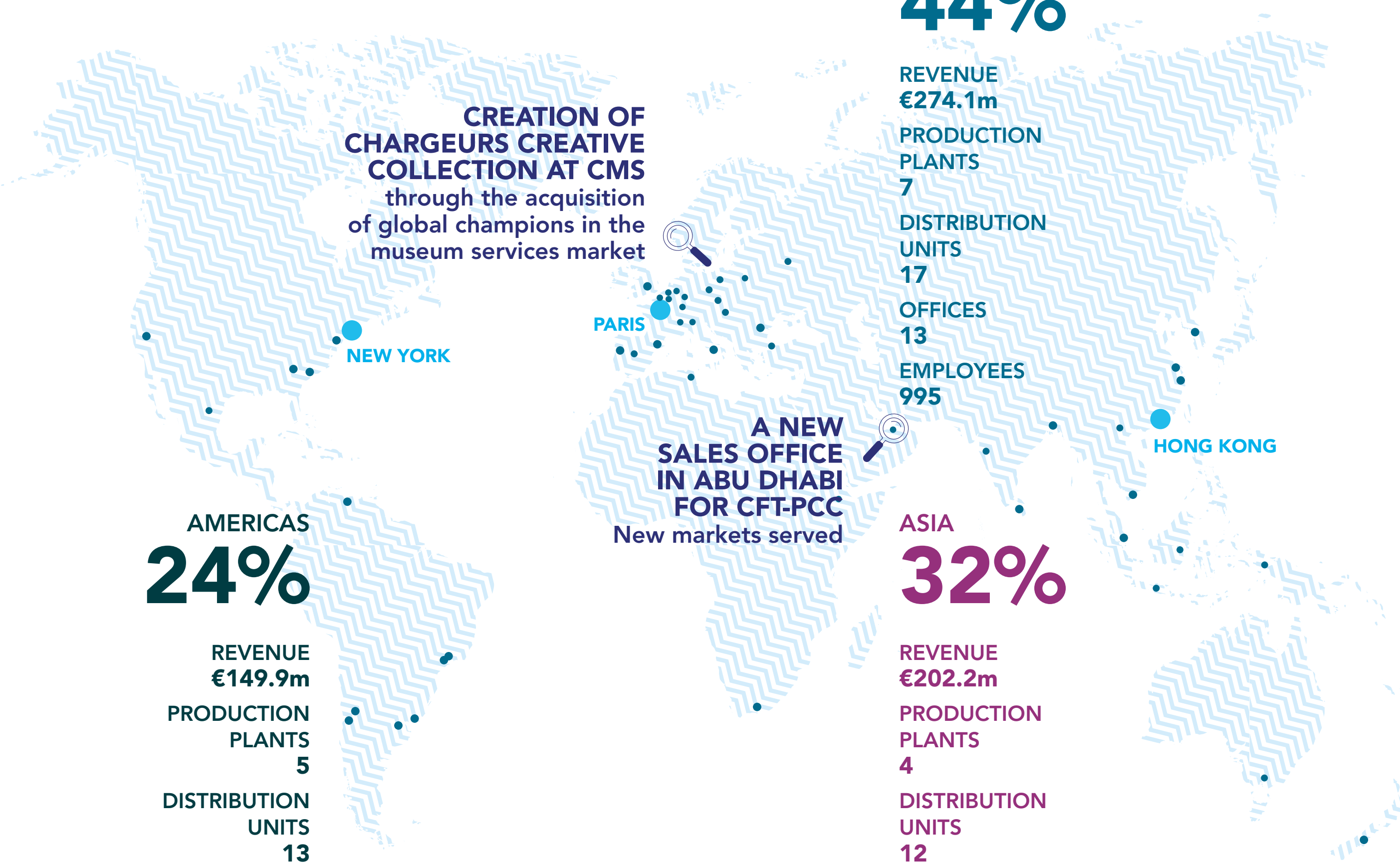
- Moving up the value chain
- Creating global champions in niche markets

International expansion

MORE THAN

93%

Chargeurs generates 93% of its revenue in the global marketplace, with over 2,000 employees based in 35 countries on all five continents.



EUROPE

44%

REVENUE
€274.1m

PRODUCTION PLANTS
7

DISTRIBUTION UNITS
17

OFFICES
13

EMPLOYEES
995

AMERICAS

24%

REVENUE
€149.9m

PRODUCTION PLANTS
5

DISTRIBUTION UNITS
13

OFFICES
10

EMPLOYEES
322

ASIA

32%

REVENUE
€202.2m

PRODUCTION PLANTS
4

DISTRIBUTION UNITS
12

OFFICES
8

EMPLOYEES
778

* *To find out more, please turn to pages 42 to 45.*

Game Changer, our operational excellence plan

Launched in September 2017, the Game Changer plan was designed in collaboration with all of Chargeurs' teams worldwide. It is giving Chargeurs the resources to be a Game Changer in its niche industrial markets, by leveraging the Chargeurs Business Standards.

4 DRIVERS FOR FASTER GROWTH AND HIGHER MARGINS:

- optimizing production processes and cost structures, to continuously improve productivity in each business;
- developing talents and diversifying skills, to support the premiumization of our products and services;
- enhancing the sophistication of our sales and marketing methods, to make them customer-focused and service-oriented;
- developing innovation capabilities, in particular by identifying inter-business synergies to increase the number of game-changing innovations.

The ongoing success of the Chargeurs Business Standards

THE CHARGEURS BUSINESS STANDARDS

Chargeurs' management model is adapted to its global presence on international markets and decentralized by business. The Group shares its clear vision and encourages the careful, continuous implementation of a strategy of excellence through the **Chargeurs Business Standards**. Thanks to meticulous management practices and specifically tailored systems, the Group fosters operational discipline and employee engagement in every aspect of its businesses across the globe.

ONGOING OPTIMIZATION OF CHARGEURS BUSINESS STANDARDS

SECURE THE GROUP'S LASTING SUCCESS

- A targeted, accretive acquisition and diversification strategy
- Low net debt and long-term financial resources
- A stable, methodical reference shareholder, committed to the very long term

SELL MORE AND BETTER

- Micro-segment currently served markets and enter new niches
- Focus on large accounts and high-potential emerging customers
- Encourage customers to specify our products, gain market share

INNOVATE AND MAKE A DIFFERENCE IN EVERYTHING WE DO

- A unique culture of innovation for a new generation of products and services
- Continuous deployment of the Chargeurs Business Standards
- An unrivaled strategy of sustainable competitiveness

IMPROVE PRODUCTION AND CUSTOMER SERVICE

- Extend our sales, manufacturing and logistics presence worldwide
- Re-engineer and premiumize our production plants and distribution units
- Systematically deploy productivity and cost reduction programs

Innovating to push back boundaries

Through its innovations, Chargeurs is driving the transformation of its markets and constantly redefining and pushing back its own boundaries.

16
R&D centers worldwide

Operating in global high-tech markets, Chargeurs ensures that innovation is deeply rooted in its strategy. Whether incremental, disruptive, embodied in a product or embedded in a production process, innovation is a culture that informs everything we do.

Rather than an end in itself, Chargeurs believes that innovation is a way to keep pace with changing times, respond proactively to the expectations of its ecosystems and boldly imagine tomorrow's solutions today. Because innovating also means knowing how to start with a blank slate, how to explore the road less traveled, while constantly capitalizing on our strengths.

That's why we consistently listen to our environment, with a clear focus on our customers. We nurture these relationships every day, eliminating the obstacles to thoroughly understanding how their products are made and used, so that we can design solutions that further improve their performance.

In this way, we can identify future **bestsellers** and **Game Changers**, because our businesses are so specific that innovation does not spring just from the lab bench, but from the passion and pioneering spirit that inspire every one of our teams.

FOCUS ON INNOVATION

Chargeurs PCC Fashion Technologies/ Sustainable Fifty

Launch of a new range of eco-responsible interlinings under the Sustainable Fifty brand – a highly-innovated offering for the division's customers. Sustainable Fifty includes products made from recycled or sustainable fibers, certified by organizations such as the **Better Cotton Initiative or the Global Recycled Standard.**

Chargeurs Protective Films

2019 saw the successful start-up of CPF's new Techno-Smart 4.0 production line. Thanks to its embedded intelligence, it offers a compelling example of the disruptive industrial management features being ushered in by Industry 4.0, including 3D modeling, process automation and big data management.

Designer of Iconic Champions to create long-term value

A world leader in all its businesses, Chargeurs offers, in each one, high value-added B2B brands, with forefront positions in their manufacturing niches.

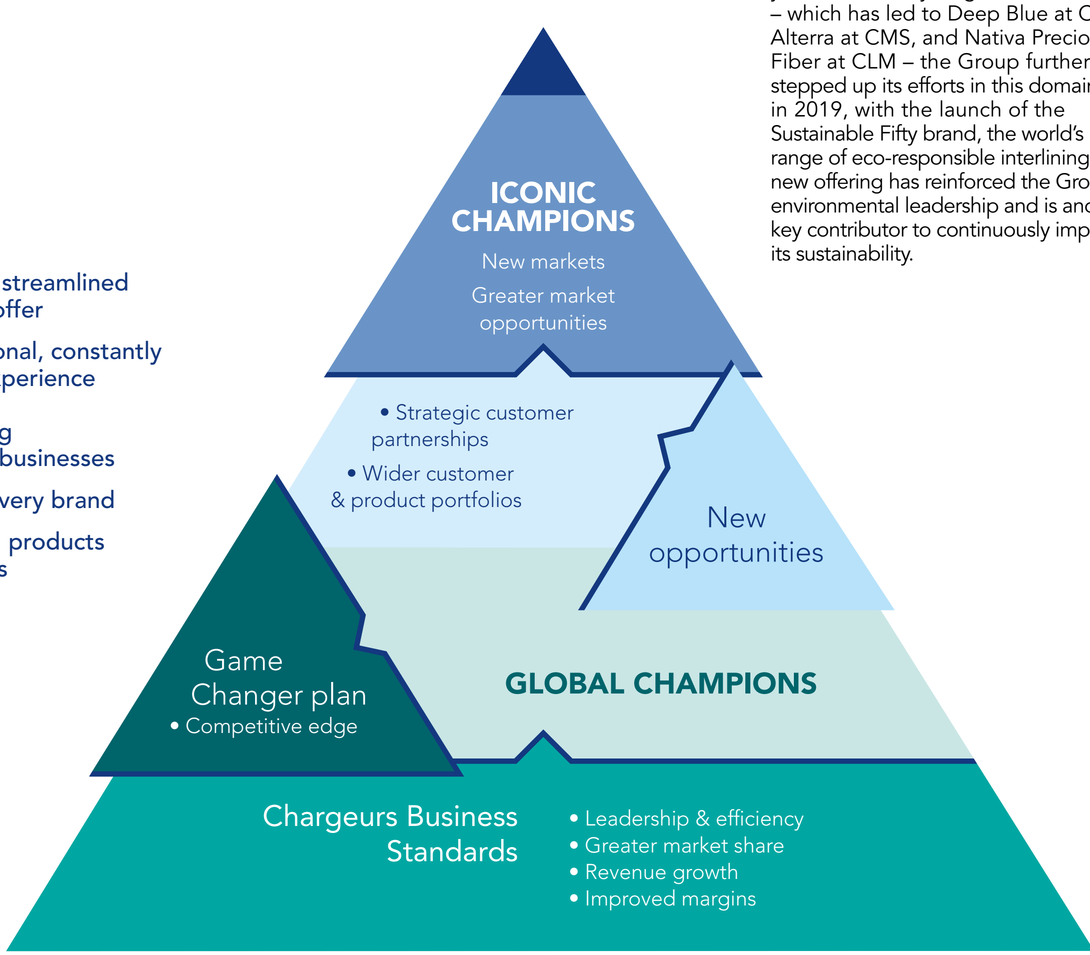
Each of the Group's brands – such as Novacel, Boston Tapes, Lainière de Picardie, PCC, DHJ, Senfa, Leach, Nativa Precious Fiber and Amédée Paris – enjoys a strong reputation for innovation, reliability, quality, commitment and services.

In addition, all of our employees demonstrate a culture of technical sophistication, which makes all of our products and services absolute standards of excellence and must-have components in our customers' value chains.

In 2019, as part of the Game Changer plan, Chargeurs undertook to consolidate its brand portfolio, in each business, by rolling out a new, enhanced " iconic brands" strategy. This strategy was launched in 2018 and was stepped up in 2019 with the rollout of High Emotion Technology®, the Group's new global branding signature. High Emotion Technology® is helping all of Chargeurs' businesses to reinforce their brand identity with their customers and strengthen their premium positioning, with a view to gaining market share.

Lastly, as part of its drive in recent years to intensify its green innovation – which has led to Deep Blue at CPF, Alterra at CMS, and Nativa Precious Fiber at CLM – the Group further stepped up its efforts in this domain in 2019, with the launch of the Sustainable Fifty brand, the world's largest range of eco-responsible interlinings. This new offering has reinforced the Group's environmental leadership and is another key contributor to continuously improving its sustainability.

- A stronger, streamlined marketing offer
- An exceptional, constantly enriched experience
- Cross-selling among the businesses
- Digitizing every brand
- Exceptional products and services



A selective acquisition strategy

Since 2015, Chargeurs has carried out targeted acquisitions, creating champions in high value-added niche markets.

CHARGEURS PROTECTIVE FILMS

main tape
CONFIDENCE ON CONTACT

$27m
in revenue

- Strengthening leadership in the United States
- Adding production capacity in the USD zone

OMMA

WALCO

SOMERRA

€9m
in revenue

- Moved up the value chain
- Ability to offer bundled solutions

CHARGEURS MUSEUM SOLUTIONS
CHARGEURS GROUP

LEACH

£10m
in revenue

- Disruptive vertical integration
- Ability to offer end-to-end solutions

Our criteria for acquisitions

Consolidate current businesses

Move vertically up the value chain

Add new businesses with high growth potential

Financial criteria

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

A sustained acquisition strategy that creates value

CHARGEURS FASHION TECHNOLOGIES

CHARGEURS • PCC FASHION TECHNOLOGIES

$82m
in revenue

- Created an innovative global champion
- Strengthened service capabilities

CHARGEURS MUSEUM SOLUTIONS

MET

hypsos**

Design PM*

D&P*

€65m
in revenue

- Pioneering international growth
- An exhaustive offer in museum heritage and visitor experience

Still to come:

- **Game-changing bolt-on acquisitions**
- **Acquisitions to move up the value chain**

* *Acquisitions completed at the start of 2020.*
** *Acquisition in the process of being finalized.*

SINCE JUNE 2017

Chargeurs is a signatory of the United Nations Global Compact

3

full-time CSR officers, and over 30 CSR correspondents across Chargeurs' business units

JUNE 2019

Chargeurs' Executive Committee met with its CSR officers and correspondents to draw up a Sustainable Development roadmap, which now includes Sustainable Development Goals (SDGs) set by each of the business units and shared by them all.

CSR at the heart of our performance

Our CSR policies are designed to drive inclusive, transparent growth, based on the highest standards of environmental stewardship, working conditions, health, safety and social equality. They are an integral part of our Chargers Business Standards and each of our businesses now have specific CSR objectives.

A CSR commitment built on six pillars

GOVERNANCE

Responsible corporate governance to ensure the consistency of Chargeurs' strategic vision over the long term

INNOVATION

Innovating to meet global challenges and add more value to our customers' products

TALENT MANAGEMENT

Investing in our people to sustain the Group's growth and support its future success

THE ENVIRONMENT

Protecting the environment means limiting our footprint by diligently managing our resources and supporting the circular economy

DIGITAL TECHNOLOGY

Investing in digital technology to secure the ties between Chargeurs and its ecosystem

COMMUNITY ENGAGEMENT

Supporting community initiatives that have a sustainably positive impact on society

The SDGs are an integral part of the Group's CSR strategy:

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Recognized ESG performance

Chargeurs included in the Gaïa Index – the benchmark sustainable development index for listed French mid-caps – for the second year in a row, with a score of 71/100[1]

(1) *Versus* an average 54/100 for the 230 companies in the Gaïa database.

OUR PERFORMANCE INDICATORS IN 2019

GENDER EQUALITY

34%

of women in the Chargeurs Top 50 (on par with 2018)

SAFETY

10.17%

frequency rate for occupational accidents (*vs.*11.72% in 2018)

WATER

-2%

water consumption in cubic meters per million sq. meters of production (Mm²)

CO_2

-2%

CO_2 emissions in metric tons per million sq. meters of production (Mm²)

7%

of revenue generated from green products

FOCUS ON TWO RESPONSIBLE SOLUTIONS

Sustainable Fifty

A range of 50 products designed to offer sustainable interlining solutions to major fashion players

A zero-emission coating line

Chargeurs Protective Films has a new offering for its global customers – high-tech films produced by a new 4.0 production line that generates zero atmospheric emissions

Our model for creating shared value

Global leadership positions in B-to-B manufacturing niches, offering distinctive products and services designed to become Iconic Champions.

OUR RESOURCES

PEOPLE VALUE

2,095 employees
32% women
40 nationalities

FINANCIAL AND MANUFACTURING RESOURCES

€25m in capital expenditure
€9.6m in acquisitions
€377.4m in purchasing
(suppliers and sub-contractors)

ENVIRONMENTAL PERFORMANCE

239,748 MWh of energy used
650,420 cu.m of water used

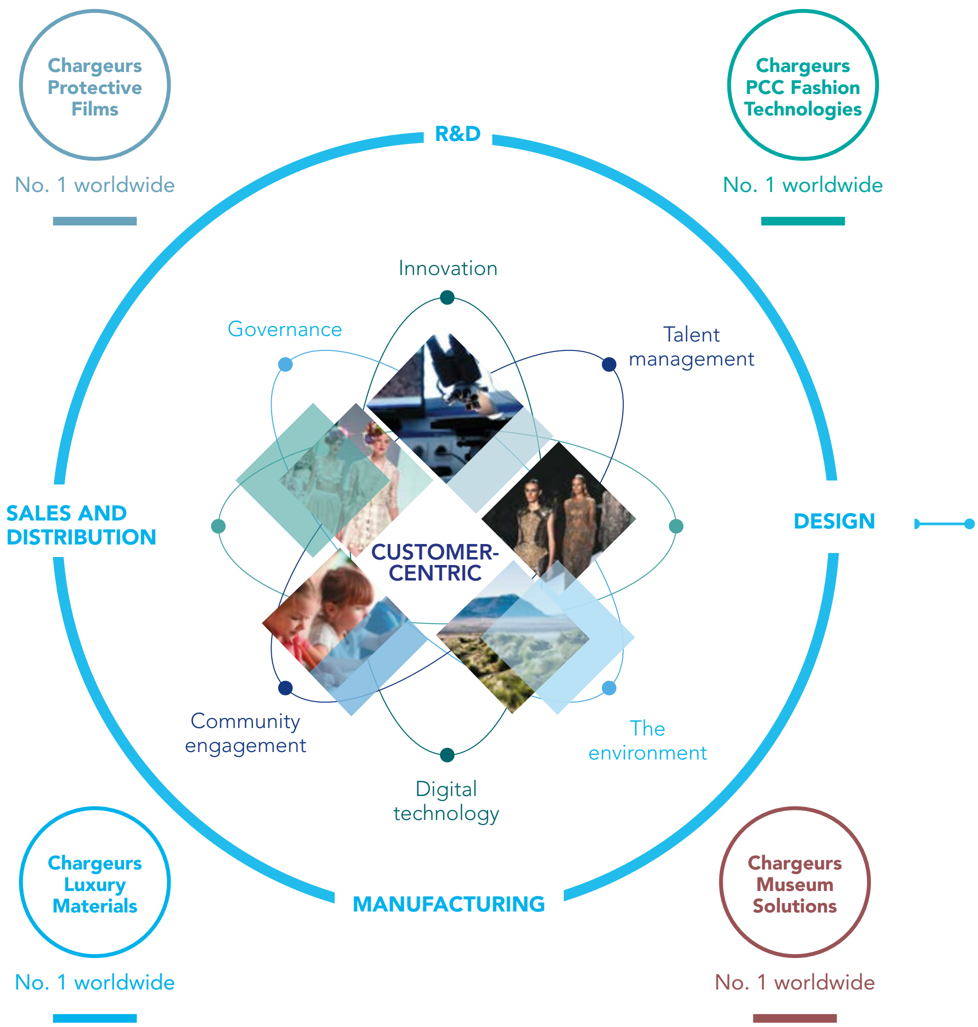
INTELLECTUAL CAPITAL

16 R&D laboratories
1.89% of payroll invested in training

SOCIAL RESPONSIBILITY VALUE

- A demonstrated, assertive CSR commitment
- An engaged foundation (Chargeurs Philanthropies)

NON-FINANCIAL DRIVERS OF OUR CORPORATE PERFORMANCE

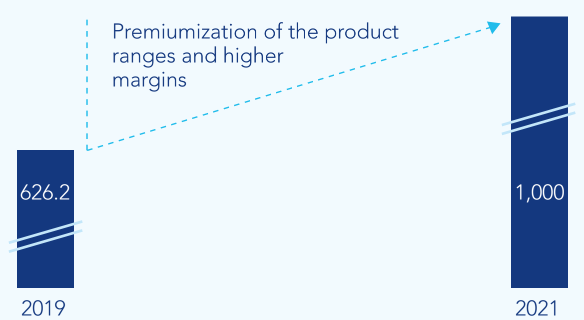


STRATEGIC AMBITION:
To pioneer a manufacturing model that supports the circular economy
€1 billion profitable in annual revenue end-2021

OUR STRATEGIC AMBITION

On track towards €1 billion in revenue

Sustained improvement in margins, led by the product mix and economies of scale



FROM WORLD CHAMPIONS TO ICONIC CHAMPIONS

OUR CREATION OF VALUE

PEOPLE VALUE

23 people hired in 2019
94% under permanent work contracts
34% of women in the Top 50

FINANCIAL AND MANUFACTURING RESOURCES

€626.2m in revenue
€60.0m in EBITDA
93% of revenue generated outside France
1,000 million sq.m of films and interlinings produced

ENVIRONMENTAL PERFORMANCE

CO_2 emissions per unit of production: **-2%**
Water use per unit of production: **-2%**
Hazardous waste produced per unit of production **-7%**

INTELLECTUAL CAPITAL

24 Executives trained in the Game Changer plan in partnership with ESMT Berlin
Blockchain innovation in securing a textile label
19 hours of training per employee

SOCIAL RESPONSIBILITY VALUE

Closer partnership with the Brooklyn Museum
Partnership with the FIT in New York and the Louvre Museum
Success of the **Nativa Precious Fiber** consumer label

A robust, engaged governance structure, supporting a long-term strategy

PERCENTAGE OF WOMEN ON THE BOARD
50%
at Dec. 31, 2019

PERCENTAGE OF INDEPENDENT DIRECTORS
50%
at Dec. 31, 2019

NON-VOTING DIRECTOR
1

MEETINGS
5

ATTENDANCE RATE
94%

Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2019

	Age	Audit Committee	Compensation Committee	Acquisitions Committee	Date first elected/ appointed	Current term expires
Michaël Fribourg *Director* *Chairman and Chief Executive Officer*	37			Chairman	Oct. 30, 2015 Board meeting	2021 AGM 2021 Board meeting (Chairman) 2023 Board meeting (CEO)
Colombus Holding SAS, *represented by Emmanuel Coquoin*	59	Member		Member	2015 Board meeting	2022 AGM
Isabelle Guichot *Independent director*	55	Chair			2016 AGM	2022 AGM
Cécilia Ragueneau *Independent director*	46		Chair		2017 AGM	2020 AGM
Maria Varciu *Independent director*	47	Member			2019 AGM	2022 AGM
Nicolas Urbain *Director**	58		Member	Member	2015 Board meeting	2020 AGM
Georges Ralli *Non-voting director*	71	Non-voting director			2016 AGM	2022 AGM

** Nicolas Urbain was appointed director by the Annual General Meeting of May 6, 2019.*

AUDIT COMMITTEE

The Audit Committee has three members. Meetings are also attended by the Board's non-voting director.

COMPENSATION COMMITTEE

The Compensation Committee has two members.

ACQUISITIONS COMMITTEE

The Acquisitions Committee has three members.

Committee deliberations are described in section 4, "Corporate Governance."

Executive Committee

EXECUTIVE COMMITTEE MEMBERS

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

ANGELA CHAN
Chief Executive Officer, Chargeurs PCC Fashion Technologies

SAMPIERO LANFRANCHI*
Chief Executive Officer, Chargeurs Museum Solutions and Advisor to the Chairman

FEDERICO PAULLIER
Chief Executive Officer, Chargeurs Luxury Materials

PHILIPPE DENOIX*
Executive Vice President, Industrial Performance & Supply Chain

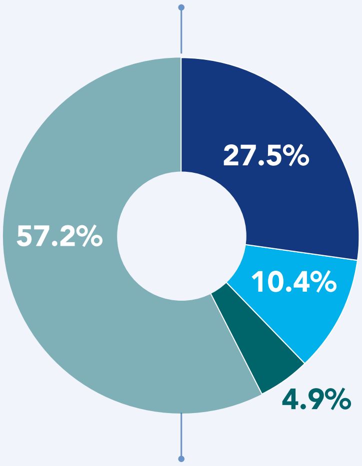
CARINE DE KOENIGSWARTER*
Global Head of Communication, Head of the office of the Chairman and CEO

* Member of the Select Executive Committee

The membership of the Executive Committee reflects Chargeurs' decentralized operational structure, with the presence of a separate Chief Executive Officer for each of the four business units.

OWNERSHIP STRUCTURE

(% of shares outstanding at February 14, 2020)

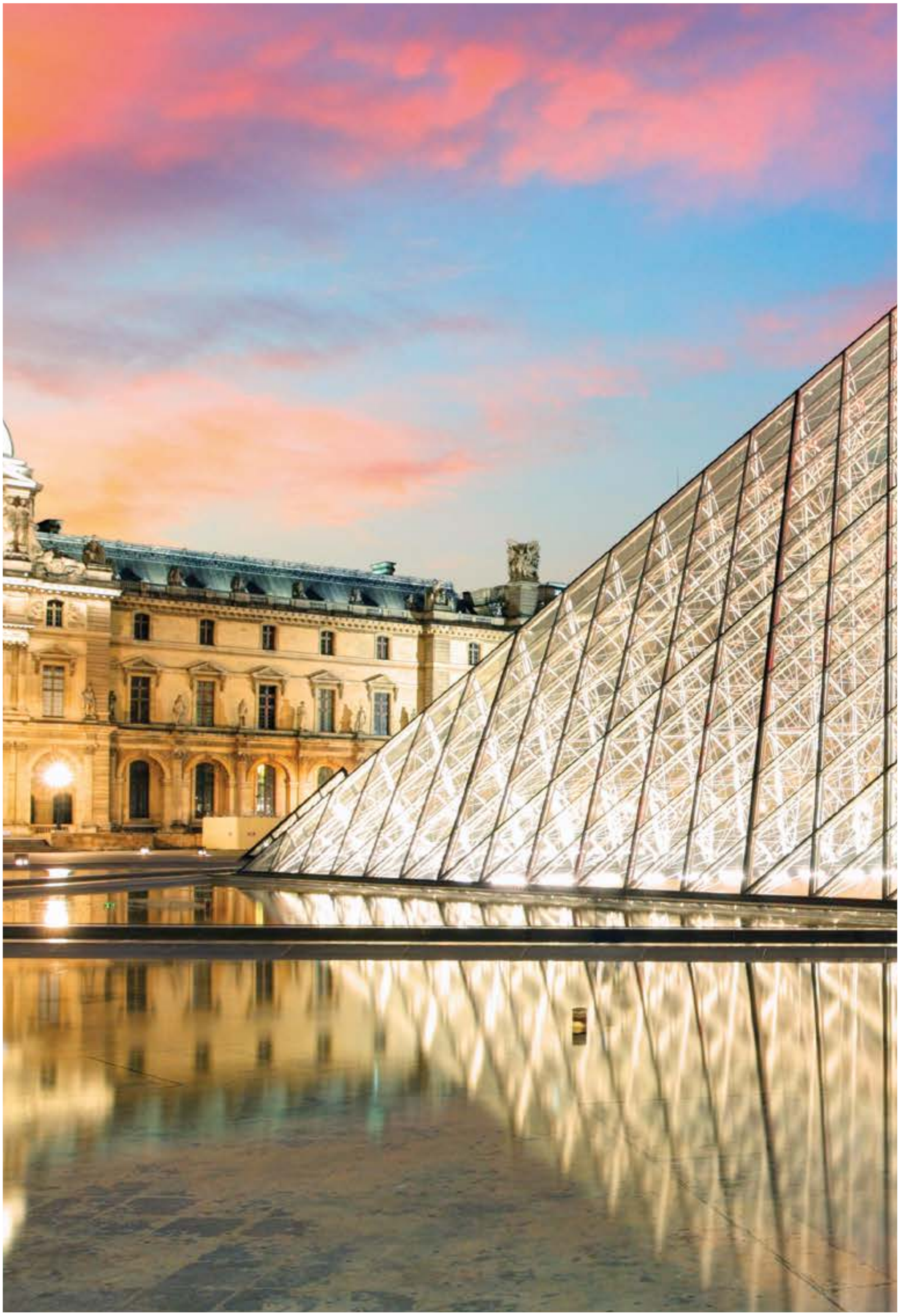


COLOMBUS HOLDING SAS
27.5%

SYCOMORE ASSET MANAGEMENT
10.4%

TREASURY STOCK
4.9%

OTHER SHAREHOLDERS
57.2%



01

BUSINESS OVERVIEW

Chargeurs Protective Films

Chargeurs Protective Films is the global leader in its niche market, offering highly technical films that protect the quality of fragile surfaces at every stage in the manufacturing process (bending, stamping, profiling, etc.), as well as during handling, transportation and fitting. Its films are specifically used to protect surfaces that must always look perfect regardless of how they have been handled, such as glass, stainless steel, aluminum, pre-coated metals, PVC profiles and more.

Chargeurs Protective Films' comprehensive range of products and services provide impeccable protection for the most fragile surfaces against smudging and scratching, while improving their heat and stress resistance during production and surface priming before final painting.

Laurent Derolez
Managing Director, Chargeurs Protective Films

"Launched a year ahead of schedule in 2019, the new techno-smart production line dedicated to premiumization is being ramped up as planned and will be a powerful growth driver for the business in 2020."

By preserving a product's surface appearance throughout the manufacturing process, Chargeurs Protective Films also helps customers significantly lower their production costs.

The surface protection market

The surface quality protection market is structurally growing, in step with world economic development.
Protective solutions are in demand for an extremely broad range of surfaces in a wide variety of sectors, from construction to electronics and electronic appliances. They are also needed for an increasingly diverse array of materials, including glass, copper, zinc and rough or irregular surfaces that require a very high level of expertise.
Leveraging its expertise in bespoke surface protection solutions and customer support services, Chargeurs Protective Films is demonstrating its powerful ability to drive continuous innovation by deploying a differentiation strategy to push back the boundaries of the business. Today, its markets are being broadened to include new uses, new types of protectable surfaces and new and

Chargeurs Protective Specialty Machines

A precursor in its business, in 2017 Chargeurs Protective Films became the world's leading expert in laminators by acquiring three companies, Somerra, Walco and Omma, and folding their capabilities into a new division, Chargeurs Protective Specialty Machines. Today, the unit offers the world's first range of bundled solutions combining film, machines and services, enabling customers to apply protective films to their products directly on-site.

1

The world leader in temporary surface protection

724
employees

278.1
million euros in revenue in 2019 up 22.4% since 2015

23.6
million euros in recurring operating profit in 2019

unique features (low-noise unwinding, compatibility with laser cutting and deep drawing manufacturing processes and recyclability). While the commodity end of the market is very crowded, very few producers can match Chargeurs Protective Films' technical expertise, which guarantees incomparable reliability everywhere around the world.

Chargeurs Protective Films' competitive strengths

As the global market leader, Chargeurs offers a **comprehensive range** of **highly engineered** self-adhesive films, whose efficient adhesion to each material plays a critical role in preserving the quality of the finished product. The adhesive must be deposited in a very thin, even layer, ensuring that the film is absolutely flat and distortion free, so as not to damage the protected surface.
In addition, Chargeurs Protective Films is constantly improving its industrial competitiveness by opening up new horizons, led by embedded intelligence systems. Recent examples include the roll-out in 2018 of its Chargeurs Protective Specialty Machines line of laminators and the start-up in 2019 of the new techno-smart coating line, which represents a truly game-changing innovation at the leading edge of the fourth industrial revolution.
Chargeurs Protective Films' **global production and distribution network** is a strategic asset for the business, positioning it close to customers in each region and enabling it to meet their needs with fast local service. This proximity gives the business a competitive headstart and unprecedented flexibility, not only to innovate with customers, but also to proactively adapt to new requirements.
Lastly, its successful **strategy of disruptive innovations** gives Chargeurs Protective Films an unrivaled technological lead in the surface quality protection market, making it the go-to partner for its customers. Novacel's best-selling fiber laser cutting film, for example, was developed thanks to the unwavering dedication of the marketing and R&D teams to meeting the technical challenges of a new laser steel-cutting process.

Beyond-state-of-the-art manufacturing facilities

Cutting-edge technology.

1 • SURFACE ANALYSIS
Working with the sales teams, the marketing department identifies and analyzes the needs of the various temporary surface protection markets (stainless steel, pre-coated metals, plastics, glass, etc.). After defining the critical issues, the related technical and financial data are sent to the technical department.

2 • FORMULA DEVELOPMENT
Drawing on the specifications, the R&D department defines the exclusive formula for each film and adhesive, carefully aligned with market expectations, the features of each surface and the specific uses of the resulting self-adhesive film.

3 • PROCESS ENGINEERING
Chargeurs Protective Films is highly proficient in coating and extrusion technologies. Coating consists of depositing a calibrated layer of adhesive on film media produced by partners on dedicated machines, based on proprietary Chargeurs formulas. Extrusion consists of producing multi-layer films from thermo-plastic polymers, including one layer that is self-adhesive.

4 • TRANSFORMATION
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 regularly, in particular to ensure compliance with environmental standards.

6 • WAREHOUSING AND SUPPLY CHAIN
The rolls of film are inspected, labeled and wrapped before being shipped around the world.

2019 Business review and Outlook

Chargeurs Protective Films posted €278.1 million in revenue in 2019, down 1.8% on the previous year. The year was marked by slowdowns in the German and Chinese markets, which were impacted by international trade negotiations on customs duties. Since 2015, however, revenue has increased by a very robust 22.4%.

Additional production capacity is being freed up for the division via the new techno-smart production line that was launched in Italy in mid-2019, a year ahead of schedule. This new line – which is dedicated to premiumization – is being ramped up on schedule and will boost like-for-like growth going forward. The extra capacity is forecast to generate over €20 million in annual revenue in 2020 and is therefore a major organic growth driver for the division, while having a significant accretive effect on operating margin.

Recurring operating profit stood at €23.6 million in 2019, for an 8.5% margin in an especially volatile business environment. It was impacted by the additional costs related to the start-up of the new production line in Italy and the high point reached in the Game Changer program.

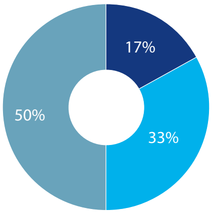
Illustrating its expertise in the management and oversight of industrial transformation projects, Chargeurs Protective Films stepped up its premiumization strategy in 2019, committing capital expenditure that will yield high returns over the medium term and instilling the competitive advantages that will sustain its growth momentum in 2020.

FOCUS ON
THE CONTINUING SUCCESS OF INNOVATIVE, SUSTAINABLE PRODUCT LINES

By constantly listening to its customers, Chargeurs Protective Films brings disruptive new innovations to market every year, to ensure consistently flawless quality of service and anticipate and address their needs and expectations. The Low Noise range, which significantly improves employee well-being by considerably dampening production line noise levels, continued to be a best-seller in 2019.

In addition, in a further milestone in its commitment to sustainable growth, the business unit has developed products and solutions with smaller environmental footprints. One example is Deep Blue technology, which offers a more environmentally friendly alternative to conventional PVC for protecting surfaces during deep drawing processes. New innovations using biosourced, compostable and recyclable materials have already been brought to market.

Breakdown of revenue by region



17% Asia

33% Americas

50% Europe

7 plants

Chargeurs PCC Fashion Technologies

Chargeurs PCC Fashion Technologies is the global leader in interlinings and other technical textiles for the luxury and fashion industries, providing comprehensive solutions to best-selling menswear and womenswear brands around the world. Interlinings are generally hot-fused between the outer fabric and lining in coats, jackets, shirts and blouses to help them to retain their shape and stay sharp.

This niche business, which demands a combination of speed, technical aptitude, differentiation and expertise, leverages the capabilities of experts in textiles (for knit interlinings) and chemicals (for the coatings) to create interlinings suitable for the constantly changing array of fabrics used by the world's leading luxury and fashion brands. Chargeurs PCC Fashion Technologies' light, supple interlinings ensure that the future garments will perfectly retain their shape and flexibility.

In this type of luxury business, close relationships with customers are a game-changing competitive opportunity to recommend informed and bespoke solutions and optimize quality and speed of service in a market where collections are rolled out at an increasingly faster pace. This customer intimacy is also a source of market intelligence, which is why the business is present in the global luxury nerve centers of Paris, New York and Milan, but also in the emerging international trendsetting capitals of Asia.

The interlinings market

Chargeurs PCC Fashion Technologies serves customers in the luxury, ready-to-wear and fast-fashion industries, where market growth is driven by increasingly sophisticated clothing and global supply chains. Leading fashion brands work in "nomination" mode whereby a given product is "nominated" for use in making their garments, so that their (mainly Asian) apparel-makers and other stakeholders then source that product from the nominated supplier.

Chargeurs PCC Fashion Technologies' competitive strengths

Chargeurs PCC Fashion Technologies markets a **comprehensive range** of **highly engineered** interlinings that is constantly renewed by the development of new fabrics. The business has acquired or developed tools and technologies that enable it to knit the thinnest interlinings on the market, in particular thanks to the recently developed 40-gauge machine. All of the product and service lines are capable of technically outperforming the competition. 2019 was a particularly dynamic year, featuring numerous achievements that allowed Chargeurs PCC Fashion Technologies to effectively execute its strategy aimed at becoming an iconic brand. The most compelling example was the global market launch of the Sustainable Fifty line of particularly environmentally friendly products. **The division's customer service culture** is what sets it apart from its peers, driving it towards increasingly upscale niches in the interlinings market. The showrooms in Paris, New York and Milan enable customers, guided by inhouse experts, to test selected new interlining solutions and save valuable time through more flexible production methods and supply chain optimization.

With the acquisition of PCC Interlining in August 2018, this commitment to customer service was taken to the next level. In addition to broadening the global geographical footprint in the United States and Asia, the alliance has driven the emergence of extensive sales and marketing synergies. PCC has a leading position in the areas of technical interlinings for fashion brands and emerging global fashion retailers, areas in which flexibility and responsiveness are major assets.

The world leader in technical textiles for the luxury and fashion industries

1,126
employees

210.6
million euros in revenue in 2019 up 33.7% since 2015

17.5
million euros in recurring operating profit in 2019

2019 Business Review and Outlook

Chargeurs PCC Fashion Technologies delivered another excellent performance, with revenue **surging +30.7%** to €210.6 million, powered by the successful integration of PCC Interlining. The business also turned in an outstanding operating performance, with recurring operating profit of €17.5 million. This represented an increase of 18.2%, led by the successful integration of PCC and the creation of a global sourcing organization, even as growth-related operating expenditure continued to be committed to move the business further upmarket.

2019 was a particularly dynamic year, featuring numerous achievements that allowed Chargeurs PCC Fashion Technologies to effectively execute its strategy aimed at becoming an iconic brand. For example, the division made optimal use of its product development center to design state-of-the-art "smart" and high-performing products. It also launched "Sustainable Fifty" – a full range of interlinings made of eco-responsible materials – and set up new training programs and strategic partnerships across the world. These steps have enabled Chargeurs PCC Fashion Technologies to extend its footprint in each of its geographic regions, especially in Asia.

Buoyed by its position as a global leader in technical textiles for the luxury and fashion industries, Chargeurs PCC Fashion Technologies has the solid fundamentals it needs to drive faster growth in value creation.

Angela Chan
Managing Director, Chargeurs PCC Fashion Technologies

"2019 was a very eventful year of further progress and new achievements, including the successful integration of PCC. We’ve entered 2020 with the objective of strengthening our market positioning as the world's leading manufacturer of interlinings.”

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
Each knitting machine is connected to a computer that checks production and quality in real time. 40 gauge means that the weft comprises 40 stitches per inch.

3 • FINISHING AND DYEING
The substrates are stabilized using a chemical or thermal process, retaining the degree of suppleness needed for its application to the most difficult fabrics. The dyeing unit is used to produce the interlining in the most on-trend colors. More than 60% of our products are dyed.

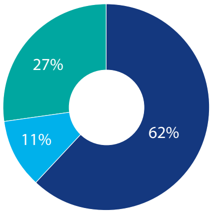
4 • COATING
Small drops of thermo-adhesive resin are applied to the fabric using a perforated cylinder. Infrared readers check that the resin is properly applied. The one-of-a-kind Global Molecular Point (GMP) coating process, which was developed and patented by Chargeurs PCC Fashion Technologies, helps 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' quality, stability, bond strength, suppleness and feel.

6. SYSTEMATIC INSPECTION
Each meter of fabric on the roll is inspected as it leaves the production line. The cutting and packaging/labeling processes are fully computerized. All of the interlining rolls are inspected meter by meter.

7. GLOBAL SUPPLY CHAIN OPERATIONS AND PERFORMANCE
Once the interlining rolls have been inspected, labeled and packaged, they are cataloged by stock-keeping unit in the warehouse before being shipped around the world.

Breakdown of revenue by region



11% Americas

27% Europe

62% Asia

7 plants

FOCUS ON
INNOVATION IN INTERLININGS, TO PUSH BACK THE BOUNDARIES OF THE BUSINESS

Chargeurs PCC Fashion Technologies supports the creative vision of the global fashion industry with technological exploits that are increasingly setting it apart from the competition. The anti-moire effect interlinings, which prevent this undesirable effect in light and thin womenswear fabrics, have been hugely popular since their introduction in 2017. In addition, the business has pushed innovation towards new features, such as moisture management, seamless fabrics and elasticity. After the faster development of sustainable and environmentally friendly products in 2018, led by the extension of the "Eco In" range of interlinings made from recycled polyester yarn, Chargeurs stepped up its green offensive in 2019. In particular, it strengthened its environmental leadership by launching the world's broadest range of eco-responsible interlinings under the Sustainable Fifty brand. Its lineup includes products made from recycled or sustainable fibers, certified by such global reference organizations as the Better Cotton Initiative (BCI) or the Global Recycled Standard (GRS).

Chargeurs Museum Solutions

Chargeurs Museum Solutions is the world leader in museum services. It comprises a manufacturing division, Senfa Technologies, whose plant which opened in Sélestat in the Alsace region of France 40 years ago, produces printed and functionalized textiles for the advertising, decoration, home improvement and building markets. Its new services division, Chargeurs Creative Collections, sets the global market standard in services for cultural institutions.

Coating technology, which is a core competency shared by three of Chargeurs' four business units, enables Senfa Technologies 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 to create large advertising displays on which the fabric can diffuse light, be fireproofed and printed in very high resolutions.

Following the acquisition in 2018 of Leach, the UK leader in large format graphic displays, the latest acquisitions of very high value-added international champions in 2019 enabled the creation of a new business unit, Chargeurs Creative Collection, with capabilities across the museum heritage management and visitor experience value chain. Perfectly positioned in a new fast-growing, very high value-added experiential luxury market, it offers a portfolio of solutions unmatched anywhere in the world, supported by an organization of multi-talented, multi-disciplined teams proficient in every aspect of visitor space, museum and exhibit installations and graphic displays.

The museum heritage and the visitor experience market

The new Chargeurs Creative Collection business unit offers customers a comprehensive array of museum heritage management and visitor experience solutions, ranging from project planning to the turnkey delivery of exhibitions and innovative environments. Its teams' solid expertise, underpinned by sophisticated logistics and long-term customer relationships, represents a major competitive advantage that Chargeurs has successfully created in recent years.

Positioned in the downstream value chain, Leach is a forefront partner, widely recognized for its distinctive, very high quality capabilities. Backlit lightboxes are marketed to retail chains and museums, and visual marketing, premium interior decoration, and high-impact and disruptive exhibition design are driving market growth.

The recent acquisitions of international champions have also moved the Group up the value chain by offering not only project management capabilities but also a range of creative and

Sampiero Lanfranchi
Managing Director, Chargeurs Museum Solutions and Adviser to the Chairman

"After a year of transformative acquisitions for Chargeurs Museum Solutions in 2019, 2020 will be a year of growth for our global museum exhibit services business, consolidating our position as the world leader in this new market."

technical solutions across the project timeline, including final installation. The European, American, Asian and Middle Eastern markets are experiencing strong growth, particularly in the experience, technology and services segments. Around the world, museums are becoming new temples, celebrating nature, history and human creativity.
By resolutely positioning itself in high-end solutions, Chargeurs Museum Solutions stands out in markets that are more difficult for smaller companies to penetrate, emerging as a new world leader in a segment at the crossroads between luxury and culture.

Chargeurs Museum Solutions' competitive strengths

Chargeurs Museum Solutions offers **a comprehensive range** of functionalized fabrics aligned with today's expectations, such as sound-absorbing interior decoration fabrics or the new possibilities offered by curved, two-sided or four-sided **lightboxes**. In addition, the Group now offers the **world's broadest range of integrated** museum exhibit services, working with world-renowned institutions, curators, architects and designers. In recent years, **the sales network** has been strengthened to enable the business to deploy these solutions around the world. In 2019, the unit stepped up its growth in the high-potential North American market by opening a new sales and services office in the United States and forging new partnerships with large accounts and regional retailers. By leveraging **its continuous innovation strategy,** Chargeurs Museum Solutions is able to deliver exceptional, increasingly high-quality services and offer ever more innovative, holistic solutions, while eliminating agents and go-betweens. This is enhancing market visibility, while transforming the business unit into a source of solutions co-built with customers.

2019 Business review and Outlook

Chargeurs Museum Solutions delivered very strong growth in 2019, with revenue **up +21.5%** year on year to €37.3 million. The unit underwent radical and strategic transformation

The world leader in museum services

189
employees

37.3
million euros in revenue in 2019 up 83.7% since 2015

2.8
million euros in recurring operating profit in 2019

1

The management of excellence in core processes

An integrated, carefully controlled production process.

1 • TEXTILES
The fabrics have clear characteristics and innovative materials have been developed.

2 • FORMULA DEVELOPMENT AND PASTE COATING FORMULATION
The R&D teams develop and engineer coating formulations, in compliance with the technical specifications and quality standards of our markets.

3 • COATING
Fabrics are coated with resin-based foam. Unique production resources mean textiles can be coated in widths of up to 5 meters.

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

5 • CONTINUOUS QUALITY CONTROLS
Tests are conducted at each stage in the production process to ensure that the textiles' technical characteristics comply with the highest health and safety standards.

6 • BUILDING LIGHTBOXES
Teams of craftsmen, electronics engineers and optics specialists build the frame on which the printed fabrics are stitched.

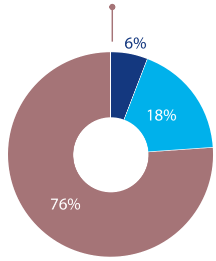
during the year, enabling it to position itself as the global market leader in museum heritage and visitor experience services for museums around the world. The acquisition in first-quarter 2020 of D&P, the largest US provider of integrated museum solutions, has cemented its position as a global champion in museum services and strengthened the Group's portfolio of high-potential businesses. Sales growth in 2019 was primarily driven by Leach and the acquisitions of Design PM and MET Studio. These companies, along with D&P, whose acquisition was completed in the first quarter of 2020, Hypsos, whose acquisition is in the process of completion, and Leach, now make up Chargeurs Creative Collection, the services arm of Chargeurs Museum Solutions. A solutions provider in the museum services market with an offering that is the only one of its kind in the world, it manages projects from start to finish, from the planning to the final delivery of exhibitions and innovative environments.
The division's recurring operating profit of €2.8 million in 2019 reflects a technical decline linked to the increase in capital expenditure and new hires to prepare for the new acquisitions.

The systematic transformation of this business since 2018, combined with the acquisition of D&P, will enable Chargeurs Museum Solutions to top the €100 million full-year revenue mark and deliver more than €10 million in recurring operating profit by end-2020.

FOCUS ON
AN INDUSTRIAL ASSET THAT NURTURES INNOVATION

Outstanding examples of Chargeurs Museum Solutions' ability to drive continuous innovation include the Pearl coated substrate, which ideally diffuses light thanks to a micro-bubble process, the Estompe range of electromagnetic wave filtering substrates, and the eco-designed Alterra fabric. Today, research is moving forward to improve the products' environmental performance. For example, the business has narrowed its offering around Sublimis, which was voted product of the year at the SGIA Expo printing technology trade show in Las Vegas in 2018. Because it can be printed with aqueous inks, which are more environmentally friendly than UV inks, Sublimis has become the benchmark in the American market, where it offers a more effective response to the needs of local printers and retailers.

Breakdown of revenue by region



6%
Americas

18%
Asia

76%
Europe

2
plants

Chargeurs Luxury Materials

Chargeurs Luxury Materials supplies the world's finest, softest wool fibers to the most prestigious global brands. The world leader in premium combed wool trading, the business unit is strategically focused on outstanding, extremely high value-added products.

Federico Paullier
Managing Director, Chargeurs Luxury Materials

"Chargeurs Luxury Materials delivered a robust performance in 2019, shaped by the sustained deployment of the premiumization strategy and the roll-out of its luxury brand, Amédée Paris."

Chargeurs Luxury Materials is specialized in the procurement of the finest greasy wool from carefully vetted producers worldwide. The business model is optimized, with contracts hedged with forward sale contracts.
The greasy wool is washed, carded and combed in partner combing mills to form the tops – broad ribbons of fine, pure wool marketed to spinning mills. The Chargeurs Luxury Materials sales teams then track and deliver the right solution to each customer, taking care to match supply and demand.
Blockchain technology ensures that the wool is seamlessly traceable "from the sheep to the shop." As part of its constant commitment to sustainable sheep farming, Chargeurs Luxury Materials developed Nativa Precious Fiber, the world's most demanding eco-responsible quality label. Today, it is the leading label for certified, traceable premium-grade fibers designed for the most prestigious global luxury and sportswear brands.
Nativa has certified Amédée Paris, the first digital B-to-C luxury brand of premium scarves and squares sold exclusively online, which was launched in 2018. In 2019, the brand opened several sales outlets, including one in a leading Paris luxury hotel on Place Vendôme.

The premium wool market

In the luxury wool market, procurement cycles are long and stable, with two or three-year contracts guaranteeing customer loyalty as long as quality remains the same. Commodity wool, on the other hand, is purchased from traders, leaving customers with little visibility across the production chain. Demand is steadily rising for exceptionally high-quality, game-changing fibers with processes that respect the entire chain of stakeholders involved in their production. Obviously, these features are becoming an important buying criterion for a large number of global brands and shoppers.

The world leader in premium, certified, traceable wool fibers

32
employees

100.2
million euros in revenue in 2019 up 6.9% since 2015

2.7
million euros in recurring operating profit in 2019

A number of global labels have been created to certify compliance with these very high quality and sustainability standards: ZQ Merino (developed by New Zealand Merino), Responsible Wool Standard (RWS) and Global Organic Textile Standard (GOTS). The Nativa label meets all their criteria and extends compliance by including every stakeholder across the entire value chain, from buyers to sheep farmers.

Chargeurs Luxury Materials' competitive strengths

Chargeurs Luxury Materials is positioned in highly distinctive **premium wool markets,** served by a small number of suppliers and growing faster than commodity wool markets.
A key source of differentiation are **the very long-term relationships** nurtured with sheep ranchers and combing mills, sometimes over decades. These close partnerships are the only way that a label as strict as Nativa Precious Fiber could have been created and the only way to guarantee customer loyalty.
Being **positioned both globally and locally** enables the business to offer a broad range of wool fibers, sourced from six countries with a proud heritage of sheep raising and wool production.
At the same time, its deep local roots enable it to carefully monitor conditions on sheep farms and in its partner combing mills, as part of a holistic value chain approach.
The Nativa Precious Fiber label is designed to become **a "must have" that triggers the end customer's** decision to buy. Its guarantees could become an effective source of differentiation for leading luxury brands and later, by extension, for premium brands.

"From the sheep to the shop" Blockchain technology

Global and local expertise with a strict policy of transparent communication with suppliers and customers.

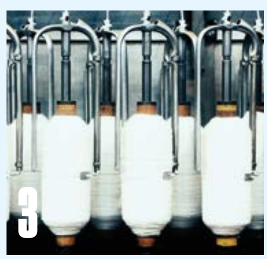
1 • RESPONSIBLE WOOL STANDARD (RWS)

CERTIFICATION

Traceability is a core component in the Chargeurs model. In recognition of its exceptional traceability and sustainability performance, Chargeurs Luxury Materials' premium wool label, Nativa Precious Fiber, has been certified RWS since 2018. 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 and Freedom from Fear and Distress). It also ensures that sheep farmers comply with best practices in managing and protecting their land. Today, Chargeurs Luxury Materials is stepping up its strategic focus on premium, high value-added products. By combining unrivaled expertise and discernment, it offers a compelling response to growing demand from leading global brands for certified, traceable fibers.

2 • ORGANIC WOOL CERTIFIED TO GLOBAL ORGANIC TEXTILE STANDARDS (GOTS)

Recognized as the world's leading processing standard for textiles made from organic fibers, GOTS is based on stringent environmental criteria throughout the entire organic textiles supply chain, as well as requiring compliance with social criteria.



3 • PARTNERING WITH NEW ZEALAND MERINO TO OFFER ZQ WOOL, AN EXCEPTIONALLY HIGH QUALITY, TRACEABLE FIBER

ZQ Wool is a line of exceptionally high quality, traceable wool launched by The New Zealand Merino Company to guide consumers in their clothing choices with the slogan "You are what you wear".

4 • USE OF NON-MULESING PRACTICES

Chargeurs Luxury Materials is committed to using non-mulesing practices both in Latin America and in Australia and New Zealand.

2019 Business review and Outlook

In 2019, Chargeurs Luxury Materials exceeded €100 million in revenue and successfully deployed its Nativa Precious Fiber label. Recurring operating profit ended the year at €2.7 million, stable compared with 2018.

Until the middle of the year, wool prices held firm and drove sales growth but in the second half they fell sharply, which led to a slowdown in business for both wool spinners and producers, which explains the weaker performance.

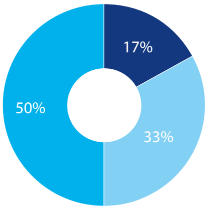
The business nevertheless pursued its strategy of premiumizing its product range, in particular by launching its Amédée Paris digital brand, specialized in scarves and squares made of premium fibers, and strengthening its positioning in the luxury goods industry.

FOCUS ON

AMÉDÉE PARIS, AN INNOVATIVE AND DISTINCTIVE BRAND IN THE PREMIUM SQUARES MARKET

The Amédée Paris brand vividly illustrates Chargeurs' ability to position itself in an iconic way. It demonstrates both exceptional expertise and a commitment to revitalizing luxury design with a collection of scarves and squares made from premium Nativa Precious Fiber certified Merino wool. The accessories are marketed predominantly online, to both consumers and prestigious B to B partners. In this way, Chargeurs Luxury Materials is moving up the wool value chain by offering products to end customers. Building on a strong start in 2018, the business stepped up its marketing drive in 2019 with prestigious new partners in leading hotels, museums and other exclusive venues.

Breakdown of revenue by region



17% Asia

33% Americas

50% Europe

4 partner combing mills

Analysis of 2019 consolidated results

1.5.1. REVIEW OF THE CONSOLIDATED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019

CONSOLIDATED FINANCIAL STATEMENTS 2019

	Twelve months			Change 19/18		Change
(in euro millions)	2019	2018	2015	gross	like-for-like	19/15
Revenue	626.2	573.3	498.7	+9.2%	-1.2%	+25.6%
EBITDA	60.0	59.8	40.3	+0.3%		+48.8%
as a % of revenue	9.6%	10.4%	8.1%			
Amortization	(18.6)	(10.8)	(9.7)			
Recurring operating profit	41.4	49.0	30.6	-15.5%		+35.3%
as a % of revenue	6.6%	8.5%	6.1%			
ATTRIBUTABLE NET PROFIT	**15.1**	**26.6**	**15.3**	**-43.2%**		**-1.3%**

Revenue for 2019 came to €626.2 million, up 9.2% on 2018 and 25.6% on 2015. This robust growth was driven by the successful integration of PCC Interlining and the acquisitions carried out by Chargeurs Museum Solutions (formerly Chargeurs Technical Substrates).

Consolidated EBITDA amounted to €60.0 million, representing 9.6% of revenue. It included gains from the annual productivity plan (€6.4 million), the application of the new IFRS 16 standard since January 1, 2019 (€7.0 million) and the consolidation of PCC, Leach, Design PM and MET, offset by the increase in growth-related operating expenditure.

Recurring operating profit came to €41.4 million, or 6.6% of revenue, reflecting the more volatile business conditions in Germany and China and the increase in growth-related operating expenditure.

Net profit stood at €15.1 million for the year, after €2.5 million in amortization of intangible assets linked to acquisitions and €7.0 million in non-recurring expenses, primarily related to acquisitions completed or still in progress.

1

1.5.2. FINANCIAL STRUCTURE

(in euro millions)	2019	2018
EBITDA	60.0	59.8
Other operating income and expense	(7.0)	(7.7)
Cost of net debt and interest on leases	(10.8)	(8.9)
Income tax paid	(3.3)	(6.0)
Other	(0.2)	(0.3)
CASH GENERATED BY OPERATIONS	**38.7**	**36.9**
Dividends from equity-accounted investees	0.1	-
Change in operating working capital	(13.3)	(22.5)
OPERATING CASH FLOWS	**25.5**	**14.4**
Transfer linked to IFRS 16	8.7	-
Acquisition of PPE and intangible assets, net of disposals	(24.4)	(23.7)
Acquisitions of subsidiaries, net of cash acquired	(9.6)	(65.3)
Other investing cash flows	(0.7)	(1.6)
Share buybacks	(9.8)	(10.2)
Cash dividends paid to owners of the parent	(8.6)	(10.8)
Repayment of lease liabilities	(9.7)	-
Other	(0.1)	(0.4)
Currency effect	(1.5)	(3.5)
CHANGE IN NET CASH/(NET DEBT)	**(30.2)**	**(101.1)**
Opening net cash/(net debt)	(92.2)	8.9
CLOSING NET CASH/(NET DEBT)	**(122.4)**	**(92.2)**

Chargeurs' financial position remained robust in 2019, with equity attributable to owners of the parent totaling €232.4 million at year-end.

At December 31, 2019, Chargeurs showed net debt of €122.4 million, an increase from €92.2 million a year earlier that was primarily attributable to the acquisitions carried out during the year.

At year-end, the Group had €162.0 million in undrawn confirmed credit facilities.

In addition, the Group augmented its financial headroom during the year. First, it successfully renegotiated the indenture for its Euro PP notes issued in 2016 and 2017, enabling it to remove the leverage covenant, lower the gearing requirement to 1.2x, and extend by three years the maturities of the Euro PP notes originally scheduled to mature in 2023 (thereby increasing average debt maturity and staggering repayments). Second, the Group extended the maturity of its syndicated credit facility's revolving credit line for an additional year, to December 2024.

1.5.3. CAPITAL EXPENDITURE IN 2017-2019

The Group makes investments to encourage growth.

The tables below present the capital expenditure committed in 2017, 2018 and 2019:

(in euro millions)	2019	2018	2017
Property, plant and equipment	23.2	23.1	13.4
Intangible assets	1.7	1.5	0.6
TOTAL	**24.9**	**24.6**	**14.0**

(in euro millions)	2019	2018	2017
Europe	17.3	21.9	10.8
Asia-Oceania-Pacific and Africa	1.3	1.3	2.5
Americas	6.3	1.4	0.7
TOTAL	**24.9**	**24.6**	**14.0**

In 2019, a year ahead of schedule, Chargeurs commissioned the world's only techno-smart 4.0 production line in Italy, in what was a major, game-changing investment for the Chargeurs Protective Films business. This structural internal investment represents over €20 million.

1.5.4. OUTLOOK

Now that the customs duties situation has been clarified, the Group should be able to capitalize on the investments it has made under the Game Changer program and reap the benefits of deferred demand in the United States and stronger momentum in 2020. Thanks to the return on the Game Changer investments and acquisitions, and provided that economic conditions remain the same as in 2019, the Group expects to see a sharp increase in recurring operating margin and cash generation in 2020.

Thanks to our achievements under the Game Changer plan and the recently-announced changes for Chargeurs Creative Collection, we are more confident than ever that we have got our profitable growth strategy right. A strategy that, barring any unforeseen changes in the economic environment, will allow us to exceed €750 million in annual revenue for 2020, and top the €1 billion annual revenue mark by end-2021, with recurring operating margin of over 10%.

In response to the COVID-19 health crisis, the Group has organized its operations to provide greater flexibility and resilience in a shifting, uncertain environment. Chargeurs' two priorities are now to protect all its employees through the deployment of a contingency plan in every production facility and office, and to continue serving its customers by doing everything possible to ensure continuity of supply.

Since 2015, the Group has successfully expanded its footprint on five continents and diversified around its four niche businesses. This strategy is now helping to attenuate the impact of the crisis on its operations, which has so far tracked the pace of the epidemic's spread. However, it is very likely that Chargeurs' activities will be adversely affected by the crisis for as long as it persists, to varying degrees of intensity and duration depending on the business and the geography. In addition, from the outset, the Group has taken measures to maintain ample liquidity, supported by the strategy to enhance its financial flexibility that was implemented back in 2015 and stepped up throughout 2019, which provides a degree of resilience.

Lastly, in response to the shortages of protective masks and hydroalcoholic gel encountered in France and several other countries, the Group has directed its teams to repurpose part of its production capacity to manufacture protective equipment, in particular for use by healthcare and other exposed professionals. Moreover, capitalizing on its expertise and in-depth knowledge of the worldwide textile industry, Chargeurs has commissioned the production of masks, under its supervision and strict control, for public and private-sector customers.

This mobilization, in record time, attests to the responsiveness and commitment of Chargeurs, which has always supported the public interest in every circumstance since its founding in 1872.

A culture of manufacturing excellence serving high-end, distinctive markets

THE CHARGEURS MODEL		CHARGEURS PROTECTIVE FILMS	CHARGEURS PCC FASHION TECHNOLOGIES
A CULTURE OF EXCELLENCE ACROSS ALL CORE PROCESSES	Use of cutting-edge technologies	◆◆◆	◆◆◆
	A commitment to continuous technological innovation	13% of products less than 5 years old	Creation of the world's thinnest interlining
	Leading-edge equipment in key plants	Start-up of a techno-smart 4.0 production line in Italy	Operation of the first ultra-thin (40-gauge) technical knitting machine
	A globally balanced manufacturing footprint	7 sites in Europe and North America	7 plants in Europe, Asia-Pacific, North America, South America and Africa
	Green innovation and production policies	Development of innovations that are recyclable, compostable or made from recycled materials + waste treatment	Launch of the Sustainable Fifty line of eco-responsible interlinings
	Number of R&D and Quality laboratories	4	7
OVERVIEW	Key niche market	Surface quality protection films	Technical substrates for fashion and luxury goods
	Number of market segments served	10 Construction, household appliances, electronics (metals, glass, plastics, etc.)	4 Luxury goods, apparel, fast-fashion, sportswear
	Global market position(1)	No. 1 worldwide	No. 1 worldwide
GLOBAL INTEGRATION	% of revenue generated outside France	> 90%	> 90%
	Number of countries covered	> 80 countries	> 75 countries
	Number of countries where Chargeurs has marketing operations	> 60 countries	> 30 countries
HIGH BARRIERS TO ENTRY	High-quality customer solutions	Industrial materials and surface protection	Technical linings and reinforcements for apparel
	A tight-knit before- and after-sales customer service network	> 10 service centers around the world	> 20 marketing subsidiaries
	Degree of product specificity	◆◆◆	◆◆◆
	High level of quality	◆◆◆	◆◆◆
	Level of customer loyalty	◆◆◆	◆◆◆
	Degree of customer portfolio diversification	◆◆◆	◆◆◆◆

(1) *This Universal Registration Document contains information about the Group's markets and its competitive positions. The Group's statements are based on data taken from Group estimates.*

In serving its global high-tech niche markets, Chargeurs is supported by a robust and distinctive business model that nurtures a pioneering spirit:

- the model is robust thanks to a combination of powerful innovation capabilities, a selective marketing strategy and a very long-term core shareholder;
- 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 following table summarizes, for each business unit, the features that make it distinctive and how it has demonstrated the Group's culture of manufacturing excellence:

CHARGEURS MUSEUM SOLUTIONS	CHARGEURS LUXURY MATERIALS	CHARGEURS High Emotion Technology®
◆◆◆	◆◆◆	◆◆◆
Development of innovative products recognized by their peers	Total traceability of wool sold	A policy of continuous technological innovation embraced by all 4 business units
Investment in more environmentally friendly printing technologies, such as dye sublimation	Pioneering development with the launch of a blockchain system involving all stakeholders	Disruptive innovations in every business unit
2 plants in Europe	4 industrial partnerships in North America, South America, Asia	16 manufacturing units, 4 industrial partnerships, 5 continents
Development of integrated visual communication solutions made from recycled and recyclable raw materials and of services that reduce the environmental impact of both our own and our customers' solutions	Deployment of the Nativa Precious Fiber label for certified, traceable premium-grade fibers	A Corporate Social Responsibility culture instilled into customer solutions
1	4	More than 10 R&D centers
Museum services	High-quality combed wool	4 Global niche markets
6 Digital printing, architecture, home furnishings, individual protection, commercial signage and visitor experience	5 Luxury goods, apparel, sportswear, footwear, etc.	More than 20 global niche market segments
No. 1 worldwide	No. 1 worldwide	A global leader in high value-added niche markets
> 70%	100%	> 90%
> 30 countries	> 40 countries	90 countries covered across 5 continents
> 30 countries	> 10 countries	Extensive global footprint
Functionalized technical textiles Integrated services and solutions for cultural institutions and the visitor experience	High-quality wool reinforcements	Providing not just products but integrated solutions to all customers
Sales offices and close partnerships with key market players on 5 continents	> 10 marketing subsidiaries	A 100% customer-centric service culture
◆◆◆	◆◆◆	◆◆◆
◆◆◆	◆◆◆	◆◆◆
◆◆◆	◆◆◆	◆◆◆
◆◆◆◆◆◆	◆◆◆	> 7,000 industrial clients served worldwide

02

RISK FACTORS AND THE CONTROL ENVIRONMENT

Chargeurs operates in a constantly changing environment. It is therefore exposed to risks which, if they were to occur, could negatively impact its business, results of operations, financial position, image and/or outlook.

This chapter describes the material strategic, operational and financial risks to which Chargeurs believes it is exposed. It also sets out the Group's insurance programs and the internal control system in place for identifying and assessing risks and reducing their probability and potential impact on the Group.

However, Chargeurs cannot provide absolute assurance that all of its risk management objectives will be met and that it will be able to totally eliminate the risks described below. Moreover, other risks and uncertainties of which the Group is unaware or which it does not consider to be material at the date of this document, could negatively impact its business, results of operations, financial position, image and/or outlook in the future.

To address these risks, the Group strives, whenever possible, to proactively prevent them by training employees to deal with contingencies and unforeseen events.

2.1. THE MAIN RISKS TO WHICH THE GROUP BELIEVES IT IS EXPOSED

In accordance with AMF recommendation 2014-14:

- the Company reviewed the risks it believed to have a significant adverse effect on its operations, its financial situation or its results (including its ability to achieve its objectives). Aside from the risks presented, Chargeurs does not believe there to be any other significant risks;
- the Company carried out a specific review of its liquidity, based on which it considers that it is in a position to meet its upcoming repayment obligations.

The following matrix summarizes the risks to which the Group is exposed and classifies them according to their impact and the probability that they will occur.

IMPACT ON THE GROUP

HIGH

Industrial and business continuity risks Sourcing and supply risks		
Employee safety and health risks	Human resources and change management risks Technology risks	Foreign exchange risks Environmental risks
	Acquisition risks	

LOW

PROBABILITY OF SITUATION OCCURRING

HIGH

Risks to which the Group may be exposed:

Strategic risks	Environmental risks
	Technology risks
	Acquisition risks
	Human resources and change management risks
Operational risks	Industrial and business continuity risks
	Employee safety and health risks
	Sourcing and supply risks
Financial risks	Foreign exchange risks

2.1.1. STRATEGIC RISKS

ENVIRONMENTAL RISKS

Risk identification

The Group could be held liable for environmental damage in relation to:

- the raw materials used to manufacture its products;
- the production facilities it operates, has operated or will operate, which could be a source of pollution or accidents causing bodily harm;
- changing practices and attitudes regarding environmental issues.

The Group is particularly exposed to the risk of chronic pollution and may be required to incur expenses for industrial site clean-ups or decontamination, especially when it ceases operations at a site.

In addition, in every host country, the Group's businesses are subject to various and constantly changing environmental regulations that require compliance with increasingly strict environmental and workplace health and safety standards.

Potential impacts on the Group

The Group could find itself in difficulty if it became too dependent on certain raw materials or certain suppliers. Its business could also fall into disrepute in the event of pollution or a major accident at one of its facilities. Lastly, public opinion could turn against it if certain materials were to lose favor with consumers, even though its markets are essentially B to B and would feel the impact of such shifts in opinion more gradually.

On the regulatory side, environmental issues are driving the emergence of stricter standards, leaving the Group's businesses exposed to the risk of non-compliance. Any breach of these regulations could result in fines or other civil, administrative or criminal sanctions, notably the confiscation of the permits and licenses required to operate the activities concerned.

Energy and carbon-related regulations could also have a business impact through their indirect use by our suppliers, particularly shippers.

Risk management

The Group has always paid close attention to environmental and natural hazard risks, as well as to changes in the related legislation.

Raw material inputs are diligently tracked internally, with a focus on their origin and their compliance with a responsible purchasing charter, which is widely distributed across all our businesses. In addition, whenever possible, the Group diversifies its supplier base to avoid over-dependence and nurtures close partnerships with strategic vendors. The Group's commitment to constant innovation is also helping to mitigate this risk, in that it encourages us to devise continuous improvements in manufacturing processes and substitute components. Because it is attuned to its markets and the latest trends, as described below, the Group takes due care in deploying only the cleanest solutions that are the most protective of the environment in the broadest sense.

The Group's production facilities have set targets to improve their environmental footprint over the next three years. To limit these environmental risks, the Group has also introduced ISO 14001-compliant environmental management systems in its production facilities.

Chargeurs is particularly focused on continuously improving its environmental performance in critical domains, such as energy, greenhouse gas emissions, water, waste, VOCs, personal safety, responsible procurement and training, and has set itself progress objectives to be achieved by 2021. 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 the environmental performance and certifications of its businesses are described in the Non-Financial Performance Statement in section 3.3 of this Universal Registration Document.

In addition, prevention policies have been strengthened in every facility, based on dedicated audits, in a commitment to deeply embedding a culture of safety across the Group. Examples include the widespread organization of Safety Days since 2017, the coordination of applicable recommendations and specific local approaches. Moreover, any bodily harm or third-party property damage that may be caused by the operation of the Group's production facilities are covered by its liability insurance program.

Corporate business continuity plans are regularly updated and continuously improved.

TECHNOLOGY RISKS

Risk identification	Potential impacts on the Group
The Group operates in markets where technology changes rapidly and plays an essential role in its business development. Its businesses utilize a number of technologies whose industrial property rights the Group either owns or is licensed to use. In some cases, these technologies require specific skills. The Group is also exposed to the risk of confidential information being disclosed or a process or technology being copied, either of which could adversely affect its competitiveness. Lastly, changing technology could give rise to a variety of threats to the Group, such as malicious acts, hacking, theft or misappropriation of its data, which represent a major asset that is critical to its competitiveness.	A lack of proficiency in these new technologies or their inadequate management could diminish the Group's competitiveness and become a barrier to entry into new markets. In addition, the Group could find itself unable to develop the innovative products its customers need.

Risk management

Chargeurs has a policy of technological innovation, which it applies in each of its businesses in order to meet changing market needs. All of the Group's business lines hone their technical and technological expertise, notably to ensure that they have the requisite in-house skills to manage the technologies they use, as well as to improve productivity and sharpen their competitive edge. As a result, research and development form an integral part of the Group's strategic vision.

Similarly, the Group has embarked on a digital transformation process with a view to delivering innovative solutions to customers and end-users.

Talent management policies are also aimed at retaining employees by giving them access to the effective resources they need to deliver superior job performance. All of these resources, in every aspect of the business, are currently being digitized. As a result, the Group pays careful attention to maintaining and developing employee skills and to ensuring that business-critical technologies are properly used and shared by a sufficient number of employees.

In addition, the Group has strengthened its policy for protecting sensitive data by enhancing its internal procedures and relaying best practice guides worldwide. In the same vein, the Information Technology Charter, which each employee is required to sign, is designed to create a framework for using information systems effectively and to raise staff awareness about information systems risks and the issues of security and confidentiality.

ACQUISITION RISKS

Risk identification	Potential impacts on the Group
Acquisitions represent one of the foundations of Chargeurs' corporate strategy. The Group acquires companies, assets, and/or equity interests in its existing business domains, complementary domains, or completely new domains, as well as in geographic areas where it is seeking to either enter the market or extend its footprint. However, in order to implement this strategy, Chargeurs has to be able to find the right opportunities at the right cost and under the right terms and conditions. Moreover, acquisitions may expose the Group to various risks, notably relating to liabilities or responsibilities associated with the businesses concerned. The ability to generate the expected benefits from each acquisition partly depends on generating synergies and effectively integrating the business operations, employees, products and technology of the acquired companies.	If actual circumstances differ from the assumptions used as the basis for an acquisition, or if the acquired companies are not integrated quickly and efficiently enough, this could adversely affect the value of the acquired goodwill and have an impact on the Group's business, financial position and/or results of operations. The absence of acquisition opportunities or the failure of an acquisition to deliver the expected benefits could jeopardize the success of Chargeurs' strategic plan, in as much as the Group's business model is based in part on external growth.

Risk management

Chargeurs' external growth strategy is based on high-value bolt-on acquisitions, which it carries out according to a strict methodology, diligently applied for every possible transaction. It begins by taking all the precautions required at every stage of the acquisition process, from identifying the target to integrating the new organization. These include:

- analyzing the markets concerned, performing due diligence on identified targets and negotiating attractive valuation conditions and obtaining appropriate sellers' warranties.

Chargeurs has also set up an acquisitions control process which includes:

- multidisciplinary teams made up of qualified experts and leading external consultants;
- reviews, by the Acquisitions Committee of the Board of Directors and subsequently by the entire Board, of acquisition opportunities that represent a significant financial commitment or are of strategic importance to the Group;
- dedicated integration teams, with the Board of Directors also regularly reviewing the integration and performance of acquired companies.

At the same time, Chargeurs actively seeks out acquisition opportunities.

HUMAN RESOURCES AND CHANGE MANAGEMENT RISKS

Risk identification	Potential impacts on the Group
Chargeurs' current operating environment is characterized by strong business growth and vibrant labor markets. It therefore needs to increase its human resources in alignment with these conditions and bring in the diverse array of skills required to support the transformation of the Group and its business units. One of the keys to Chargeurs' success lies in its ability to attract and retain talent, adapt and integrate new skills, and develop its managerial structure and teams in order to help drive the Group's growth and transformation.	Particularly at a time of in-depth transformation, the Group may be faced with disorganized operations and the loss of employees, which could hinder the transfer of expertise and delay the completion of key business development projects. Without any support for hiring new employees, the organization could be weakened. In particular, excessively high turnover or too many positions left unfilled for too long could have an impact on employee morale and corporate productivity. In all these cases, the Group's culture could change, and it is important to ensure that such a shift does not cause imbalances that could adversely affect performance and sustainability.

Risk management

Talent management is one of the Group's priorities and a core pillar of its Game Changer plan.

Chargeurs invests in talent at all stages of the employee collaboration process by:

- developing its HR processes so that they match the needs of its business units and markets;
- enhancing the working environments of all employees, from production line workers to managers (through working time agreements, internal and international mobility, etc.);
- encouraging in-house dialog (e.g., through training programs, seminars and workshops), so that the Group's people fully understand its corporate mission and future developments;
- widely communicating its vision and corporate mission, to make the Group attractive to potential hires, current employees and the employees of recently integrated companies.

Talent management policies are described in further detail in the Non-Financial Performance Statement in section 3.4.4 of this Universal Registration Document.

2.1.2. OPERATIONAL RISKS

INDUSTRIAL AND BUSINESS CONTINUITY RISKS

Risk identification	Potential impacts on the Group
The Group's production facilities are exposed to industrial risks resulting from their operations, such as fire, explosion and/or machinery breakdown risks. Any accident at a production facility or during the transportation of manufactured goods could lead to production delays or compensation claims for contractual or general liability. Furthermore, business continuity may be affected by unplanned production stoppages, in particular due to raw material or energy supply problems, equipment failure, natural disasters or strikes. Production could also be halted as a result of malicious damage, sabotage or an act of terrorism committed at any of the Group's sites.	Any interruption or delay in the production cycle could prevent the Group from delivering products to customers in accordance with its contractual commitments. In addition to the ensuing liability issues, the Group could ultimately lose these customers, which would have an impact on its business and results of operations. Moreover, repeated accidents or unplanned production shutdowns or any other major insurance event could lead to a change in policy terms, higher premiums or cancellation of the coverage by the insurer due to the increase in risk.

Risk management

The Group has deployed a strategy to prevent and manage industrial risks, so as to proactively respond to their possible occurrence and impact. This strategy is underpinned by the three core processes:

- identifying and anticipating risks: the Group and its business lines regularly update their legal and industrial risk maps, which consist of identifying and assessing risks and prioritizing the corrective actions to be implemented. In addition, on-site safety audits are carried out by specialized external companies when a potential risk is identified;
- an ongoing risk prevention system and appropriate insurance coverage: the Group addresses both technical issues, by improving production facilities, investing in employee safety, etc., and people issues, by instilling a widely embraced safety culture (in particular through the annual Safety Day events). It has also taken out property and casualty coverage with leading insurance companies (see section 2.2);
- a strict control system: the Group ensures compliance with its safety standards and practices in every production facility, in alignment with each one's particular characteristics, through a three-tier control system (see section 2.3) and an appropriate managerial organization, in particular with delegations of responsibility to empower all of the people involved in the process.

In this regard, the Group's major production facilities have undertaken to earn certification in compliance with ISO 9901 for quality management, ISO 14001 for environmental management and ISO 45001 and OHSAS 18001 for safety management. These standards all include risk assessment as a criteria for certification.

EMPLOYEE SAFETY AND HEALTH RISKS

Risk identification

Because it is engaged in manufacturing activities that are potentially at risk, Chargeurs constantly strives to align the ways in which people act and think in its organization with the reality of its outside business and market environment. In this respect, safety has to address all of the personal risks incurred by our stakeholders, from production to product delivery.

In addition to the generic risks intrinsic to any manufacturing activity, the Group is exposed to risks related to the products or processes used in these activities, such as shopfloor noise and vibrations, the use of certain machines or work equipment, the handling of chemicals, road travel, fire or explosion.

Lastly, as recent events have shown, health risks can never be ruled out, and any manufacturing business is exposed to a health crisis caused by the spread of a virus or other pathogen in a country or a population.

Potential impacts on the Group

The Group is exposed to the risk of occupational accidents that could affect its productivity or image and incur its liability, which in turn could have an impact on its operations and financial situation.

Since 2020, the global Covid-19 health crisis has had an impact on the Group's operations, either by preventing certain employees from coming to work, particularly in the production facilities, or by making it difficult to maintain a going business, due to a decline in orders or restrictions on shipping.

Risk management

Employee safety is always top-of-mind at Chargeurs, which is deeply committed to effectively reducing the exposure of all its stakeholders to occupational and industrial risks.

Accordingly, since the first Safety Day events were introduced in 2017 to raise risk prevention awareness, the Group has steadily deepened the culture of safety at all of its production facilities and invested in safety management systems and training.

The facilities work in close collaboration with employee representatives to ensure that any risk occurrence is promptly reported and remedial action plans can be effectively deployed.

With regard to the Covid-19 health crisis, a prevention and management plan was widely deployed across the Group and its subsidiaries at the first signs of the disease. Led by the Secretary General and the Executive Vice President, Industrial Performance and Logistics, the plan is now ensuring the safety of all employees in accordance with measures recommended by local administrative authorities. In addition, an ad hoc work organization has been set up for head office and subsidiary teams to support business continuity and customer deliveries. To limit physical contact as much as possible, anyone whose jobs can be performed at home has been authorized to telecommute.

SOURCING AND SUPPLY RISKS

Risk identification

Chargeurs is exposed to the risk of disruption in its supply chain due to a wide variety of causes, including over-dependence on certain suppliers and accident-related production shutdowns. In particular, it is dependent on certain commodity raw materials, whose availability is critical to the proper operation of its production units. Similarly, given its global business footprint, serious political, health or climate events could interrupt its operations.

Potential impacts on the Group

Difficulties in the supply chain may result in a loss of productivity, which could cause a slowdown in production or temporarily prevent the Group from marketing its products. Eventually, supply chain disruptions may lead to a loss of customers, which could impact the Group's business, financial situation and results of operations. Lastly, such events could tarnish the Group's reputation and image, which play an essential role in acquiring and retaining customers.

Risk management

The Group places great importance on the proper, seamless operation of its supply chain at every stage in the production process.

In particular, when a single supplier accounts for a significant proportion of a business unit's inputs, a master agreement is signed to foster a long-term partnering relationship. For key suppliers, the management of purchasing performance addresses security and continuity of supply, and each business ensures, as far as possible, that it is not dependent on a single supplier for its critical raw materials.

Moreover, in several, mainly emerging markets, the Group operates through local partners so as to benefit from the support of experienced teams and experts with deep local roots.

These various protective measures are successfully limiting the risk that business and customer deliveries may be interrupted.

2.1.3. FINANCIAL RISKS

FOREIGN EXCHANGE RISK

Risk identification	Potential impacts on the Group
Chargeurs operates in the global marketplace with production facilities, customers and suppliers based in many countries around the world. As a result, certain subsidiaries may sell in currencies that differ from the one used to pay its suppliers and employees. Sharp fluctuations in exchange rates could jeopardize the business model of these subsidiaries, by increasing their costs or reducing their revenue. The Group also does business in countries, such as Argentina, whose recent economic instability has fueled hyperinflation and led to a significant, lasting change in the value of the local currency.	Wide movements in exchange rates could significantly increase or decrease the Group's profitability, either temporarily, if the currency swings back, or more permanently, if not.

Risk management

When a recurring business activity regularly gives rise to foreign exchange risk (mainly in the Protective Films and Fashion Technologies business units), the Group annually reviews its exposure currency by currency (in particular during the budget process) and defines a strategy for hedging the risk over the year ahead.

When a one-off, time-limited business activity temporarily gives rise to foreign exchange risk, such risk is hedged when the customer order is booked.

Group policies for managing foreign exchange risk are described in Note 22.1 to the 2019 consolidated financial statements, in chapter 5 of this Universal Registration Document.

2.2. INSURANCE

2.2.1. INSURANCE STRATEGY

In a commitment to effectively protecting its employees, assets and revenues, Chargeurs deploys a worldwide insurance strategy, based on global insurance coverage of its main risks related to:

- bodily injury;
- property damage and consequential business interruption; and
- 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 line and insurance officers within the subsidiaries.

The overriding aim of the Group' insurance strategy is to optimally manage its risks by putting in place consistent and complementary coverage for all of its subsidiaries in each business line. 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 this coverage 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 at the date of this Universal 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 and Chargeurs PCC Fashion Technologies, 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. This process forms part of the Group's strategy of using global insurance programs to provide consistent, centrally managed coverage for all of its subsidiaries worldwide, except when this is not possible due to local legislation.

The above policies include:

- Coverage caps and exclusions, in line with market practices.
- Excess loss amounts that are proportionate to the size of the subsidiary's sites and operations.

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, personal insurance (particularly employee travel insurance) and cyber insurance.

2.3. INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

2.3.1. DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

To mitigate the potential risks described above, the Group has set up an internal control system aligned with its operations and scope.

This system is particularly aimed at ensuring:

- 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 Group'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.

2.3.2. SCOPE OF INTERNAL CONTROL

The Group comprises the holding company's head office, which houses the corporate support functions, and the following four business units:

- Chargeurs Protective Films;
- Chargeurs PCC Fashion Technologies;
- Chargeurs Museum Solutions;
- Chargeurs Luxury Materials.

The internal control system covers the Group's full scope of consolidation.

2.3.3. INTERNAL CONTROL PARTICIPANTS

The Board of Directors, which is responsible for verifying the efficiency of the internal control and risk management systems, assisted by the **Audit Committee** which, among other tasks, monitors the preparation and control of accounting and financial information.

The Chairman and Chief Executive Officer, who puts in place the organizational structure that he considers to be the most effective for continuously improving the internal control and risk management systems.

The Executive Committee, which plays a central role in the risk management process. Its members discuss and review each decision and transaction that is of strategic importance to the Group.

The Corporate support functions, which comprise several Group-level specialist departments (the Finance Department and the Secretary General's Office, which includes the Human Resources, CSR, Information Systems, Legal, and Tax Departments). These functions provide their expertise and support to the business units and their subsidiaries and employees. Each one has its own remit and is responsible for preparing and implementing the policies defined by the Group.

The Chief Compliance Officer, whose main role is to verify that the Group's rules of professional ethics and conduct are respected.

The Data Protection Officer, backed by local correspondents in each business line, who are responsible for verifying that the Group's information systems are appropriately protected, particularly with regard to personal data, and that the Group complies with the related laws and regulations.

Group employees, who are responsible for continuously verifying that the internal control procedures and processes within their scope of activity are up to date and suggesting changes where appropriate.

2.3.4. INTERNAL CONTROL STRUCTURE

LEVEL 1

Upheld by each employee and their hierarchy in daily operations

LEVEL 2

Upheld by the Executive Committee, *the Group Chief Compliance Officer*, the *Data Protection Officer* and the Support Departments in their relevant areas of specialty: defining the guidelines and assisting operatives to implement them

LEVEL 3

Upheld by the Audit Committee and the Board of Directors: reviewing and subsequently improving the operating procedures of the risk management tool

The internal control and risk management system is based on a three-tier structure aimed at relaying Chargeurs' risk management culture at all levels of the Group.

2.3.5. OPERATIONAL STRUCTURE

The Group has a decentralized operational structure, but it has information systems in place that enable its head office teams to:

- produce high quality financial information;
- clearly understand how the different business lines operate and how they contribute to the Group's earnings and cash flows;
- rapidly 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 implemented to manage the risks that could have a material adverse effect on earnings, assets and commitments.

The cornerstones of the system are:

- a corporate organization based on empowered, accountable subsidiaries, with each business unit's managing director, regional head or subsidiary head managing all operations within their scope of responsibility, in accordance with guidelines and procedures defined by the Group;
- short lines of communication;
- regular reporting on strategic issues;
- systematic coverage of all insurable risks;
- a dedicated insurance team, led by a corporate Chief Insurance Officer and comprising an Insurance Manager in each business unit;
- a strengthened CSR network at both corporate level and in each business unit.

2.3.6. INFORMATION AND INTERNAL CONTROL SYSTEMS RELATING TO ACCOUNTING AND FINANCIAL REPORTING

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

The Chargeurs' financial information system is based on the monthly income statements and key balance sheet indicators reported by each of the Group's fully consolidated companies (85 companies at December 31, 2019).

This system was enhanced in 2019 with an information system capable of tracking HR data for all of the Group's employees.

The monthly results of each subsidiary are reviewed and commented on by the Managing Director and Finance Director in standard written 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.

2.3.7. A SYSTEM TO MAP, ANALYZE AND ADDRESS THE MAIN IDENTIFIABLE RISKS

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.

IDENTIFICATION
RISK ANTICIPATION

- At Group level: legal risk map
- At business line level: industrial risk map

RISK COVER AND PREVENTION

- At Group level: appropriate insurance programs
- In the business units: preventive initiatives undertaken in several areas, particularly in regards to manufacturing and HR issues, and deployment of business continuity plans

CONTROL
A STRENGTHENED CONTROL ENVIRONMENT AT GROUP LEVEL

- Compliance system: Code of Conduct, whistle-blowing procedure and Ethics Committee
- Harmonization of governance rules within Group companies
- Changes in managerial organization structure, including the introduction of a chain of delegations of powers and greater accountability for management

The Executive Committee pinpoints mission-critical issues and designates the most appropriate manager to oversee each one. A specific reporting system is in place so that senior management is informed directly, at regular intervals, of the status of these managers' work. There is regular dialog based on the reporting schedules produced monthly by the departments.

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

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.

2.3.8. CONTINUOUS IMPROVEMENT

The Group applies a continuous improvement approach in order to enhance the quality of its internal control and risk management system, and has launched several projects to help achieve this objective since the change in governance that took place in October 2015.

General organization of the Chargeurs group

In recent years, the Group has upgraded its general organization and strengthened its head office teams to keep pace with the growth in business.

Today, it is organized by business segment, with four main business units comprising all of its subsidiaries, and managed by its parent company, Chargeurs SA. When they are big enough, the business units are organized by operating region, each led by a regional head who reports to the business unit Managing Director and is responsible for supervising the operations of subsidiaries in his or her region.

The head office is home to the support departments (see section 2.3.3) which, in addition to providing audit and control services, expertise and advice to the business units, ensure the Group-wide implementation of cross-functional programs and processes.

Since 2016, the Group has constantly enhanced its head office teams in close alignment with the growth and strategic direction of its operations. In one example, an internal consulting team comprising three people from a variety of backgrounds was set up in 2016 to support the business units in their transformation projects, before eventually joining the business unit organization. The head office teams were then expanded with capabilities in CSR, information systems, business development and marketing, innovation and, most recently, communications and manufacturing with the early 2020 appointment of a Chief Communications Officer and an Executive Vice President, Industrial Performance and Logistics, both of whom are members of the Group Executive Committee.

The Secretary General's Office has also been strengthened with a deputy human resources manager, tasked with leading the Group's strategic hiring and talent support programs.

Legal risk map

In 2016 the Group commissioned a law firm to update its legal risk map. The work carried out by the law firm was 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, in place from the start of 2016, were to identify, analyze and assess the legal risks to which the Group is or could be exposed to in relation to its operations. The project findings – 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.

In late 2019, the Group commissioned this same law firm to update its legal risk map after expanding its scope to the newly acquired companies. The mapping process will be pursued throughout first-half 2020, based on the same methodology used for the 2016/2017 exercise.

During 2018, the business lines each updated their industrial risk maps. Another indication of the importance accorded to managing the Group's industrial risks was the appointment, in early 2020, of an Executive Vice President, Industrial Performance and Logistics as a member of the Group Executive Committee. His primary role is to ensure that best industrial risk management practices are effectively and consistently deployed across the Group.

Corrective measures

Even before the work was completed, the Company started implementing corrective measures to manage or prevent the identified risks. In addition, a tighter risk control and management system has been put in place, notably by designating "risk bearers" at both corporate and business-line level.

Compliance measures and procedures

The same law firm also assisted the Company with setting up the compliance programs provided for under French Act 2016-1691 dated December 9, 2016 related to transparency, anti-corruption measures and the modernization of the economy (the "Sapin 2" Act).

As part of this process, in 2017 Joëlle Fabre-Hoffmeister, the Group Secretary General, was appointed Group 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:

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

The ethics and conduct system is described in section 4.5 of this Universal Registration Document.

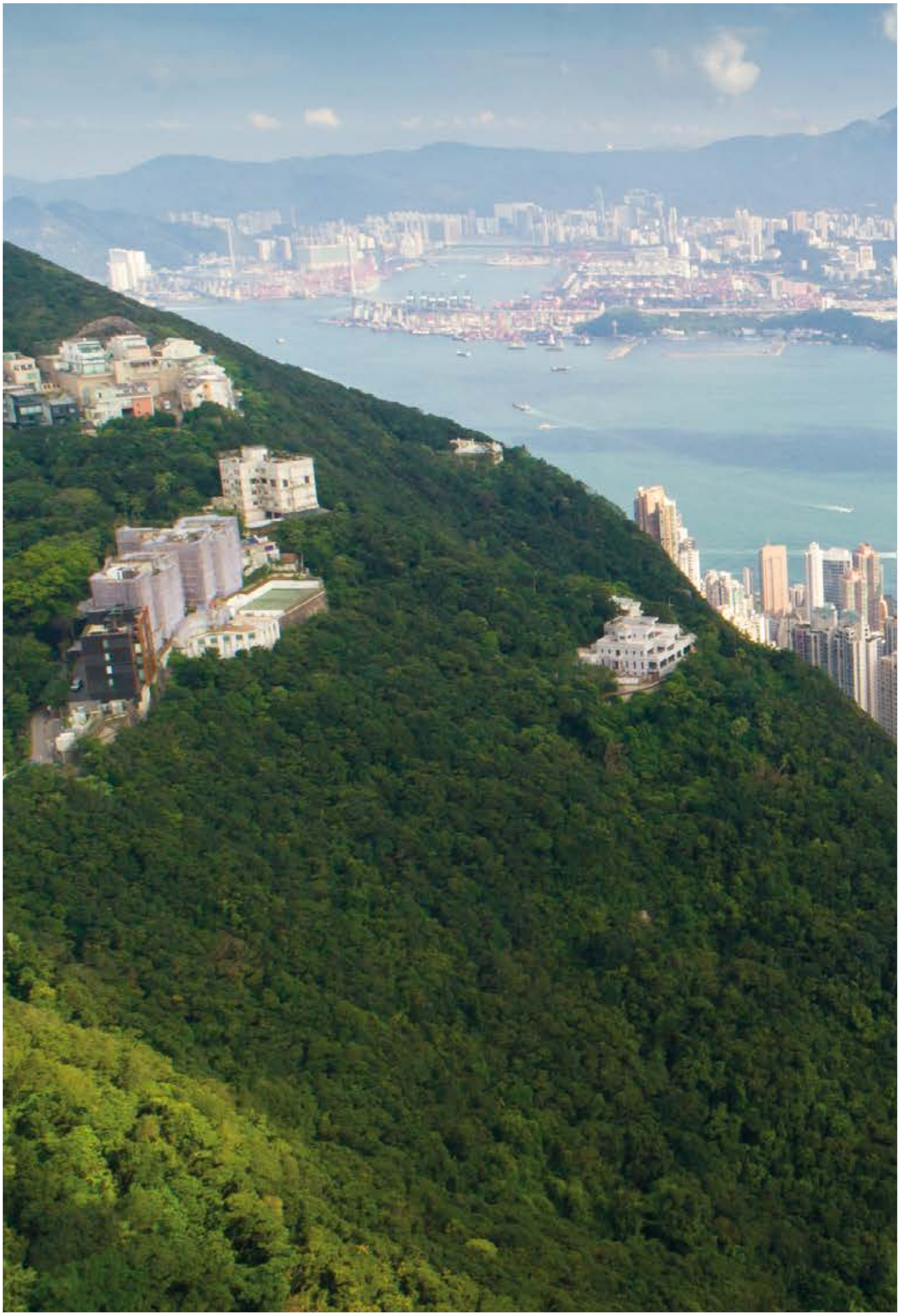
CSR risk monitoring

Chargeurs' subsidiaries use CSR reporting guidelines that were drawn up in 2013 which:

- set out the Group's CSR commitments;
- list the CSR indicators used for operations; and
- 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 and the progress achieved in this area, under the leadership of the Group's Secretary General, are described in chapter 3 of this Universal Registration Document.



03

NON-FINANCIAL PERFORMANCE STATEMENT

Introduction

This chapter reflects the progress made since early 2016 in deploying a formal, methodical process and provides a framework for our Non-Financial Performance Statement (NFPS).

2019 marked a major advance in making our CSR approach and commitments easier to track, thanks to the use of a more precisely defined set of indicators, based on the fundamental principle of their effectiveness over time.

In addition, we have asked several of our stakeholders, observers and partners in this process to share their input. Following on from the initial testimonials published last year, this input will help to express the dialog that we are nurturing with our customers, who are increasingly the central focus of our attention.

Chargeurs is constantly evolving to adapt to the international environment in which it has grown since 1872. Diversity is embedded in its DNA. The Group's long-term success in developing new and/or complementary businesses while also contributing to industrial development at every stage reflects its ability to respond to major social, environmental and societal challenges.

3.1. OUR CSR APPROACH

Since it was founded, Chargeurs' business strategy and initiatives have borne the hallmarks of a responsible company with a long-term vision, a commitment to customers and stakeholders, a passion for excellence and respect for the working environment.

The Group was an early adopter of a culture of continuous improvement in all of its business lines. In 2016, a structured approach was introduced to make that culture a keystone of the CSR process. The Chargeurs Business Standards defined and published that year illustrate this commitment to continuously improving performance that the Group has worked hard to instill at each stage in its development.

The Group's CSR policy is based on a few simple, deeply held beliefs:

- the foundation of our worldwide success lies in our tradition of nearly 150 years of manufacturing excellence and our ability to export it to other locations so that our production meets the highest standards in the business, no matter where we operate. For example, our factory in Wujiang, China, is a replica of our interlining factory in Buire-Courcelles, Picardie, France;
- Chargeurs values excellence and aims to act as a pioneering leader in each industry in which it operates. The Game Changer strategy in place since 2017 reflects this determination to constantly innovate;
- Chargeurs' clients are its products' most valuable ambassadors. As a result, Chargeurs works closely with its stakeholders to jointly develop products and services that will give clients a clear competitive advantage, thereby ensuring their longevity.

The implementation of our CSR strategy is underpinned by an approach that is:

- selective, to focus our efforts on big issues with big impacts;
- based on multiple frames of reference, to resonate with all our markets worldwide and capitalize on every available resource;
- attuned to best practices, to support change at the grassroots level;
- communication-intensive, to reflect the specific features of each market and act in a spirit of cooperation and consensus with our stakeholders;
- people-centric.

3.2. MANAGING THE CSR APPROACH

Structured by the impetus given by the executive team since 2017, the CSR process is seamlessly integrated into the Group's strategic vision.

Its management involves:

- defining an overarching philosophy that expresses the strategic benefits of our CSR approach and why we should strengthen, justify and perfect it;
- managing an in-house network of CSR correspondents;
- defining operating methods for the whole Group, followed by methods for the individual businesses;
- defining reporting procedures for the whole Group, followed by procedures for the individual businesses;
- managing CSR-related communications.

The goal is to create both non-financial value and a "CSR family" to express our shared commitment to the defined priorities.

The correspondents network has been expanded since 2017, led by the centralized management of the CSR commitment. On June 13, 2019, all of the employees directly involved in leading the process met with the members of the Executive Committee during the Group's first CSR seminar.

Together, they reviewed three main issues, in order to (i) define the priorities that will guide the action plans of our business unit managers in the coming period; and (ii) select the most effective criteria for our business model.

RESPONSIBLE SUPPLY CHAIN

- Making our supply chain increasingly sustainable, by encouraging suppliers to embrace the principles of our responsible purchasing charter and the UN Global Compact.

SUSTAINABLE DEVELOPMENT GOALS AND RELATED KPIS

- Occupational accident frequency rate
- CO_2 emissions
- Water use
- Revenue generated by sustainable products

CIRCULAR ECONOMY

As in any manufacturing industry, the Group's operations use natural resources and produce waste. In some cases, these operations are likely to release CO_2 emissions.

How can we shrink our environmental footprint and avoid a proliferation of waste? How can we abate our CO_2 emissions?

Our responsibility as a company is to actively address this global challenge, and to take action across our production chain to recycle the products we bring to market.

The Group's entire governance structure is involved in this approach, as shown when the Global Compact was signed in front of the Group's staff in 2017. Ever since this foundational event, Chargeurs has anchored its approach in its operational processes, while explaining the reasons behind its approach so its teams buy into it.

Our inclusion in the Gaïa Index for the second year in a row attests to the impact of our investment and efforts in this area.

"CSR is the key to the concept of sustainable competitiveness that guides the Group and directs its growth strategy at every level. This is a methodical process, undertaken with all of our teams, and we are now working with a highly motivated network of internal ambassadors who are well aware of the issues," says Joëlle Fabre-Hoffmeister, Group Secretary General, who initiated the project to structure the process.

3.3. NON-FINANCIAL PERFORMANCE: THE GAÏA INDEX

The Gaïa Index was launched 10 years ago by independent non-financial rating agency EthiFinance, which provides investors with corporate social responsibility ratings for listed and unlisted SMEs. It is a sustainable development index of midcap companies.

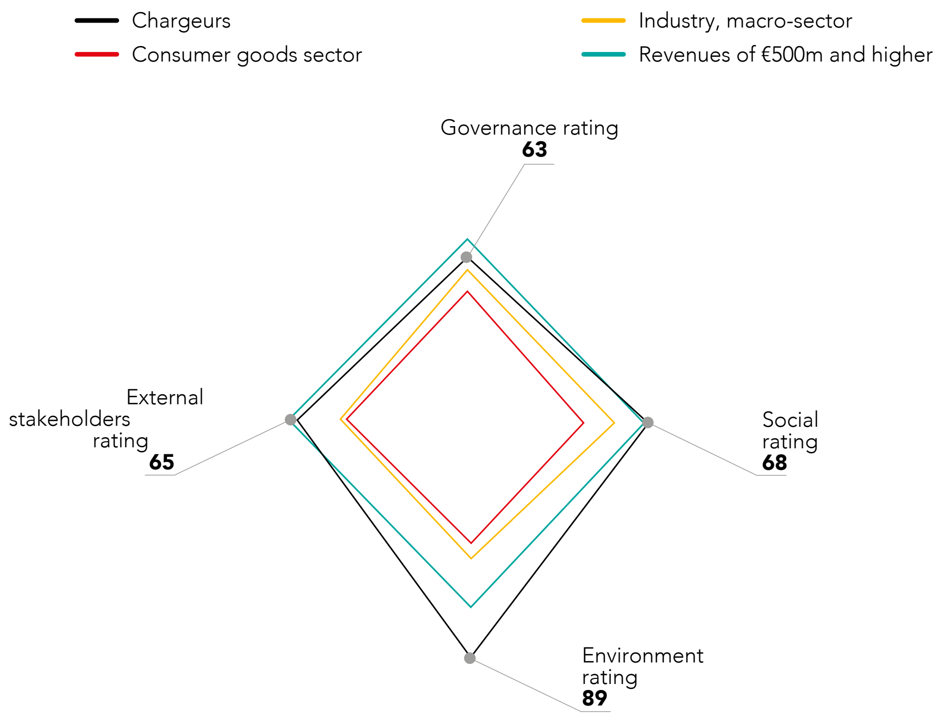
The results of its 2019 ranking were revealed at a ceremony held on Monday, October 15 at the Palais Brongniart in Paris. Of the 230 Paris stock exchange-listed companies that were assessed for the index ("the Gaïa panel"), 70 French companies were recognized for their environmental, social and governance performance. Chargeurs was included among their ranks for the second year running.

The Gaïa Index rates companies against more than 130 criteria to assess the transparency and maturity of their CSR policies, practices and performance.

In 2019, Chargeurs boosted its rating to 71/100, versus an average score of 54/100 for the 230 companies in the Gaïa panel. In just two years, the Group's rating rose considerably (+42%).

Chargeurs received its highest score (100/100) for transparency regarding its labor characteristics and policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RATINGS FOR CHARGEURS AND ITS PEERS



3.4. CSR RISKS AND OPPORTUNITIES

In 2018, Chargeurs Group began identifying, analyzing and defining non-financial risks by consulting with the Group's stakeholders. The 2018 exercise also took into account any risks related to corruption and serious abuses of human rights and fundamental freedoms, people's health and safety and the environment.

The risks with a material impact on the Chargeurs model are presented and described in Chapter 2, above. In particular, the following risks have been designated as strategic:

- environmental risks;
- human resources and change management risks;
- acquisition risks;
- technology risks.

The following sections present the decisions or action plans implemented to address the risks described above, in the areas of governance, employee relations, stakeholders and the environment.

3.4.1. ROBUST CORPORATE GOVERNANCE

Target 16.6: Develop effective, accountable and transparent institutions at all levels.

Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.

The involvement of the Group's governance in the decision-making process is a fundamental building block, which ensures that the actions taken to prevent and address identified risks are consistent. At Chargeurs, governance begins with the engagement of the Board of Directors, whose members participate in decisions concerning acquisitions, the Group's long-term strategy and preventive measures. As a result, the Group has sought to ensure the following:

- the independence of Board members;
- the regular attendance of Board members;
- the representation of women in governance bodies.

Structural initiatives

The independence of directors and their regular attendance at Board meetings help to ensure that the Board's decisions are proper and effective.

The Group increased the number of independent directors in 2019, and elected a new woman director at the Ordinary and Extraordinary General Meeting of May 6, 2019. As a result, half of the Board members are independent and half are women, which exceeds the legal quota mandated by French law.

In addition, the Group is highly committed to maintaining the currently outstanding attendance rates at Board of Director meetings.

Assiduous attendance by Board members and their active engagement mean that quorums are easily met and the resulting decisions are fully informed and valid. This is also why directors are regularly invited to on-site visits and take part in key stages in the Group's growth. In 2019, several of them attended the start-up of the new Chargeurs Protective Films production line in Sessa, Italy.

Moreover, the Group is committed to pursuing initiatives to promote women to positions of responsibility in the years ahead. Today, they account for a significant proportion of the inner circle of Group management, at a stable 34% of the TOP 50 executives.

A direct correlation between the percentage of women in management and improved business competitiveness, growth and job creation has been proven.

Indicators

50%	34%	94%
of Board members are independent	of the Group's TOP 50 executives are women	Director attendance

An inspiring Code of Conduct

The Chargeurs Code of Conduct offers guidelines concerning behavior and practices applicable to relationships both within the Group and with outside stakeholders. By signing the Code, executives and employees pledge to respect all of the values, rules and principles that they are expected to demonstrate in the Group.

Chargeurs strives to operate ethically and transparently and to comply with all national and international laws in force regarding bribery and influence peddling. It takes a zero-tolerance approach to such matters in all of its host countries.

Chargeurs also requires that its customers, suppliers and subcontractors implement a suitable policy to combat bribery and tax evasion. By expressing its guiding values and principles, Chargeurs is clearly indicating the type of relationships it intends to build with its stakeholders.

Internally, the Code governs every aspect of its business and operations. It provides rigorous guidance on maintaining occupational health and safety and promoting respect for equality, especially in terms of the gender wage gap.

The Code of Conduct engages everyone to prevent forced and child labor and fight all forms of harassment and discrimination.

The document also commits the Group to ensuring freedom of association, respecting the environment and acting scrupulously in terms of transparency and the fight against bribery and tax evasion. All employees, subcontractors and temporary staff can report alleged violations of the Code of Conduct to the Group's ethics authorities, using a dedicated email address.

The Chief Compliance Officer works to ensure the Code is properly understood and applied.

Meanwhile, an ethics committee helps expand the circle of references and provides advice on changes that must be undertaken.

3.4.2. SOCIETAL COMMITMENTS: RESPONSIBLE PURCHASING FOR RESPONSIBLE MANUFACTURING

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

To address societal issues, fundamental commitments have been undertaken to:

- deploy a Group-wide procurement strategy, with a focus on making the supply chain more robust and efficient; and
- respect animal welfare at Chargeurs Luxury Materials.

Responsible purchasing: progress through partnership

The way we view our responsibility and our belief that purchasing policies are critical for CSR performance have led Chargeurs Group to actively promote sound, streamlined practices throughout its supply chain.

This means playing a leadership role and spreading environmentally and socially responsible practices. Much like the Group's own internal oversight mechanism, the Chargeurs Code of Conduct, training, advisory services and skills improvement in this respect require the type of follow-up, dialog and cooperation that is nurtured by close partnerships, i.e., by more than a purely defensive approach linked to risk management. Building these partnerships, which help controls function smoothly, overseeing improvement plans and sharing best practices are all important performance prerequisites that ensure supplier relationships are responsibly managed.

Formally implementing this policy is a gradual, ongoing process that concerns all of our business units.

- June 2017: Chargeurs signs the United Nations Global Compact.
- September 2017: the responsible purchasing working group is set up.
- November 2017: the Chargeurs responsible purchasing charter is drawn up (freely available on the Group website) and the CSR evaluation tool is developed.
- Second quarter 2018: the responsible purchasing charter is signed and the CSR assessment questionnaire is completed by 40 strategic suppliers. The charter is based on Chargeurs' commitments to the United Nations.
- 2018/2019: the responsible purchasing strategy is rolled out for all tier-one suppliers.
- 2019: partnership with a global collaborative platform addressing the following questions:
  - how do we ensure that employees across our value chain are treated properly?
  - how can we be clear about the impact of new legislation on our business?
  - how can we attenuate risks in an interconnected, constantly changing business environment?

To help answer these questions, Chargeurs' suppliers have been asked to integrate our approach, which focuses on the following four areas:

- working conditions;
- human rights;
- the environment;
- bribery and corruption.

To ensure the accuracy of the reported information, on-site audits are being performed, starting with our own facilities in 2019 and continuing at all of our strategic suppliers in 2020.

Indicator

Number of on-site CSR audits performed:
7

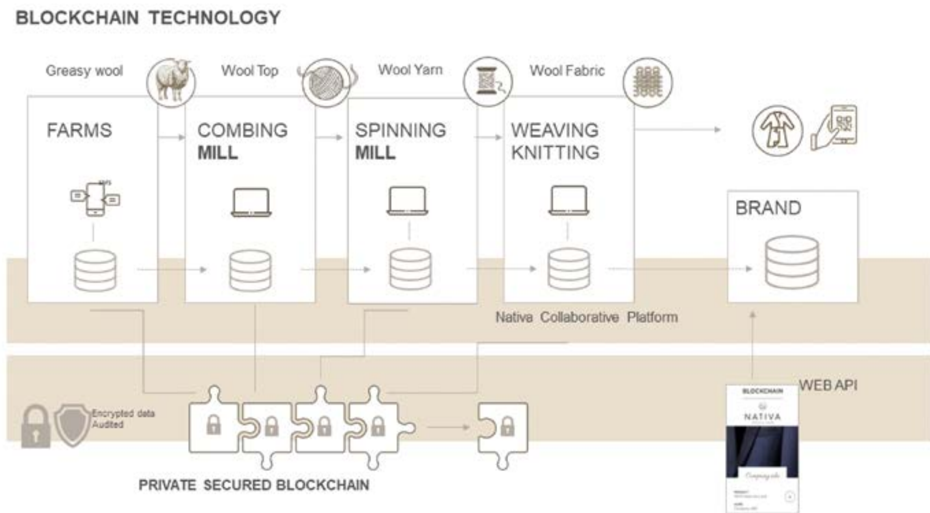
Structural initiative

- Ensuring animal welfare

Chargeurs Group is committed to the safety and welfare of animals in its operational processes. The implementation of an international label (Nativa Precious Fiber) guarantees that the wool it uses derives from a responsible approach to animal welfare, suppliers across the production chain and the environmental impact of its operations. It sets an unrivaled standard of excellence that promotes traditional expertise while relying on blockchain technology to guarantee traceability.

Blockchain is a decentralized digital database that uses encryption to protect stored information from tampering. It has become the new benchmark for ensuring traceability in complex supply chains.

The CLM Blockchain perfectly embodies the division's responsible supply chain strategy and is used by all Nativa-certified partners throughout the wool processing cycle.



Indicator

Number of Nativa Precious Fiber-certified farms:

234

farms (up 650% from 2018)

3.4.3. EFFICIENT, LOW-CARBON PRODUCTION FACILITIES

6 CLEAN WATER AND SANITATION

13 CLIMATE ACTION

Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Target 13.2: Integrate climate change measures into national policies, strategies and planning.

Structural initiatives

- Ensuring proper management of our energy resources and gas emissions.
- Ensuring the environmental effi ciency of our processes.

To address environmental issues, fundamental commitments have been undertaken to:

- uphold human rights and respect animal welfare;
- operate resource-efficient, low-carbon production facilities;
- make our supply chain more robust and efficient.

Indicators

2%
reduction in CO_2 emissions compared with 2018.

CO_2 emissions in tonnes per million sq.m of output

2%
reduction in water use compared with 2018.

Water use in cubic meters per million sq.m of output

All Group businesses are striving to improve the environmental efficiency of their manufacturing processes and are committed to minimizing their use of resources.

Consequently, to offset the water-intensive nature of CLM's wool scouring operations, the Lanas Trinidad wool combing mill in Uruguay built a rainwater catchment system capable of holding one million cubic meters. Waste water is treated by means of a completely natural process and used for purposes such as irrigating local crops. The system also captures the resulting biogas, which is then burned to produce a quarter of the electricity used by the mill.

Furthermore, all Chargeurs entities work hard to fight resource waste. CTS managed to reduce waste by 40% in 2018.

The Group's R&D teams are all committed to developing cleaner solutions and substantially reducing the overall environmental impact of their operations. Recycled raw materials have already been worked into their innovative products. With its deep commitment to eco-design, Senfa (CTS) developed the Alterra range of products that use the equivalent of two recycled plastic bottles in each square meter of fabric.

Recycled plastic bottles are also recovered and reused to make the interlinings marketed in the Sustainable 50 line, launched in September 2019 by Chargeurs-PCC Fashion Technologies.

To further emphasize its commitment to a responsible approach, the business unit funded the planting of 3,000 trees in Zambia to offset the carbon emissions generated by the product line's launch event held in Shanghai.

The project was deployed in partnership with WeForest, a reforestation initiative that restores forest landscapes to help eliminate excess carbon dioxide.

The WeForest initiative has also enabled us to offset our global travel carbon footprint.

Find out more at www.weforest.org/partner/chargeurs-pcc

WeForest
Making Earth Cooler

In September 2019, the CPF plant in Sessa Aurunca, Campania, Italy commissioned a new film production line, which is the world's first to be able to apply both emulsion and solvent-based coatings. In addition to its excellent productivity and high-quality output, the plant leads the way in employee relations, social responsibility and environmental performance (see box).

CPF'S NEW TECHNO-SMART PRODUCTION LINE: A ZERO-EMISSIONS PRODUCTION FACILITY

By tracking the environmental efficiency of its processes, Chargeurs is committed to ensuring the proper management of its energy resources and emissions and to developing circular economy capabilities.

In January 2020, Chargeurs Protective Films' Italian production plant demonstrated the success of its industry 4.0 project, which was brought on stream in record time. Jam-packed with the latest high-tech innovations to optimize its resource management and energy use, the new Techno Smart Coating 1 (TSC1) unit is already outputting 20% more product than initially expected, just four months after start-up. The productive model addresses concerns aimed at reducing the impact of industrial machinery on people and the environment. The massive capital expenditure committed to deliver this performance and the deployment of ambitious recycling solutions attest to the Group's determined response to these issues.

The new, one-of-a-kind machine, whose unique design reflects the combined expertise of CPF and three different suppliers, offers clear improvements on existing equipment at each of its control consoles or "heads."

The motor that unwinds the reels of film, which can weigh up to 2.5 tonnes, is coupled to a system that recovers the reel's inertial energy to power another motor. The resulting power savings, which are significant, help to improve the plant's energy efficiency and, ultimately, its carbon footprint.

Each stage in the coating process (gluing, inking and coating) is managed by a program that determines, for each reel, the quantity of material, the application temperature and the film's surface tension, created by an electrical discharge. All these parameters can be very precisely regulated, allowing for the extremely accurate management of the way in which process materials are used to avoid unnecessary loss and wastage. Coating operations are performed in a closed environment, surrounded by glass enclosures that protect the operators from volatile emissions and eliminate any risk of inhalation.

This same rational approach was applied to the machine's nine curing ovens. To use as little power as possible, the unwinding speed, the air pressure that keeps the films on the reels and the amount of air sent by the fans can be precisely adjusted to each product. Upstream, another critical stage in the production cycle involves the preparation of adhesives, which were previously mixed in 1,000 kg drums before each run. However, because the mixture became too vicious to use after sitting for more than an hour, if the machine broke down, the entire batch had to be discarded. Now, the adhesive is prepared just-in-time, in only 40 kg batches, as orders are logged on the control computer. Here too, the use of new technologies drastically reduces waste in the event of stoppages.

More generally, the line's extensive automation has made the process much more stable, with a corresponding improvement in the quality of the surface protection films. Sensors detect the amount of adhesive deposited on the products. The entire machine is equipped with alarms that sound as soon as the detected amounts deviate from the settings.

The real-time collection and analysis of centralized data keeps operators constantly informed of everything that is happening on the line. This is critically important in the event of an anomaly, when quick operator response can save a production run, limit the non-conformity margin and therefore the amount of product that has to be regraded.

A new solvent recovery unit, built outside the plant, clearly embodies the Group's overarching commitment to reducing its impact by recovering and repurposing solvents from excess coatings, adhesives and inks used on the two production lines. The unit is the largest in Europe, with capacity to process 300,000 cubic meters of solvent an hour at a yield of 98%. The waste water separated during the process is fed into the steam generator for reuse.

The third core component of the new facility is a regenerative burner that is also helping to improve the plant's energy performance. The solvent-laden exhaust from the curing ovens heats a ceramic column, whose radiating heat maintains the mixture's self-combustion, which in turn keeps the oven temperatures very high.

This heat transfer correspondingly reduces the use of natural gas and the atmospheric emissions it releases.

The impact on employees has also been addressed by a variety of systems to mitigate disamenities. A safer, more comfortable working environment is supported by segregating solvents, dampening machine head noise with cabins or sound-absorbent panels in the solvent recovery unit, raising air pressure in the workshop to prevent dust ingress and fully automating the warehouse. In addition, training and upskilling plans are underway to prepare employees for assignment to Techno Smart Coating 1 control stations.

The machine's start-up has spurred a sustainable increase in business in a region of southern Italy where unemployment is high, particularly among young people. Of the 42 jobs to be created over the next three years, 34 have been filled, with a priority focus on hiring locally. Neighboring contractors were commissioned to assemble the machine and install its electrical systems, under the supervision of the manufacturers. The new facility's positive impact on the local community has already been praised by public authorities, who responded very favorably to the project and encouraged its implementation. The location is also ideal in terms of logistics, with the nearby ports of Naples and Salerno enabling the Group's higher value-added products to reach leading manufacturers around the world.

The TSC1 teams in Sessa, Italy at the official inauguration on October 24, 2019.

3

3.4.4 SUPPORTING OUR EMPLOYEES

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.8: Protect labor rights, promote safe and secure working environments and ensure that all workers are protected, including migrant workers, in particular women migrants, and those in precarious employment.

The risks identified in section 2 show that the Chargeurs Group operates within an ecosystem of close relationships with stakeholders, who act as a mirror for the activities of the Group's different businesses. With respect to the major societal risks that arise from the gender imbalance in manufacturing, consumer/user perception of its products, and corruption or fraud, Chargeurs has chosen positions that are clear to all its internal and external partners. Its commitments are grounded in (i) the Code of Conduct, which upholds human rights, promotes women's representation in its executive bodies and supports training for all employees; and (ii) an uncompromising priority focus on employee safety.

The Group's workforce has increased steadily over the years and now exceeds 2,000 employees on four continents.

At Chargeurs, managing talent is guided by the diversity of our teams. Ensuring the best possible working conditions for our employees and offering them effective training at every stage of their career are core commitments.

Ensuring the best possible working conditions for our employees starts by providing them with a safe working environment.

Structural initiatives

First held on November 13, 2017, Safety Day highlights Chargeurs' efforts to strengthen its risk prevention policy. The health and safety of our employees, partners and subcontractors is an absolute priority across the organization. The aim of this day, held once a year, is to raise awareness and to encourage all of the Group's entities to review the mandatory notices displayed in their premises as well as their safety instructions, and also to update their staff training.

To reach its zero-accident target, Chargeurs is committed to instilling a culture of safety at every production plant and will continue to hold Safety Day events to seize every opportunity to move forward, with a view to raising awareness and empowering everyone to drive continuous improvement.

A communications campaign was developed to heighten vigilance and sharpen reactions at every stage of operations, while further developing a genuine safety culture that goes beyond mere compliance with regulations and standards. The campaign included site visits and training, and ran throughout the year.

In 2018 and 2019, Safety Day expanded on the procedures adopted by the teams to improve safety for all Group employees.

The occupational accident frequency rate improved in 2019.

Indicator

Occupational accident frequency rate:

10.17%

4 QUALITY EDUCATION

Target 4.4: By 2030, substantially increase the number of young people and adults with the skills, particularly technical and vocational skills, needed for employment, decent jobs and entrepreneurship.

Ensuring the best possible working conditions for our employees also means guaranteeing regular access to training aligned with their needs at every stage of their career.

Structural initiatives

To sustain the Group's expansion, particular attention is paid to the talented individuals who make it what it is today. Most of the people who work for Chargeurs' businesses are passionate about what they do. Their commitment is needed to ensure that the quality of Group products and services remains high. "Passion" is one of the Group's values, as are "Commitment," "Boldness," and "Reliability." These values, which are shared by everyone in the Group, must be imparted to new employees as soon as they join.

This is why Chargeurs has developed several programs to welcome new staff, guide talented young employees, and help experienced managers roll out the Game Changer strategy in the field.

The "Onboarding" and "Executive Talents" programs spread a Group culture of high standards by exploring concrete operational problems with program participants.

In one example, in 2017 Chargeurs worked with ESMT Berlin and its Hidden Champions Institute to develop and introduce an exclusive management training program to support the roll-out of the Game Changer plan among its TOP 100 executives. The program gave the participants certain challenges so that they could propose solutions for problems faced by the Group. The proposals were presented to the Executive Committee, which then decided whether to implement them. Of the five challenges set in 2018, one (Amédée 1851) has already been rolled out and three others have been approved. The challenges submitted by participants in 2019 were transferred to the business units for review and development.

In all, 52 managers from all four Chargeurs businesses around the world have participated in these programs since their launch in 2018. A new round is scheduled for 2020.

At the same time, training for front-line teams is continuing apace. In 2019, for example, the CPF business unit opened the Novacel Academy at its plant in Déville-lès-Rouen, France, both to upskill the local teams and to maintain the job capabilities and expertise of all Novacel employees. Its curriculum is based on modules, taught by business unit managers, that were all developed in-house during the year and trialled with 30 people in a pilot session in the second half. New hires will now be able to attend the Academy's induction program, following a multi-module curriculum defined according to their needs. The Novacel Academy will be fully operational in 2020 and will be gradually opened to outside professionals.

Novacel Academy

In Péronne, France, at Chargeurs PCC Fashion Technologies, managerial skills had to be updated to keep pace with the fast changing textile and fashion markets. In response, training programs were introduced to support employees in their personal and professional growth.

Other initiatives undertaken included:

- extensive induction programs offered to every new hire, to support their smooth entry into the company;
- following a recent acquisition in 2018, wide-ranging advanced product knowledge acquisition programs are being offered to all of the local sales forces, to improve their competitiveness and technical understanding;
- to share the Group's values across all the business units, Chargeurs PCC Fashion Technologies employees all received training in how to comply with the current Code of Ethics.

At the same time, an innovative process was deployed in 2019 to encourage employees to embrace CSR issues. It involved six workshops for employees at the Lainière de Picardie facility in France, who devised results-oriented action plans to implement Group-defined guidelines. Examples include:

- the development of a CSR survey at the facility;
- a project to plant 190 trees, one per employee, in the second half of 2020;
- an energy audit;
- the comprehensive mapping of the facility's raw materials transportation and routing systems (upstream/downstream supply chains, road, road-rail, maritime and air transportation);
- product proposals to expand the Sustainable Fifty line;
- quality of life at work initiatives, such as offering on-site osteopath sessions once a month;
- initiatives to raise awareness among fashion school students about interlinings and their use (creation of a Young Designers Club);
- initiatives to promote the employer brand, such as having employees in different job sectors help to create testimonial videos presenting Lainière de Picardie and their jobs;
- organization of a local sports event, "La Courcelloise", to be held in mid-September 2020 to support a public-interest cause.

This initiative will be developed and extended to other Chargeurs-PCC facilities in 2020.

Meanwhile, top management receives specialized training from first-rate educational institutions such as Harvard Business School.

Chargeurs has chosen to invest in its talented employees so that they can develop within the Group over the long term, and has specifically tasked its HR departments with ensuring they are given the means and resources to enrich their expertise. The Group has stepped up its training efforts for all employees since 2017. These efforts were the direct result of the Group's determination to support the changes taking place by providing more resources for its employees.

Similarly, the ability to integrate new employees is critical during a stage of external growth. Chargeurs therefore places a special focus on its onboarding programs for people joining the Group, and is committed to tailoring its programs to individual needs. New employees are presented with an overview of the entire Group, which sometimes includes site visits. These are then followed up with specific programs for their business. The Group's governance is directly involved in these programs, along with the managers of projects in the acquisition stage who are there to ensure that the handover and integration of entire teams is seamless.

In addition to these training programs, a wide range of team-building initiatives were deployed in 2019. Two of the most effective, particularly in terms of visibility, were the organization of Pink Day and our employee volunteers registering for the New York City Marathon on November 3.

BUILDING EXCITEMENT AND A SENSE OF COMMUNITY: PINK DAY AND THE NEW YORK CITY MARATHON

On October 25, Group employees were asked to support the fight against breast cancer. Dressed in specially designed t-shirts made from recycled materials, employees at the various facilities were invited to submit photos of their event, illustrating the local initiatives they had taken to support the cause. Participation and employee enthusiasm were very high, as seen in the photos below.

A few weeks later, attention turned to sports and the employees who had dared to take up the challenge of the New York City Marathon. Fourteen runners, urged on by the entire Group and tracked in every facility on a dedicated application, took part in this iconic and hugely popular event.

All of these initiatives and programs are also supporting the organizational changes within the Group, the globalization of its management and the alignment of its teams.

Indicator

Change in the number of training hours per employee:

up 12%

in 2019, to 19 hours of training.

3.4.5. DEVELOP THE CIRCULAR ECONOMY

- **Target 6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- **Target 6.5:** By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.
- **Target 7.2:** By 2030, substantially increase the share of renewable energy in the global energy mix.
- **Target 9.2:** Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

The circular economy at CLM

A key phase in CLM's wool-processing operations involves scouring the raw wool, which requires enormous quantities of water. To meet this need sustainably, the Lanas Trinidad wool combing mill in Uruguay draws 800 cubic meters of water a day from a large, purpose-built rainwater catchment system, capable of holding one million cubic meters.

All the scouring effluent is then returned to an all-natural treatment system on a nearby 140-hectare farm, which uses bacteria to purify the water and recover the wool grease.

Once treated, the clean water is used to irrigate local crops. The innovative system also recovers the resulting biogas, which is then burned to generate a quarter of the electricity used by the facility.

In 2019, the Lanas Trinidad combing mill was awarded the Circular Economy Trophy by the National Agency for Sustainable Development (ANDE) and the United Nations Partnership for Action on Green Economy (PAGE UN).

The circular economy at CPF

To sharply reduce the use and waste of raw materials and non-renewable energy sources, CPF has developed the Oxygen 3000 Vegetal line of films made from sugar cane, as an effective alternative to petroleum-based plastic films. They contain 92% green polyethylene, as verified by the ASTM D6866 test method.

What's more, the greenhouse gases emitted when growing and transporting the sugar cane and manufacturing the film are amply offset by the carbon absorbed as the plant grows.

Oxygen 3000 Vegetal releases 60% less carbon than a standard film and is 100% recyclable.

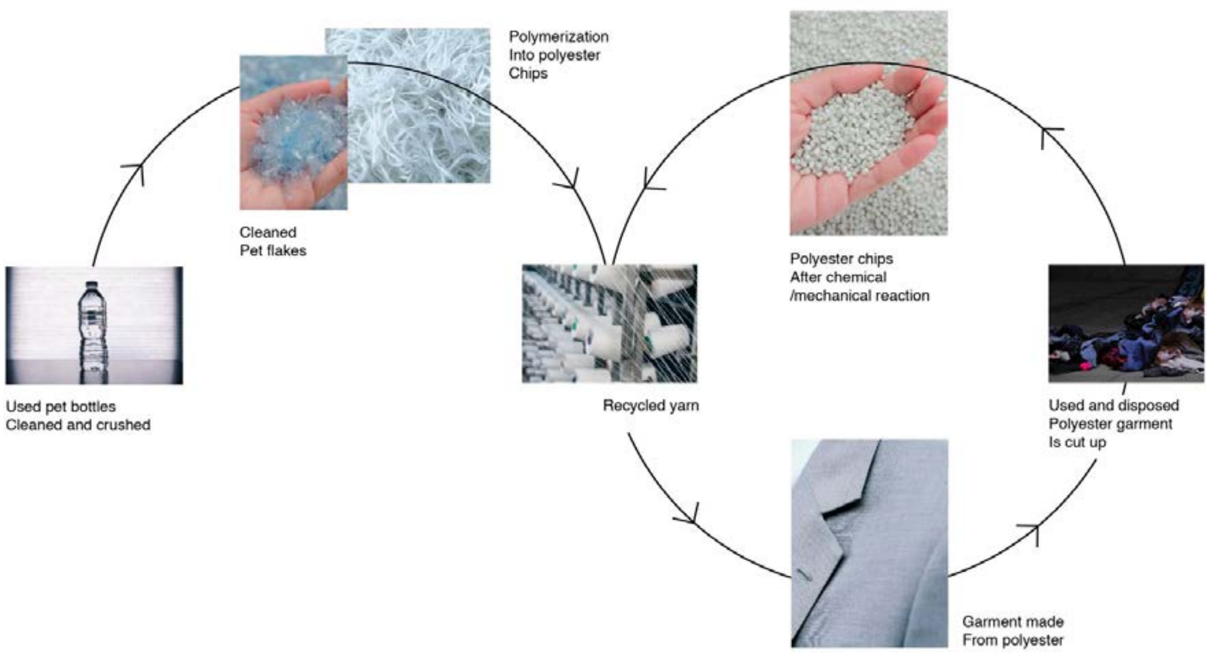
Compared to a standard film, using the same adhesive (4233), OXYGEN 3000 Vegetal performs just as well, delivering:

- the same mechanical properties;
- the same optical properties;
- the same bond strength;
- the same aging properties.

The circular economy at Chargeurs PCC

Sustainable 50 is a range of interlinings made from recycled or sustainable fibers, certified by global standard-setting bodies like the Better Cotton Initiative (BCI) and the Global Recycled Standard (GRS).

Their polyester yarn is made from plastic bottles and discarded clothing.



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The circular economy at CMS

Since 2010, SENFA has been pursuing an eco-design skills acquisition program to support the development of products that are both high-quality and environmentally friendly.

An eco-design management system is now in place, led by a multi-disciplinary project team (covering production, R&D, purchasing, marketing and sales) supported by an independent consultant.

This innovative approach has earned France's AFAQ Eco-design label, issued by AFNOR, an independent external certification body, based on audits performed every 18 months. The label complies with internationally recognized standards such as ISO 9001, ISO 14001, ISO/TR 14062 and ISO 14006.

The AFAQ Eco-design label assesses how well a company is applying the eco-design principles specified under international standards. SENFA has been certified at level 3 (Confirmed) out of 4 in the certification grid.

To make the environmental performance of its products more transparent, SENFA is able to display the environmental impacts of its products throughout their life-cycle, thereby addressing issues related to raw materials.

(Eco-sourcing), manufacturing (reducing emissions), use (safe products) and end-of-life (recycling). This process results in:

- products free of substances of concern;
- the use of products designed to limit energy consumption;
- products made from recycled materials;
- thin and light SENFA products that use fewer resources.

3.5. CUSTOMER TESTIMONIALS

Our customers are the best advocates of our practices. Chargeurs has made a long-term commitment to developing its practices and policies by listening to what they have to say.

In keeping with this commitment, we have asked the Chief Executive Officers or Managing Directors of each business to summarize the challenges that CSR poses for their operations. We also asked external customers to tell us about their partnership with Chargeurs.

The following observations illustrate the above-mentioned commitments and will serve as the building blocks for our continuous improvement process.

3.5.1. THE POINT OF VIEW OF A CPF CUSTOMER: MIRALU

LAURENT DEROLEZ, CHIEF EXECUTIVE OFFICER, CHARGEURS PROTECTIVE FILMS

"Above all, CSR offers us an opportunity to develop a forward-thinking vision resonant with the expectations of our customers, who are looking for solutions that both protect the environment and foster a sense of well-being at work. We have developed and brought to market innovative projects that specifically meet these new needs."

A partnership that considers social impacts: Novacel and Miralu

Based in Saint-Chamont in the Loire region, Miralu is one of France's leading suppliers of pre-coated powdered aluminum coils and sheets for the building industry. It has experienced sustained growth since it was founded in 2002. Miralu's customers are mainly distributors, but also include installers, facade builders and architects. It has supplied panels for large-scale projects such as the Tottenham Hotspur Stadium in the London suburbs and the Eurexpo convention center in Lyon. For the past 15 years, the SME, which employs 35 people, has been working with Novacel, a leader in protective films.

It uses a variety of Novacel-brand technical films, such as Low Noise and Olympeaks, which are ideal for protecting the various surfaces in the Miralu range, from the production cycle to delivery to end-users.

"Novacel is a very reliable supplier, with products that meet our expectations in terms of quality and comply with our standards in terms of performance. Their teams understand our needs very well. As well as being highly capable, they are always available and provide a very satisfactory service," says Salem Benmamar, Miralu purchasing manager and the driving force behind this special relationship.

Leveraging the strength of this relationship, four years ago, Miralu began working with Asidium, Chargeurs Protective Films' machinery division, to develop a prototype laminator for applying surface protection films to aluminum coils. It was built to specifications prepared jointly by Miralu's R&D department and the technical teams from Asidium's Walco division. Most of Miralu's operators have now been trained to use the new laminator in the most efficient way possible. The machine can apply millions of square meters of film per year.

3.5.2. THE POINT OF VIEW OF A CHARGEURS PCC FASHION TECHNOLOGIES CUSTOMER: ITOCHU International Inc.

ITOCHU Prominent USA LLC

ANGELA CHAN, MANAGING DIRECTOR, CHARGEURS PCC FASHION TECHNOLOGIES

"Our shared model focuses on running a sustainable, responsible business. CSR encourages us to deploy best practices across our organization. We treat every employee, customer and supplier with the same respect and the same dedication to inclusiveness."

Supporting a customer's commitment to quality and responsibility: Itochu Prominent USA LLC

Japan's Itochu, a global manufacturer of textiles, materials and apparel, has been a loyal customer of Chargeurs PCC Fashion Technologies for more than ten years. Richard Zhao, Itochu's Production Director, Global Sourcing for menswear, emphasizes the trusting ties between his company and Chargeurs PCC Fashion Technologies Fashion Technologies: *"Chargeurs is a reliable supplier, and we're happy to work with their teams."*

Chargeurs' commitment to sustainable growth and fashion was a key selection criterion for Itochu, which has long been involved in CSR issues. *"We appreciate the careful attention that Chargeurs pays to sustainability, community outreach and social compliance,"* says Zhao, adding that Chargeurs PCC Fashion Technologies's recommended solutions are supporting the deployment of Itochu's own CSR policies. Chargeurs PCC Fashion Technologies also recovers yarn from Itochu's Renu unit and gives it a new life in the form of recycled polyester products. This partnership perfectly illustrates the drive for innovation impelled by the responsible approach taken by these two giants of the global fashion industry.

3.5.3. THE POINT OF VIEW OF A CMS CUSTOMER: REPLAN

SAMPIERO LANFRANCHI, MANAGING DIRECTOR, CHARGEURS MUSEUM SOLUTIONS AND ADVISER TO THE CHAIRMAN

"We firmly believe that CSR creates value. Our enthusiasm for eco-design and our concern for the environment, human resources and societal issues truly set us apart from the competition and encourage our clients to maintain our relationship over the long term."

The Eco Materials range: providing powerful support for Replan's CSR approach

Shopfitting specialist Replan, which designs store interiors for retailers like Sports Direct, the UK's largest sporting goods chain, works closely with Leach, a Chargeurs Museum Solutions consolidated company.

Replan recognizes the quality of the materials used by Leach, which enhance the design of in-store promotional displays.

Time spent fitting out stores means lost revenue for the retailer, so Replan has to constantly meet very tight customer deadlines. This makes Leach, with its agile responsiveness, a valued and reliable partner.

This guaranteed service is backed by product solutions that combine high quality and consideration for the environment: *"I like that Leach has a process in place to reduce industrial waste. Leach's commitment to the environment, which is so important in today's economy, was a factor in my decision to use the Eco-Materials range,"* says Aaron Eaton, CEO of Replan.

This choice is one of the drivers of the Company's CSR approach: *"We are constantly looking for ways to optimize waste management. Using Leach's Eco Materials range has helped to improve our CSR performance,"* he adds. Today, Chargeurs Museum Solutions and Replan are continuing their strong commitment towards improvement.

3.5.4. THE POINT OF VIEW OF A CLM CUSTOMER: DORMEUIL

FEDERICO PAULLIER, GENERAL MANAGER, CHARGEURS LUXURY MATERIALS

"We're the market leader, so obviously we have to set the example. That's why we're working hard to steer the entire industry towards better practices."

Traceability of CLM wool: an important part of Dormeuil's CSR policy

For the past two years, Chargeurs Luxury Materials has been supplying Dormeuil, a long-standing French brand of luxury fabrics, some of which are made from Nativa merino wool. The company's sourcing policy is based on well-defined CSR criteria, meaning it buys only the finest quality wool produced with respect for every stakeholder and a concern for animal welfare, and having the least possible impact on the environment. Dominic Dormeuil verified all these criteria during his visit to the sheep farms that Chargeurs works with in Patagonia. Dormeuil also feels that its supplier relationships are in fact partnerships and a source of mutual gains. That's why the supplier has to be open to innovating to deploy more sustainable processes, in pursuit of a shared vision and common goals. *"Our relationship with Chargeurs is constructive and based on a future-facing, win-win partnership,"* confirms Alda Roque, the brand's operations director. *"The fact that Chargeurs was the first to introduce blockchain technology in the textile industry was a significant step forward in line with Dormeuil's CSR strategy, in which traceability plays a major role,"* she adds. For Chargeurs, this is a key factor that makes them stand out. The Group is ready to support its customer in meeting the next challenges it wants to address in working towards sustainable development.

3.6. NON-FINANCIAL PERFORMANCE STATEMENT CROSS-REFERENCE TABLE

The Group's major risks/opportunities	Structural initiatives	Indicators	2018 Results	KPIs
Guaranteeing the independence of the members of the Board of Directors is a strong governance criterion that ensures decisions are taken in the interests of the Group and its stakeholders.	New independent director	Ratio of independent directors	3 independent directors	50%
Ensuring director attendance Ensuring that the members of the Board of Directors attend meetings means the quorum can be achieved and decisions taken are valid. The Board of Directors makes strategic decisions that are essential for the Group's long-term success.	Increase in Directors' fees On-site visits	Director attendance	5 meetings, with only one director absent at one meeting	94%
Ensuring proper representation of women in executive bodies A direct correlation between the percentage of women in management and improved business competitiveness, growth and job creation has been proven. *84% of companies with a strong percentage of women in executive positions have delivered significantly higher sales and earnings, 60% of companies with a strong percentage of women in executive positions have delivered higher investment returns and 46% of companies with a strong percentage of women in executive positions have delivered higher returns on capital. Source: economiematin.fr*	Women in management	Percentage of women in the Group's TOP 50 executives	17 of the Group's TOP 50 executives are women	34%
Ensuring respect for human rights through a strong and effective supply chain and the implementation of responsible practices at each stage in the process is a permanent challenge for the Group.	Responsible purchasing	Number of on-site CSR audits performed:	7	+7
		Working conditions		
		Human rights		
		Environment		
		Corruption		
Ensuring effective training Increasing the Group's employees and integrating new staff are also challenges for the Group, particularly in terms of training, skills development and management.	Onboarding Talents and Executive Talents programs	Change in the number of training hours per employee	19 hours	+12% from 2018
Ensuring the best possible working conditions for our employees Chargeurs Group's commitment to permanently improving working conditions and safety for greater productivity goes beyond its legal obligations.	Safety Day	Occupational accident frequency rate	10.17%	10.17%
Ensuring proper management of our energy resources and gas emissions Limiting our impact on climate change primarily means managing our energy use and our air emissions.	Promoting a circular economy and designing products made from recycled materials	% change in CO_2 emissions in tonnes per million sq.m of product	55 tonnes of CO_2/ million sq.m	-2% from 2018

The Group's major risks/opportunities	Structural initiatives	Indicators	2018 Results	KPIs
Ensuring the environmental efficiency of our processes By calling into question the efficiency of certain processes, the circular economy produces similar results using less energy, less water, fewer raw materials while generating less waste and less pollution. It also encourages more innovation and the development of eco-responsible products that places the Group ahead of the competition on tomorrow's markets.	Managing natural resources Nativa Precious Fiber Lanas Trinidad	% change in water consumption in cubic meters per million sq.m of product	651 cu.m/million sq.m	-2%
Ensuring animal welfare	Implement the first label guaranteeing the traceability of wool throughout the value chain, from producer to end-customer	Number of Nativa Precious Fiber-certified farms	234	650%

3.7 SUMMARY TABLE OF HUMAN RESOURCES INDICATORS

Employees	Definition	Measurement unit	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019
Total employees	Employees on payroll at December 31	Employees on permanent and fixed-term contracts	1,567	2,072	2,095
Employees by business	Group employees by business	Headquarters	21	24	24
		Protective Films	678	720	724
		PCC Fashion Technologies	763	1,129	1,126
		Museum Solutions	80	175	189
		Luxury Materials	25	24	32
Employees by region	Group employees	Europe	876	955	995
		Asia (including Africa/Oceania)	393	789	778
		Americas	298	328	322
	Chargeurs Protective Films	Europe	71%	70%	71%
		Asia (including Africa/Oceania)	7%	4%	4%
		Americas	22%	25%	25%
	Chargeurs Fashion Technologies	Europe	36%	21%	22%
		Asia (including Africa/Oceania)	46%	67%	66%
		Americas	18%	12%	12%
	Chargeurs Museum Solutions	Europe	100%	100%	100%
		Asia (including Africa/Oceania)	0%	0%	0%
		Americas	0%	0%	0%
	Chargeurs Luxury Materials	Europe	72%	46%	50%
		Asia (including Africa/Oceania)	16%	17%	13%
		Americas	12%	38%	38%
Gender parity	Group employees	Number of men	1,159	1,452	1,434
		Number of women	408	620	661
		Percentage of women	26%	30%	32%
Training hours	Time spent in training	Average training hours per person	13 hours	17 hours	19 hours
Accidents	Frequency rate: number of occupational accidents per million hours worked	Occupational accidents resulting in at least one day lost time	7.75	11.41	10.17
	Severity rate: number of days lost per thousand hours worked	Days lost due to an occupational accident	0.49	0.57	0.39
Payroll costs	Annual payroll costs *(in € millions)*	Employees of fully consolidated companies worldwide	87.1	92.3	98.9

3.8 REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

Report by the auditing body

For the year ended December 31, 2019

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,

As requested by Chargeurs SA (hereinafter the "entity") and in our capacity as an independent third party certified by COFRAC under number 3-1081 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended December 31, 2019 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the guidelines used by the entity (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Independence and quality control

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

Report by the independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 3 I and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the consistency of products and services with the applicable regulations.

Nature and scope of our work

We performed our work in accordance with the standards applicable in France defining the conditions under which the independent third party performs its engagement and with ISAE 3000.

Our work was conducted between November 29, 2019 and February 27, 2020, for a total of around 15 person-days.

We conducted 12 interviews with the people responsible for preparing the Statement.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the labor and environmental risks associated with their activities, and the impact of those risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in article L. 225-102 1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;

- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important, we implemented:
- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities(1) and covers between 13% and 14% of the consolidated data relating to the key performance indicators and outcomes selected for these tests(2).

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

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

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Lyon, March 9, 2020

FINEXFI
Isabelle Lhoste
Partner

(1) Main Tape in the United States, Leach in the United Kingdom and LPBC in France.

(2) Selected information listed in the appendix.
– we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
– we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

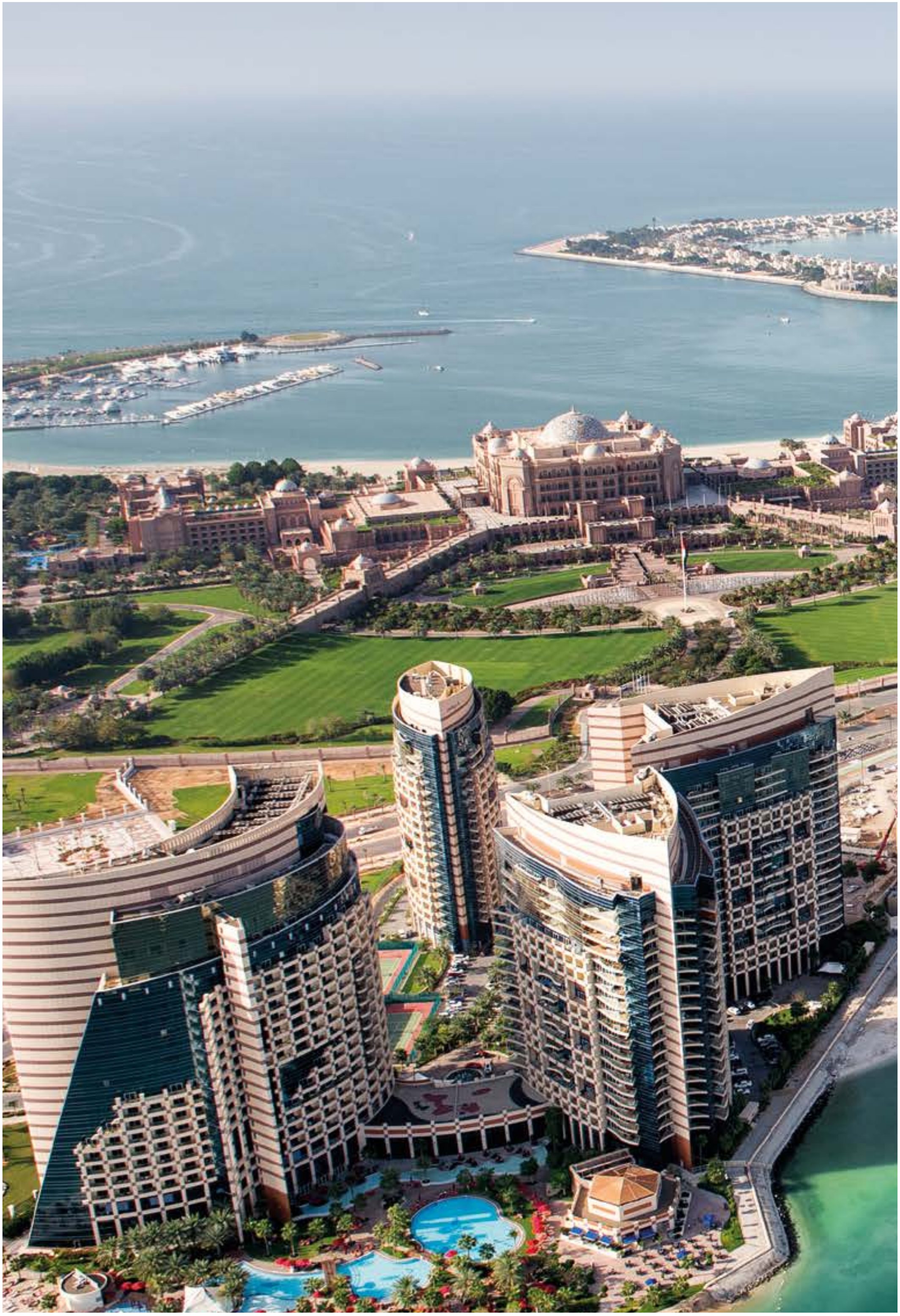
APPENDIX: LIST OF CSR INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

Key performance indicators and other quantitative indicators:

- Percentage of independent Board members in 2019;
- Director attendance;
- Percentage of women in the TOP 50 executives;
- Reduction in CO_2 emissions compared with 2018;
- Reduction in water consumption compared with 2018;
- Occupational accident frequency rate;
- Number of training hours per employee;
- Quantity of non-hazardous waste produced.

Qualitative information (measures and outcomes):

- Code of Conduct;
- Global Compact support;
- Responsible purchases and number of on-site CSR audits performed;
- Respecting animal welfare and number of Nativa Precious Fiber-certified farms;
- Initiatives underway in audited facilities to reduce CO_2 emissions;
- The circular economy at CMS;
- The creation of Novacel Academy;
- The Onboarding and Executive Talents programs.



04

CORPORATE GOVERNANCE

This chapter comprises the Board of Directors' report on corporate governance prepared in accordance to articles L. 225-37 and L. 225-68 of the French Commercial Code.

After the Board committees reviewed the matters within their remit, the report was approved by the entire Board on March 4, 2020 and submitted to the Statutory Auditors.

Chargeurs' business model is built upon two main characteristics:

- an organization that operates according to a decentralized model, whereby the parent holding company, Chargeurs, focuses on actively overseeing all of the business units and subsidiaries, while centrally driving the Group's growth and transformation strategies, and each of the business units is led and managed by a full executive committee;
- the presence of a reference family shareholder, Colombus Holding SAS, itself controlled by Groupe Familial Fribourg, a highly engaged investor that plays an active role in the Group's governance and in expressing its long-term vision and corporate mission.

These two fundamentals shape the Group's governance structure and create a corporate culture in which good governance practices figure prominently among the Group's key success factors.

4.1. CORPORATE GOVERNANCE FRAMEWORK

REFERENCE FRAMEWORK

Chargeurs' Board of Directors has chosen to use the Corporate Governance Code for Small- and Mid-caps published by Middlenext in September 2016 and available on the Middlenext website 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 aligned with its specific characteristics and needs, based on a set of rules capable of supporting its sustainable business development over time. As part of this continuous improvement process, the Company has relied heavily on the Middlenext Code, to the extent that today all of the Code's recommendations have been effectively applied.

Board members have also reviewed the Code's "red-flag" issues (*points de vigilance*), i.e. issues that should be addressed to ensure that the governance system operates smoothly. The directors recognize that the purpose of these red flags is to encourage the Board to consider these issues, without necessarily having 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.

In recent years, the Company has introduced a number of significant improvements and upgrades to the governance system, including:

MARCH 2016
Board Rules of Procedure

DECEMBER 2016
Preparation of an explanatory guide to preventing insider trading and misconduct.

2017
Pledge to support the UN Global Compact, deployment of a Code of Conduct and creation of an Ethics Committee.

2018
Appointment of a woman to the executive team at CFT-PCC.

APRIL 2018
Creation of an Acquisitions Committee.

MAY 2019
Women and independent directors each account for half of all Board members.

DECEMBER 2019
Preparation of an explanatory guide to directors and officers (D&O) liability insurance.

MIDDLENEXT CORPORATE GOVERNANCE CODE RECOMMENDATIONS THAT WERE NOT APPLICABLE OR WERE NOT APPLIED AT DECEMBER 31, 2019

As indicated above, the Company is deeply committed to continuously improving its governance practices and now complies with all the recommendations in the Middlenext Code.

In particular, on March 4, 2020, the Board of Directors amended its Rules of Procedure to bring its director independence criteria fully into line with the timeframes recommended in the September 2016 revised version of the Code for criteria (i) and (ii). In criterion (i), the length of time during which an independent director must not have been an employee or corporate officer was extended to five years 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 was extended to two years. Note, however, that the extension of these timeframes did not affect the status of the Group's independent directors, who in practice already met all of the Code's independence criteria.

4.2. GOVERNANCE STRUCTURE AND BOARD COMMITTEES

Chairman and Chief Executive Officer

Note that following the change in the Company's reference shareholder (Columbus Holding SAS) on October 30, 2015, the Board of Directors opted to change the governance structure by combining the positions of Chairman of the Board and Chief Executive Officer and appointed Michaël Fribourg to the new position.

Michaël Fribourg serves 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 combined position of Chairman of the Board and Chief Executive Officer

The decision to combine the positions of Chairman of the Board of Directors and Chief Executive Officer was informed by the Board's considered choice of a governance system that reflected Chargeurs' specific characteristics. It was accompanied by the introduction of balanced governance rules:

(i) A unified oversight and executive position is perfectly suited to the responsibilities exercised by Chargeurs, which is a holding company leading a Group operating in four niche segments, each of which has its own empowered executive committee. The Group's operating procedures and practices are therefore based on a devolved operational organization, with a separate Managing Director in each of the four business units and the whole led and guided by Chargeurs.

This governance structure gives the Group a strong, clear vision of its future prospects and developments, championed by a Chairman and Chief Executive Officer who has a deep, unrivaled understanding of the business lines and the operational challenges they face. It also facilitates highly efficient management, business development and reporting processes through regular, effective and trust-based exchanges between the Chairman and Chief Executive Officer and the business unit Managing Directors.

The Group's organization and Chargeurs' business lines also mean that the Board of Directors must take care to reduce the asymmetry of information with business unit executives. In this sense, the Chairman and Chief Executive Officer plays a critical role in relaying information to support the deliberations of the Board of Directors.

Dialog with the Board, as well as with shareholders, through a single point of contact fosters closer relationships and extensive, ongoing communication.

It avoids the juxtaposition of layers and interfaces, while enabling more responsive decision-making – an essential capability in dealing with today's fiercely competitive global marketplace and in supporting the strategic transformation and acquisitions-led growth strategy being impelled by the Chairman and Chief Executive Officer.

(ii) Combining the positions of Chairman and Chief Executive Officer was accompanied by the introduction of checks to ensure a balance of power and good governance. In particular:

- the Chairman and Chief Executive Officer is supported by a management body, the Executive Committee, which meets in limited format to approve any major decisions impacting the Group's operations and in plenary format to provide coordination between the head office and the business units;
- restrictions on the powers of the Chairman and Chief Executive Officer by the Board of Directors: the Board must give prior authorization for the acquisition of any company whose shares have been valued at €10 million or more. In practice, the Chairman and Chief Executive Officer keeps the Board of Directors properly informed and seeks its opinion before carrying out any external growth transaction;
- three Board committees are responsible for preparing the work of the Board in regards to the following areas: audit, governance and CSR (Audit Committee), compensation (Compensation Committee) and acquisitions (Acquisitions Committee).

Michaël Fribourg's current positions within the Company	Date first elected/appointed	Current term expires
Director	Oct. 30, 2015 Board meeting (appointed by the Board)	2021 AGM
Chairman and Chief Executive Officer	Oct. 30, 2015 Board meeting	2021 Board meeting (Chairman) 2023 Board meeting (Chief Executive Officer)

Powers of the Chairman and Chief Executive Officer

As Chairman of the Board of Directors, the Chairman and Chief Executive Officer (i) organizes and leads the work of the Board and reports thereon to the shareholders at General Meetings; and (ii) oversees the effectiveness of the Company's governance structures and monitors compliance with generally accepted governance principles and best practices.

As Chief Executive Officer, the Chairman and Chief Executive Officer is responsible for implementing the strategy decided by the Board of Directors and for managing the Company's day-to-day operations.

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 4.3.2 below.

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

The non-voting director is responsible for ensuring the strict application of the bylaws and corporate decisions. They are invited to Board meetings and participate in the deliberations in an advisory capacity, without their absence affecting the validity thereof.

At the Annual General Meeting of May 6, 2019, shareholders were asked to reelect Georges Ralli as non-voting director for a final three-year term so that the Group could benefit from his expertise and in-depth knowledge of the Group's businesses and activities at a time when it is undergoing a significant transformation.

They responded by reelecting him with more than 80% of the votes. Nevertheless, given the number of votes against his reelection, the Board of Directors does not intend to maintain a seat for a non-voting director after Mr. Ralli's term of office ends.

In accordance with its Rules of Procedure, which apply all of the criteria recommended by the Middlenext Code, the Board of Directors assesses the independence of its members by determining whether they:

- are an executive in the Company or the Group or have any particular ties with any of the executives of the Company or the Group;
- are now or in the past five years have been an employee or a corporate officer of the Company or another Group entity;
- are now or in the past two years have been a significant customer, supplier, competitor, service provider or banker of the Company or another Group entity, or for whom the Company or the Group represents a material share of its business;
- have a close family relationship with a corporate officer;
- are now or in the past six years have been a Statutory Auditor of the Company.

Having reviewed each of its members' situations on a case-by-case basis, the Board considers that it has three independent directors (Isabelle Guichot, Cécilia Ragueneau and Maria Varciu) as of the date of this Universal Registration Document.

Directors are elected for a term of three years, which is perfectly suited to the Company's operations and requirements. Their terms of office are staggered, as shown in the table in section 4.3.2 below.

Authorization concerning the Board's membership structure approved at the May 6, 2019 Annual General Meeting

At the Annual General Meeting on May 6, 2019, shareholders:

- elected Maria Varciu as an independent director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021;
- reelected Colombus Holding SAS as a director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021;
- ratified the appointment of Nicolas Urbain as a director to replace Emmanuel Coquoin, who had resigned, for the remainder of his term, i.e. until the close of the Annual General Meeting to be held on April 28, 2020 to approve the financial statements for the year ending December 31, 2019;
- reelected Isabelle Guichot as an independent director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021;
- reelected Georges Ralli as a non-voting director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021.

These changes were the outcome of a diligent selection process, supervised by the Board of Directors, as shown below:

DETERMINING THE PROFILE

- Identify the Company's needs in line with its strategic vision.
- Determine the required profile.
- Selection criteria: knowledge, skills, non-French national and/or woman to support a more diverse, multi-faceted Board.

CANDIDATE SEARCH

- Search for candidates matching the defined profile, in particular by using specialized headhunters.

SHORT-LISTING

- Careful short-listing based on the vetted criteria.

EVALUATION

- Interviews and in-depth discussions with the candidates.

DECISION

- Selection of the candidate by the Board of Directors.
- Election/ratification by shareholders at the Annual General Meeting.

INDUCTION

- Directors participate in seminars organized by the Group.
- Meetings with the Managing Directors of the business units.
- On-site visits.

Proposed resolutions to be submitted to shareholders at the Annual General Meeting of April 28, 2020

The following resolutions will be submitted to shareholders at the Annual General Meeting of April 28, 2020:

- the reelection of Cécilia Ragueneau as an independent director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022;
- the reelection of Nicolas Urbain as a director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

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 4.3.2 of the Universal Registration Document, which is published on Chargeurs' website. These profiles show a range of complementary skills and experience, representing a major asset for the Company.

In accordance with AMF recommendation 2013-20 issued on November 18, 2013, the Universal Registration Document includes a summary table setting out changes in the Board's membership during 2019, 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.

Board of Directors' Rules of Procedure

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 have been amended several times to bring them in line with legislation and the Middlenext Code:

Date	Purpose of the amendment
December 7, 2016	• Compliance with the revised September 2016 version of the Middlenext code. • Role of the Audit Committee 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.
March 6, 2018	• Role played by the Board of Directors in relation to succession planning for top executives and other key personnel. • Compliance with Government Order 2017-1162 dated July 12, 2017, which simplifies and clarifies the disclosure requirements applicable to French companies and introduced a new corporate governance report that now falls within the remit of the Board.
April 16, 2018	• Creation of an Acquisitions Committee.
March 4, 2020	• Compliance with article L. 225-35 of the French Commercial Code, as amended by Act 2019-486 dated May 22, 2019 on business growth and transformation (PACTE Law), which clarified the Board's role and mission by including, in particular, consideration of the Company's labor and environmental issues. • Adoption of the Middlenext Code timeframes for the two criteria for determining a director's independence: (i), he or she must not have been an employee or corporate officer of the company or its group in the past five years (instead of three previously), and (ii), he or she must not have had significant business relations with the company or group over the past two years.

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

As regards the new provisions of the PACTE Law governing the implementation of a control procedure for regulated agreements, and in the absence of agreements that fall within the scope of regulated agreements other than those examined by the Meeting, the Board of Directors, which has not identified any regulated agreements that fall within the scope of the PACTE Law, will be provided with a specific legal assessment of said new provisions to establish the scope covered by agreements that are not regulated agreements and will decide, based on this assessment, which specific procedure is to be set in place should such a procedure apply.

Professional ethics and conduct

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 2019.

Related-party agreements in 2019

No new related-party agreements or undertakings were authorized or signed in 2019. The only related-party agreements that remained in force during 2019 were the non-compete agreement with Michaël Fribourg and the agreement defining his termination benefits, as described in section 4.4.1.2 below. In accordance with former article L. 255-42-1 of the French Commercial Code, repealed by Government Order 2019-1234 dated November 28, 2019 regarding the compensation of corporate officers of listed companies, these agreements were originally authorized by the Board of Directors on March 8, 2017 and approved at the April 20, 2017 Annual General Meeting. They were subsequently reviewed every year by the Board (on March 6, 2018 and March 11, 2019) and approved by shareholders at the Annual General Meeting (on April 16, 2018 and May 6, 2019).

Related-party agreements in 2020

Over and above the legal provision of the French Commercial Code, the Board of Directors will ask shareholders at the Annual General Meeting on April 28, 2020 to approve *ex ante* two proposed related-party agreements, which will not be implemented if their approval is withheld.

Following the meticulous, supervised procedure described below, the draft agreements were examined in detail by the Audit Committee, which issued a favorable recommendation. Their signature was subsequently authorized by the Board of Directors on March 4, 2020, subject to prior shareholder approval at the Annual General Meeting, it being specified that only the independent directors took part in the discussions and vote.

These proposed related-party agreements are as follows:

1. The sale by Chargeurs USA, LLC (the vendor), a wholly-owned subsidiary of the Company, to Foncière Transcontinentale (the buyer), a company controlled by Michaël Fribourg, of offices in the Chelsea Arts Tower, 545 W 25th St, New York, NY 10001, United States, which house the headquarters of Chargeurs USA, LLC (the "Sale Agreement");
2. The lease of the above-mentioned offices by Foncière Transcontinentale (lessor) to Chargeurs USA LLC or any other Chargeurs Group company (lessee), with the stipulation that the lessee may sublet the offices to any Group company that uses them and has a call option on the offices should the lessor dispose of the property (the "Lease Agreement").

The offices were acquired on January 23, 2019 by Chargeurs USA, LLC after it became strategically important to regroup part of the management of the Group's fast-growing US businesses in a single location. The offices will be used for the employees of several Group subsidiaries in response to their increasing business needs.

Both the Audit Committee and the Board of Directors considered that ownership of these offices did not fall within the scope of the Group's main corporate purpose and that the proceeds from their sale could be better used for other development projects. Signing the Sale Agreement and Lease Agreement would enable the Company to continue using this asset for business purposes while maintaining the operational flexibility it needs. Furthermore, the agreements would give the Company a call option on the offices, exercisable should the lessor dispose of the property.

These transactions meet the criteria for related-party agreements, prompting the implementation of the following procedure:

1. The Audit Committee assessed whether the two agreements were appropriate and examined the underlying financial rationale, without any input from representatives of the related parties. This examination by the Audit Committee did not form part of the legally mandated review procedure for related party agreements and therefore constituted a specific procedure applied to the agreements concerned;
2. The Chair of the Audit Committee presented the proposed agreements to the Board of Directors, along with the Committee's analysis and assessment of their terms based on all the information given to the members of the Board of Directors, including detailed appraisals performed by the US subsidiaries of two internationally recognized firms of independent property experts (CBRE and JLL);
3. The Board of Directors then authorized the signature of the two proposed agreements, with only the independent directors taking part in the discussions and vote;
4. The proposed agreements were also analyzed by the Statutory Auditors for the purposes of their special report on related-party agreements to be submitted for the prior approval of shareholders at the Annual General Meeting of April 28, 2020.

Based on the information provided, the Board of Directors noted that the proposed agreements were in line with the Company's corporate interests, particularly as concerns the sale price and the rent, which were consistent with current market conditions as assessed by the two firms of property experts (CBRE and JLL).

The financial terms of each of the two agreements are presented in detail in the Statutory Auditors' special report below. They may be summarized as follows:

- Sale price: USD 4,825,000.
- Annual rent: USD 298,000.

Organization of the Board's work

The Board of Directors 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.

However, in recent years, 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.

Board members regularly meet with Executive Committee members, participate in the Group's strategic seminars and visit key companies in the manufacturing and sales organization.

DIRECTOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN 2019

Excluding Board Committee meetings, the Board of Directors met five times in 2019, with an average attendance rate of 94%.

	Board of Directors	Audit Committee	Compensation Committee	Acquisitions Committee*
Michaël Fribourg	5/5	N/A	N/A	*
Colombus Holding (Represented by Emmanuel Coquoin)	5/5	3/3	N/A	*
Nicolas Urbain	5/5	N/A	4/4	*
Isabelle Guichot	4/5	3/3	N/A	N/A
Cécilia Ragueneau	5/5	N/A	4/4	N/A
Maria Varciu	3/3**	2/2**	N/A	N/A
Georges Ralli	4/5	2/3	N/A	N/A
2019 attendance rate	94%	91%	100%	N/A

* *Members of the Acquisitions Committee were regularly informed of the Group's acquisition projects in 2019, including several discussions regarding acquisitions related to Chargeurs Museum Solutions. In particular, on January 22, 2020, the Committee held a meeting dedicated specifically to the acquisition of US leader D&P Incorporated, the new world champion in museum services.*

** *Maria Varciu was elected as an independent Director at the Annual General Meeting of May 6, 2019, and therefore only attended three Board of Directors' meetings and two the Audit Committee meetings.*

Roles and responsibilities

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

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 when the governance changes were put in place in October 2015 and has been continued since then in order to anticipate future requirements and adapt the Group's organizational structure in line with its developments and growth.

Executive Committee

In 2016, this focus on succession planning led the Company to expand its Executive Committee by appointing (i) a Secretary General, **Joëlle Fabre-Hoffmeister**, whose main responsibilities 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.

Since then, the Executive Committee's membership structure has been further strengthened and its profile modernized, with the appointment of new highly experienced members with diverse professional backgrounds in order to help drive the Group's growth. In the same way, several people who sat on the Board in 2017 and 2018 transferred to operational management positions in the business units.

The Executive Committee currently comprises **Michaël Fribourg,** Chairman and Chief Executive Officer, **Olivier Buquen,** Chief Financial Officer, **Joëlle Fabre-Hoffmeister,** Group Secretary General and Chief Compliance Officer, **Laurent Derolez,** Managing Director, Chargeurs Protective Films, **Angela Chan,** Managing Director, Chargeurs-PCC Fashion Technologies, **Sampiero Lanfranchi,** Managing Director, Chargeurs Museum Solutions and Adviser to the Chairman, **Federico Paullier,** Managing Director, Chargeurs Luxury Materials. Lastly, in early 2020, the Executive Committee was expanded with two new members related to the Group's strategic objectives and vision, **Carine de Koenigswarter,** Chief Communications Officer and Chief of Staff for the Chairman and Chief Executive Officer, and **Philippe Denoix,** Director of Industrial Performance and Logistics. Current members of the Executive Committee are presented in section 4.3.1 below.

BEFORE 2015

1989
Federico Paullier
General Manager
Chargeurs Luxury Materials

1999
Laurent Derolez
Managing Director
Chargeurs Protective Films

2015

H2 2015
Michaël Fribourg
Chairman and Chief Executive Officer

2016

H1 2016
Joëlle Fabre Hoffmeister
Group Secretary General and Chief Compliance Officer

H1 2016
Olivier Buquen
Executive Vice-President, International Business Development

2017

H1 2017
Sampiero Lanfranchi
Managing Director, Chargeurs Museum Solutions
Advisor to the Chairman of the Board of Directors

H2 2017
Olivier Buquen
Group Chief Financial Officer

2018

H1 2017
Angela Chan
Managing Director, Chargeurs PCC Fashion Technologies

2018
Audrey Petit
Group Strategy Director & Head of Chargeurs Business Solutions

2019

2020

H1 2020
Carine De Koenigswarter
Global Head of Communication
Chief of Staff for the Chairman and Chief Executive Officer

H1 2020
Philippe Denoix
Executive Vice President, Industrial Performance and Logistics

In addition to the Executive Committee membership mentioned above, the trend towards greater representation of women gained momentum in 2019, with women accounting for 32% of the total workforce, up from 30% in 2018 and 26% in 2017. This positive shift was especially noticeable in the increase in the percentage of women managers and professionals, to 29% of the category from 27% in 2018. Chargeurs is committed to equal treatment, giving women employees access to opportunities and networks and paying special attention in its hiring processes to the diversity of candidates selected in terms of gender, origin or educational background. Half of all Board members are women and two of the Board Committees (the Audit Committee and the Compensation Committee) are chaired by women.

Preparation of Board meetings

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.

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 have been convicted in relation to fraudulent offenses, (ii) none of the members of the Board of Directors have been associated with any bankruptcies, receiverships or liquidations, (iii) none of the members of the Board of Directors have 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 have 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 or member of Management and the Company or any of its subsidiaries under which that Board or Management 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 2019

In 2019, the Board of Directors met five times, with an attendance rate of 94%. 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.

Note that in September 2019, the Board of Directors met at the TSC1 plant in Italy to observe the the successful completion of the investment project, on time and within budget.

During these meetings the Board, *inter alia*:

- approved the 2018 parent company and consolidated financial statements, based on which the shareholders at the May 6, 2019 AGM approved the Board's recommendation to pay a total per-share dividend of €0.67 for the year (representing a final dividend of €0.37 taking into account the interim dividend already paid out);
- approved the parent company and consolidated financial statements for the first half of 2019, based on which the Board decided to pay an interim dividend of €0.20 per share for 2019;
- examined the provisional 2019 financial statements and the 2020 budget;
- approved the resolutions and reports to be submitted to the Annual General Meeting of May 6, 2019;
- evaluated the work and procedures of the Board and its Committees; launched the 2019-2020 share buyback program;
- reviewed the free share plans set up for certain Group employees and set the associated performance conditions;
- reviewed the terms of the renegotiated Euro PP issue (€122 million);
- reviewed acquisition strategies and opportunities for each business, particularly the acquisitions in the Chargeurs Museum Solutions business unit;
- reviewed the Group's strategic objectives and decisions;
- set the Chairman and Chief Executive Officer's variable compensation for 2019, payment of which is subject to shareholder approval, at the Annual General Meeting of April 28, 2020, of the fixed, variable and exceptional components of his total compensation package for 2019 (*ex post* vote);
- reviewed the compensation policy for the Group's key executives;
- reviewed the Group's CSR and health and safety policies;
- reviewed the Company's gender equality and equal pay policy.

As well as attending meetings, the directors are 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 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 the Board 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 praised by all directors. The first self-assessment of the Board was conducted in 2018, and another was carried out in 2019 at the Board meeting held on March 11, 2019.

These assessments showed that, overall, the directors have a very positive view of the membership structure, operating procedures and dynamics of the Board and its Committees. The directors found the Board's membership structure to be balanced and suited to the Company's needs.

The directors felt that the Board and its Committees function well, with regular meetings, active members and open and constructive dialog. 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 are considered sufficient to enable the Board to take informed decisions as to the Group's strategy and future acquisitions.

Similarly, on-site visits, discussions with the business unit Managing Directors invited to present their activities to the Board, and participation in the strategic seminars were all deemed to be very positive.

The directors also put forward proposals regarding the different issues they would like to address in more depth or include on the agenda of the Board or one of its Committees. To this end, dedicated meetings may also be organized by the Board or its Committees to review the identified issues in more detail. Lastly, the directors praised the positive changes that have taken place within the Group in recent years and said they were satisfied with how the Board's self-assessments were conducted.

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, 2019, it had two members: Cécilia Ragueneau (independent director and Chairman of the Compensation Committee) and Nicolas Urbain (director).

The profiles of the members of the Compensation Committee are provided in section 4.3.2 below.

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."

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 2019

The Compensation Committee met four times in 2019, with an attendance rate of 100%.

During these meetings, the Committee reviewed and issued recommendations to the Board 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 2019 based on (i) the achievement levels of the performance criteria set by the Board at its December 10, 2018 meeting, and (ii) an assessment of Chargeurs' share performance in 2019.

All of these recommendations were followed by the Board on December 19, 2019.

Information on the compensation and benefits of the Company's Chairman and Chief Executive Officer is provided in section 4.4 below.

Fixed and variable compensation awarded to the Managing Directors of the Group's business units

In 2018, the Group performed the groundwork for updating its compensation policy for the Managing Directors, based on a comprehensive review of market benchmarks and a detailed analysis of their responsibilities. The findings were presented to the Compensation Committee before deploying the updated principles. Introduced in 2019, the new policy structures the compensation packages for Managing Directors into two parts, one fixed, calculated on the basis of each profile and reference benchmarks, and the other variable, comprising:

- a portion, of at least 50%, based on the overall performance of their business unit, as measured by the criteria approved by the Board of Directors during the budget presentation;
- a portion, of no more than 50%, based on their personal performance, as measured by the priorities defined for the year.

Compensation of directors

In the tenth resolution (*ex ante* say-on-pay) submitted to the Annual General Meeting of April 28, 2020, shareholders will vote on the 2020 compensation policy applicable to members of the Board of Directors. Based on the recommendations of the Compensation Committee, the Board has decided to ask them to set the total amount that may be awarded to directors at a gross €380,000 for the year.

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, 2019, the Audit Committee had three members: Isabelle Guichot (independent director and Chairman), Colombus Holding SAS (director, represented by Emmanuel Coquoin) and Maria Varciu (independent director and member since May 6, 2019). The Board's non-voting director, Georges Ralli, also attends Audit Committee meetings.

Biographies of the Audit Committee members may be found in section 4.3.2 below.

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 that

"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 2019

The Audit Committee met three times in 2019, with an attendance rate of 91%.

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 2018 and the draft Report on Corporate Governance and Internal Control that were submitted to the May 6, 2019 Annual General Meeting;
- examining the process used to prepare the draft financial statements for the first half of 2019;
- reviewing the work related to legal risks mapping;
- tracking services other than accounts certification in 2019;
- reviewing corporate governance practices in the Group, including, in particular, reviewing the organization of delegations of authority and the Group's guide to directors and officers (D&O) liability insurance.

During these meetings, the Audit Committee heard reports from the Group's Secretary General, its Chief Financial Officer and the Statutory Auditors.

ACQUISITIONS COMMITTEE

Membership structure and roles and responsibilities of the Acquisitions Committee

In view of the Group's pro-active external growth strategy, at its April 16, 2018 meeting the Board of Directors decided to set up an Acquisitions Committee.

At December 31, 2019, the Acquisitions Committee had three members: Michaël Fribourg (Chairman and Chief Executive Officer), Colombus Holding SAS (director and member of the Audit Committee, represented by Emmanuel Coquoin) and Nicolas Urbain (director and member of the Compensation Committee).

Biographies of the different members of Acquisitions Committee members are presented in section 4.3.2 below.

The membership structure of the Acquisitions 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 that

"The Acquisitions Committee's roles and responsibilities include:

- examining the Group's overall external growth strategy;
- studying, on a case-by-case basis, major acquisition projects or other transactions that are of strategic importance to the Group (alliances, partnerships, divestments etc.);
- monitoring the progress of the projects referred to in b) above".

"Meetings of the Acquisitions Committee are called solely by the Chairman of the Board of Directors, who draws up their agenda.

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

Work of the Acquisitions Committee in 2019

The acquisition projects led by the Group in 2019, particularly in the Chargeurs Museum Solutions business, were extensively reviewed by the Board of Directors. They were also regularly discussed by the members of the Acquisitions Committee, who were kept constantly informed of progress on the projects and provided with all the information they needed to analyze them. The Acquisitions Committee also met on January 22, 2020 for a session dedicated specifically to the acquisition of US leader D&P Incorporated, the new world champion in museum services.

4.3. EXECUTIVE MANAGEMENT, BOARD OF DIRECTORS AND BOARD COMMITTEES

4.3.1. EXECUTIVE MANAGEMENT

Executive Committee

Michaël Fribourg
Chairman and Chief Executive Officer

Olivier Buquen
Group Chief Financial Officer

Joëlle Fabre-Hoffmeister
Group Secretary General and Chief Compliance Officer

Laurent Derolez
Managing Director
Chargeurs Protective Films

Angela Chan
Managing Director
Chargeurs PCC Fashion Technologies

Sampiero Lanfranchi
Managing Director
Chargeurs Museum Solutions, and Advisor to the Chief Executive Officer

Federico Paullier
Managing Director
Chargeurs Luxury Materials

Carine De Koenigswarter
Global Head of Communication
Chief of Staff to the Chairman and Chief Executive Officer

Philippe Denoix
Director of Industrial Performance and Logistics

4.3.2. BOARD OF DIRECTORS AND BOARD COMMITTEES

Members of the Board of Directors and Board Committees at December 31, 2019

Name	Current position within the Company	Date first elected/ appointed	Current term expires	Audit Committee	Compensation Committee	Acquisitions Committee
 Michaël Fribourg	Director	Oct. 30, 2015 Board meeting (appointed by the Board)	2021 AGM	N/A	N/A	Chairman
	Chairman and Chief Executive Officer	Oct. 30, 2015 Board meeting	2021 Board meeting (Chairman) 2023 Board meeting (Chief Executive Officer)			
 Colombus Holding SAS, represented by Emmanuel Coquoin	Director	Oct. 30, 2015 Board meeting (appointed by the Board)	2022 AGM	Member	N/A	Member
 Isabelle Guichot	Independent director	May 4, 2016 AGM	2022 AGM	Chair	N/A	N/A
 Cécilia Ragueneau	Independent director	April 20, 2017 AGM	2020 AGM	N/A	Chair	N/A
 Nicolas Urbain	Director	Oct. 30, 2015 Board meeting (appointed by the Board)*	2020 AGM	N/A	Member	Member
 Maria Varciu	Independent director	May 6, 2019 AGM	2022 AGM	Member	N/A	N/A
 Georges Ralli	Non-voting director	May 4, 2016 AGM	2022 AGM	Non-voting director	N/A	N/A

** Appointment of Colombus Holding SAS, Director, represented at the time by Nicolas Urbain as permanent representative.*

Changes in Board membership in 2019

At the May 6, 2019 Annual General Meeting, shareholders reelected Colombus Holding SAS and Isabelle Guichot as directors and Georges Ralli as non-voting director. They also ratified the appointment of Nicolas Urbain as director to replace Emmanuel Coquoin, who had resigned. Lastly, they elected Maria Varciu as an independent director for a three-year term.

MICHAËL FRIBOURG

Chairman and Chief Executive Officer and member of the Acquisitions Committee

Current term expires:
Annual General Meeting to be held in 2021

Date of birth:
August 14, 1982

Business address:
112, avenue Kléber – 75116 Paris

Chargeurs shares held:
Michaël Fribourg is one of the main shareholders of Colombus Holding SAS, which owns 6,556,305 Chargeurs shares.

Profile

Michaël Fribourg founded Groupe Familial Fribourg, the controlling shareholder of Colombus Holding, alongside long-term minority institutional investors 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 French tax inspectorate (*Inspection générale des finances*), 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'Etudes 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.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Chairman and Chief Executive Officer of
- Chargeurs SA* – Group

Chairman of
- Fribourg Investissement SAS – Non-Group
- Fribourg Développement SAS – Non-Group
- Colombus Holding SAS – Non-Group
- Colombus Chase Holding SAS – Non-Group
- Groupe Familial Fribourg 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
- France-Amérique LLC (United States) – Group
- Colombus Paramount Holding – Non-Group
- Fribourg Collections – Non-Group
- Fribourg Philanthropies – Non-Group

Managing Director
- Colombus Family Holding SAS – Non-Group
- Vice-Chairman and Director of
- Lanas Trinidad SA – Group
- Lanera Santa Maria SA – Group
- Chargeurs Media Inc. (United States) – Group

Legal Manager of
- Chargeurs Boissy SARL – Group

Director of
- EMC2 SAS – Non-Group
- Chargeurs Development International (formerly CMI SA) – Group
- Brooklyn Museum
- Chargeurs Protective Inc. – 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 that expired in the last five years

Chairman of
- Benext Venture SAS (2018) – Non-Group

Legal Manager of
- Financière Herschel SARL – Non-Group

Director of
- Novacel Belgium NV (2017) – Group

Member of the Supervisory Board of
- Groupe JOA – Non-Group

* *Listed company.*

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COLOMBUS HOLDING SAS

Director, member of the Audit Committee and member of the Acquisitions Committee

Permanent representative on the Board of Directors:
Emmanuel Coquoin (since March 11, 2019)

Current term expires:
Annual General Meeting to be held in 2022

Head office:
55, avenue Marceau
75116 Paris, France

Business address:
112, avenue Kléber –
75116 Paris, France

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.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Investment Director at

- Habert Dassault Finance – Non-Group

Director of

- I-Ten SA – Non-Group
- Atsuke – Non-Group
- Relaxnews – Non-Group

Other directorships and positions that expired in the last five years

Non-executive director of

- Geary LSF* – Non-Group

* *Listed company.*

ISABELLE GUICHOT

Independent director, Chair of the Audit Committee and member of the Ethics Committee

Current term expires:
Annual General Meeting to be held in 2022

Business address:
2 rue de Marengo - 75001 Paris

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 (1988-1989) and then Vice Secretary General (1989-1991); Sales Director at Cartier International (1992-1995), Chief Executive Officer of Cartier SA France (1996-1999), 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 (2005-2007), President and Chief Executive Officer of Sergio Rossi (2005-2007) and President and Chief Executive Officer of Balenciaga SA (2007-2017). 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 an Officer 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.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Deputy General Manager of
- Maje SAS – Non-Group

Other directorships and positions that expired in the last five years

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 of
- 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

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

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CÉCILIA RAGUENEAU

Independent director and Chair of the Compensation Committee

Current term expires:
Annual General Meeting to be held in 2020

Business address:
112 avenue Kléber – 75116 Paris, France

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).
Ms. Ragueneau then served as Chief Executive Officer of RMC from 2017 to 2018 and as Deputy General Manager of the BVA Group from 2018 to 2019. Since 2019, she has worked with the French national broadcasting authority (*Conseil Supérieur de l'Audiovisuel*) as part of a committee of experts helping to fight fake news.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Other directorships and positions that expired in the last five years

Deputy General Manager of
- BVA Group (2018-2019)

Chief Executive Officer of
- RMC (2017-2018) – Non-Group

NICOLAS URBAIN

Director, member of the Compensation Committee and the Acquisitions Committee

Current term expires:
Annual General Meeting to be held in 2020

Business address:
112, avenue Kléber – 75116 Paris

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 investment industries. He has also been a financial engineering consultant.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Chief Executive Officer of
- EFFICAP II – Non-Group

Chairman of the Board of Directors of
- Financière Sicomax SA* – Non-Group
- Olinvest SAS* – Non-Group
- HRP SAS – Non-Group

* *Listed company.*

MARIA VARCIU

Independent director and member of the Audit Committee

Current term expires:
Annual General Meeting to be held in 2022

Business address:
112, avenue Kléber –
75116 Paris

Profile

Maria Varciu holds an MBA from Open University Business School (United Kingdom and Romania), and has considerable experience in international commercial management for perfume and high-end cosmetic brands, which she has acquired both in France and abroad.
In 2006, she joined IKC (International Kontact Consulting), before integrating LVMH's Parfums Givenchy in 2009.
At the end of 2010, she returned to IKC, which had become ID Beauty, to lead the international commercial department. She subsequently became VP Brands in 2015.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

VP of Treatments
- ID Beauty

Director - General Manager
- ID Beauty RO SRL (Romania)

Other directorships and positions that expired in the last five years

None

GEORGES RALLI

Non-voting director

Current term expires:
Annual General Meeting to be held in 2022

Business address:
IPF Partners –
8, rue Toepffer –
1206 Geneva (Switzerland)

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) and the Institut commercial in Nancy. He joined Crédit Lyonnais in 1970 where he served in a number of management positions until 1981. 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.

DIRECTORSHIPS AND OTHER POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Legal Manager of
- 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, Chairman of the Audit and Risks Committee
- ICADE SA* – Non-Group

Other directorships and positions that expired in the last five years

Vice-Chairman and member of the Board of Directors and Chairman of the Audit Committee of Carrefour* – Non-Group

Director, member of the Audit Committee and Chairman of the Acquisitions Committee
- Chargeurs SA* (term ended 2016) – Group

Director of
- Quadrature Investment Managers (term ended 2019) – Non-Group

* *Listed company.*

4.4. DIRECTORS' COMPENSATION

4.4.1. COMPENSATION AND BENEFITS IN KIND PAID TO CORPORATE OFFICERS

4.4.1.1. Compensation of the Chairman and Chief Executive Officer for 2019 (*ex-post* vote)

Components of compensation and benefits paid or awarded in 2019

In accordance with article L. 225-100, III of the French Commercial Code, the following paragraphs set out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to the Chairman and Chief Executive Officer for 2019 for his term in office, and which will be submitted for shareholder approval on an *ex-post* basis at the Annual General Meeting of April 28, 2020 called to approve the 2019 financial statements.

The principles and criteria used 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 2019 were approved on an *ex-ante* basis by a 95.32% vote at the Annual General Meeting of May 6, 2019.

Furthermore:

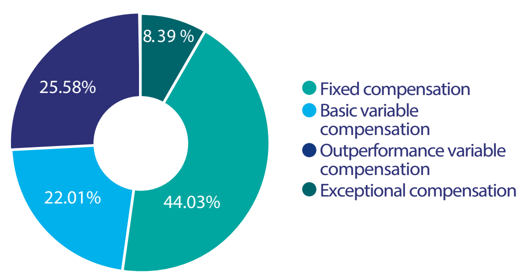
- the Chairman and Chief Executive Officer is the Chargeurs Group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest directly and indirectly. As such, he is therefore, directly and indirectly, Chargeurs' leading shareholder;
- the Chairman and Chief Executive Officer therefore has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary. This attests to his deep long-term commitment to the Group;
- since he took up his position, Michaël Fribourg has never sold a single Chargeurs share;
- Mr. Fribourg has steadily increased his direct and indirect personal investment in the Group every year since 2016 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), each time paying a premium over the public share price. The Chargeurs shares and voting rights held by Colombus Holding SAS as of December 31, 2019 are presented in section 6.4.1 below;
- at his request, Mr. Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect;
- at his request, Mr. Fribourg does not participate in any Company pension plan or any other deferred benefit plan with an equivalent effect;
- at his request, Mr. Fribourg's basic compensation is less than that paid to his predecessor under the previous governance structure;
- lastly, the Chairman and Chief Executive Officer does not have an employment contract.

The Chairman and Chief Executive Officer's compensation package for 2019, set by the Board of Directors based on the recommendations of the Compensation Committee, comprised a fixed component and a variable component.

As in 2018 and prior years, the principles underlying the compensation policy applicable to the Chairman and Chief Executive Officer for 2019 were based on budgetary discipline and alignment of the rules used to determine their compensation with the annual assessment of their personal performance and that of the Group. The policy was also designed to take into account (i) the experience and responsibilities of the Chairman and Chief Executive Officer, (ii) the Group's new scale and scope, resulting in particular from its recent acquisition of PCC, which generated additional synergies in new countries for the Group. The compensation policy applicable to the Chairman and Chief Executive Officer in 2019 was based on the same rules and caps as for 2018, with a specific sub-ceiling for each different criterion added to the overall cap on his variable compensation. Only his fixed compensation, which had been unchanged since 2016, was raised to take into account the Group's increased scale and scope, the Chairman and Chief Executive Officer's experience and responsibilities, and the steady growth in the Group's earnings.

The weighting of each component of the Chairman and Chief Executive Officer's compensation for 2019 was as follows:

WEIGHTING OF EACH FIXED AND VARIABLE COMPENSATION COMPONENT DUE FOR 2019



(a) Basic fixed compensation

The Chairman and Chief Executive Officer's basic fixed compensation for 2019 stood at €525,000, in a gross amount that has been frozen for two years. It has remained 25% below the annualized basic compensation paid to Mr. Fribourg's predecessor under the previous governance system, despite the very substantial increase in the Group's scale, the extended scope of its businesses and the growth in its geographic footprint, from 32 countries in 2015 to 90 in 2019.

(b) Basic variable compensation

The Chairman and Chief Executive Officer's variable compensation for 2019 was contingent on the achievement of quantitative and qualitative objectives, which were appropriately weighted at 60% and 40% respectively.

In 2019, as consolidated recurring operating profit exceeded the predefined target for the year, the Chairman and Chief Executive Officer was eligible for 100% of quantitative portion of his basic variable compensation. In addition, the qualitative improvements made under the Game Changer plan resulted in all of the qualitative performance objectives being met and even exceeded, especially in the following areas:

- talent management;
- the Group's "iconic" brand and marketing strategy;
- smart manufacturing;
- innovation.

The table below summarizes the major and noteworthy advances made in 2019 that were impelled and guided by the Chairman and Chief Executive Officer in each of the areas targeted by the Game Changer plan:

Strategic vision	2019 outcomes	Examples
Talent management	• New talents hired • Organization optimized • International training • Incentive program introduced	• Appointment of a head of Investor Relations, a Vice President – Tax, and a Vice President – Chargeurs PCC Global Supply Chain • Reorganization of corporate functions (Finance), revamped Chargeurs PCC post-acquisition organization • Executive training in the Game Changer plan with ESMT Berlin (second session) and at Harvard Business School • Deployment of a management-by-objectives policy among all managers, to improve alignment with Group strategy
Iconic brand and marketing strategy	• Segments creating new markets • Integrated services and specification • "High Emotion Technology" global branding signature	• Uniforms, museums • Nativa label for Merino wool users, integrated services to support deliveries of Leach graphic displays • Global branding signature for all Group businesses launched on September 5, 2019
Smart manufacturing	• Development of premium production facilities • Sites specialized • Supply chain revamped	• New production line in Italy brought on stream for Chargeurs Protective Films, representing the Group's biggest ever capital project • CPF plants: solvents, emulsions, etc. • Deployment of global supply chain functions in all businesses (step 1: Chargeurs PCC)
Innovation	• Green System deployed • Strategic partnerships formed	• "Sustainable" product ranges developed in all businesses (S50 at Chargeurs PCC, Oxygen at CPF) • Brooklyn Museum, Digital Factory, Abu Dhabi

Consequently, the Chairman and Chief Executive Officer was eligible for the full amount of his basic variable compensation contingent on both the qualitative and qualitative objectives, corresponding to 50% of his basic fixed compensation, i.e., €262,500.

(c) Variable compensation for outperformance

On top of this basic variable compensation, for 2019 the Chairman and Chief Executive Officer was eligible for additional variable compensation or variable compensation for outperformance if his performance targets were exceeded. This was in fact the case, as the target threshold for quantitative performance, measured based on a predefined level of 2019 recurring operating profit, was exceeded by a wide margin, reflecting the quantitative successes of the Game Changer plan. Consequently, the Chairman and Chief Executive Officer was eligible for this additional amount of variable compensation based on outperformance, which totaled €185,000 for 2019. The relative decline in this component compared with 2018 attests to the challenging nature of this performance condition.

In addition, a portion of the Chairman and Chief Executive Officer's variable compensation for 2019 was specifically based on shareholder return. The shareholder return objective was measured on the basis of achieving either one or both of the following two criteria, which each counted for 50% of the objective:

i) If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 is awarded;

ii) If the dividend amount paid during the year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 is awarded. The Compensation Committee defines peer companies as Danaher, ITW and Griffon (50%); Serge Ferrari, Sioen Guillin and Bolloré (50%).

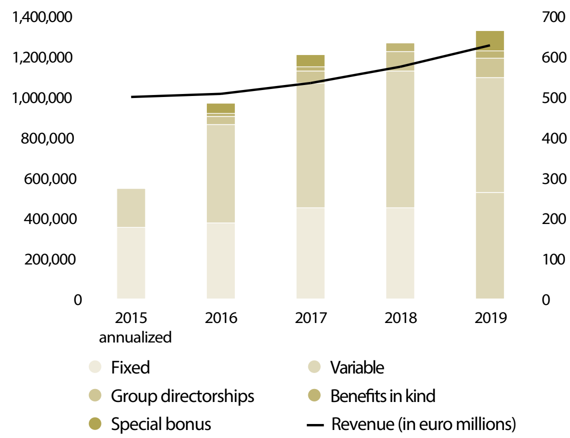
As the dividend objective described in point (ii) above was met, the Chairman and Chief Executive Officer was eligible for specific additional compensation of €120,000.

Lastly, on the recommendation of the Compensation Committee:

- for the successful renegotiation of the Group's financing terms in early 2019, leading to an unprecedented decision by lenders to cancel certain hard covenants previously applicable to the Group, the Board of Directors decided to award a special bonus of €40,000 to the Chairman and Chief Executive Officer;
- for the successful completion of various complex acquisitions by Chargeurs Museum Solutions and the transformation of this business into a world champion in museum services, the Board of Directors decided to award a special bonus of €60,000 to the Chairman and Chief Executive Officer;
- the sum of these two bonuses is within the overall cap on special bonus payments to the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer's total variable compensation for 2019 is therefore €667,500, representing less than the overall cap of €787,500 or 150% of his basic fixed compensation.

Moreover, changes in his yearly compensation have been consistent with changes in Group revenue since 2015 as seen in the chart below:



In accordance with paragraph 2 of article L. 225-37-2 II and article L. 225-100-2 of the French Commercial Code, the payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for 2019 will be contingent on the shareholders' approval, in an *ex post* vote at the April 28, 2020 Annual General Meeting, 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 2019.

The following table summarizes the various components of the Chairman and Chief Executive Officer's compensation for 2019:

Type	Theoretical weighting	Performance	Amount (€)
BASIC ANNUAL VARIABLE COMPENSATION			
Consolidated recurring operating profit	60%	> €41m (representing an historic high)	€157,500
Talent management	10%	New talent hired/International training/Incentive Program/Organization optimized	€105,000
Brand strategy	10%	New markets tapped/Integrated services and specification/ High Emotion Technology global branding signature	
Smart manufacturing	10%	Premium production facilities developed/Sites specialized/ Supply chain revamped	
Innovation	10%	Green System deployed/Strategic partnerships formed	
Sub-total I	100%	-	€262,500
ANNUAL VARIABLE COMPENSATION FOR OUTPERFORMANCE			
Consolidated recurring operating profit	60.6%	> €41m (representing an historic high) Quantitative success of the Game Changer plan	€185,000
Relative share price	19.7%	Criterion not met	-
Dividends/relative share price	19.7%	Criterion met	€120,000
Sub-total II	100%	-	€305,000
EXCEPTIONAL VARIABLE COMPENSATION			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	Improved financing terms and unprecedented decision by lenders to cancel hard covenants	€40,000
		Successful completion of complex acquisitions by Chargeurs Museum Solutions	€60,000
Sub-total III	100%	-	€100,000
Sub-total I+II	-	-	€567,500
Sub-total I+II+III	-	-	€667,500
TOTAL AFTER APPLYING THE 150% CAP	**-**	**-**	**€667,500***

* *The Chairman and Chief Executive Officer's variable and exceptional compensation for 2019 was capped at €787,500, representing 150% of his basic fixed compensation.*

As per his request, the Chairman and Chief Executive Officer did not receive any compensation for his participation on the Chargeurs SA Board of Directors. 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.

In 2019, the Chairman and Chief Executive Officer made only limited use of the means of transport at the Group's disposal, which he could have used to facilitate certain business trips, as authorized by the Board of Directors on the recommendation of the Compensation Committee, and approved under the shareholders' ***ex-ante*** say-on-pay vote at the May 6, 2019 Annual General Meeting. The related cost for 2019 was €14,491, out of an authorized maximum annual amount of €22,000.

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 whose premiums (representing €22,000 in 2019) are subject to payroll taxes and are therefore accounted for as a benefit in kind.

Ratio between the Chairman and Chief Executive Officer's compensation and employees' average and median compensation

The following CEO-to-worker pay ratio information is disclosed in accordance with article L. 225-37-3 I, paragraph 6. In the case of Chargeurs, it concerns the ratio between the Chairman and Chief Executive Officer's compensation and (i) the average compensation of the Company's employees (excluding corporate officers) and (ii) the median compensation of the Company's employees (excluding corporate officers) since 2018.

	2018	2019
Average monthly salary	€19,161	€18,210
CE//Median ratio	17.42	17.89
CEO/Average ratio	5.40	6.02

Data from previous years do not allow for relevant ratios.

The following table shows the ratio between the Chairman and Chief Executive Officer's compensation and the French minimum wage ("SMIC") for the last five years. This information does not correspond to a legal disclosure requirement but provides a useful basis of comparison that is stable over time and common to all French companies.

2015	2016	2017	2018	2019
-	29.1	57.2	69.1	72.0

Draft resolution (*ex-post* say-on-pay vote)

"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 III of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits in kind due or awarded to the Chairman and Chief Executive Officer for 2019, as described in the Board of Directors' corporate governance report." (Twelfth resolution submitted to shareholders at the Annual General Meeting of April 28, 2020).

4.4.1.2. Summary of compensation and benefits awarded to executive management for 2019

As required under article L. 225-37-3, I paragraph 1, of the French Commercial Code and the Middlenext Code, 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.

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

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

As Chargeurs' executive directors did not receive any stock options or free shares the following tables are not applicable in this Universal 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: SUMMARY TABLE OF COMPENSATION AWARDED TO EACH EXECUTIVE DIRECTOR.

Since 2015, at the request of the Chairman and Chief Executive Officer, the Board of Directors has capped his total variable compensation at 150% of his basic fixed compensation.

Depending on the year, this cap can have the effect of significantly reducing the variable compensation paid to the Chairman and Chief Executive Officer, even in years when the Group delivers an exceptionally strong performance or demonstrates above-average resilience to volatile conditions by considerably outperforming its competitors. Strict application of the cap is not offset by any other alternative system for the benefit of the Chairman and Chief Executive Officer.

Michaël Fribourg, Chairman and Chief Executive Officer	2017		2018		2019	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€450,000	€450,000	€450,000	€450,000	€525,000	€525,000
Annual variable compensation	€615,000(1)	€485,500	€675,000(1)	€615,000(1)	€567,500	€675,000(1)
Compensation for corporate officer positions in other Group companies	€60,000	€60,000	€96,000	€96,000	€96,000	€96,000
Benefits in kind	€21,228(2)	€21,228(2)	€43,120(3)	€21,120(4)	€36,491(3)	€28,142(4)
Special bonus	€60,000(5)	€0	€0(6)	€60,000(5)	€100,000(7)	€0(6)
TOTAL	**€1,206,228**	**€1,016,728**	**€1,264,120**	**€1,242,120**	**€1,324,991**	**€1,324,142**

(1) The variable compensation amounts of €615,000 due for 2017 and €675,000 due for 2018 were paid in 2018 and 2019 respectively.

(2) This amount corresponds to the personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer as well as an unemployment insurance policy whose premiums are subject to payroll taxes and are therefore accounted for as a benefit in kind.

(3) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use of a means of transport at the Group's disposal to facilitate certain business trips, and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.

(4) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use of a means of transport at the Group's disposal to facilitate certain business trips (€0 in 2018 and €6,142 in 2019), and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.

(5) Corresponding to a special bonus awarded following the success of the Euro PP private placement in June 2017 with very attractive interest rates.

(6) A special bonus of €85,000 was awarded to the Chairman and Chief Executive Officer following the successful acquisition of PCC Interlining – a leader in the United States and Asia in technical interlinings – in August 2018. However, this bonus was not paid due to the cap of 150% of basic fixed compensation applied to his total variable remuneration.

(7) Corresponding to two special bonuses awarded to the Chairman and Chief Executive Officer for (i) the successful renegotiation of the terms of the Group's financing in early 2019, leading to the unprecedented decision by lenders to cancel certain hard covenants previously applicable to the Group (€40,000), and (ii) the successful completion of acquisitions in the museum services segment along with the transformation of Chargeurs Museum Solutions into the world leader in this segment (€60,000).

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: Revenue 2021 (Chairman) and Revenue 2023 (Chief Executive Officer) Director First appointed: Oct. 30, 2015 Board meeting Current term expires: 2021 AGM	No	No	Yes(2)	Yes(3)

(1) Michaël Fribourg's termination benefit has been applicable since 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, Michaël 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 directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year.

(3) 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, he 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. The payment of this indemnity is contingent on reaching, during the last full fiscal year, the quantitative objectives for Michaël Fribourg's variable compensation.

4.4.1.3. Compensation policy applicable to the Chairman and Chief Executive Officer for 2020 (*ex-ante* vote)

Compensation and benefits of the Chairman and Chief Executive Officer for 2020

In accordance with article L. 225-37-2, paragraph 2 of the French Commercial Code, the following section sets out the principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the Chairman and Chief Executive Officer's total compensation and benefits for 2020, which will be submitted for shareholders' approval in an *ex ante* say-on-pay vote at the Annual General Meeting of April 28, 2020.

On the recommendation of the Compensation Committee, the Board of Directors determines the Chairman and Chief Executive Officer's compensation and benefits based on two guiding principles: balance and consistency. Specifically, the Chairman and Chief Executive Officer's compensation takes into account the Company's overall interests and the ratio between his compensation and that paid to the other corporate officers and the Company's employees.

Furthermore:

- the Chairman and Chief Executive Officer is the Chargeurs Group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest. As such, he is therefore, directly and indirectly, the Group's leading shareholder;
- the Chairman and Chief Executive Officer therefore has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary. This attests to his deep long-term commitment to the Group;
- since he took up his position, Michaël Fribourg has never sold a single Chargeurs share;
- Mr. Fribourg has steadily increased his direct and indirect personal investment in the Group every year since 2016 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), each time paying a premium over the public share price. The Chargeurs shares and voting rights held by Colombus Holding SAS as of December 31, 2019 are presented in section 6.3 of this Universal Registration Document;
- at his request, Mr. Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect;
- at his request, Mr. Fribourg does not participate in any company pension plan or any other deferred benefit plan with an equivalent effect;
- at his request, Mr. Fribourg's basic compensation is less than that paid to his predecessor under the previous governance structure;
- Lastly, the Chairman and Chief Executive Officer does not have an employment contract.

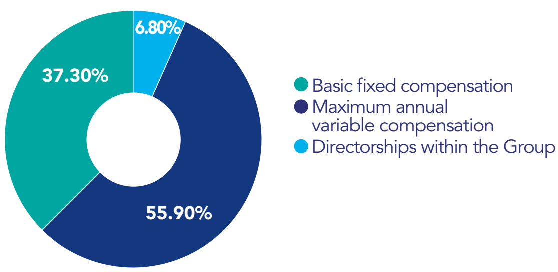
As in 2019, the underlying principles for the compensation policy applicable to the Chairman and Chief Executive officer for 2020 are based on budgetary discipline and aligning the rules used for determining his compensation with the annual assessment of his individual performance and that of the Group. The policy is also designed to take into account (i) the Chairman and Chief Executive

Officer's experience and responsibilities; (ii) the Group's increased scale with the recent acquisition of Design and Production, the leader of the United States heritage museum market, which will lift the Group's consolidated revenue to €750 million on a full-year basis in 2020 based on a comparable environment; and (iii) the Group's record of earnings growth, which continued in 2019 despite the more volatile environment.

Against this backdrop, the 2020 compensation policy is based on the same rules and caps as in 2019, including the specific sub-ceilings for the different criteria that were added to the overall cap in 2019.

The compensation package comprises a fixed component and a variable component. The breakdown between the various components reflects the Compensation Committee's choice of maintaining an overriding emphasis on variable performance-based compensation that supports the Group's strategic objectives.

THEORETICAL ANNUAL BREAKDOWN



(a) Basic fixed compensation

In order to take into account the change in the size of the Group – which has generated annual revenue of €619 million since 2019 and is expected to generated €750 million over full year in 2020 – as well as its higher number of host countries (90, versus 70 previously), and other factors that have increased his workload, the Chairman and Chief Executive Officer's basic fixed compensation was set at €525,000 (gross) per year in 2019 and frozen for a period of two years, i.e., 2019 and 2020. The Chairman and Chief Executive's basic fixed compensation reflects his experience and responsibilities, the Group's new scale and scope and recent US acquisition, Design and Production. His fixed compensation for 2020 is capped at €525,000. This basic compensation is still 25% below the annualized basic compensation paid to Mr. Fribourg's predecessor under the previous governance system, despite the very substantial increase in the Group's scale, the extended scope of its businesses and the growth in its geographic footprint, from 32 countries in 2015 to 90 in 2019.

(b) Basic variable compensation

Variable compensation is based on criteria that closely reflect the Group's strategy and ambitions.

The Chairman and Chief Executive Officer's variable compensation for 2020 will be contingent on the following two types of objectives:

- financial objectives, based on the Group's financial performance, notably its consolidated recurring operating profit by business segment; and
- individual non-financial objectives, as described below, based on successful implementation of key strategic long-term actions, as assessed by the Compensation Committee.

The Chairman and Chief Executive Officer's basic variable compensation for 2020 is therefore 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 met, as assessed 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.

(c) Variable compensation for outperformance

The variable compensation that could be awarded for 2020 to the Chairman and Chief Executive Officer if he outperforms his targets will be based on the following criteria:

- A criterion based on the Group's intrinsic performance: If the financial objectives are exceeded, as measured by the difference between actual recurring operating profit for 2020 and the threshold that triggers payment of his basic variable compensation, the Chairman and Chief Executive Officer may receive an additional amount of variable compensation, calculated based on a pre-defined formula. The award of this additional variable compensation will be contingent on the Group achieving an ambitious target in terms of recurring operating profit, pre-defined in 2019 when the objectives for 2020 were set.

  The amount of additional variable compensation that would be payable if the financial objectives are outperformed would be capped at 140% of the Chairman and Chief Executive Officer's total basic variable compensation, which itself is capped at 50% of his basic fixed compensation.
- a criterion based on the Group's stock market performance: The Chairman and Chief Executive could receive a special bonus if Chargeurs' share price performs significantly well. The related share performance target for 2020 is based on a criterion of shareholder return, measured based on two performance conditions which each count for 50% of the bonus and are the same as for 2019 and 2018, namely:
  - a) if the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 will be awarded;
  - b) if the dividend amount paid during the year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 will be awarded. This criterion is directly linked to shareholders' immediate interests.
- in addition to the above, the Board of Directors may award other special bonuses to the Chairman and Chief Executive Officer on a case-by-case basis on the recommendation of the Compensation Committee. Such bonuses may be awarded for particularly successful work related to matters such as raising debt or equity financing for the Group, acquisitions or divestments, or if the Chargeurs share price performs significantly well.

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These bonuses may not exceed €100,000 in 2020.

As in previous years, the total variable compensation for which the Chairman and Chief Executive Officer is eligible for 2020 will, at his own request, be capped at 150% of his basic fixed compensation.

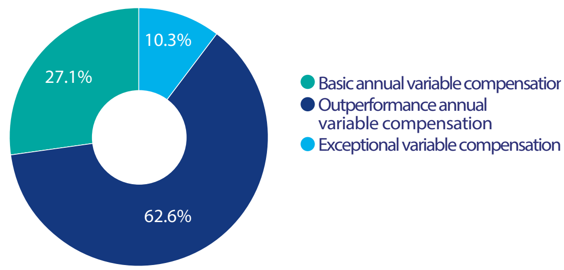
For 2020, the individual qualitative criteria (each with the same weighting) will concern the following five areas, with a new CSR criterion added this year:

- talent management;
- the Group's "iconic" brand and marketing strategy;
- smart manufacturing;
- innovation;
- increase in the proportion of sustainable products included in the Group's total production, within the meaning of the Global Compact's Sustainable Development Goal (SDG) no. 9.

SDG no. 9 (United Nations Sustainable Development Goal) – Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

The respective weightings of the variable compensation components reflect the predominance of the quantitative component rewarding outperformance compared with targets for (i) recurring operating profit and (ii) stock market performance. The breakdown reflects the Compensation Committee's choice of maintaining an exacting variable compensation program.

THEORETICAL WEIGHTING OF THE VARIABLE COMPENSATION COMPONENTS (BEFORE APPLYING THE CAP)



(d) Payment of the Chairman and Chief Executive Officer's variable and exceptional compensation

In application of article L. 225-37-2 II of the French Commercial Code, the Chairman and Chief Executive Officer's variable compensation and any special bonuses for 2020 will only be paid if the shareholders at the 2020 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 2020.

The above compensation components are summarized in the following table:

Type	Weighting	Maximum bonus *(% of basic fixed compensation)*	Objective
BASIC VARIABLE COMPENSATION			
Consolidated recurring operating profit	60%	30%	Recurring operating profit performance
Talent management			
Brand strategy			
Smart manufacturing			
Innovation			
Increase in proportion of sustainable products	40%	20%	By reference to the qualitative aspects of the Game Changer plan
Sub-total I	100%	50%	-
VARIABLE COMPENSATION FOR OUTPERFORMANCE			
Consolidated recurring operating profit	60.6%	70%	Outperformance vs. target consolidated recurring operating profit
Relative share price	19.7%	22.8% (€120,000)	Over the year, Chargeurs shares outperforms the SBF 120 by 5%
Dividends/relative share price	19.7%	22.8% (€120,000)	In terms of annual dividend/share price ratio, Chargeurs outperforms its peer group by 2%
Sub-total II	100%	115.6%	-
EXCEPTIONAL VARIABLE COMPENSATION			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	19.1% (€100,000)	Particularly successful equity/debt raising exercises, divestments or acquisitions, exceptionally good stock market performance
Sub-total III	100%	19.1%	-
TOTAL AFTER APPLYING THE 150% CAP	-	**150%**	-

(e) Compensation of directors

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.

(f) Benefits in kind

The Chairman and Chief Executive Officer does not receive any benefits in kind such as a company car. However, in 2020 he may continue to have the personal use of a means of transport at the Group's disposal to facilitate certain business trips. The use of this private jet – 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 whose premiums (representing an annual amount of €22,000) are subject to payroll taxes and are therefore accounted for as benefits in kind.

(g) 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 compensation 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.

Therefore, 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, he 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 compensation received for his directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year.

The payment of this indemnity is contingent on consolidated recurring operating profit for the last full fiscal year reaching the minimum amount at which Michaël Fribourg's quantitative-based variable compensation becomes payable.

Draft resolution (*ex-ante* say-on-pay vote)

"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 approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on corporate governance." (Ninth resolution submitted to shareholders at the Annual General Meeting of April 28, 2020).

4.4.2. COMPENSATION AND BENEFITS IN KIND PAID TO MEMBERS OF THE BOARD OF DIRECTORS

4.4.2.1. Compensation policy applicable to the members of the Board of Directors for 2020 (*ex-ante* vote)

In accordance with articles L. 225-45 and L. 225-37-2 of the French Commercial Code, an annual fixed amount of compensation is awarded to the Board of Directors by the shareholders at the Annual General Meeting.

This amount is allocated among the directors, including the non-voting director, 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 any compensation for his role as a director of the Company).

At the Annual General Meeting of May 6, 2019, shareholders set the maximum total annual amount that may be awarded to the members of the Board of Directors as compensation for their participation in the work of the Board and Board Committees at €380,000, applicable for 2019 and all subsequent years until a new amount is set at an Annual General Meeting. In line with the 2020 compensation policy applicable to members of the Board of Directors that will be submitted to shareholders at the Annual General Meeting on April 28, 2020, the Board proposes maintaining this total amount at €380,000. This amount takes into account the number of directors, as well as the greater workload of the Board and the Board Committees and the resulting increase in the directors' commitments and responsibilities.

The compensation awarded to each member of the Board of Directors out of this total amount will be determined based on their attendance at meetings of the Board and the Board Committees. Concerning the Board Committees, compensation is paid only for attendance at meetings that are not held on the same day as a Board meeting.

The members of the Board of Directors do not receive any compensation from the Group apart from that allocated to them for their attendance at meetings of the Board and Board Committees. They do not receive any performance shares or stock options.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by directors in the interests of the Company.

In addition, if a member of the Board of Directors were to be asked to perform a one-off assignment in the Company's interests, due to his or her expertise and role, the compensation allocated to the director for this assignment by the Board of Directors would be subject to the approval procedure applicable to related-party agreements.

In accordance with article L. 225-37-2 of the French Commercial Code, the above mentioned compensation policy applicable to the members of the Board of Directors will be submitted to shareholder approval at the Annual General Meeting on April 28, 2020, in the tenth resolution concerning the *ex ante* say-on-pay vote.

Draft resolution (*ex-ante* say-on-pay vote)

"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 approve the compensation policy applicable to the members of the Board of Directors, as presented and described in the report of the Board of Directors on corporate governance." (Tenth resolution submitted to shareholders at the Annual General Meeting of April 28, 2020).

4.4.2.2. Summary table of compensation awarded to the members of the Board of Directors for 2019

As recommended in the Middlenext Code, the following table summarizes the compensation paid in the last three years to the Company's directors in respect of their participation in the work of the Board and the Board Committees. The members of the Board of Directors did not receive any other form of compensation from the Group.

The total compensation allocated among the members of the Board of Directors for 2019 amounted to €335,998.

In accordance with article L. 225-37-3 of the French Commercial Code, shareholders at the Annual General Meeting on April 28, 2020 will be asked to vote on a resolution approving the disclosures concerning the compensation allocated or paid to each director for 2019:

"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 II of the French Commercial Code, the shareholders approve the disclosures referred to in article L. 225-37-3 I of the French Commercial Code, as presented and described in the report of the Board of Directors on corporate governance". (Eleventh resolution submitted to shareholders at the Annual General Meeting of April 28, 2020).

TABLE 3: TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE DIRECTORS

Emmanuel Coquoin	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€80,488	€68,571	€64,615
Other compensation	N/A	N/A	N/A
TOTAL	**€80,488**	**€68,571**	**€64,615**

Isabelle Guichot	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€58,537	€42,857	€51,692
Other compensation	N/A	N/A	N/A
TOTAL	**€58,537**	**€42,857**	**€51,692**

Cécilia Ragueneau	Amount due for 2017 (from April 20, 2017 to Dec. 31, 2017)	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€43,902	€68,571	€64,615
Other compensation	N/A	N/A	N/A
TOTAL	**€43,902**	**€68,571**	**€64,615**

Nicolas Urbain	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€58,537	€68,571	€64,615
Other compensation	N/A	N/A	N/A
TOTAL	**€58,537**	**€68,571**	**€64,615**

Maria Varciu	Amount due for 2017	Amount due for 2018	Amount due for 2019 (from May 6, 2019 to December 31, 2019)
Compensation for participation in the work of the Board of Directors and the Board Committees	N/A	N/A	€38,769
Other compensation	N/A	N/A	N/A
TOTAL	**N/A**	**N/A**	**€38,769**

Georges Ralli Non-voting director (*censeur*)	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€43,902	€51,429	€51,692
Other compensation	N/A	N/A	N/A
TOTAL	**€43,902**	**€51,429**	**€51,692**

FREE SHARE PLAN

Since 2017, Chargeurs has adopted a policy of granting shares free of consideration to its employees in order to encourage the development of long-term employee share ownership. With a view to more closely involving employees in the Group's performance, and strengthening their commitment to value creation, Chargeurs launched its first free share plan ("performance share plan") in 2017 for selected Group employees.

At his own request, the Chairman and Chief Executive Officer is not a beneficiary of the performance share plans described below. In addition, no other corporate officer is a beneficiary of these plans. The Board of Directors does not intend to use its authorizations to grant performance shares to corporate officers.

For future performance share plans, the Board of Directors intends to set performance conditions that are similar to those of the current plans:

- quantitative conditions based on Group performance, as measured based on budgeted recurring operating profit;
- personal performance conditions, corresponding for each beneficiary to their direct contribution to the Game Changer plan's success.

The performance targets are ambitious, as illustrated by the plans' vesting rates of 54% for plan no. 1, 29% for plan no. 2 and 0% for plan no. 3 (see table below).

Free share grant plans in effect on December 31, 2019

The table below presents free share grant plans applicable in the Company at December 31, 2019:

	Plan no. 1 (2017)	Plan no. 2 (2018-1)	Plan no. 3 (2018-2)	Plan no. 4 (2019)	Plan no. 5 (2020)	Plan no. 6 (2023)
Date of the Annual General Meeting	Apr. 20, 2017	Apr. 20, 2017	Apr. 20, 2017	Apr. 20, 2017	May 6, 2019	May 6, 2019
Date of the Board Meeting	Jul. 20, 2017	Sept. 5, 2018	Dec. 10, 2018	Mar. 11, 2019	Dec. 19, 2019	Dec. 19, 2019
Total number of free shares granted, of which:	31,400	44,200	18,000	2,000	13,000	150,000
Corporate officers	*None*	*None*	*None*	*None*	*None*	*None*
Date shares were vested	Jul. 20, 2018	Sept. 5, 2019	Dec. 10, 2019	Mar. 11, 2020	Jan. 1, 2021	Jan. 1, 2023
End of holding period	Jul. 20, 2019	Sept. 5, 2020	Dec. 10, 2020	Mar. 11, 2021	Jan. 1, 2022	Jan. 1, 2024
Number of shares vested at December 31, 2019	17,000	13,017	0	0	0	0
Aggregate number of shares that have been canceled or lapsed	14,400	31,183	18,000	0	0	0
Free shares outstanding at December 31, 2019	0	0	0	2,000	13,000	150,000

Free shares granted by the Board of Directors during the year ended December 31, 2019

During the year ended December 31, 2019, the Board of Directors made use of the powers delegated to it by the Extraordinary General Meeting of April 20, 2017, and May 6, 2018, to implement the following three share grant plans:

- free share grant plan no. 4 (2019) by decision of the Board of Directors on March 11, 2019, as follows:
  - total number of free shares: 2,000,
  - free share beneficiaries: Group employees;
- vesting period: One year from the vesting date. Therefore, shares will only be fully vested as of March 11, 2020, if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met.
  - holding period: One year from the end of the vesting period;
- free share grant plan no. 5 (2020) by decision of the Board of Directors on December 19, 2019, as follows:
  - total number of free shares: 13,000,
  - free share beneficiaries: Group employees,
  - vesting period: One year from January 1, 2020. Therefore, shares will only be fully vested as of January 1, 2021, if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met,
  - holding period: One year from the end of the vesting period;
- free share grant plan no. 6 (2023) by decision of the Board of Directors on December 19, 2019, as follows:
  - total number of free shares: 150,000,
  - free share beneficiaries: Group senior executives,
  - vesting period: Three years from January 1, 2020. Therefore, shares will only be fully vested as of January 1, 2023, if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met.

In order to continue to build on the Group's employee share ownership strategy, at the April 28, 2020 Annual General Meeting, the shareholders will be asked to renew the authorization given to the Board of Directors to grant, on one or more occasions, existing or new Chargeurs free shares under the terms and conditions provided for in the 22nd resolution set out in section 7.3 of this Universal Registration Document.

4.5. 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 brought together all of the values and principles held by the Group and 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 can be viewed on the Chargeurs website at _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 to the Board of Directors best governance and ethics practices for the Group, 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, Isabelle Guichot and two well-known persons from outside the Group. It is chaired by Francis Teitgen, honorary president of the Paris Bar Association. The outside members 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 Group Chairman and Chief Executive Officer of the Group may, on the initiative of the Chairman of the Ethics Committee, personally participate in Committee meetings.

Ethics Committee members are chosen by the Chairman and Chief Executive Officer 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, based on the recommendation put forward to the Board of Directors by the Chairman and Chief Executive Officer.

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. The maximum fee for these non-director members was set at €30,000 each for 2019.

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FINANCIAL AND ACCOUNTING INFORMATION

5.1. THE GROUP'S 2019 CONSOLIDATED FINANCIAL STATEMENTS

5.1.1. 2019 CONSOLIDATED FINANCIAL STATEMENTS

In accordance with article 19 of European regulation no. 2017/1129 of June 14, 2017, this Universal Registration Document contains the following information:

- the consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2018 on pages 122 to 173 and 174 to 177 of the Registration Document filed with the French financial markets authority, the AMF, under number R. 19-005 on April 12, 2019;
- the consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2017 on pages 100 to 146 and 147 to 151 of the Registration Document filed with the French financial markets authority, the AMF, under number R. 18-006 on March 23, 2018.

Consolidated Statement of Income

		Year ended December 31	
(in euro millions)	Note	2019	2018
Revenue	4	**626.2**	**573.3**
Cost of sales		(459.2)	(419.0)
Gross profit		**167.0**	**154.3**
Distribution costs		(75.1)	(61.6)
Administrative expenses		(46.4)	(39.8)
Research and development costs		(4.1)	(3.9)
Recurring operating profit		**41.4**	**49.0**
Amortization of intangible assets acquired through business combinations		(2.5)	(0.9)
Other operating income	5	0.1	0.2
Other operating expense	5	(7.1)	(6.1)
Operating profit		**31.9**	**42.2**
Finance costs, net		(9.8)	(8.9)
Other financial expense		(1.7)	(1.8)
Other financial income		-	0.1
Net financial expense	7	**(11.5)**	**(10.6)**
Pre-tax profit for the period		**20.4**	**31.6**
Share of profit/(loss) of equity-accounted investees	13	(0.4)	0.1
Income tax expense	8	(4.9)	(5.1)
Profit from continuing operations		**15.1**	**26.6**
Profit for the period		15.1	26.6
ATTRIBUTABLE TO OWNERS OF THE PARENT		**15.1**	**26.6**
Attributable to non-controlling interests		-	-
Earnings per share *(in euros)*	9	0.66	1.14
Diluted earnings per share *(in euros)*	9	0.66	1.15

The impact of the first-time application of IFRS 16 is presented in note 2.2.1.

Consolidated Statement of Comprehensive Income

(in euro millions)	Note	Year ended December 31 2019	2018
Profit for the period		**15.1**	**26.6**
Exchange differences on translating foreign operations	17	3.0	1.5
Cash flow hedges		1.3	0.6
Total items that may be reclassified subsequently to profit or loss		**4.3**	**2.1**
Other components of other comprehensive expense		(1.2)	(0.2)
Actuarial gains and losses on post-employment benefit obligations	19	(0.7)	(0.4)
Total items that will not be reclassified to profit or loss		**(1.9)**	**(0.6)**
Other comprehensive income for the period, net		2.4	1.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**17.5**	**28.1**
Attributable to:			
Owners of the parent		17.5	28.1
Non-controlling interests		-	-

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

Consolidated Statement of Financial Position

ASSETS

(in euro millions)	Note	Dec. 31, 2019	Dec. 31, 2018
Intangible assets	10	173.1	158.1
Property, plant and equipment	11	87.3	80.7
Right-of-use assets	12	25.8	-
Investments in associates and joint ventures	13	12.6	13.1
Deferred tax assets	8	33.4	32.0
Non-current financial assets	14	6.7	6.4
Other non-current assets		1.1	0.6
Net non-current assets		340.0	290.9
Inventories and work-in-progress	15	126.1	128.4
Trade receivables	15	73.5	72.4
Derivative financial instruments	15	1.4	0.7
Other receivables	15	27.8	20.5
Current income tax receivables	15	1.3	3.2
Cash and cash equivalents	18	93.9	110.0
Net current assets		324.0	335.2
TOTAL ASSETS		**664.0**	**626.1**

EQUITY AND LIABILITIES

(in euro millions)		Dec. 31, 2019	Dec. 31, 2018
Attributable to owners of the parent	17	232.4	237.2
Non-controlling interests		-	-
Total equity		232.4	237.2
Long-term borrowings	18	193.5	169.1
Medium and long-term lease liabilities	12	17.3	-
Deferred tax assets	8	5.7	4.8
Pension and other post-employment benefit obligations	19	18.3	17.4
Provisions	20	0.4	0.5
Other non-current liabilities	21	7.4	3.5
Net non-current liabilities		242.6	195.3
Trade payables	15	105.6	116.8
Other payables	15	45.5	42.3
Current income tax liability	15	5.9	1.0
Derivative financial instruments	15	0.1	0.4
Short-term portion of long-term borrowings	18	7.5	12.3
Short-term portion of lease liabilities	12	9.1	-
Short-term bank loans and overdrafts	18	15.3	20.8
Net current liabilities		189.0	193.6
TOTAL EQUITY AND LIABILITIES		**664.0**	**626.1**

The impact of the first-time application of IFRS 16 is presented in note 2.2.1.

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	Group total	Non-controlling interests	Total equity
At December 31, 2017	3.7	60.2	171.5	1.6	(0.6)	(6.3)	(0.2)	229.9	-	229.9
Issue of share capital	-	4.4	-	-	-	-	-	4.4	-	4.4
Changes in treasury stock	-	-	-	-	-	-	(10.2)	(10.2)	-	(10.2)
Share-based payment	-	-	0.2	-	-	-	-	0.2	-	0.2
Payment of dividends	-	-	(15.2)	-	-	-	-	(15.2)	-	(15.2)
Profit for the period	-	-	26.6	-	-	-	-	26.6	-	26.6
Other comprehensive income/(expense) for the period	-	-	(0.2)	1.5	0.6	(0.4)	-	1.5	-	1.5
At December 31, 2018	3.7	64.6	182.9	3.1	-	(6.7)	(10.4)	237.2	-	237.2
First-time application of IFRIC 23(1)			(3.9)					(3.9)	-	(3.9)
At January 1, 2019 restated	3.7	64.6	179.0	3.1	-	(6.7)	(10.4)	233.3	-	233.3
Issue of share capital(2)	-	4.5	-	-	-	-	-	4.5	-	4.5
Changes in treasury stock	-	-	-	-	-	-	(9.8)	(9.8)	-	(9.8)
Share-based payment	-	-	-	-	-	-	-	-	-	-
Payment of dividends(2)	-	-	(13.1)	-	-	-	-	(13.1)	-	(13.1)
Profit for the period	-	-	15.1	-	-	-	-	15.1	-	15.1
Other comprehensive income/(expense) for the period	-	-	(1.2)	3.0	1.3	(0.7)	-	2.4	-	2.4
AT DECEMBER 31, 2019	**3.7**	**69.1**	**179.8**	**6.1**	**1.3**	**(7.4)**	**(20.2)**	**232.4**	**-**	**232.4**

(1) Impact of the first-time application of IFRIC 23 – Uncertainty over Income Tax Treatments (see note 2.2.1).
(2) Of the €13.1 million in dividends paid in 2019, €8.6 million was paid in cash and €4.5 million in shares (see note 17.2).

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

Consolidated Statement of Cash Flows

(in euro millions)	Note	Year ended December 31 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax profit of consolidated companies		20.4	31.6
Adjustments to reconcile pre-tax profit to cash generated from operations		21.6	11.3
• *depreciation and amortization expense*	*10 & 11 & 12*	*21.1*	*11.7*
• *provisions and pension and other post-employment benefit obligations*		*(0.1)*	*-*
• *impairment of non-current assets*		*-*	*0.3*
• *fair value adjustments*		*0.9*	*0.6*
• *impact of discounting*		*0.3*	*-*
• *(gains)/losses on sales of investments in non-consolidated companies and other non-current assets*		*-*	*(0.2)*
• *exchange (gains)/losses on foreign currency receivables and payables*		*(0.6)*	*0.4*
• *other non-cash adjustments*		*-*	*(1.5)*
Income tax paid		(3.3)	(6.0)
Cash generated by operations		**38.7**	**36.9**
Dividends from equity-accounted investees	13	0.1	-
Change in operating working capital	15	(13.3)	(22.5)
Net cash from operating activities		**25.5**	**14.4**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of the cash acquired		(9.6)	(65.0)
Purchases of intangible assets	10	(2.1)	(1.6)
Purchases of property, plant and equipment	11	(23.2)	(22.7)
Proceeds from sales of intangible assets and property, plant and equipment		0.9	0.6
Other movements		(0.7)	(1.6)
Net cash used in investing activities		**(34.7)**	**(90.3)**
Cash flows from financing activities			
Cash dividends paid to owners of the parent		(8.6)	(10.8)
(Purchases)/sales of treasury stock		(9.8)	(10.2)
Proceeds from new borrowings	18	38.6	34.0
Repayments of borrowings	18	(10.3)	(42.7)
Repayments of lease liabilities	12	(9.7)	-
Change in bank overdrafts	18	**(5.6)**	**4.3**
Net cash used in financing activities		**(5.4)**	**(25.4)**
Increase/(decrease) in cash and cash equivalents		**(14.6)**	**(101.3)**
Cash and cash equivalents at beginning of period	18	110.0	214.8
Effect of changes in foreign exchange rates on cash and cash equivalents		(1.5)	(3.5)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**18**	**93.9**	**110.0**

The impact of the first-time application of IFRS 16 is presented in note 2.2.1.

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 **(Chargeurs Protective Specialty Machines, CPSM)**;
- **Chargeurs PCC Fashion Technologies (CFT)** manufactures and markets garment interlinings;
- **Chargeurs Museum Solutions** (formerly known as Chargeurs Technical Substrates) comprises a manufacturing arm made up of Senfa, which specializes in functionalized technical textiles, and a services arm – Chargeurs Creative Collection – which is a global standard-setter for services to cultural establishments;
- **Chargeurs Luxury Materials (CLM)** manufactures and markets premium wool tops (Top making).

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, 2019 were approved by the Board of Directors on March 4, 2020 and will be submitted to shareholders for approval at the Annual General Meeting on April 28, 2020.

The Board of Directors has decided to ask shareholders at the April 28, 2020 Annual General Meeting to approve payment of a dividend of €0.40 per share for 2019. A €0.20 interim dividend was paid in September 2019. At this same Annual General Meeting, the shareholders will be asked to approve a stock dividend alternative.

Note 1 SIGNIFICANT EVENTS OF THE YEAR

1.1. Change of name from Chargeurs Technical Substrates (CTS) to Chargeurs Museum Solutions (CMS)

Chargeurs recently announced that the name of its Technical Substrates division has been changed to Chargeurs Museum Solutions.

For the past two years, the Group has been strategically turning around Chargeurs Technical Substrates by acquiring companies that offer end-to-end product and service solutions for museums. In so doing, Chargeurs has become the world leader in museum services.

The creation of Chargeurs Museum Solutions (CMS) has enabled the Group to combine its expertise in manufacturing and services to create a unique offering for the largest museums in the world.

CMS has two operating sub-segments:

- Senfa Technologies, which specializes in technical textiles for graphic displays and interior design;
- Chargeurs Creative Collection (CCC), CMS' services arm, which is dedicated to museum exhibit solutions and offers a full range of services, from project planning to the turnkey delivery of exhibitions and innovative environments. CCC is made up of Leach, Met Studio and Design PM (acquired in 2018 and 2019), and will shortly also include D&P and Hypsos.

1.2. Acquisitions in the Museum Solutions segment

During the second half of 2019, the Group acquired majority interests in two niche companies that will reinforce CMS' services arm.

Design PM

On July 2, 2019, the Group acquired an 80% interest in Design PM, a major player in museum heritage project management. This London-based company will enable the Group to gain greater expertise in the management of large-scale, technically intensive projects by capitalizing on the experience of its founder, who will retain a stake in the company.

MET Studio

On December 5, 2019, the Group acquired a 71% interest in MET Studio, a London-based company and iconic designer specializing in museums, exhibitions and the visitor experience, serving customers in more than 50 countries, with a very strong international outlook thanks to a presence across four continents.

Purchase price allocation

The assets acquired and liabilities assumed were initially recognized at their acquisition-date fair values. The main fair value adjustments concerned intangible assets, notably the brands, non-compete clauses and customer portfolios of the various companies acquired (see note 10.2).

The provisional goodwill recognized on this acquisition amounted to €7.2 million (£6.3 million).

The purchase price allocation and related goodwill calculation will be finalized within 12 months of the respective acquisition dates.

For the year ended December 31, 2019, these two companies contributed a combined €2.2 million to the Group's consolidated revenue and €0.1 million to its profit.

For 2018, the full-year revenue generated by MET Studio and Design PM totaled approximately €10.0 million.

1.3. Renegotiation of the indenture of Chargeurs' Euro PP notes

During 2019, Chargeurs successfully renegotiated the indenture for its Euro PP notes issued in 2016 and 2017 in order to align the notes' financial terms and conditions with those of the syndicated loan agreement signed in December 2018. This involved removing the leverage covenant, lowering the gearing requirement to 1.2x, and extending by three years the maturities of the Euro PP notes originally scheduled to mature in 2023 in order to increase the average maturity of the Group's debt and stagger its repayments (see note 18).

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The 2019 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://www.efrag.org/Endorsement.

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, 2019

Adopted by the European Union

IFRS 16 – Leases

IFRS 16, which is applicable for accounting periods beginning on or after January 1, 2019, supersedes IAS 17 as well as the related IFRIC and SIC interpretations. It introduces a single lessee accounting model under which a lessee is required to recognize a right-of-use asset ("RoU asset") representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

At January 1, 2019, the Group elected to apply the cumulative catch-up approach, under which the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to opening equity at the date of initial application. Consequently, the prior-period data shown in this report is presented in accordance with the Group's previous accounting policies, as used for the consolidated financial statements for the year ended December 31, 2018.

Group leases mainly concern real estate assets (such as industrial buildings, warehouses and offices) but also machinery and equipment.

At the transition date, the Group used the practical expedients provided for in the standard and therefore:

- measured the right-of-use asset for each lease as an amount equal to the value of the lease liability, adjusted for any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately prior to the date of transition to IFRS 16;
- applied a single discount rate to a portfolio of leases with similar characteristics;
- excluded initial direct costs from the measurement of right-of-use assets at the date of initial application (e.g., commissions, legal fees and negotiation costs).

The Group also elected to use the recognition exemptions available under IFRS 16, concerning:

- leases of low-value assets; and
- short-term leases (i.e., whose term ends within 12 months).

The Group's first-time application of IFRS 16 did not have any impact on opening equity at January 1, 2019.

No tax effects relating to the first-time application of IFRS 16 were recognized at January 1, 2019.

Leases capitalized at the date of initial application

Lease liabilities

At January 1, 2019, the Group recognized lease liabilities of €22.5 million, corresponding to the present value of the remaining lease payments on operating leases identified at that date.

The lease terms used were determined on a lease-by-lease basis and correspond to the non-cancellable period of the lease including optional lease periods when management is reasonably certain that an option to extend (or not to terminate) the lease will be exercised.

The discount rates used at the transition date were based on the Group's incremental borrowing rate, plus a credit spread applied to take into account the economic environments specific to each country. These discount rates were calculated using the average residual maturities of the leases at the date of initial application, i.e., January 1, 2019.

The Group's weighted average incremental borrowing rate at the transition date was 3.15%.

The finance lease liabilities presented in debt in the statement of financial position at December 31, 2018 were reclassified at January 1, 2019 to a new separate line called "Lease liabilities", in an amount of €8.7 million.

Lease liabilities are therefore presented separately from net debt.

Right-of-use assets

At January 1, 2019, the carrying amount of the right-of-use assets related to the Group's leases equaled the amount of its lease liabilities, i.e., €22.5 million, adjusted for (i) prepaid or accrued lease payments, net of lease incentives received (€0.2 million at December 31, 2018) and (ii) the net value of assets recognized at December 31, 2018 as property, plant and equipment acquired under finance leases (€11.2 million).

Consequently, the Group's right-of-use assets at the transition date totaled €33.9 million.

Presentation impact

"Right-of-use assets" and "Lease liabilities" are presented on separate lines in the consolidated statement of financial position.

The depreciation and interest expense recognized due to the application of IFRS 16 are respectively accounted for under (i) recurring operating profit, before amortization of intangible assets acquired through business combinations and before other operating income and expense, and (ii) net financial expense.

The following table presents the impacts of the Group's first-time application of IFRS 16 on the statement of financial position:

Assets	December 31, 2018 Published	First-time application of IFRS 16	January 1, 2019 IFRS 16
Intangible assets	158.1	-	158.1
Property, plant and equipment	80.7	(11.2)	69.5
Right-of-use assets	-	33.9	33.9
Investments in associates and joint ventures	13.1	-	13.1
Deferred tax assets	32.0	-	32.0
Non-current financial assets	6.4	-	6.4
Other non-current assets	0.6	-	0.6
Net non-current assets	290.9	22.7	313.6
Inventories and work-in-progress	128.4	-	128.4
Trade receivables	72.4	-	72.4
Derivative financial instruments	0.7	-	0.7
Other receivables	20.5	(0.2)	20.3
Current income tax receivables	3.2	-	3.2
Cash and cash equivalents	110.0	-	110.0
Net current assets	335.2	(0.2)	335.0
TOTAL ASSETS	**626.1**	**22.5**	**648.6**

Equity and liabilities	December 31, 2018 Published	First-time application of IFRS 16	January 1, 2019 IFRS 16
Attributable to owners of the parent	237.2	-	237.2
Non-controlling interests	-	-	-
Total equity	237.2		237.2
Long-term borrowings	169.1	(5.7)	163.4
Medium and long-term lease liabilities	-	22.2	22.2
Deferred tax assets	4.8	-	4.8
Pension and other post-employment benefit obligations	17.4	-	17.4
Provisions for other current liabilities	0.5	-	0.5
Other non-current liabilities	3.5	-	3.5
Net non-current liabilities	195.3	16.5	211.8
Trade payables	116.8	-	116.8
Other payables	42.3	-	42.3
Current income tax liability	1.0	-	1.0
Derivative financial instruments	0.4	-	0.4
Short-term portion of long-term borrowings	12.3	(3.0)	9.3
Short-term portion of lease liabilities	-	9.0	9.0
Short-term bank loans and overdrafts	20.8	-	20.8
Net current liabilities	193.6	6.0	199.6
TOTAL EQUITY AND LIABILITIES	**626.1**	**22.5**	**648.6**

In 2019, the income statement impacts of adopting IFRS 16 (except for finance leases) were as follows:

Year ended December 31, 2019 *(in euro millions)*	Published December 31, 2019	Restated for IFRS 16	Excluding IFRS 16 December 31, 2019
Revenue	**626.2**	**-**	**626.2**
EBITDA	**60.0**	**7.0**	**53.0**
Depreciation and amortization	(18.6)	(6.5)	(12.1)
Recurring operating profit	**41.4**	**0.5**	**40.9**
Amortization of intangible assets acquired through business combinations	(2.5)	-	(2.5)
Other operating income and expense (note 5)	(7.0)	-	(7.0)
Operating profit	**31.9**	**0.5**	**31.4**
Net financial expense	(11.5)	(0.8)	(10.7)
Pre-tax profit for the period	**20.4**	**(0.3)**	**20.7**
Share of loss of equity-accounted investees	(0.4)	-	(0.4)
Income tax expense	(4.9)	-	(4.9)
Profit for the period	**15.1**	**(0.3)**	**15.4**

In the consolidated statement of cash flows, repayments of lease liabilities amounted to €9.7 million in 2019 and interest expense on lease liabilities is still included in cash flows from operating activities.

The following table reconciles lease liabilities at the transition date with leases recognized as off-balance sheet commitments at December 31, 2018.

(in euro millions)	
Lease commitments at December 31, 2018	23.1
Scope	**(1.8)**
Effect of leases recognized in off-balance sheet commitments but outside of the scope of IFRS 16	(0.2)
Effect of short-term leases not recognized in debt at January 1	(1.6)
Term	**3.7**
Effect of termination and extension options not recognized in off-balance sheet commitments and recognized under leases	3.7
Lease liabilities before discounting	25.0
Effect of discounting	**(2.5)**
Leases after discounting	22.5
Lease financing at December 31, 2018	8.7
LEASES AT JANUARY 1, 2019 AFTER FIRST-TIME APPLICATION	**31.2**

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 – Uncertainty over Income Tax Treatments, is applicable for accounting periods beginning on or after January 1, 2019. In accordance with this interpretation, a liability has to be recognized in the consolidated statement of financial position when a probable tax risk exists as a result of a tax treatment applied by the Group or one of its subsidiaries, assuming that the tax authority with the right to examine and challenge tax treatments will examine those treatments and have knowledge of all the related information.

The Group reviewed its tax treatments in order to determine whether any of them could have an impact on its consolidated financial statements. The Group has elected to apply IFRIC 23 retrospectively, i.e., by recognizing the cumulative effect of the interpretation's first-time application as an adjustment to opening equity at January 1, 2019. No restatements of comparative information are required under this approach.

In view of the above, the Group recognized a tax liability of €3.9 million at January 1, 2019.

Application of the following new standards, interpretations and amendments to existing standards was also mandatory for the first time in the period ended December 31, 2019:

- Amendments to IFRS 9 – Prepayment Features with Negative Compensation
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRSs (2015-2017 Cycle)

The above interpretation and amendments did not have a material impact on Chargeurs' consolidated financial statements for the year ended December 31, 2019.

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

Adopted by the European Union:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 – Definition of Material

Not yet adopted by the European Union:

- IFRS 17 – Insurance Contracts
- Amendments IFRS 3 – Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

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 upon 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 impact on Group equity of including these companies in the scope of consolidation at December 31, 2019 would not have been material.

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;
- "Museum Solutions", which regroups a full range of museum exhibit services;
- "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 segments identified above are those 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 Oceania 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.

2.5.4. Hyperinflation

As an exception to the principles set out in note 2.5.3 above, the financial statements of entities operating in a hyperinflationary economy are translated in accordance with the requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies. All non-monetary assets and liabilities as well as equity, comprehensive income (income statement items and other comprehensive income) and cash flows of such entities are restated based on a general price index, and the financial statements are then translated at the period-end exchange rate. Monetary items are not restated.

In Argentina, the cumulative inflation rate for the last three years is over 100 % based on a combination of indices used to measure the country's inflation. Consequently, Chargeurs considers Argentina to be a hyperinflationary economy and has therefore applied the principles of IAS 29 as set out above to its Argentina-based entities.

This accounting treatment did not have a material impact on the Group's consolidated financial statements at December 31, 2019.

2.6. Revenue recognition

Revenue from sales of goods and services is recognized based on the consideration provided for in the contract with the client and excludes any amounts collected for third parties. The Group recognizes revenue when it transfers control of the good or service to the client.

The Group generates revenue from the manufacture and sale of high value-added products, carried out by its various divisions:

- Protective Films, which supplies the construction, manufacturing and electronics industries with self-adhesive films for the temporary protection of fragile surfaces as well as laminators (machines used for applying surface protection films);
- Fashion Technologies, specialized in the manufacture and sale of interlinings – technical fabrics used in the manufacture of garments;
- Museum Solutions, which produces and sells technical textiles used in the advertising, decoration and interior architecture markets, and offers a full range of museum exhibit solutions;
- Luxury Materials, which buys premium combed wool and sells it to end clients.

The Group recognizes revenue when it transfers control of the good or service to the client, which takes place when the good or service is delivered in accordance with the terms and conditions agreed with the client. For all of the Group's divisions, control is transferred at a point in time.

The amount recognized in revenue is based on the transaction price set in the contract and corresponds to the amount of consideration that the Group expects to receive in line with the related contractual provisions. The transaction prices applied by the Group do not include any variable amounts requiring the use of estimates.

No financing component is recognized, as the Group's client contracts do not contain any clauses providing for payment periods in excess of one year.

A receivable is recorded when the Group has performed its obligations, i.e., at the delivery date of the goods, which corresponds to the date on which the Group has an unconditional right to receive the consideration.

As the Group does not have any material contracts with a term of more than one year, it has elected to apply the practical expedient whereby it is not required to disclose the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

2.7. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA corresponds to the businesses' operating profit (as defined below) restated for the amortization of property, plant and equipment and intangible assets.

2.8. Recurring operating profit

Recurring operating profit is an indicator used by the Group to estimate future underlying performance. It is stated before (i) amortization of intangible assets related to acquisitions, and (ii) 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.

2.9. 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 consist of restructuring costs, assets impairment losses, gains and losses on disposal of property, plant and equipment and intangible assets, and acquisition-related costs.

2.10. Earnings per share

Basic earnings per share are 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.

2.11. Intangible assets

2.11.1. 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.

2.11.2. Trademarks, client relationships and licenses

Separately acquired intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets acquired in a business combination are recognized separately from goodwill if they are (i) controlled by the Group, and (ii) separable, or arise from contractual or other legal rights. Amortization of intangible assets related to acquisitions is recorded on a separate line in the income statement.

Intangible assets with finite useful lives are amortized over their useful lives on a straight-line basis and are tested for impairment if there is an indication that they may be impaired. The useful lives applied are as follows:

- trademarks and licenses: depending on their period of use or protection (between 15 and 20 years);
- client relationships: up to 20 years.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least once a year or whenever there is an indication that they may be impaired.

2.11.3. 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 they are incurred.

2.11.4. 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.

2.11.5. 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.

2.12. 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.

2.12.1. 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 includes 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.

2.13. IAS 17 – Leases (2018)

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.

2.14. Leases (accounted for in accordance with IFRS 16 as from 2019)

The Group recognizes a lease when it has the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset throughout the period of use. The Group's leases mainly concern real estate assets (such as industrial buildings, warehouses and offices) but also machinery and equipment.

Leases are recognized in the statement of financial position at the commencement date of the lease, in an amount corresponding to the present value of the future lease payments. This results in the recognition of:

- a "right-of-use asset" under non-current assets; and
- a lease liability representing the obligation to make future lease payments.

2.14.1. Right-of-use assets

At the commencement date of a lease, the right-of-use ("RoU") asset is recognized and measured at an amount equal to the amount of the initial measurement of the lease liability plus (i) any initial direct costs incurred by the lessee, (ii) the initial estimate of any restoration costs, and (iii) any lease payments made to the lessor at or before the commencement date, less any lease incentives received.

The RoU asset is depreciated over the term of the lease, which generally corresponds to the non-cancellable period of the lease taking into account optional periods when it is reasonably certain that an option to extend (or not to terminate) the lease will be exercised. Depreciation of RoU assets is recognized in recurring operating profit.

2.14.2. Lease liabilities

The lease liability is recognized at the commencement date of the lease and measured at the present value of the remaining lease payments at that date. This amount includes (i) fixed lease payments, (ii) variable lease payments that depend on an index or a rate defined in the lease, and (iii) payments relating to extension, purchase, termination or non-renewal options if the Group considers it is reasonably certain such options will be exercised.

If the interest rate implicit in a lease cannot be readily determined, the Group uses its incremental borrowing rate to measure the RoU asset and corresponding lease liability. This rate notably takes into account the Group's borrowing conditions and the economic environment in which the lease was taken out.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method.

The interest expense is recognized in financial expense.

Lease liabilities are presented separately to net debt.

2.14.3. Exemptions

Lease payments under leases of low-value assets and short-term leases are recognized directly in expenses.

2.15. Financial assets and liabilities

2.15.1. Financial assets

The Group classifies its financial assets into the following three categories in accordance with IFRS 9:

- financial assets measured at amortized cost;
- financial assets measured at fair value through other comprehensive income (FVOCI); and
- financial assets measured at fair value through profit or loss (FVPL).

The category of financial asset applied depends on the business model chosen by the Group for managing the asset as well as the asset's contractual cash flow characteristics.

Financial assets measured at amortized cost

These financial assets are held in order to collect their contractual cash flows (the "hold to collect" business model).

On initial recognition they are measured at their acquisition-date fair value, which generally corresponds to the transaction price. Subsequently, if they are not hedged, these assets are measured at amortized cost using the effective interest method.

Financial assets measured at amortized cost primarily correspond to the following balance sheet items: loans, deposits, other non-current assets and trade and other receivables.

Financial assets measured at fair value through other comprehensive income (FVOCI)

The objective of the business model for financial assets measured at fair value through other comprehensive income (FVOCI) is achieved both by collecting contractual cash flows and selling the financial assets (the "hold to collect and sell" business model). These assets are initially recognized and subsequently measured at fair value, with changes in fair value recorded in other comprehensive income. Only interest and dividend income and, in accordance with IAS 21, foreign exchange gains and losses on these assets are recognized in profit or loss. When the financial asset is derecognized, any remeasurement gains or losses accumulated in equity are not recycled to profit or loss.

The value in use is 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.

Financial assets at fair value through profit or loss (FVPL)

This last category represents the "default" or "residual" category if the requirements to be classified as financial assets at amortized cost or FVOCI financial assets are not met. FVPL assets are financial assets that are held for trading or that are designated as at FVPL on initial recognition.

A financial asset is classified in this category if it was acquired primarily with a view to being sold in the short term or if it does not have any pre-determined contractual cash flows. Derivatives are categorized as held for trading unless they are designated as hedging instruments.

For the Group, FVPL financial assets primarily correspond to derivatives.

Impairment

The Group recognizes impairment based on expected credit losses for financial assets measured at amortized cost.

The amount of impairment recognized is remeasured at each reporting date to reflect changes in the credit risk of a financial instrument since its initial recognition date.

For financial instruments (other than trade receivables), the Group applies the expected credit loss model over their lifetime only when there is a significant deterioration in credit risk. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Group assesses the expected credit losses over the 12 months following the reporting date.

In order to assess changes in credit risk, the Group compares the default risk on the financial instrument at the reporting date with the default risk on the financial instrument at its initial recognition date, taking into account reasonable and supportable information that is available without undue cost or effort at the reporting date and that are indications of significant increases in credit risk since initial recognition.

For trade receivables, the Group applies the simplified approach and recognizes expected credit losses over the assets' expected lives. Under this approach, trade receivables are initially recognized at the amount invoiced to customers, and an expected credit loss allowance is recognized as soon as the receivables are originated in order to take into account the risk of any payment defaults throughout the lives of the receivables. If a credit risk is identified for a particular trade receivable, an impairment loss is recognized, calculated on a case-by-case basis. The amount of the expected credit loss is recognized in the balance sheet as a deduction from the gross amount of the trade receivable and the impairment loss is recognized in "Distribution costs" in the income statement.

Derecognition

The Group derecognizes a financial asset when the contractual right to receive cash flows from the asset has expired or when the asset and substantially all of the related risks and rewards have been transferred to a third party.

If substantially all the risks and rewards have been neither retained nor transferred, the Group assesses whether or not it has retained control of the asset. If the Group has retained control of the asset, it continues to recognize the asset to the extent of its continuing involvement; if the Group has not retained control of the asset, it is derecognized.

When an asset measured at amortized cost is derecognized, the difference between its carrying amount and the consideration received for the asset is recorded in profit or loss.

2.15.2. Financial liabilities

Financial liabilities 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 18), other non-current liabilities, trade payables and other payables in the consolidated statement of financial position.

2.15.3. 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

2.16. Derivative financial instruments and hedges

Derivative financial instruments are initially recognized, and subsequently measured, at fair value. Gains and losses arising from the fair value remeasurement carried out at the end of each reporting period are recognized in profit or loss unless the derivative is the hedging instrument in a qualifying hedge. Consequently, the recognition of these gains and losses through profit or loss depends on the type of hedge.

The Group uses derivatives to hedge currency and interest rate risks, including forwards, options and interest rate swaps (note 22).

The Group formally documents the relationship between the hedging instrument and the hedged item at the hedge's inception. The documentation describes the hedging relationship and the entity's risk management and hedging strategy. The description includes the designation of the hedging instrument and hedged item, the nature of the underlying risk that is being hedged and the way in which the entity will assess whether the hedging relationship meets the applicable hedge effectiveness requirements.

A hedging relationship satisfies all of the hedge effectiveness requirements if:

- there is an economic relationship between the hedged item and the hedging instrument;

- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group designates the entire value of forwards and options as hedges.

The Group hedges forecast transactions in foreign currencies, such as sales of products in dollars. Changes in the fair value of derivatives that qualify as hedges of forecast transactions are recognized directly in other comprehensive income 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.

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.

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.

Fair value adjustments to interest rate and currency derivatives classified as held for trading are recognized immediately in the income statement.

2.17. 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.

2.18. 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.

2.19. 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.

The Group applies the simplified impairment method for trade receivables and recognizes expected credit losses over the assets' lifetimes. Expected credit losses are estimated using a provision matrix based on historical default rates and adjusted for specific factors relating to the debtors concerned, current general economic conditions and estimates of future economic conditions that can be obtained at the reporting date without incurring undue cost or effort.

The amount of the provision is recognized in "Distribution costs".

2.20. 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 original maturities of 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.

2.21. 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.

2.22. 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.

2.23. 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.

2.24. 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.

Note 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

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. Impairment of goodwill

Goodwill is tested for impairment on an annual basis as described in note 2.11. 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).

3.2. Income tax expense

Consequently, deferred tax assets for tax loss carryforwards are only recognized if it is considered probable that there will be sufficient future taxable profit against which the loss can be utilized. The amount of these assets is assessed based on taxable profit projections over a period of five or seven years depending on the tax jurisdiction concerned.

The exercise of judgment is therefore required in assessing the consequences that new events will have on the value of deferred tax assets, notably changes in the estimates of future taxable profit and the timings for utilizing the assets.

In addition, tax positions may depend on interpretations of legislation, and such interpretations may be uncertain.

3.3. Other main estimates

The other main estimates made by management for preparing the consolidated financial statements primarily related to the assumptions used for:

- measuring intangible assets (brands, customer relationships, non-compete clauses, etc.);
- measuring right-of-use assets and lease liabilities;
- provisions for disputes;
- post-employment benefit obligations;
- uncertain tax treatments concerning material amounts.

Note 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

The impact of the first-time application of IFRS 16 is presented in note 2.2.1.

Year ended Dec. 31, 2019 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Consolidated
Revenue(1)	278.1	210.6	37.3	100.2	-	626.2
EBITDA	**33.1**	**24.1**	**4.5**	**2.8**	**(4.6)**	**60.0**
Depreciation and amortization	(9.5)	(6.6)	(1.7)	(0.1)	(0.7)	(18.6)
Recurring operating profit	**23.6**	**17.5**	**2.8**	**2.7**	**(5.2)**	**41.4**
Amortization of intangible assets acquired through business combinations	-	(2.1)	(0.4)	-	-	(2.5)
Other operating income and expense (note 5)	(0.1)	(3.7)	(0.6)	(0.1)	(2.5)	(7.0)
Operating profit	**23.5**	**11.7**	**1.8**	**2.6**	**(7.7)**	**31.9**
Net financial expense						(11.5)
Pre-tax profit for the period						**20.4**
Share of loss of equity-accounted investees						(0.4)
Income tax expense						(4.9)
Profit for the period						**15.1**

(1) *The recent acquisitions carried out by the Group had the following impacts on revenue in 2019:*
Fashion Technologies:
– PCC (acquired in August 2018) contributed €83.4 million.
Museum Solutions:
– Leach (acquired in May 2018) contributed €11.5 million;
– Design PM (acquired in July 2019) contributed €2.1 million;
– the contribution of MET Studio (acquired in December 2019) was not material.

Year ended Dec. 31, 2018 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Consolidated
Revenue(1)	283.3	161.1	30.7	98.2	-	573.3
EBITDA	**39.4**	**17.9**	**5.1**	**2.7**	**(5.3)**	**59.8**
Depreciation and amortization	(6.4)	(3.1)	(1.1)	-	(0.2)	(10.8)
Recurring operating profit	**33.0**	**14.8**	**4.0**	**2.7**	**(5.5)**	**49.0**
Amortization of intangible assets acquired through business combinations	-	(0.7)	(0.2)	-	-	(0.9)
Other operating income and expense (note 5)	(1.5)	(1.1)	(0.5)	-	(2.8)	(5.9)
Operating profit/(loss)	**31.5**	**13.0**	**3.3**	**2.7**	**(8.3)**	**42.2**
Net financial expense						(10.6)
Pre-tax profit for the period						**31.6**
Share of profit of equity-accounted investees						0.1
Income tax expense						(5.1)
Profit for the period						**26.6**

(1) *In 2018, PCC (acquired on August 24, 2018) contributed €27.2 million to the revenue of the Fashion Technologies segment; Leach (acquired in May 2018) contributed €6.3 million to the revenue of the Museum Solutions segment.*

4.1.2. Assets and liabilities by operating segment

At Dec. 31, 2019 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Total equity
Assets[1]	225.7	179.5	67.9	58.8	38.2	570.1
Liabilities[2]	76.5	55.7	19.4	26.9	10.4	188.9
Capital employed	149.2	123.8	48.5	31.9	27.8	381.2
Capital expenditure	13.7	4.7	0.7	0.1	5.7	24.9

At Dec. 31, 2018 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Total
Assets[1]	206.3	175.7	45.8	56.0	32.3	516.1
Liabilities[2]	79.5	59.2	9.8	31.2	7.0	186.7
Capital employed	126.8	116.5	36.0	24.8	25.3	329.4
Capital expenditure	15.6	4.4	2.2	-	2.4	24.6

(1) *Excluding cash and cash equivalents. Assets included €25.8 million in right-of-use assets at December 31, 2019.*
(2) *Excluding equity attributable to owners of the parent, borrowings (long-term borrowings, short-term portion of long-term borrowings and short-term bank loans and overdrafts) and lease liabilities.*

4.1.3. Additional information

Year ended Dec. 31, 2019 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Consolidated
Depreciation of property, plant and equipment	(5.8)	(2.6)	(1.2)	-	(0.3)	(9.9)
Impairment:						
• inventories	(1.1)	(0.6)	(0.1)	(0.1)	-	(1.9)
• trade receivables	-	(0.3)	-	-	-	(0.3)
Restructuring costs (note 5)	-	(0.9)	-	-	-	(0.9)

Year ended Dec. 31, 2018 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Consolidated
Depreciation of property, plant and equipment	(6.2)	(2.8)	(1.0)	-	(0.1)	(10.1)
Impairment:						
• inventories	(1.4)	(0.3)	-	(0.1)	-	(1.8)
• trade receivables	-	0.1	-	-	-	0.1
Restructuring costs (note 5)	-	(0.9)	(0.4)	-	-	(1.3)

4.2. Information by geographical area

4.2.1. Revenue

The Group generates over 90% of its revenue outside France.

Revenue by client location breaks down as follows:

Year ended Dec. 31, 2019 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Consolidated
Geographical area					
Europe	139.4	55.9	28.4	50.4	274.1
Asia-Oceania-Pacific and Africa	47.9	131.4	6.5	16.4	202.2
Americas	90.8	23.3	2.4	33.4	149.9
TOTAL	**278.1**	**210.6**	**37.3**	**100.2**	**626.2**

Year ended Dec. 31, 2018 *(in euro millions)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Consolidated
Geographical area					
Europe	144.3	54.8	25.2	48.7	273.0
Asia-Oceania-Pacific and Africa	50.9	85.6	4.8	20.1	161.4
Americas	88.1	20.7	0.7	29.4	138.9
TOTAL	**283.3**	**161.1**	**30.7**	**98.2**	**573.3**

The main countries where the Group's customers are located are the following:

	Year ended December 31			
(in euro millions)	2019		2018	
United States	110.0	17.6%	103.7	18%
Italy	72.6	11.6%	67.4	12%
China and Hong Kong	74.2	11.8%	53.5	9%
Germany	41.2	6.6%	51.3	9%
France	41.0	6.5%	42.2	7%
Top 5 countries	339.0	54.1%	318.1	55%
Other countries	287.2	45.9%	255.2	45%
TOTAL	**626.2**	**100.0%**	**573.3**	**100%**

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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, 2019	Dec. 31, 2018
Europe	161.4	129.1
Asia-Oceania-Pacific and Africa	68.7	64.3
Americas	109.9	97.5
TOTAL	**340.0**	**290.9**

The year-on-year increase in non-current assets in Europe mainly reflects (i) right-of-use assets recognized in accordance with IFRS 16 (see note 2.2) and (ii) the assets of Design PM and MET Studio, acquired in 2019 (see note 1.2).

The increases in the Asia-Oceania-Pacific and Africa region and the Americas region were due to (i) right-of-use assets recognized in accordance with IFRS 16 (see note 2.2) and (ii) the purchase of office premises in New York.

PURCHASES OF PPE AND INTANGIBLE ASSETS

The Group makes investments to encourage growth.

	Dec. 31, 2019			Dec. 31, 2018		
(in euro millions)	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
Europe	15.6	1.7	17.3	20.4	1.5	21.9
Asia-Oceania-Pacific and Africa	1.3	-	1.3	1.3	-	1.3
Americas	6.3	-	6.3	1.4	-	1.4
TOTAL	**23.2**	**1.7**	**24.9**	**23.1**	**1.5**	**24.6**

In 2019, the Group continued to invest in Chargeurs Protective Films' new techno-smart production line in Italy, which was inaugurated during the year.

Note 5 OTHER OPERATING INCOME AND EXPENSE

Other operating income and expense can be analyzed as follows:

	Year ended December 31	
(in euro millions)	2019	2018
Bargain purchase gain(1)	-	1.7
Restructuring costs(2)	(0.9)	(1.3)
Acquisition-related expenses(3)	(5.8)	(6.4)
Other	(0.3)	0.1
TOTAL	**(7.0)**	**(5.9)**

(1) In the year ended December 31, 2018, the Group acquired Lantor Lanka for a token amount of one euro, which generated €1.7 million in badwill.
(2) The restructuring costs were incurred mainly by the Fashion Technologies division.
(3) Acquisition-related expenses correspond to costs incurred in connection with the Group's difference business development and growth programs.

Note 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 2018 and 2019:

	Year ended December 31	
	2019	2018
Employees in France	582	565
Employees outside France	1,487	1,227
TOTAL EMPLOYEES	**2,069**	**1,792**

The year-on-year increase was primarily due to the last acquisitions carried out, particularly over the full-year for PCC.

6.2. Payroll costs

	Year ended December 31	
(in euro millions)	2019	2018
Wages and salaries	72.4	64.3
Payroll taxes	24.2	24.8
Discretionary profit sharing	2.3	3.2
TOTAL	**98.9**	**92.3**

Note 7 FINANCIAL INCOME AND EXPENSE

	Year ended December 31	
(in euro millions)	2019	2018
• Finance costs	(9.8)	(9.1)
• Interest income on loans and investments	-	0.2
Finance costs, net	(9.8)	(8.9)
• Interest on lease liabilities	(1.0)	-
• Interest expense on employee benefit obligations	(0.3)	(0.3)
• Impairment of financial assets	-	(0.4)
• Exchange gains and losses on foreign currency receivables and payables	0.2	(0.4)
• Fair value adjustments to financial instruments	-	(0.7)
• Other	(0.6)	0.1
Other financial income and expense	(1.7)	(1.7)
NET FINANCIAL EXPENSE	**(11.5)**	**(10.6)**

Note 8 INCOME TAX

8.1. Income tax

Income tax expense reported in the income statement is analyzed in the table below:

	Year ended December 31	
(in euro millions)	2019	2018
Current taxes	(6.1)	(6.9)
Deferred tax assets	1.2	1.8
TOTAL	**(4.9)**	**(5.1)**

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):

	Year ended December 31	
(in euro millions)	2019	2018
Pre-tax profit of consolidated companies	20.4	31.6
Standard French income tax rate	34.43%	34.43%
Tax at the standard rate	(7.0)	(10.9)
Income tax expense for the period	(4.9)	(5.1)
Difference between income tax expense for the period and tax at the standard rate	2.1	5.8
Effect of differences in foreign tax rates	1.4	1.6
Effect of permanent differences between book profit and taxable profit	-	0.3
Change in tax assets recognized for tax losses:		
• Reversals of valuation allowances on tax loss carryforwards recognized in prior periods[1]	0.8	1.5
• Utilizations of tax loss carryforwards covered by valuation allowances[2]	2.2	3.7
• Effect of unrelieved tax losses	(0.5)	(0.3)
Other[3]	(1.8)	(1.0)
DIFFERENCE BETWEEN INCOME TAX EXPENSE FOR THE PERIOD AND TAX AT THE STANDARD RATE	**2.1**	**5.8**

(1) The €0.8 million recognized in 2019 related to the French tax group's tax loss carryforwards and the €1.5 million recognized in 2018 related to the American tax group's tax loss carryforwards.
(2) Primarily corresponding to the utilization of the French tax group's tax loss carryforwards (see note 8.2.2).
(3) The 2019 figure includes expenses relating to the CVAE tax in France, the IRAP tax in Italy, and local state taxes in the United States.

8.2. Deferred taxes

8.2.1. Analysis of the net deferred tax asset

(in euro millions)	Dec. 31, 2018	Income statement impact	Equity impact	Translation adjustment	Other[1]	Dec. 31, 2019
France	23.7	0.8	-	-	-	24.5
United States	4.6	-	-	0.1	-	4.7
Germany	1.0	-	-	-	-	1.0
Italy	0.7	(0.1)	-	-	-	0.6
Other countries	(2.8)	0.5	0.5	(0.2)	(1.1)	(3.1)
TOTAL	**27.2**	**1.2**	**0.5**	**(0.1)**	**(1.1)**	**27.7**

(1) *Primarily including the deferred taxes arising on intangible assets acquired through the business combinations with MET Studio and Design PM.*

	Dec. 31, 2019			Dec. 31, 2018		
(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	32.4	1.1	33.5	30.7	1.0	31.7
• recoverable within 12 months	-	8.2	8.2	-	8.2	8.2
Deferred tax liabilities, net						
• to be settled beyond 12 months	-	(12.9)	(12.9)	-	(11.4)	(11.4)
• to be settled within 12 months	-	(1.1)	(1.1)	-	(1.3)	(1.3)
TOTAL	**32.4**	**(4.7)**	**27.7**	**30.7**	**(3.5)**	**27.2**

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, 2019:

(in euro millions)	French tax group	US tax group	German tax group[1]	Other countries excluding Group relief	Total tax loss carryforwards
Available until					
2020	-	-	-	-	-
2021	-	6.7	-	-	6.7
2022	-	11.3	-	-	11.3
2023	-	2.6	-	-	2.6
2024 and beyond	-	61.8	-	4.2	66.0
Evergreen losses	192.2	-	32.2	8.0	232.4
TOTAL TAX LOSS CARRYFORWARDS AT DECEMBER 31, 2019	**192.2**	**82.4**	**32.2**	**12.2**	**319.0**
o/w recognized	*93.0*	*19.1*	*3.9*	*3.8*	*119.8*
o/w unrecognized	*99.2*	*63.3*	*28.3*	*8.4*	*199.2*
Total tax loss carryforwards at December 31, 2018	192.0	81.9	22.3	14.0	310.2
o/w recognized	*84.5*	*18.4*	*3.9*	*3.1*	*109.9*
o/w unrecognized	*107.5*	*63.5*	*18.4*	*10.9*	*200.3*

(1) *The situation concerning the German tax group's tax loss carryforwards was settled in 2019 following a ruling by the German Federal Court that it was contrary to the German Constitution to consider tax loss carryforwards as expired due to a change of shareholding covering between 25% and 50% of an entity's capital.*

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.

Note 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 €0.66 in 2019.

Diluted earnings per share takes into account (i) the weighted average number of performance shares granted to employees (see note 17.4), (ii) interim dividends, and (iii) dividends paid in shares.

Diluted earnings per share for 2019 was the same as basic earnings per share, as performance shares had no dilutive impact (see note 17.4).

	Year ended December 31			
	2019		2018	
(in euro millions)	Basic	Diluted	Basic	Diluted
Profit from continuing operations	15.1	15.1	26.6	26.8
Weighted average number of shares	22,882,210	22,882,210	23,349,984	23,365,260
Earnings per share from continuing operations *(in euros)*	0.66	0.66	1.14	1.15

Note 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).

	Protective Films	Fashion Technologies	Museum Solutions		
(in euro millions)			Senfa	Creative Collection(1)	Total
Dec. 31, 2017	69.2	6.0	11.0	-	86.2
Additions	-	28.7	-	7.9	36.6
Translation adjustment	2.9	1.1	-	-	4.0
Dec. 31, 2018	72.1	35.8	11.0	7.9	126.8
Additions	-	-	-	7.2	7.2
Translation adjustment	1.3	0.8	-	0.6	2.7
Other	(0.1)	-	-	(0.7)	(0.8)
DEC. 31, 2019	**73.3**	**36.6**	**11.0**	**15.0**	**135.9**

(1) *Purchase price adjustment for Leach (acquired in 2018), representing a negative €0.7 million.*

Protective Films

The Protective Films segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single CGU.

Substantially all of Protective Films' goodwill is measured in US dollars and the appreciation in the dollar against the euro between December 31, 2018 and 2019 resulted in a €1.3 million increase in its carrying amount.

Fashion Technologies

The Fashion Technologies segment also has a global management structure that is aligned with local needs.

In the second half of 2018, the Group acquired the interlinings business of Precision Custom Coatings (PCC). The transaction consisted of a share deal for PCC Asia LLC and an asset deal for the PCC USA interlinings business. The share deal gave rise to goodwill of 222.4 million Hong Kong dollars (€24.1 million) and the asset deal gave rise to goodwill of US$5.4 million (€4.6 million) at December 31, 2018.

As PCC has been integrated into the Fashion Technologies segment and its acquisition is expected to generate synergies for the division as a whole, the full amount of this provisional goodwill has been allocated to the Fashion Technologies CGU.

A portion of Fashion Technologies' goodwill is denominated in Bangladesh taka, Hong Kong dollars and US dollars, and the appreciation of these currencies against the euro has resulted in a €0.6 million increase in the carrying amount of that segment's goodwill at December 31, 2019.

Museum Solutions

The Museum Solutions operating segment comprises:

- a manufacturing arm (Senfa), whose goodwill totals €11.0 million;
- a services arm (Chargeurs Creative Collection), consisting of:
  - Leach (acquired in 2018): during the first half of 2019, goodwill related to Leach was adjusted by £0.6 million, following a purchase price adjustment. At the end of the initial measurement period, this goodwill totaled £6.4 million, corresponding to €7.2 million at December 31, 2019,
  - Design PM and MET: the acquisitions of Design PM and MET Studio in 2019 gave rise to provisional goodwill of £6.3 million (€7.2 million) (see note 1.2).

10.1.2. Goodwill impairment tests

The tests performed at the level of each CGU at December 31, 2019 showed that their recoverable amounts were higher than their carrying amounts, including for goodwill.

In application of IFRS 16, for the purpose of impairment testing, the Group used the simplified approach, which consists of including in the carrying amount of the CGUs right-of-use assets less the carrying amount of lease liabilities, and including lease payments in the calculations of cash flows.

10.1.3. Main assumptions used and sensitivity tests

The recoverable amount of the CGUs was determined based on value-in-use calculations.

Impairment tests were carried out on the two businesses to which goodwill has been allocated 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.

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THE MAIN VALUE-IN-USE ASSUMPTIONS APPLIED WERE AS FOLLOWS:

The main value-in-use assumptions applied were as follows:	2019				2018		
	Protective Films	Fashion Technologies	Museum Solutions		Protective Films	Fashion Technologies	Museum Solutions
			Senfa	Creative Collection			
Average weighted operating margin over the business plan period(1)	12.40%	9.00%	14.40%	13.90%	12.60%	8.90%	14.30%
Perpetuity growth rate(2)	1.00%	1.00%	2.00%	2.00%	1.00%	1.00%	2.00%
Discount rate	8.71%	7.99%	8.87%	8.87%	9.00%	8.92%	9.05%

(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, customers and patents	Development costs	Other	Total
Dec. 31, 2017	0.6	0.5	1.0	2.1
Capitalized development costs	-	0.1	-	0.1
Acquisitions	0.1	-	1.4	1.5
Changes in scope of consolidation	28.4	-	-	28.4
Amortization	(1.0)	(0.1)	(0.5)	(1.6)
Translation adjustment	0.7	-	0.1	0.8
Dec. 31, 2018	28.8	0.5	2.0	31.3
Capitalized development costs	-	0.4	-	0.4
Acquisitions	0.1	-	1.6	1.7
Changes in scope of consolidation	6.1	-	-	6.1
Amortization	(2.6)	(0.1)	(0.6)	(3.3)
Other	-	(0.1)	-	(0.1)
Translation adjustment	1.1	-	-	1.1
DEC. 31, 2019	**33.5**	**0.7**	**3.0**	**37.2**

The purchase price allocation processes carried out for the Group's acquisitions of Design PM and MET Studio during the year resulted in the recognition of intangible assets for the following:

- brands (€0.5 million);
- non-compete clauses (€0.8 million);
- customer portfolios (€4.8 million).

Note 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	Fixtures and fittings	Plant and equipment	Assets under construction	Total
Dec. 31, 2017	2.5	8.7	40.4	5.7	5.9	63.2
Additions(1)	0.7	0.4	7.1	1.0	13.9	23.1
Disposals	-	-	-	-	(0.3)	(0.3)
Changes in scope of consolidation	2.6	-	0.8	0.5	-	3.9
Depreciation	(0.1)	(1.3)	(7.7)	(1.0)	-	(10.1)
Other	-	0.9	3.2	0.7	(4.8)	-
Translation adjustment	(0.1)	0.2	0.9	-	(0.1)	0.9
Dec. 31, 2018	5.6	8.9	44.7	6.9	14.6	80.7
Transfer linked to IFRS 16(2)	**(1.3)**	**(1.1)**	**(8.4)**	**(0.4)**	**-**	**(11.2)**
Acquisitions	0.3	5.4	6.3	0.6	10.6	23.2
Disposals	-	-	(0.3)	-	(0.3)	(0.6)
Depreciation	(0.4)	(1.1)	(7.2)	(1.2)	-	(9.9)
Other(3)	-	1.4	6.5	2.0	(5.3)	4.6
Translation adjustment	0.2	-	0.4	-	(0.1)	0.5
DEC. 31, 2019	**4.5**	**13.5**	**42.0**	**7.9**	**19.5**	**87.3**

(1) Including €0.4 million worth of assets acquired under finance leases.
(2) Reclassification of assets held under finance leases at December 31, 2018 to "Right-of-use assets" (see note 12) due to the first-time application of IFRS 16.
(3) During the year, the Group exercised a number of options related to assets held under finance leases. In accordance with IFRS 16, these assets had been reclassified to "Right-of-use assets" at January 1, 2019 (see note 12).

Note 12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

12.1. Right-of-use assets

The carrying amounts of right-of-use assets for property, plant and equipment as defined in note 2.14.1. break down as follows:

(in euro millions)	Land	Buildings	Fixtures and fittings	Plant and equipment	Total
Dec. 31, 2018	-	-	-	-	-
First-time application of IFRS 16	**0.2**	**12.3**	**10.2**	**-**	**22.7**
Transfer linked to IFRS 16[(1)]	**1.3**	**1.1**	**8.4**	**0.4**	**11.2**
New contracts	0.1	3.0	1.8	-	4.9
End of contracts	-	(0.2)	-	-	(0.2)
Amortization	-	(3.5)	(4.3)	(0.1)	(7.9)
Other[(2)]	-	(0.1)	(4.5)	(0.3)	(4.9)
Translation adjustment	-	-	-	-	-
DEC. 31, 2019	**1.6**	**12.6**	**11.6**	**-**	**25.8**

(1) Reclassification of assets held under finance leases at December 31, 2018 to "Right-of-use assets" (see note 11) due to the first-time application of IFRS 16.
(2) During the year, the Group exercised a number of options related to assets held under finance leases. In accordance with IFRS 16, these assets had been reclassified to "Right-of-use assets" at January 1, 2019 (see note 11).

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12.2. Lease liabilities

Movements in lease liabilities during the year were as follows:

(in euro millions)	
Leases at December 31, 2018	-
Cash movements:	
Increase	
Decrease	(9.7)
Scope changes	-
Non-cash movements	
First-time application of IFRS 16	22.5
Transfer linked to IFRS 16	8.7
New leases	5.0
Changes in exchange rates	-
Other	(0.1)
LEASES AT DECEMBER 31, 2019	**26.4**

Interest expense on lease liabilities amounted to €1.0 million in 2019.

Lease liabilities break down as follows by maturity:

(in euro millions)	Dec. 31, 2019
Due in less than one year	9.1
Due in one to two years	6.8
Due in two to three years	3.9
Due in three to four years	2.3
Due in four to five years	1.6
Due in more than five years	2.7
TOTAL	**26.4**

Note 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.

Fashion Technologies segment

Following the acquisition of the PCC Interlining group during the year 2018, the Fashion Technologies segment now has two equity-accounted investees: Ningbo Textile Co Ltd (25%-held) and Weemeet Korea (20%-held).

Movements in equity-accounted investees can be analyzed as follows:

(in euro millions)	Dec. 31, 2018	Share of profit/(loss) for the period	Dividends received	Translation adjustment	Dec. 31, 2019
CW Uruguay	6.9	0.1	-	0.1	7.1
CW Argentina	1.6	-	(0.1)	(0.2)	1.3
Zhangjiagang Yangtse Wool Combing Co. Ltd	2.7	(0.6)	-	0.1	2.2
Total joint ventures	11.2	(0.5)	(0.1)	-	10.6
Wool USA	0.6	(0.1)	-	-	0.5
Ningbo Textile Co Ltd	0.5	0.1	-	-	0.6
Weemeet Korea	0.8	0.1	-	-	0.9
Total associates	1.9	0.1	-	-	2.0
TOTAL EQUITY-ACCOUNTED INVESTEES	**13.1**	**(0.4)**	**(0.1)**	**-**	**12.6**

(in euro millions)	Dec. 31, 2017	Income statement impact	Translation adjustment	Scope changes	Dec. 31, 2018
CW Uruguay	6.5	0.1	0.3	-	6.9
CW Argentina	2.0	-	(0.4)	-	1.6
Zhangjiagang Yangtse Wool Combing Co. Ltd	2.8	-	(0.1)	-	2.7
Total joint ventures	11.3	0.1	(0.2)	-	11.2
Wool USA	0.4	-	0.2	-	0.6
Ningbo Textile Co Ltd	-	-	-	0.5	0.5
Weemeet Korea	-	-	-	0.8	0.8
Total associates	0.4	-	0.2	1.3	1.9
TOTAL EQUITY-ACCOUNTED INVESTEES	**11.7**	**0.1**	**-**	**1.3**	**13.1**

13.2. Key figures for the main equity-accounted investees

Key figures for material equity-accounted investees are presented below (on a 100% basis):

	For the year ended December 31, 2019				For the year ended December 31, 2018			
	Chargeurs Luxury Materials				Chargeurs Luxury Materials			
(in euro millions)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Total	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Total
Non-current assets	2.5	1.8	4.6	8.9	2.6	1.4	4.8	8.8
Current assets	38.4	20.6	20.0	79.0	43.0	22.6	13.3	78.9
Cash and cash equivalents	0.9	0.1	1.4	2.4	1.6	0.2	1.4	3.2
Non-current financial liabilities	-	-	-	-	-	-	-	-
Other non-current liabilities	0.1	-	0.2	0.3	0.1	-	-	0.1
Current financial liabilities	22.6	13.0	8.6	44.2	25.6	10.1	2.5	38.2
Other current liabilities	4.9	7.0	12.8	24.7	7.7	11.0	11.5	30.2
Total net assets	14.2	2.5	4.4	21.1	13.8	3.1	5.5	22.4
% interest	50%	50%	50%	n.a.	50%	50%	50%	n.a.
Group share	7.1	1.3	2.2	10.6	6.9	1.6	2.7	11.2
Goodwill	-	-	-	-	-	-	-	-
Other	-		-	-	-	-	-	-
Carrying amount	7.1	1.3	2.2	10.6	6.9	1.6	2.7	11.2

	For the year ended December 31, 2019				For the year ended December 31, 2018			
	Chargeurs Luxury Materials				Chargeurs Luxury Materials			
(in euro millions)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Total	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Total
Revenue	46.4	21.9	16.5	84.8	55.0	24.3	25.4	104.7
Depreciation, amortization and impairment	(0.4)	-	(0.9)	(1.3)	(0.5)	-	(0.9)	(1.4)
Finance costs, net	(1.0)	(1.1)	(0.2)	(2.3)	(0.8)	(0.4)	(0.3)	(1.5)
Profit/(loss) from continuing operations	0.2	-	(1.2)	(1.0)	0.2	0.1	-	0.3
% interest	50%	50%	50%	n.a.	50%	50%	50%	n.a.
GROUP SHARE	**0.1**	**-**	**(0.6)**	**(0.5)**	**0.1**	**-**	**-**	**0.1**

13.3. Transactions with equity-accounted investees

In 2019, the main transactions with the Group's equity-accounted investees in the Luxury Materials operating segment (Lanas Trinidad, Chargeurs Wool Argentina, Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse Pty Ltd) were as follows:

- purchases recorded in cost of sales for €37.2 million;
- sales for €4.5 million;
- trade receivables for €9.3 million;
- trade payables for €11 million.

Note 14 FINANCIAL ASSETS

At December 31, 2019, non-current financial assets mainly comprised deposits (€4.9 million) and investments in non-consolidated companies (€1.8 million).

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.

The carrying amounts of the Group's main investments in non-consolidated companies can be analyzed as follows:

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Interests of over 50%	1.8	1.8
Interests of between 20% and 50%	-	-
Interests of less than 20%	-	-
TOTAL	**1.8**	**1.8**

The above table includes Chargeurs' interest in Precious Fiber Development, a start-up in which Chargeurs has been investing since late 2017 as part of the Group's overall innovation strategy. Trading under the brand name Amédée Paris, this company designs and sells outstanding products made of fully traceable premium wool fibers. It is already undergoing international sales development (France, the United States, Japan and other countries), and intends to expand further by forging major partnerships to make co-branded products as well as by designing turnkey white-label offerings.

Note 15 WORKING CAPITAL

15.1. Analysis of change in working capital

(in euro millions)	Dec. 31, 2018	Change in operating working capital(1)	Other changes	Translation adjustment(2)	Impact of changes in scope of consolidation	Dec. 31, 2019
Inventories and work-in-progress	128.4	(1.8)	(0.9)	0.2	0.2	126.1
Trade receivables	72.4	(1.5)	0.2	0.6	1.8	73.5
Derivative financial instruments	0.7	0.7	-	-	-	1.4
Other receivables	20.5	7.4	(0.8)	(0.2)	0.9	27.8
Current income tax receivables	3.2	-	(1.9)	-	-	1.3
Assets	225.1	4.8	(3.3)	0.6	2.9	230.1
Trade payables	116.8	(12.3)	0.1	0.6	0.4	105.6
Derivative financial instruments	0.4	0.1	(0.4)	-	-	0.1
Other payables	42.3	3.7	(0.6)	(1.2)	1.3	45.5
Current income tax liability	1.0	-	4.9	-	-	5.9
Liabilities	160.5	(8.5)	4.0	(0.6)	1.7	157.1
WORKING CAPITAL	**64.6**	**13.3**	**(7.3)**	**1.2**	**1.2**	**73.0**

(1) Reported in the consolidated statement of cash flows under "Net cash from operating activities".
(2) Of which €1.4 million corresponding to the impact of hyperinflation in Argentina (see note 2.5.4).

(in euro millions)	Dec. 31, 2017	Change in operating working capital[1]	Other changes	Translation adjustment	Impact of changes in scope of consolidation	Dec. 31, 2018
Inventories and work-in-progress	107.3	15.4	-	(0.8)	6.4	128.3
Trade receivables	53.0	7.8	-	(0.5)	12.1	72.4
Derivative financial instruments	0.4	0.4	(0.1)	-	-	0.7
Other receivables	23.5	(0.2)	-	(0.8)	(2.0)	20.5
Current income tax receivables	3.7	-	(0.5)	-	-	3.2
Assets	187.9	23.4	(0.6)	(2.0)	16.5	225.1
Trade payables	96.7	8.4	-	-	11.7	116.8
Derivative financial instruments	1.3	(0.7)	(0.2)	-	-	0.4
Other payables	42.5	(4.4)	-	(0.1)	4.3	42.3
Current income tax liability	2.8	(2.4)	-	-	0.6	1.0
Liabilities	143.3	0.9	(0.2)	(0.1)	16.6	160.5
WORKING CAPITAL	**44.6**	**22.5**	**(0.4)**	**(1.9)**	**(0.1)**	**64.6**

(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, 2019	Dec. 31, 2018
Gross value		
Raw materials and supplies	42.6	47.2
Finished and semi-finished goods and work-in-progress	90.1	87.3
Other	0.5	0.5
Total - Gross value	133.2	135.0
Provisions for impairment	(7.1)	(6.6)
NET VALUE	**126.1**	**128.4**

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Provisions for impairment at January 1	(6.6)	(6.3)
Increase in provisions for impairment of inventories	(2.0)	(1.8)
Reversals of provisions used	1.2	1.5
Reversals of surplus provisions	0.4	0.4
Translation adjustment	-	-
Other	(0.1)	(0.3)
PROVISIONS FOR IMPAIRMENT AT DECEMBER 31	**(7.1)**	**(6.6)**

No inventories have been pledged as collateral.

15.3. Trade receivables

(in euro millions)	Dec. 31, 2019	Not yet due	Past due	Dec. 31, 2018	Not yet due	Past due
Trade receivables						
Gross value	76.2	51.4	24.8	75.4	57.7	17.7
Provisions for impairment	(2.7)	(0.7)	(2.0)	(3.0)	(0.4)	(2.6)
NET VALUE	**73.5**	**50.7**	**22.8**	**72.4**	**57.3**	**15.1**

Trade receivables by due date

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Less than one month	16.3	6.0
One-to-three months past due	3.7	4.8
Three-to-six months past due	0.8	3.5
More than six months past due	2.0	0.8
NET VALUE	**22.8**	**15.1**

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 22).

15.4. Miscellaneous receivables

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Short-term tax receivables	1.3	3.2
Miscellaneous receivables	27.8	20.5
Accruals and other assets	-	-
Provisions for impairment	-	-
NET VALUE	**29.1**	**23.7**

"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.

Note 16 FACTORING

Chargeurs SA and a number of its subsidiaries have negotiated 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. Consequently, the sold receivables have been derecognized.

The amount of receivables sold under these programs totaled €59.9 million at December 31, 2019 versus €52.9 million one year earlier.

Note 17 EQUITY

17.1. Share capital

All Chargeurs shares have been called and are fully paid-up. Changes in the number of shares outstanding in 2019 were as follows:

Shares outstanding at December 31, 2018	23,551,755
New shares issued following payment of the balance of the dividend for financial year 2018	204,348
Shares issued in payment of the 2019 dividend balance	79,521
Shares issued on the grant of free shares	13,017
SHARES OUTSTANDING AT DECEMBER 31, 2019	**23,848,641**

Based on a par value of €0.16 per share, shares outstanding represented issued capital of €3,815,783 at December 31, 2019.

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 SA Shareholders' Meetings. At December 31, 2019, a total of 909,766 shares carried double voting rights.

17.2. Interim dividends

Payment of an interim dividend for 2019

On September 11, 2019, Chargeurs' Board of Directors decided to pay a €0.20 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 20 to October 10, 2019, 79,521 new shares were issued at a unit price of €14.99.

They carry dividend rights immediately and rank *pari passu* with the Company's existing shares from their issue on October 16, 2019.

At the close of the operation, Chargeurs' share capital amounted to €3,815,783 divided into 23,848,641 ordinary shares with a par value of €0.16 each, all fully paid up and of the same category.

The amount of the interim dividend paid in cash on October 16, 2019 totaled €3.4 million.

Payment of a dividend for 2018

In 2018, Chargeurs' Board of Directors decided to pay a dividend in view of the Group's performance during that year.

An interim dividend of €0.30 per share was paid in 2018 and the balance of €0.37 was paid in 2019, with shareholders given the option of receiving this payment in cash or in the form of shares. In total, 33,651 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 €22.76. As a result of this share issue the Company's share capital was raised to €3,768,281 divided into 23,551,755 ordinary shares with a par value of €0.16 each.

The amount of the interim dividend paid in cash on May 29, 2019 totaled €5.2 million.

17.3. Treasury stock

Treasury stock comprises Chargeurs SA shares held by the Group, including shares purchased under a share buyback program and a liquidity contract. At December 31, 2019 the Group held 1,153,914 shares in treasury (versus 557,878 one year earlier), valued at €20.2 million.

17.4. Share-based payments

Equity-settled share-based payments are measured at fair value at the grant date using:

- the Black-Scholes model for instruments that do not include a market condition; or
- the Black-Scholes and Monte Carlo models for instruments that include both market and non-market conditions.

The main factors taken into account when measuring the value of the financial instruments concerned are the grant-date share price, expected volatility and a lock-up discount.

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 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 March 11, 2019, the Board of Directors used this authorization to grant a total of 2,000 performance shares, representing less than 0.01% of the Company's capital, to a key executive of the Chargeurs Group. These shares are subject to a one-year vesting period followed by a one-year lock-up period. The shares will only vest if the applicable performance conditions are met and the beneficiary is still a member of the Group at the vesting date. As the performance conditions had not been met at December 31, 2019, the shares did not vest.

	Free share grant plan implemented by the Board of Directors on March 11, 2019
Grant date	Mar. 11, 2019
Number of beneficiaries	1
Original number of shares granted	2,000
Adjusted number of shares	(2,000)
Number of shares still to be granted at December 31, 2019	-
Fair value before the lock-up discount on the grant date	20.04
Fair value after the lock-up discount on the grant date	17.03

In 2019, the expense recognized within payroll costs in the income statement for this new plan, and the corresponding increase in equity, were not material.

17.5. Translation reserve

Movements in 2019 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, 2018	Increase/(decrease)	Translation reserves by main currency at Dec. 31, 2019
US dollar	9.3	2.1	11.4
Chinese yuan	6.1	0.1	6.2
Argentine peso(1)	(12.8)	(1.0)	(13.8)
Hong Kong dollar	2.6	0.4	3.0
Other	(2.1)	1.4	(0.7)
TOTAL	**3.1**	**3.0**	**6.1**

(1) Including €1.0 million corresponding to the impact of hyperinflation in Argentina.

Note 18 LONG- AND SHORT-TERM DEBT, CASH AND CASH EQUIVALENTS

18.1. Net debt

		Cash movements			Non-cash movements		
(in euro millions)	Dec. 31, 2018	Increase	Decrease	Changes in scope of consolidation[(1)]	Transfer linked to IFRS 16	Changes in exchange rates	Dec. 31, 2019
Marketable securities	16.8	-	(16.8)	-	-	-	0.0
Term deposits	4.5	-	(0.2)	-	-	-	4.3
Cash at bank	88.7	-	(1.6)	2.2	-	0.3	89.6
Total cash and cash equivalents	110.0	-	(18.6)	2.2	-	0.3	93.9
Long-term borrowings	181.4	38.6	(10.3)	-	(8.7)	-	201.0
• *of which bank borrowings*	*172.7*	*38.6*	*(10.3)*	-	-	-	*201.0*
• *of which finance lease liabilities*	*8.7*	-	-	-	*(8.7)*	-	-
Short-term borrowings	14.3	-	(2.3)	-	-	0.2	12.2
Bank covenants	6.5	-	(3.3)	-	-	(0.1)	3.1
Total gross debt	202.2	38.6	(15.9)	-	(8.7)	0.1	216.3
NET CASH POSITION/(NET DEBT POSITION)	**(92.2)**	**(38.6)**	**(2.7)**	**2.2**	**8.7**	**0.2**	**(122.4)**

(1) Reported in the consolidated statement of cash flows under "Acquisitions of subsidiaries, net of the cash acquired".

There were no restrictions on the use of the cash and cash equivalents held by Group at December 31, 2019.

18.2. Change in net debt

	Year ended December 31	
(in euro millions)	2019	2018
EBITDA	60.0	59.8
Other operating income and expense[(1)]	(7.0)	(7.7)
Cost of net debt and interest on leases	(10.8)	(8.9)
Income tax paid	(3.3)	(6.0)
Other	(0.2)	(0.3)
Cash generated by operations	38.7	36.9
Dividends from equity-accounted investees	0.1	-
Change in operating working capital	(13.3)	(22.5)
Operating cash flows	25.5	14.4
Transfer linked to IFRS 16	8.7	-
Acquisition of PPE and intangible assets, net of disposals	(24.4)	(23.7)
Acquisitions of subsidiaries, net of the cash acquired	(9.6)	(65.3)
Other investing cash flows	(0.7)	(1.6)
Share buybacks	(9.8)	(10.2)
Cash dividends paid to owners of the parent	(8.6)	(10.8)
Repayment of lease liabilities	(9.7)	-
Other	(0.1)	(0.4)
Currency effect	(1.5)	(3.5)
CHANGE IN NET CASH/(NET DEBT)	**(30.2)**	**(101.1)**
Opening net cash/(net debt)	(92.2)	8.9
CLOSING NET CASH/(NET DEBT)	**(122.4)**	**(92.2)**

(1) This line only includes cash items relating to restructuring costs and acquisition costs (see note 5).

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18.3. Financial covenants

The €230.0 million in bank financing set up in December 2018 – which includes a €100.0 million RCF with a five-year maturity (renewable for one further year), and a €130.0 million six-year term loan – is not subject to any leverage covenants, and nor are the Group's Euro PP notes (€122.0 million). They are, however, subject to a gearing covenant of ≤1.2x, calculated on a half-yearly basis (see note 1).

This ratio was respected at December 31, 2019.

Part of the bank financing was renegotiated during the year but this did not lead to any significant change in the original debt.

18.4. Debt by maturity and interest rate

18.4.1. Analysis of long-term and medium-term debt by maturity and interest rate

	Dec. 31, 2019			Dec. 31, 2018(1)		
(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	7.5	5.4	2.1	12.3	11.6	0.7
Due in one to two years	4.7	2.9	1.8	7.0	6.1	0.9
Due in two to three years	3.1	1.8	1.3	7.5	5.6	1.9
Due in three to four years	41.7	40.5	1.2	3.3	2.2	1.1
Due in four to five years	62.0	-	62.0	101.3	71.3	30.0
Due in more than five years	82.0	82.0	-	50.0	50.0	-
TOTAL	**201.0**	**132.6**	**68.4**	**181.4**	**146.8**	**34.6**

(1) Including finance lease liabilities recognized in accordance with IAS 17 totaling €8.7 million.

The carrying amount of fixed-rate debt, after hedging, was €132.6 million. The proportion of average debt at fixed rates of interest was 66.0% in 2019 and 81.3% in 2018.

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.

18.4.2. Maturities of the Group's confirmed credit facilities

The maturities of the Group's confirmed credit facilities are as follows:

(in euro millions)	Dec. 31, 2019	Average maturity	Dec. 31, 2018(1)	Average maturity
Drawn financing facilities	213.2	4.5	195.7	4.7
Undrawn financing facilities(2)	162.0	5.0	206.5	5.8
TOTAL FINANCIAL RESOURCES CONFIRMED	**375.2**	**4.7**	**402.2**	**5.3**

(1) Including finance lease liabilities recognized in accordance with IAS 17 totaling €8.7 million.
(2) Of which €122.0 million devoted to financing future acquisitions and capital expenditure.

18.5. Analysis of debt by currency

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Euro	201.3	181.3
US dollar	7.1	8.6
Chinese yuan	2.9	4.0
Other	5.0	8.3
TOTAL	**216.3**	**202.2**

Note 19 PENSION AND OTHER LONG-TERM EMPLOYEE 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, 2019
Present value of obligations – funded plans	1.7	16.7	-	-	-	18.4
Fair value of plan assets	(0.6)	(14.6)	-	-	-	(15.2)
Net present value of obligations – funded plans	1.1	2.1	-	-	-	3.2
Present value of obligations – unfunded plans	8.0	1.5	1.4	2.9	1.3	15.1
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**9.1**	**3.6**	**1.4**	**2.9**	**1.3**	**18.3**

(in euro millions)	France	United States	Italy	Germany	Other	Dec. 31, 2018
Present value of obligations – funded plans	1.7	15.7	-	-	-	17.4
Fair value of plan assets	(0.6)	(13.2)	-	-	-	(13.8)
Net present value of obligations – funded plans	1.1	2.5	-	-	-	3.6
Present value of obligations – unfunded plans	6.1	0.8	2.2	2.4	2.3	13.8
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**7.2**	**3.3**	**2.2**	**2.4**	**2.3**	**17.4**

MOVEMENTS IN PROVISIONS FOR THE PROJECTED BENEFIT OBLIGATION

(in euro millions)	Dec. 31, 2018	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, 2019
Post-employment benefit obligations	15.3	0.9	(0.3)	(0.3)	0.7	-	-	16.3
Post-employment healthcare plans	0.5	-	(0.1)	-	-	-	-	0.4
Other long-term benefit obligations	1.6	0.2	(0.2)	-	-	-	-	1.6
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**17.4**	**1.1**	**(0.6)**	**(0.3)**	**0.7**	**-**	**-**	**18.3**

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.

19.1. Funded plans

Movements in the projected benefit obligation under funded plans were as follows:

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Projected benefit obligation at January 1	17.4	18.3
Service cost	0.1	-
Interest cost	0.7	0.6
Benefits paid out of plan assets	(1.4)	(1.3)
Actuarial (gains)/losses for the period	1.4	(1.0)
Translation adjustment	0.2	0.8
PROJECTED BENEFIT OBLIGATIONS AT DECEMBER 31	**18.4**	**17.4**

Movements in the fair value of plan assets for funded plans were as follows:

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Fair value of plan assets at January 1	13.8	15.2
Actuarial (gains)/losses for the period	1.7	(1.4)
Expected return on plan assets	0.6	0.5
Employer contributions	0.3	0.1
Benefits paid out of plan assets	(1.4)	(1.3)
Translation adjustment	0.2	0.7
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**15.2**	**13.8**

Breakdown of plan assets:

	Dec. 31, 2019	Dec. 31, 2018
Money market funds	2%	2%
Equities	52%	47%
Bonds	44%	47%
Real estate	2%	4%
TOTAL	**100%**	**100%**

19.2. Unfunded plans

Movements in the projected benefit obligation under unfunded plans can be analyzed as follows:

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Projected benefit obligation at January 1	13.8	13.3
Service cost	0.7	0.7
Interest cost	0.2	0.2
Benefits paid out of Company reserves	(0.6)	(0.5)
Actuarial (gains)/losses for the period	1.0	-
Translation adjustment	-	0.1
PROJECTED BENEFIT OBLIGATIONS AT DECEMBER 31	**15.1**	**13.8**

19.3. 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)	2019	2018
Service cost	0.8	0.7
Interest cost	0.3	0.3
NET EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**1.1**	**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.

19.4. Main actuarial assumptions used, sensitivity tests and projected benefit obligation

The main actuarial assumptions at December 31, 2019 and 2018 were as follows:

	Dec. 31, 2019	Dec. 31, 2018
Europe:		
Discount rate applied to the projected benefit obligation(1)	0.75%	1.50%
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)	3.26%	4.30%
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 €1.5 million negative impact on the projected benefit obligation.

At December 31, 2019, the 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, 2020 is €2.2 million.

Note 20 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	Provisions for other current liabilities	Total
Dec. 31, 2017	0.7	0.8	1.5
Additions	-	0.4	0.4
Reversals of provisions used	(0.2)	(0.3)	(0.5)
Reversals of surplus provisions	-	(0.2)	(0.2)
Dec. 31, 2018	0.5	0.7	1.2
Additions	0.1	-	0.1
Reversals of provisions used	(0.1)	-	(0.1)
Reversals of surplus provisions	(0.1)	-	(0.1)
DEC. 31, 2019	**0.4**	**0.7**	**1.1**

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Provisions for other contingencies	1.1	1.2
TOTAL	**1.1**	**1.2**

Cash outflows covered by provisions for other contingencies will amount to €0.7 million in 2020 and €0.4 million in subsequent years.

Note 21 OTHER NON-CURRENT LIABILITIES

At December 31, 2019, "Other non-current liabilities" included a €2.9 million guarantee received in respect of a license.

Note 22 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 2.15.

The fair values of derivatives recognized in the statement of financial position can be analyzed as follows:

(in euro millions)	Dec. 31, 2019	Dec. 31, 2018
Assets	1.4	0.7
Liabilities	(0.1)	(0.4)
NET	**1.3**	**0.3**
• Less than 6 months	0.6	-
• More than 6 months	0.7	0.3

	Dec. 31, 2019		Dec. 31, 2018	
(in euro millions)	Fair value	Notional	Fair value	Notional[(2)]
Assets net of liabilities				
Fair value hedges				
Currency hedges[(1)]	-	(22.0)	0.3	(9.6)
Cash flow hedges				
Currency hedges[(1)]	1.3	(27.8)	-	(23.6)
Interest rate hedges	-	-	-	-
DERIVATIVE INSTRUMENTS – NET ASSET/(LIABILITY)	**1.3**	**(49.8)**	**0.3**	**(33.2)**

(1) Notional amounts shown in parentheses correspond to sales of foreign currencies for currency derivatives.
(2) Adjusted data.

22.1. 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.

22.1.1. Foreign exchange risk

The Group operates internationally (see note 4), with over 90% of revenue generated outside France and more than 55% 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, 2019 was €49.5 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)

	Dec. 31, 2019			Dec. 31, 2018[1]		
(in euro millions)	Notional amount	Balance-sheet position	Forecast position	Notional amount	Balance-sheet position	Forecast position
US dollar	(39.1)	(19.5)	(19.6)	(17.9)	(5.4)	(12.5)
Chinese yuan	(5.9)	(2.3)	(3.6)	(13.7)	(3.1)	(10.6)
British pound	(4.0)	(0.4)	(3.6)	(1.3)	(1.1)	(0.2)
Euro	(1.2)	(0.2)	(1.0)	(0.4)	-	(0.4)
Australian dollar	0.4	0.4	-	0.1	-	0.1
TOTAL	**(49.8)**	**(22.0)**	**(27.8)**	**(33.2)**	**(9.6)**	**(23.6)**

(1) Adjusted data.

The risk management policy for Chargeurs Protective Films and Chargeurs PCC 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.

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 50% 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, 2019.

(in euro millions)	Translation reserves by currency	Effect of a 10% increase in the exchange rate against the euro	Effect of a 10% decrease in the exchange rate against the euro
US dollar	11.4	1.1	(1.1)
Chinese yuan	6.2	0.6	(0.6)
Argentine peso	(13.8)	1.4	(1.4)
Hong Kong dollar	3.0	0.3	(0.3)
Other	(0.7)	0.1	(0.1)
TOTAL	**6.1**	**3.5**	**(3.5)**

Argentina's hyperinflation did not have a material impact on the consolidated financial statements (see the relevant notes – note 15.1, Analysis of change in working capital; and note 17.5, Translation reserve).

22.1.2. 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.

A 1-point increase in the interest rate on net debt that is not hedged against interest rate risk would have a €0.5 million negative impact on consolidated net financial expense.

22.1.3. 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 Museum Solutions 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.

22.2. Credit risk

22.2.1. Trade receivables

The Group has no significant concentrations of credit risk. 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, 2019 past-due receivables totaled €22.8 million (see note 15.3).

22.2.2. Country risk

The Group's geographical diversity means that it is not significantly exposed to political risk.

At December 31, 2019, four of the five main countries in which the Group's customers are located were rated at least "A" by Standard & Poor's.

The table below shows Standard & Poor's credit ratings for the main countries in which the Group's customers are located (based on the revenue generated with all customers located in each of the countries):

Country	% of total revenue	Credit rating(1)
United States	18%	AA+
Italy	12%	BBB
China and Hong Kong	12%	AA+ (Hong Kong) A+ (China)
Germany	7%	AAA
France	7%	AA

(1) Standard & Poor's rating.

22.2.3. Banking counterparty risk

The Group deals only with leading financial institutions for derivative instruments, cash-settled transactions and cash deposits.

22.2.4. 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, 2019.

Insured risks	Credit rating(1)
Customer default	A+
Freight	A+
Property & casualty	AA-
Liability	A+

(1) Standard & Poor's rating.

22.3. Liquidity risk

An analysis of the Group's borrowings is provided in note 18.

The Group manages its liquidity risk via the following three main strategies:

22.3.1. Ensuring that short-term assets exceed short-term liabilities

December 31, 2019 *(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	93.9	93.9	-	-
Long-term borrowings	(193.5)	-	(112.5)	(81.0)
Short-term portion of long-term borrowings	(7.5)	(7.5)	-	-
Short-term bank loans and overdrafts	(15.3)	(15.3)	-	-
Net cash position/(Net debt position)	(122.4)	71.1	(112.5)	(81.0)
Derivative instruments – assets	1.4	1.4	-	-
Deposits	4.9	-	4.9	-
Derivative instruments – liabilities	(0.1)	(0.1)	-	-
Other financial assets and liabilities	6.2	1.3	4.9	-
SUB-TOTAL – FINANCIAL ASSETS AND LIABILITIES	**(116.2)**	**72.4**	**(107.6)**	**(81.0)**
WORKING CAPITAL				
Trade receivables	73.5	73.5	-	-
Inventories	126.1	126.1	-	-
Trade payables	(105.6)	(105.6)	-	-
Sub-total – operating assets and liabilities	94.0	94.0	-	-
TOTAL FINANCIAL AND OPERATING ASSETS AND LIABILITIES	**(22.2)**	**166.4**	**(107.6)**	**(81.0)**

December 31, 2018 *(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	110.0	110.0	-	-
Long-term borrowings	(169.1)	-	(18.6)	(150.5)
Short-term portion of long-term borrowings	(12.3)	(12.3)	-	-
Short-term bank loans and overdrafts	(20.8)	(20.8)	-	-
Net cash position/(Net debt position)	(92.2)	76.9	(18.6)	(150.5)
Derivative instruments – assets	0.7	0.7	-	-
Deposits	4.6	-	4.6	-
Derivative instruments – liabilities	(0.4)	(0.4)	-	-
Other financial assets and liabilities	4.9	0.3	4.6	-
SUB-TOTAL – FINANCIAL ASSETS AND LIABILITIES	**(87.3)**	**77.2**	**(14.0)**	**(150.5)**
WORKING CAPITAL				
Trade receivables	72.4	72.4	-	-
Inventories	128.4	128.4	-	-
Trade payables	(116.8)	(116.8)	-	-
Sub-total – operating assets and liabilities	84.0	84.0	-	-
TOTAL FINANCIAL AND OPERATING ASSETS AND LIABILITIES	**(3.3)**	**161.2**	**(14.0)**	**(150.5)**

22.3.2. 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 48% of its available credit facilities (see note 18). At December 31, 2019, depending on the rating agency, the five main banking partners had short-term ratings of at least A-1 and long-term ratings of at least A, with stable outlooks.

22.3.3. 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.

Note 23 RELATED-PARTY TRANSACTIONS

The Group has identified the following related parties:

- its joint ventures and associates (see note 13);
- its senior executives.

23.1. Directors' and senior executives' compensation

	Year ended December 31	
(in euro thousands)	2019	2018
Compensation paid to directors	336.0	300.0
Compensation awarded to senior executives	1,325.0	1,264.2
Short-term benefits	1,661.0	1,564.2
TOTAL AWARDED FOR THE PERIOD	**1,661.0**	**1,564.2**

23.2. Fees paid to the Statutory Auditors

	Pricewaterhouse-Coopers Audit		Crowe		2019		Pricewaterhouse-Coopers Audit[2]		Crowe[2]		2018	
(in euro millions)	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%
Statutory and contractual audit services												
• Parent company	0.2		0.1		0.3		0.1		0.1		0.2	
• Subsidiaries	0.2		0.3		0.5		0.3		0.3		0.6	
Sub-total	0.4	80%	0.4	100%	0.8	89%	0.4	36%	0.4	80%	0.8	50%
Services other than accounts certification[1]												
• Parent company	-		-		-		0.2		-		0.2	
• Subsidiaries	0.1		-		0.1		0.5		0.1		0.6	
Sub-total	0.1	20%	-	0%	0.1	11%	0.7	64%	0.1	20%	0.8	50%
TOTAL	**0.5**		**0.4**		**0.9**		**1.1**		**0.5**		**1.6**	

(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.
(2) Adjusted data.

Note 24 COMMITMENTS AND CONTINGENCIES

24.1. Commercial commitments

At December 31, 2019, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €1.3 million.

24.2. Guarantees

At December 31, 2019, Chargeurs and its subsidiaries had given guarantees for a total of €21.6 million related to the Group's financing.

24.3. Collateral

At December 31, 2019, Chargeurs and its subsidiaries had granted collateral representing a total of €1.6 million.

Note 25 SUBSEQUENT EVENTS

Chargeurs has announced the purchase of a majority stake in an entity to reinforce its CMS division's CCC services arm:

- The acquisition of D&P Incorporated (the US leader in its market), which will enable Chargeurs to position itself as the global leader in the high-potential market for integrated solutions and visitor experience services for museums around the world, by incorporating:
  - America's largest integrated solutions platform for museums, with forecast revenue of more than $45 million for full-year 2020 and recurring operating margin of over 10%;
  - a solid, innovation-driven team, who will continue to manage the company's day to day operations;
  - a unique portfolio of achievements and a signed order book worth approximately $50 million, representing over one year's revenue.

Note 26 MAIN CONSOLIDATED COMPANIES

At December 31, 2019, 85 companies were fully consolidated (compared with 76 in 2018), and 12 were accounted for by the equity method (11 in 2018).

Parent company	Chargeurs SA
A – MAIN FULLY CONSOLIDATED COMPANIES	
France	Chargeurs Boissy SARL – Chargeurs Textiles SAS – Chargetex 35 – Chargeurs Cloud
Germany	Chargeurs Deutschland GmbH – Leipziger Wollkämmerei AG
Switzerland	CMI
North America	Chargeurs Inc (USA)
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	SA Novacel Belgium N.V
North America	Chargeurs Protective Films Inc. (United States) – Novacel Inc. (United States) – Main Tape Inc. (United States) – T.L.C. Inc. (United States) – Walco Machines Company (United States)
Central America	Novacel Mexico S.a de C.v (Mexico)
Asia	Novacel Shanghai Co. Ltd. (China) – Novacel Korea Ltd. (South Korea)
Fashion Technologies segment	
Holding company for the segment	**Fitexin**
France	Lainière de Picardie BC SAS – Intissel – Chargeurs Entoilage SA
Italy	Chargeurs Interfodere Italia
Germany	Lainière de Picardie Deutschland GmbH – Chargeurs Deutschland
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. (United States)
South America	Lainière de Picardie Golaplast Brazil Textil Ltda (Brazil) – Entretelas Americanas SA (Argentina) – Lainière de Picardie DHJ Chile SA (Chile)
Africa	Stroud Riley (Proprietary) Limited (South Africa) – ADT Chargeurs Entoilage Tunisie SARL (Tunisia) – Chargeurs Fashion Technologies Ethiopia
Asia	Chargeurs Interlining Limited (HK) – LP (Wujiang) Textiles Co. Ltd (China) – Lainière de Picardie Korea Co. Ltd (South Korea) – DHJ Interlining Limited (China) – Etacol Bangladesh Ltd (Bangladesh) – Chargeurs Interlining Singapore PTE Ltd (Singapore) – Intissel Lanka PVT Ltd (Sri Lanka) – Lantor Lanka (Sri Lanka) – Intissel China Ltd (China) – PCC Asia LLC (China) – PCC Guangzhou Trading Co Ltd (China)
Museum Solutions segment	
Holding company for the segment	**Chargeurs Technical Substrates**
France	Senfa
United Kingdom	A.H Leach & Company Limited – Leach Colour Limited – Design PM Limited – Design PM (International) Limited – MET London Studio Design Ltd – MET Studio Design Ltd HK – MET Studio Singapore Pte Ltd
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. (United States)
South America	Alvisey (Uruguay) – Nuovalane (Uruguay)
B - MAIN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD (LUXURY MATERIALS SEGMENT)	
North America	USA Wool (35%)
South America	Lanas Trinidad SA (50%) (Uruguay) – Lanera Santa Maria (50%) and its subsidiary Hart Newco SA (50%) – 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 (50%) (Australia) Pty Ltd, Weemeet Korea (20%) (South Korea) and Ningbo Textile Co Ltd (25%) (China).

The percentages indicated correspond to Chargeurs' percentage of control at December 31, 2019 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, 2019)

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 Annual General Meeting, we have audited the accompanying consolidated financial statements of Chargeurs for the year ended December 31, 2019. These consolidated financial statements were approved by the Board of Directors on March 4, 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

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 at December 31, 2019 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, 2019 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 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, 2019" to the consolidated financial statements, which describes the impacts of the first-time application of IFRS 16 – Leases and IFRIC 23 – Uncertainty over Income Tax Treatments on the consolidated financial statements.

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 judgment, were the most significant 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, approved in the context described above, 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 Museum Solutions goodwill

Description of risk

At December 31, 2019, the carrying amount of goodwill was €135.9 million, representing 20% of total consolidated assets.

Goodwill, which is presented in Notes 2.11.1 and 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 the net identifiable assets of the acquired company at the date of acquisition. Goodwill is allocated to the cash generating units (CGUs) to which the acquired companies belong.

In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired.

Impairment testing is used to ensure that the carrying amount of an asset does not exceed its recoverable amount, which is calculated based on future operating cash flow projections. The main assumptions used to measure the recoverable amount include changes in revenue and margin, the perpetuity growth rate and the discount rate.

We deemed the measurement of the recoverable amount of these assets to be a key audit matter due to their materiality in the Group's financial statements, the judgment required by management in defining the measurement inputs, and the fact that these inputs are inherently dependent on the globalized competitive economic environment in which the Group operates.

How our audit addressed this risk

We made inquiries with management to identify any indications of impairment.

We assessed the method used by management to determine the recoverable amount of each group of CGUs in order to evaluate its compliance with IAS 36. We verified the accuracy of the source data used in the test with regard to the medium-term forecasts prepared by management.

With support from our valuation experts, we assessed the reasonableness of the main estimates made, in particular:

- the consistency of revenue and margin rate projections with the Group's performance in previous years, the business development measures taken, and the economic context of the countries in which the Group operates;
- the consistency of the growth rates used with market performance analyses;
- the consistency of the inputs used to determine the discount rates applied to the cash flow projections with external references.

We examined the valuation models and the sensitivity analyses of the recoverable amount of these assets with the main assumptions used.

We also verified that the notes to the consolidated financial statements provide generally appropriate disclosures.

Measurement of the deferred tax assets of the American and French tax groups

Description of risk

At December 31, 2019, deferred tax assets of €27.7 million were 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 to the tax savings expected from the future use of tax losses that may be carried forward for five or seven years, depending on the country. At December 31, 2019, deferred tax assets in the amount of €119.8 million (base) had been recognized against total tax loss carryforwards of €319.0 million, of which €192.2 million concerned the French tax group and €82.4 million concerned the American tax group.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the tax loss carryforwards can be utilized.

The Group's ability to recover deferred tax assets is assessed by management at the end of the year. It is mainly based on the ability of the subsidiaries in the tax French and American tax groups to meet the objectives set in the business plans prepared by their management. It also depends on tax regulations applicable in the relevant countries, as well as changes to those regulations, and, in some cases, even when the Group complies with applicable local legislations and regulations, on differing or changing interpretations thereof.

We considered the recoverability of deferred tax assets to be a key audit matter due to the importance of the assumptions and judgments used by management to recognize these assets and to the materiality of their amounts in the consolidated financial statements.

How our audit addressed this risk

We analyzed the assumptions used by management to recognize and measure deferred tax assets and assess their compliance with IAS 12.

With the support of our tax experts, we assessed the probability that the Group will be able to utilize the tax loss carryforwards generated to date, taking into account:

- the existence of deferred tax liabilities related to income taxes levied in the same tax authority that may be used to offset existing tax loss carryforwards before they expire;
- the ability of the Group companies concerned to generate future taxable profit against which the existing tax loss carryforwards can be utilized.

We also assessed the reasonableness of the main data and assumptions on which the future taxable profit projections underlying the accounting and recoverability of deferred tax assets for tax loss carryforwards are based.

Lastly, we assessed the appropriateness of the disclosures on deferred tax assets provided in the notes to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report approved on March 4, 2020. Management has confirmed that events that have occurred and information that has come to light relating to the Covid-19 crisis since the financial statements were closed, in addition to the information announced through the press, will be reported to the Annual General Meeting called to approve these financial statements.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group set out in the management report includes the consolidated non-financial performance statement required under article L.225-102-1 of the French Commercial Code. However, in accordance with article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Chargeurs by the Annual General Meetings held on April 20, 2017 for Crowe HAF and on April 30, 1996 for PricewaterhouseCoopers Audit.

At December 31, 2019, Crowe HAF and PricewaterhouseCoopers Audit were in the third and the twenty-fourth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving 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 that are 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.

The consolidated financial statements were 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 taken by users 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 the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response 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 the internal control procedures 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 management, 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 program 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 judgment, were the most significant for 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 Levallois-Perret, April 6, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Crowe HAF Member of Crowe Global
Dominique Ménard	Marc de Prémare

5.2. 2019 FINANCIAL STATEMENTS OF THE PARENT COMPANY

5.2.1. 2019 FINANCIAL STATEMENTS OF THE PARENT COMPANY

Statement of financial position

At December 31, 2019 and 2018

ASSETS

		2019			2018
(in euro thousands)	Note	Gross	Accumulated depreciation, amortization and provisions	Net	Net
FIXED ASSETS	Note 3				
Intangible assets					
Patents, licenses, trademarks, processes and other rights		625	54	571	65
Property and equipment					
Land		-	-	-	-
Buildings		-	-	-	-
Other		1,059	455	604	671
Assets under construction		-	-	-	-
Advances and prepayments		-	-	-	-
Investments and other financial assets(1)					
Shares in subsidiaries and affiliates	Note 4.2	536,654	31,759	504,898	485,104
Loans to subsidiaries and affiliates	Note 5	27,528	-	27,528	22,173
Other long-term investments		20,326	1,689	18,637	9,156
Other long-term loans	Note 5	60,202	6	60,196	50,501
Other		104	-	104	102
Total I		646,498	33,960	612,538	567,772
CURRENT ASSETS					
Prepayments to suppliers		89	-	89	84
Trade receivables(2)	Note 5	2,041	-	2,041	1,744
Other receivables(2)	Note 5	5,688	-	5,688	6,990
Marketable securities	Note 9	25	-	25	13,667
Cash at bank and in hand		35,408	-	35,408	25,056
Accruals and other assets		-	-	-	-
Prepaid expenses(2)	Note 5	364	-	364	264
Cash instruments		-		-	-
Total II		43,615	-	43,615	47,805
Deferred charges		-	-	-	-
Total III		-	-	-	-
Unrealized translation losses		-	-	-	-
Total IV		-	-	-	-
TOTAL ASSETS (I + II + III + IV)		**690,113**	**33,960**	**656,153**	**615,577**
(1) Due within one year.		*23,659*	-	*23,659*	*29,711*
(2) Due beyond one year.		-	-	-	-

EQUITY AND LIABILITIES

(in euro thousands)	Note	2019	2018
EQUITY	Note 10		
Share capital		3,816	3,768
Share premium account		69,086	64,565
Revaluation reserve		-	-
Reserves:			
• Legal reserve		400	400
• Untaxed reserves		-	-
• Other reserves		159,826	157,354
Retained earnings		209,483	203,390
Profit for the period		11,035	21,639
Untaxed provisions		-	-
Total I		453,646	451,116
Provisions for contingencies and charges	**Note 4.1**		
Provisions for contingencies		485	201
Provisions for charges		-	-
Total II		485	201
Liabilities(1)	**Note 5**		
Bonds	Note 12	80,771	81,235
Bank borrowings(2)	Note 12	110,744	72,141
Other borrowings	Note 13	2,314	1,709
Trade payables		2,128	2,797
Accrued taxes and payroll costs		1,565	2,011
Customer prepayments		185	6
Other payables		4,295	4,361
Cash instruments		20	-
Accruals and other liabilities(1)			
Deferred income		-	-
Total III		202,022	164,260
Unrealized translation gains		-	-
Total IV			
TOTAL LIABILITIES (I + II + III + IV)		**656,153**	**615,577**
(1) Due beyond one year.		*188,640*	*152,000*
Due within one year.		*13,382*	*12,260*
(2) Including short-term bank loans and overdrafts.		-	-

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Income statement

At December 31, 2019 and 2018

(in euro thousands)	2019	2018
Operating revenues	**4,136**	**3,645**
Operating expenses		
Purchases of goods and external charges	(8,086)	(8,039)
Taxes other than on income	(208)	(293)
Salaries and wages	(2,252)	(2,151)
Payroll taxes	(728)	(844)
Amortization, depreciation and provisions:		
• amortization and depreciation of fixed assets	(117)	(66)
• provisions for contingencies and charges	-	-
• debt issuance costs	(626)	(297)
Other expenses	(410)	(410)
Operating profit/(loss)	(8,291)	(8,455)
Financial income		
From investments in subsidiaries and affiliates(1):		
• shares in subsidiaries and affiliates	13,253	20,617
• loans to subsidiaries and affiliates	1,927	1,465
From other marketable securities and investments(1)	-	-
Other interest income(1)	157	289
Provision reversals and expense transfers	5,313	10,055
Foreign exchange gains	476	1,397
Income from disposals of marketable securities	84	-
	21,210	33,823
Interest cost		
Amortization and provisions	(303)	(2,249)
Interest expense(2)	(5,253)	(5,591)
Other financial expense	-	-
Foreign exchange losses	(530)	(1,402)
Losses on disposals of marketable securities	-	(443)
	(6,086)	(9,685)
Net financial expense	15,124	24,138
Profit before tax and non-recurring items	**6,833**	**15,683**
Non-recurring income		
From revenue transactions	36	185
From capital transactions		
• proceeds from sales of fixed assets	272	67
• other	-	-
Provision reversals and expense transfers	6,162	-
	6,470	252
Non-recurring expense		
From revenue transactions	(95)	(45)
On capital transactions		
• carrying amount of assets sold	(6,452)	(133)
• other	-	-
Depreciation, amortization and provisions:		
• untaxed provisions	-	-
• other provisions	(284)	-
	(6,831)	(178)
Net non-recurring income/(expense)	(361)	74
Profit before tax	6,472	15,757
Income tax benefit	4,563	5,882
PROFIT FOR THE PERIOD	**11,035**	**21,639**
(1) Of which income from related companies.	*15,159*	*22,199*
(2) Of which interest paid to related companies.	*(8)*	*(318)*

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (IN EURO MILLIONS)

Chargeurs SA is the parent company of the consolidated Chargeurs Group.

Note 1 SIGNIFICANT EVENTS OF THE YEAR

1.1. Renegotiation of the indenture of Chargeurs' Euro PP notes

During 2019, Chargeurs renegotiated the indenture for its Euro PP notes issued in 2016 and 2017, in order to align the notes' financial terms and conditions with those of the syndicated credit agreement signed in December 2018. This involved removing the leverage covenant, lowering the gearing requirement to 1.2x, and extending by three years the maturity of the notes originally due to mature in 2023 in order to extend the average maturity of the Group's debt and stagger its repayments.

1.2. Creation of Chargeurs USA LLC

During 2019, Chargeurs created the entity Chargeurs USA LLC for the purpose of purchasing office premises located in New York City.

1.3. Capital injections for Chargeurs Technical Substrates

In 2019, Chargeurs injected capital into Chargeurs Technical Substrates in order to help finance the strategic development of Chargeurs Museum Solutions (CMS).

Note 2 ACCOUNTING PRINCIPLES AND POLICIES

Chargeurs' parent company financial statements have been prepared in accordance with French generally accepted accounting principles (GAAP), 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 2014-03 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.

2.1. 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.

2.2. 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.

  The cost value of these investments corresponds to their acquisition cost, excluding incidental expenses, or at 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, taking into account any unrealized capital gains or losses, and the subsidiary's earnings and business outlook.
- 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.

2.3. 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.

2.4. 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.

2.5. 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. From 2016 to 2018, Chargeurs SA used a financial instrument to hedge a loan denominated in US dollars.

As the underlying was a financial asset, the currency impacts of the hedge and its underlying were already included in financial income and expense before the new regulation was applied. Consequently, the application of the new regulation since 2017 had no impact on the presentation of Chargeurs SA's financial statements. This financial instrument expired in December 2018.

Note 3 FIXED ASSETS

	Dec. 31, 2018	Acquisitions/ increases	Disposals/ decreases	Dec. 31, 2019
Intangible assets (gross)	**0.1**	**0.5**	**-**	**0.6**
Property and equipment (gross)	**1.1**	**0.3**	**0.3**	**1.1**
Investments and other non-current financial assets (gross)				
Shares in subsidiaries and affiliates(1)	528.3	15.3	6.9	536.7
Loans to subsidiaries and affiliates(2)	22.2	21.8	16.5	27.5
Other long-term loans(3)	50.5	52.7	43.0	60.2
Other long-term investments(4)	10.5	16.7	6.9	20.3
Other(5)	0.1	-	-	0.1
TOTAL (GROSS)	**612.8**	**107.3**	**73.6**	**646.5**

(1) Increases in shares in subsidiaries and affiliates reflect the capital injected into Chargeurs Technical Substrates and Chargeurs USA LLC (created in 2019), representing €10.9 million and €4.4 million, respectively. Decreases recorded in 2019 primarily correspond to the liquidation of Chargetex 34 – a dormant company that had been written down in full. As part of its innovation strategy, since late 2017 Chargeurs has been investing in Precious Fiber Development – a start-up trading under the Amédée Paris name that designs and sells outstanding products made from fully traceable premium wool fibers. The company is already undergoing international sales development (France, the United States, Japan and other countries), and it intends to develop further by forging major partnerships to make co-branded products as well as by designing turnkey white-label offerings.

(2) Increases in loans to subsidiaries and affiliates chiefly relate to (i) a pre-capital injection loan of €4.8 million intended to finance the purchase of office premises in New York, (ii) a €7.8 million pre-capital injection loan granted to a subsidiary to finance the Group's external growth, and (iii) a €3.4 million loan granted to a subsidiary for production capital expenditure. Decreases correspond to capital injections in subsidiaries (€12.3 million) and loan repayments.

(3) Increases in other long-term loans were mainly attributable to (i) a €22.8 million loan granted to a subsidiary for financing the Group's external growth and (ii) an aggregate €29.9 million in various loans granted to subsidiaries to replace their short-term bank borrowings. The decrease in this item recorded in 2019 corresponds to partial repayments of these loans received during the year.

(4) Other long-term investments include (i) 13,334 Chargeurs shares purchased for €0.2 million (gross) with a view to being canceled (with no cancellations carried out in 2019) and (ii) 1,140,580 Chargeurs shares purchased for €20 million under the share buyback program. Movements in this item in 2019 corresponded to purchases and sales of Chargeurs shares under the liquidity contract and the share buyback program.

(5) This item includes the security deposit paid to the owners of the Company's headquarters.

Note 4 PROVISIONS

4.1. 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, 2018	Charges for the year	Reversals for the year (used)	Reversals for the year (unused)	Dec. 31, 2019
Provisions for contingencies	0.2	0.3	-	-	0.5
Provisions for charges	-	-	-	-	-
TOTAL	**0.2**	**-**	**-**	**-**	**0.2**
Of which movements included in operating income and expense		-	-	-	
Of which movements included in financial income and expense		-	-	-	
Of which movements included in non-recurring income and expense		*0.3*	-	-	

Provisions for contingencies correspond to a provision for the risk of repayment of tax benefits to subsidiaries expected to return to profit in 2019 (see note 16.2).

4.2. Impairment

	Dec. 31, 2018	Charges for the year	Reversals for the year	Dec. 31, 2019
Impairment of investments	44.6	0.3	11.4	33.5
Impairment of other receivables	-	-	-	-
TOTAL	**44.6**	**0.3**	**11.4**	**33.5**
Of which movements included in operating income and expense		-	-	
Of which movements included in financial income and expense		*0.3*	*5.3*	
Of which movements included in non-recurring income and expense		-	*6.1*	

- Chargeurs' policy is to classify impairment losses and reversals relating to investments under financial income and expense (see note 14). 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.

Note 5 MATURITIES OF RECEIVABLES AND PAYABLES

Total loans and receivables, before impairment, amounted to €95.4 million at December 31, 2019, breaking down as follows:

- loans to subsidiaries and affiliates for €24.5 million;
- other long-term loans for €63.2 million;
- trade receivables for €2.0 million;
- other receivables for €5.7 million.

Maturities of loans and receivables are as follows:

	2019
Due within one year	31.3
Due beyond one year	64.1
TOTAL	**95.4**

Maturities of debt and other payables are as follows:

	2019
Due within one year	13.4
Due in one to five years	106.6
Due beyond five years	82.0
TOTAL	**202.0**

The total includes €80.8 million in bond debt, €110.7 million in bank borrowings, €2.3 million in other borrowings and €8.2 million in other payables.

Debt due beyond five years consists of:

- the Euro PP 1, representing €32.0 million;
- the Euro PP 3, representing €50.0 million.

The €230.0 million in bank financing set up in December 2018 – which includes a €100.0 million RCF with a five-year maturity (renewable for one further year), and a €130.0 million six-year term loan – is not subject to any leverage covenants, and nor are the Group's Euro PP notes (€122.0 million). They are, however, subject to a gearing covenant of ≤1.2x, calculated on a half-yearly basis.

This ratio was respected at December 31, 2019.

Part of the bank financing was renegotiated during the year but this did not lead to any significant change in the original debt.

Trade payables comprise amounts due within 60 days and totaled €2.1 million at December 31, 2019 (€2.8 million at December 31, 2018).

Note 6 ITEMS RECORDED UNDER SEVERAL HEADINGS IN THE STATEMENT OF FINANCIAL POSITION

	Gross amounts concerning	
	Related companies	Other investments
Shares in subsidiaries and affiliates and other long-term investments	536.7	-
Receivables	89.9	-
Debt and other payables	7.4	-

Note 7 BREAKDOWN OF ACCRUED INCOME

At December 31, 2019, accrued income amounted to €1.5 million, mainly corresponding to the balance of a research tax credit to be deducted from current income tax expenses in future years.

Note 8 ACCRUED EXPENSES

Accrued expenses totaled €2.1 million at December 31, 2019 and primarily consisted of professional fees, service costs and various payroll costs.

Note 9 MARKETABLE SECURITIES

The majority of the Company's marketable securities were sold in 2019 and this item amounted to just €25 thousand at the year-end.

Note 10 EQUITY

10.1. Changes in equity

At January 1, 2019 (before appropriation)	429.5
2019 profit appropriated by decision of the AGM on May 6, 2019	21.6
At January 1, 2019 (after appropriation)	451.1
Profit for the period	11.0
Payment of the 2018 cash dividend as approved at the AGM on May 6, 2019	(5.1)
Payment of an interim dividend for 2019 as decided by the Board of Directors on September 11, 2019	(3.4)
AT DECEMBER 31, 2019 (BEFORE APPROPRIATION)	**453.6**

10.2. Changes in share capital

	Number of shares	Par value
Shares outstanding at January 1, 2019	23,551,755	€0.16
Payment of the 2018 stock dividend as approved at the AGM on May 6, 2019	204,348	€0.16
Issue of free shares as decided by the Board of Directors on September 11, 2019	13,017	€0.16
Payment of an interim dividend for 2019 as decided by the Board of Directors on September 11, 2019	79,521	€0.16
Shares outstanding at December 31, 2019	23,848,641	€0.16

All Chargeurs shares have been called and are fully paid-up.

10.3. Share premium account and reserves at December 31, 2019

These items break down as follows:

	2019
Share premium account	69.1
Legal reserve	0.4
Restricted reserve (capital reduction)	164.4
Retained earnings	209.5
Interim dividend	(4.6)
TOTAL	**438.8**

Note 11 DOUBLE VOTING RIGHTS

Chargeurs' 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, 2019, 909,766 shares carried double voting rights.

Note 12 BONDS AND BANK BORROWINGS

During 2019, Chargeurs renegotiated the indenture for its Euro PP notes issued in 2016 and 2017, in order to align the notes' financial terms and conditions with those of the syndicated credit agreement signed in December 2018. This involved removing the leverage covenant, lowering the gearing requirement to 1.2x, and extending by three years the maturity of the notes originally due to mature in 2023 in order to extend the average maturity of the Group's debt and stagger its repayments.

Note 13 OTHER BORROWINGS

The €2.3 million total for this item at December 31, 2019 includes (i) a €0.9 million loan granted by Leach and (ii) €0.9 million in credit balances within the Group's cash pool set up in 2019. The balance corresponds to loans from several Chargeurs subsidiaries whose sole purpose is to act as financial holding companies.

Note 14 FINANCIAL INCOME AND EXPENSE

14.1. Amortization and provisions

ADDITIONS

	2019
Impairment of treasury stock	0.3
TOTAL	**0.3**

REVERSALS

	2019
Iimpairment of Chargeurs Textiles shares	1.8
Impairment of Chargeurs Films de Protection shares	3.5
TOTAL	**5.3**

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Note 15 NON-RECURRING INCOME AND EXPENSE

	2019	
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	0.3	-
Disposal gain on treasury stock	0.2	0.2
Liquidation of Chargetex 34	6.3	6.3
Other	0.1	-
TOTAL	**6.8**	**6.5**

Note 16 INCOME TAX

16.1. Analysis of income tax

	2019	2018
Group relief	4.6	5.9
Other	-	-
INCOME TAX BENEFIT	**4.6**	**5.9**

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 2019, €284,000 was added to the provision for the risk of repayment of tax benefits to subsidiaries expected to return to profit in 2020.

The setting off of losses reported by certain subsidiaries against the taxable profits of other subsidiaries resulted in a current tax saving of €4.6 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 €0.03 million in 2019.

Note 17 COMMITMENTS GIVEN, GUARANTEES AND SURETIES

Guarantees and sureties concern:

- subsidiaries and related companies 12.5;
- other 0.0.

Note 18 UNRECOGNIZED DEFERRED TAXES

At December 31, 2019, under French group relief rules, Chargeurs had evergreen tax loss carryforwards of €192.2 million.

Timing differences between book income and expense and income and expense for tax purposes were not material in 2019.

Note 19 DIRECTORS' AND SENIOR EXECUTIVES' COMPENSATION

Compensation allocated to directors and senior executives in 2019 amounted to €335,998 and €1,324,991 respectively (including directors' fees paid by subsidiaries).

Note 20 EMPLOYEE BENEFIT OBLIGATIONS

20.1. Retirement benefits

The Company's retirement benefit obligations were measured at December 31, 2019, based on employees' seniority and the probability that they will still be with the Company at their retirement date.

These benefit obligations were not recorded in the financial statements, as the amounts involved were not material.

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.

Note 21 FEES PAID TO THE STATUTORY AUDITORS

Chargeurs SA paid €294.7 thousand in fees to the Statutory Auditors in 2019.

Note 22 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 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 March 11, 2019, the Board of Directors used this authorization to grant a total of 2,000 performance shares, representing less than 0.01% of the Company's capital, to a key executive of the Chargeurs Group. These shares are subject to a one-year vesting period followed by a one-year lock-up period. The shares will only vest if the applicable performance conditions are met and the beneficiary is still a member of the Group at the vesting date.

In view of the fact that the vesting conditions were not met, no provision was set aside for this plan at December 31, 2019.

Information concerning subsidiaries and affiliates

AT DECEMBER 31, 2019 (IN € THOUSANDS)

Companies	Share capital	Reserves	% interest	Cost of investment	Carrying amount of investment	2019 revenue[(1)]	2019 profit/ (loss) included in equity	Gross dividends received by Chargeurs during 2019
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	11,189	100	69,480	44,655	-	604	643
Chargeurs Films de Protection	139,617	137,442	100	286,266	280,229	-	11,076	11,247
Chargeurs Entoilage	11,540	61,655	99.99	109,092	109,092	-	967	440
Chargeurs Technical Substrates	10,864	-603	100	10,864	10,864	23,727	(571)	-
Senfa	3,152	3,440	100	34,000	34,000	23,727	1,122	-
A.H Leach & Company Limited	103	938	100	16,749	16,749	176	143	-
Other holding companies	7,228	(1,481)	100	9,433	8,597	148	(2,026)	0
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	170	121	-	96	38	-	110	0
Foreign companies	-	-	-	-	-	-	-	-
2. Affiliates not listed in A								
French companies	-	-	-	-	-	-	-	-
Foreign companies	296	5,801	-	671	671	60,912	1,090	-

(1) *The majority of the companies owned by Chargeurs SA are purely holding companies and therefore do not generate any revenue.*

Five-year financial summary *(in euro thousands)*

(in euro thousands)	2019	2018	2017	2016	2015
I - CAPITAL AT DECEMBER 31					
Share capital	3,816	3,768	3,733	3,675	3,675
Number of shares	23,848,641	23,551,755	23,330,597	22,966,144	22,966,144
Number of convertible bonds	-	-	-	-	-
II - RESULTS OF OPERATIONS					
Operating revenue, investment income, interest income and other revenues (excluding tax)	19,441	26,016	20,393	16,686	11,289
Profit/(loss) before tax, amortization, depreciation and provisions	(3,673)	8,314	5,831	7,978	2,994
Income tax benefit	4,563	5,882	6,318	4,327	4,438
Net profit	11,035	21,639	56,355	54,364	45,496
Total dividends	9,539	15,780	13,998	12,631	6,888
III - PER SHARE DATA					
Earnings per share after tax, before amortization, depreciation and provisions	0.04	0.60	0.52	0.53	0.32
Net profit	0.46	0.92	2.42	2.37	1.98
Dividend per share	0.4	0.67	0.6	0.55	0.3
IV - EMPLOYEE DATA					
Number of employees	10	11	8	3	2
Total payroll	2,252	2,150	2,299	1,370	2,731
Total paid towards employment benefits (social security, company welfare, etc.)	728	844	950	538	1,117

5.2.2. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2019)

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 Annual General Meeting, we have audited the accompanying financial statements of Chargeurs for the year ended December 31, 2019. These financial statements were approved by the Board of Directors on March 4, 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

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 at December 31, 2019 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, 2019 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 judgment, were the most significant 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, approved in the context described above, 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 amounted to €504,898 thousand at December 31, 2019, representing 77% of assets on the balance sheet.

As indicated in Note 2.2 to the financial statements, they are initially recognized at cost or transfer value. An impairment loss is recorded if the fair value of an interest falls below its entry value. Fair value is determined by reference to Chargeurs' equity in the net assets of the companies concerned, taking into account any unrealized capital gains or losses and their profitability and business outlook.

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.

We deemed the measurement of the fair value of shares in subsidiaries and affiliates to be a key audit matter due to the materiality of these assets in the balance sheet and the inherent uncertainty of certain inputs used to estimate their fair value, in particular forecast data.

How our audit addressed this risk

We assessed the methods used by management to determine the fair value of shares in subsidiaries and affiliates.

For valuations based on forecast data, we examined the projections prepared by management. We assessed the appropriateness of the key assumptions used to measure expected future cash flows, in particular with regard to performance in previous years and the economic context in which the companies operate. We reconciled the main data used for impairment testing with the data derived from the projections prepared by management and the financial statements of the entities concerned, and examined the impairment tests performed for each of the material equity interests held.

For valuations based on historical data, we examined the consistency of the equity values used with the financial statements of the entities concerned and verified that any adjustments to equity were based on documentary evidence.

We also verified that Notes 4.2 and 14.1 provide appropriate disclosures.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders 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 Board of Directors' management report approved on March 4, 2020, and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements. Management has confirmed that events that have occurred and information that has come to light relating to the Covid-19 crisis since the financial statements were closed in addition to the information announced through the press, will be reported to the Annual General Meeting called to approve these financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D. 441-4 of the French Commercial Code.

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 paid or awarded to corporate officers and any other commitments made in their favor, 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 controlled companies included in its scope of consolidation. 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 those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning 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 of Chargeurs by the Annual General Meetings held on April 20, 2017 for Crowe HAF and on April 30, 1996 for PricewaterhouseCoopers Audit.

At December 31, 2019, Crowe HAF and PricewaterhouseCoopers Audit were in the third and the twenty-fourth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving 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 that are 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 taken by users 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 the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response 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 the internal control procedures 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 program 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 judgment, were the most significant for 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 Levallois-Perret, April 6, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Crowe HAF Member of Crowe Global
Dominique Ménard	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, 2019)

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, 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 agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, 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

Agreements and commitments authorized and entered into during the year

We were not informed of any agreement or commitment authorized and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of article L. 225-38 of the French Commercial Code.

Agreements and commitments authorized since the year-end

We were informed of the following agreements and commitments, authorized since the year-end, which were authorized in advance by the Board of Directors.

OFFICE SALE AGREEMENT BETWEEN CHARGEURS USA LLC AND FONCIÈRE TRANSCONTINENTALE LLC

Person concerned:

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs, the sole shareholder of Chargeurs USA LLC. Mr. Fribourg also controls Foncière Transcontinentale LLC, and is therefore indirectly concerned by this agreement.

Nature, purpose and conditions:

On March 4, 2020, your Board of Directors authorized Chargeurs USA LLC to enter into an agreement to sell office space located in the Chelsea Arts Tower in New York to Foncière Transcontinentale LLC for US$4,825 thousand.

The sale agreement also provided for a lease agreement to be drawn up simultaneously (in accordance with the terms and conditions set out below).

Reason provided by the Company:

According to your Board of Directors, these agreements will enable the Chargeurs Group to continue using this asset for its business activities while maintaining the operational and financial flexibility it needs.

The agreement is subject to prior shareholder approval at the Annual General Meeting.

OFFICE LEASE AGREEMENT BETWEEN FONCIÈRE TRANSCONTINENTALE LLC AND CHARGEURS USA LLC

Person concerned:

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs, the sole shareholder of Chargeurs USA LLC. Mr. Fribourg also controls Foncière Transcontinentale LLC, and is therefore indirectly concerned by this agreement.

Nature, purpose and conditions:

On March 4, 2020, your Board of Directors authorized Chargeurs USA LLC to enter into an agreement to lease the office space located in the Chelsea Arts Tower in New York from Foncière Transcontinentale LLC.

The lease agreement was entered into for a fixed term of seven years and provides for an annual rent of US$298 thousand, including an annual revision of 3%. In addition, the lessor will rebill all common expenses and local taxes to the lessee.

The lease agreement also includes a right of first refusal over the office space for the lessee should the lessor decide to sell and a right to decide on the amount of expenses that may be incurred up to a maximum of US$100 thousand.

This agreement is an extension of the office sale agreement set out above.

Reason provided by the Company:

According to your Board of Directors, these agreements will enable the Chargeurs Group to continue using this asset for its business activities while maintaining the operational and financial flexibility it needs.

The agreement is subject to prior shareholder approval at the Annual General Meeting.

Agreements and commitments already approved by the Annual General Meeting

AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS BUT NOT IMPLEMENTED DURING 2019

We were not informed of any agreement or commitment already approved by the Annual General Meeting which remained in force during the year.

Neuilly-sur-Seine and Levallois-Perret, April 6, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Crowe HAF Member of Crowe Global
Dominique Ménard	Marc de Prémare

5.4 OTHER FINANCIAL AND ACCOUNTING INFORMATION

5.4.1. FIVE-YEAR FINANCIAL SUMMARY

Five-year financial summary *(in euro thousands)*

(in euro thousands)	2019	2018	2017	2016	2015
I - CAPITAL AT DECEMBER 31					
Share capital	3,816	3,768	3,733	3,675	3,675
Number of shares	23,848,641	23,551,755	23,330,597	22,966,144	22,966,144
Number of convertible bonds	-	-	-	-	-
II - RESULTS OF OPERATIONS					
Operating revenue, investment income, interest income and other revenues (excluding tax)	19,441	26,016	20,393	16,686	11,289
Profit/(loss) before tax, amortization, depreciation and provisions	(3,673)	8,314	5,831	7,978	2,994
Income tax benefit	4,563	5,882	6,318	4,327	4,438
Net profit	11,035	21,639	56,355	54,364	45,496
Total dividends	9,539	15,780	13,998	12,631	6,888
III - PER SHARE DATA					
Earnings per share after tax, before amortization, depreciation and provisions	0.04	0.60	0.52	0.53	0.32
Net profit	0.46	0.92	2.42	2.37	1.98
Dividend per share	0.4	0.67	0.6	0.55	0.3
IV - EMPLOYEE DATA					
Number of employees	10	11	8	3	2
Total payroll	2,252	2,150	2,299	1,370	2,731
Total paid towards employment benefits (social security, company welfare, etc.)	728	844	950	538	1,117

5.4.2. RESULTS OF THE PARENT COMPANY

On March 4, 2020, the Board of Directors approved the financial statements of Chargeurs SA, showing:

- operating revenues of €4,136 thousand;
- profit for the period of €11,035 thousand.

The financial statements were prepared in accordance with the same principles and methods as in prior years.

Operating revenues totaled €4.1 million (compared with €3.6 million in 2018), and the Company reported an operating loss of €8.3 million versus an operating loss of €8.5 million for 2018.

Profit before tax and non-recurring items amounted to €6.8 million compared with €15.7 million in 2018 and Chargeurs SA reported net financial income of €15.1 million in 2019 (versus €24.1 million in 2018), including €13.3 million in dividends (€20.6 million in 2018).

After taking into account net non-recurring loss of €0.4 million (€0.1 million in 2018) and a €4.6 million income tax benefit, relating mainly to the tax consolidation group which Chargeurs SA heads (€5.9 million in 2018), Chargeurs SA ended the year with profit of €11.0 million, compared with €21.6 million in 2018. The year-on-year decrease in profit for the period was mainly due to a €7.3 million contraction in revenues from shares in subsidiaries and affiliates and a €2.8 million net provision expense (after provision reversals) recognized for shares held by Chargeurs SA in consolidated companies.

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 and beyond	Total equity
Number of invoices concerned	6	0	6	10	22
Total amount (incl. VAT) of invoices concerned	139	0	86	246	471
% of total purchases for the year (excl. VAT)	2%	0%	1%	3%	6%

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)

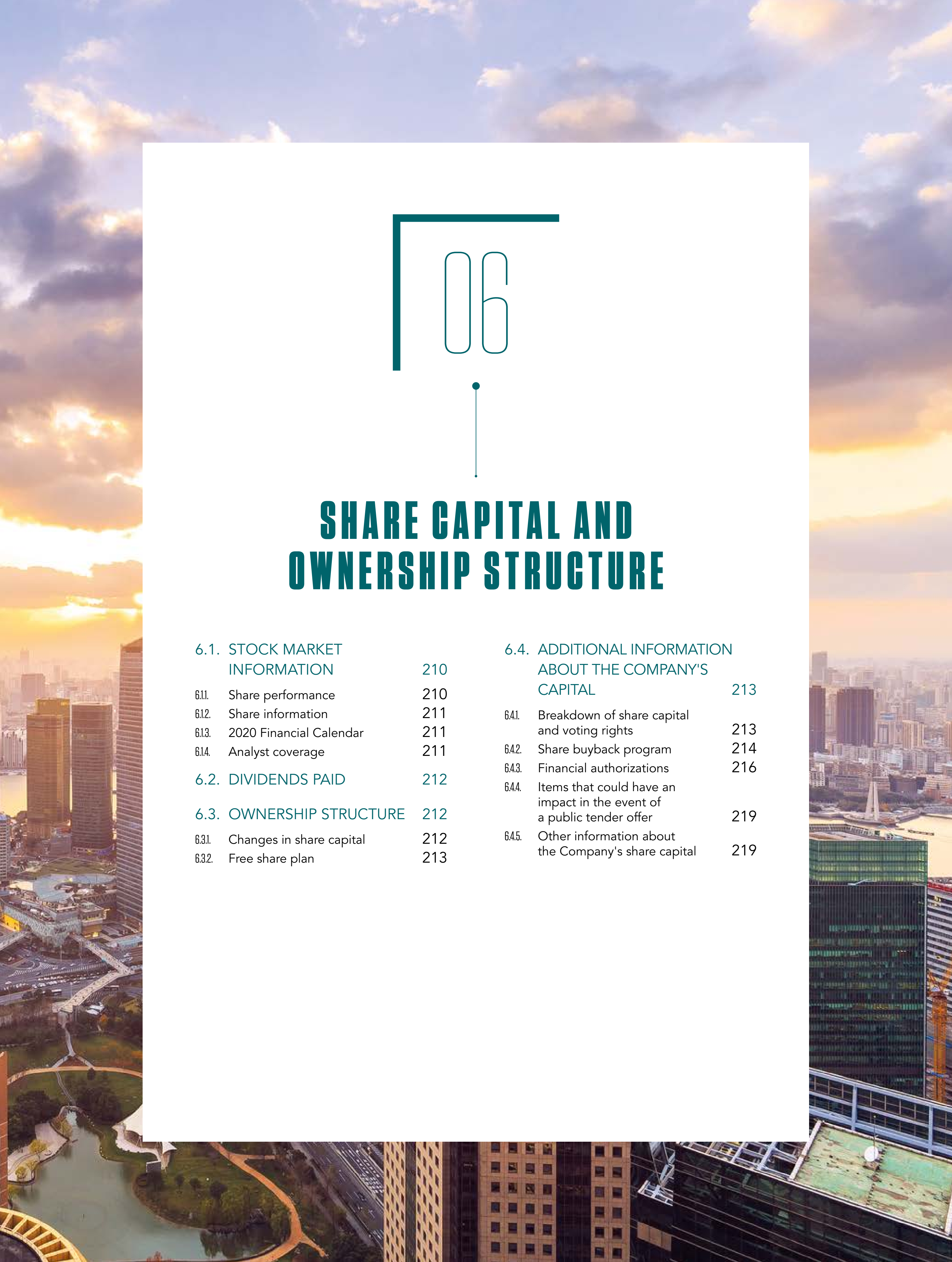
(in euro thousands)	1 to 30 days	31 to 60 days	61 to 90 days	91 and beyond	Total equity
Number of invoices concerned	10	7	5	14	36
Total amount (incl. VAT) of invoices concerned	290	593	35	685	1,603
% of total revenue for the year (excl. VAT)	7%	14%	1%	17%	39%

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	25 days end of month



06

SHARE CAPITAL AND OWNERSHIP STRUCTURE

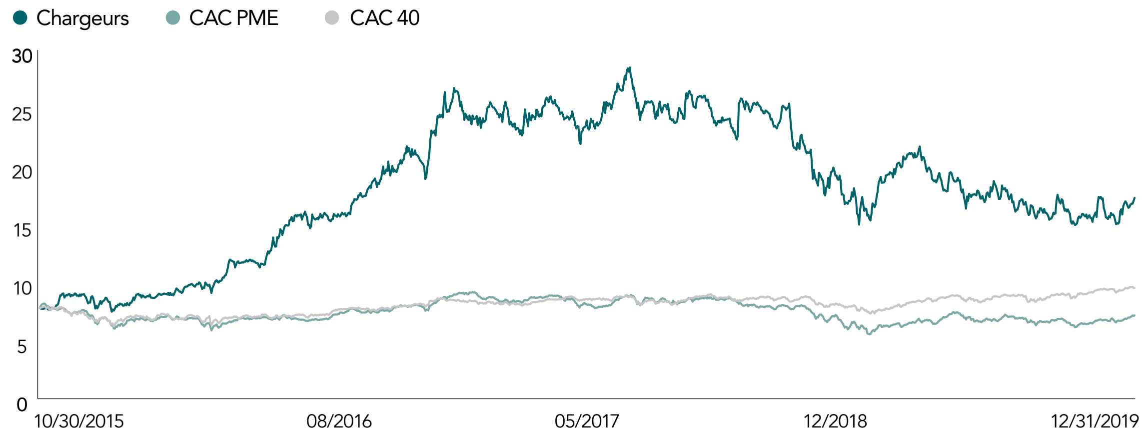
6.1. STOCK MARKET INFORMATION

6.1.1. SHARE PERFORMANCE

Share performance in 2019*

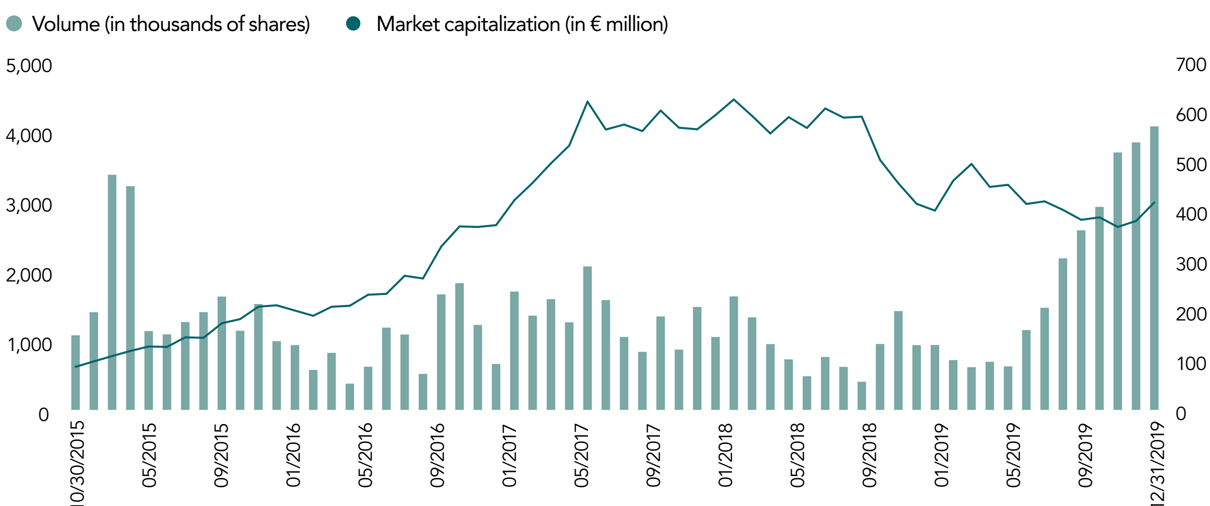
A gain of 122% since 2015

Chargeurs shares have appreciated by 122% since 2015. This stock market performance acknowledges the success of Game Changer, the Group's operational acceleration plan, and the ongoing launch of new and disruptive innovations.



**Chargeurs, October 30, 2015: €7.8*
Source: Euronext.

MONTHLY VOLUME (IN THOUSANDS OF SHARES) AND MARKET CAPITALIZATION (IN € MILLIONS) SINCE 2015



Source: Euronext.

6.1.2. SHARE INFORMATION

	2015	2016	2017	2018	2019
Price on December 31	€9.00	€15.96	€25.31	€16.80	€17.28
Number of shares outstanding *(in millions)*	23.00	23.00	23.33	23.55	23.85
Interim dividend (gross)	€-	€0.20	€0.25	€0.30	€0.20
Final dividend (gross)	€0.30	€0.35	€0.35	€0.37	€0.20
Total dividend (gross)	€0.30	€0.55	€0.60	€0.67	€0.40
Change	*50%*	*83%*	*9%*	*12%*	*-40%*
Attributable profit *(in € millions)*	15.3	25.0	25.2	26.6	15.1
Dividend paid	6.9	12.7	14.0	15.8	9.5
Payout rate[1]	45%	51%	56%	59%	63%

(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.
Index: EnterNext© PEA-PME and CAC PME.
SRD: Eligible for deferred settlement in the long-only segment.

Gaïa Index

In October 2018, Chargeurs became part of the Gaïa Index, the benchmark stock market index for socially responsible investment (SRI) that recognizes French midcaps for their commitment to corporate social responsibility (CSR). Chargeurs is now ranked among France's top 70 companies in terms of environmental, social, and governance performance out of the 230 Paris-listed midcaps that make up the Gaïa panel.

The Gaïa Index rates companies against more than 130 non-financial criteria (societal, environmental, social, and governance) to assess the transparency and maturity of their CSR policies, practices and performance.

Chargeurs' overall Gaïa rating has risen by a sharp 42% to 71/100 in the last two years, versus an average score of 54/100 achieved by the 230 companies in the Gaïa panel. The criteria that gave Chargeurs the most substantial boost were labor policy (100/100), working conditions, health and safety, environmental policies and management systems, and relationships with stakeholders (suppliers, customers and civil society).

Today, the Gaïa Index serves as the SRI benchmark for the largest investment firms in France. The Gaïa Index outperforms the CAC 40 and CAC Mid & Small indices each year. Find out more at: http://www.gaia-rating.com.

6.1.3. 2020 FINANCIAL CALENDAR

Tuesday, April 28, 2020 First-quarter 2020 financial information
Annual General Meeting

Thursday, September 10, 2020 First-half 2020 results

Tuesday, November 10, 2020 Third-quarter 2020 financial information

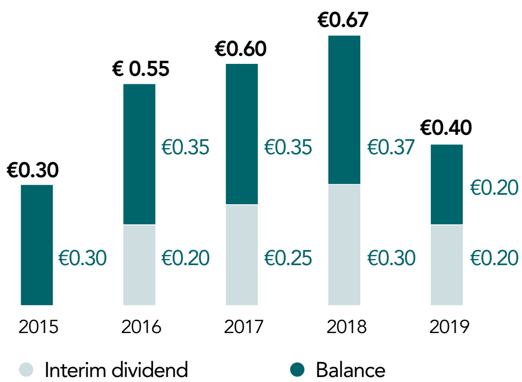
6.1.4. ANALYST COVERAGE

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 4, 2020 under the chairmanship of Michaël Fribourg, the Board of Directors decided to recommend to shareholders at the April 28, 2020 Annual General Meeting the payment of a 2019 dividend of €0.40 per share (including the €0.20 interim dividend paid in September 2019).

DIVIDEND



6.3. OWNERSHIP STRUCTURE

6.3.1. CHANGES IN SHARE CAPITAL

	Number of shares	Share capital *(in euros)*[1]
December 31, 2017	23,330,597	3,732,895.52
New shares issued for the payment of dividends in shares	221,158[2]	35,385.28
January 31, 2019	23,551,755	3,768,280.8
New shares issued for the payment of dividends in shares	296,886[3]	
DECEMBER 31, 2019	**23,848,641**	**3,815,782.56**

(1) *Par value: €0.16 per share.*
(2) *221,158 shares were issued in 2018, of which 170,507 were new shares issued in payment of the balance of the dividend for financial year 2017, 33,651 were new shares issued in payment of an interim dividend for 2018, and 17,000 were shares issued for allocation under stock grant or performance share plans to certain employees (see note 17 to the consolidated financial statements for the year ended December 31, 2018).*
(3) *296,886 shares were issued in 2019, of which 204,348 were new shares issued in payment of the balance of the dividend for financial year 2018, 79,521 were new shares issued in payment of an interim dividend for 2019, and 13,017 were shares issued for allocation under stock grant or performance share plans to certain employees.*

At December 31, 2019, the Company's share capital amounted to €3,815,782.56, divided into 23,848,641 shares with a par value of €0.16 each.

2019 interim dividend payment

On September 11, 2019, Chargeurs' Board of Directors decided to pay a €0.20 interim dividend in view of the Group's performance during that year. The interim dividend could be paid either in cash or new shares.

At the end of the option exercise period, which ran from September 20 to October 10, 2019, 26.14% of the rights exercised were for payment of the dividend in the form of shares. 79,621 new shares were issued at a unit price of €14.99. The new shares carried immediate dividend rights and were ranked *pari passu* with Chargeurs ordinary shares on October 16, 2019.

As a result of this share issue, Chargeurs' share capital was raised to €3,815,782.56, divided into 23,848,641 ordinary shares with a par value of €0.16 each.

Financial instruments with rights to Chargeurs shares

At the date of this Universal Registration Document, there were no financial instruments with rights to Chargeurs shares.

Ownership structure

Number of shares with double voting rights

At December 31, 2019, the total number of shares carrying double voting rights amounted to 909,766 out of a total of 23,604,493.

No trading in of Chargeurs shares by management or members of the Board of Directors took place in 2019.

6.3.2. FREE SHARE PLAN

The Company has set up several free share plans for its key executive personnel. The details of this program are given section 4.4. "Directors' compensation".

6.4. ADDITIONAL INFORMATION ABOUT THE COMPANY'S CAPITAL

6.4.1. BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

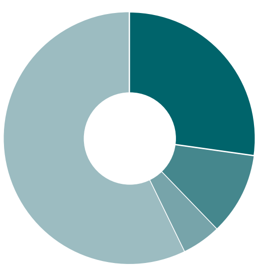
The Company's share capital and voting rights broke down as follows at February 14, 2020, January 31, 2019 and December 31, 2017.

The Company does not have any clause in its bylaws waiving double voting rights for all fully-paid up shares registered in the name of the same holder for at least two consecutive years.

	February 14, 2020			January 31, 2019			December 31, 2017		
	Number of shares	% interest	% voting rights(1)	Number of shares	% interest	% voting rights(1)	Number of shares	% interest	% voting rights(1)
Colombus Holding SAS	6,556,305	27.5 %	29.6 %	6,556,305	27.8%	29.8%	6,484,805	27.8%	29.8%
Sycomore Asset Management	2,485,700	10.4 %	10.0 %	2,443,710	10.4%	10.0%	1,927,705	8.3%	8.3%
Amundi	N/A	N/A	N/A	1,224,600	5.2%	5.0%	1,303,517	5.6%	5.6%
Treasury stocks	1,160,714	4.9 %	4.7%	557,296	2.4%	2.3%	13,334	0.1%	0.0%
Other shareholders	13,645,922	57.2 %	55.7 %	12,769,844	54.2%	52.9%	13,601,236	58.2%	56.3%
TOTAL	**23,848,641**	**100%**	**100%**	**23,551,755**	**100%**	**100.0%**	**23,330,597**	**100.0%**	**100.0%**

(1) *Based on gross voting rights.*

OWNERSHIP STRUCTURE AS OF FEBRUARY 14, 2020
(% of total outstanding shares)



Colombus Holding SAS **27.5%**
Sycomore Asset Management **10.4%**
Treasury stock **4.9%**
Other shareholders **57.2%**

Information on Colombus Holding SAS

The company Columbus Holding SAS, established by Michaël Fribourg, is held by leading French long-term institutional investors (Crédit Mutuel Equity SCR, BNP Paribas Développement and Groupama), and several French family offices. Groupe Familial Fribourg is Columbus Holding's controlling shareholder.

Disclosure of statutory and regulatory ownership thresholds crossed since January 31, 2019

By way of a letter received on January 29, 2019, Amundi SA, acting on behalf of funds it manages, disclosed that on January 28, 2019 it had raised its interest to above the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 1,215,976 Chargeurs shares, representing the same number of voting rights, i.e. 5.16% of the capital and 4.98% of the voting rights.

By way of a letter received on February 1, 2019, Amundi SA, acting on behalf of funds it manages, disclosed that on January 31, 2019 it had raised its interest to above the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 1,224,610 Chargeurs shares, representing the same number of voting rights, i.e. 5.20% of the capital and 5.02% of the voting rights.

By way of a letter received on March 11, 2019, Dimensional Holdings Inc, acting on behalf of funds it manages, disclosed that on March 6, 2019 it held 487,895 Chargeurs shares, representing 2.1% of the capital and 1.9% of the voting rights.

By way of a letter received on March 28, 2019, Amundi SA, acting on behalf of funds it manages, disclosed that on March 27, 2019 it had raised its interest to above the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 1,217,706 Chargeurs shares, representing the same number of voting rights, i.e. 4.99% of the capital.

By way of a letter received on April 26, 2019, Dimensional Holdings Inc, acting on behalf of funds it manages, disclosed that on April 8, 2019 it held 468,917 Chargeurs shares, representing 1.9% of the capital and 1.9% of the voting rights.

By way of a letter received on April 30, 2019, Amundi SA, acting on behalf of funds it manages, disclosed that on April 29, 2019 it had raised its interest to above the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 1,177,418 Chargeurs shares, representing the same number of voting rights.

By way of a letter received on May 16, 2019, Amundi SA, acting on behalf of funds it manages, disclosed that on May 13, 2019 it had raised its interest to above the threshold of 8% of the Company's voting rights and that at that date it held, on behalf of said funds, 2,334,501 Chargeurs shares, representing the same number of voting rights, i.e. 9.91% of the capital and 9.56% of the voting rights.

By way of a letter received on May 17, 2019, Amundi SA, acting on behalf of funds it manages, disclosed that on May 14, 2019 it had raised its interest to above the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 1,164,210 Chargeurs shares, representing the same number of voting rights, i.e. 4.94% of the capital and 4.77% of the voting rights.

As far as Chargeurs is aware, at the date of this Universal 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 February 25, 2019 Chargeurs signed a new liquidity agreement with Rothschild & Banque, following changes in regulations governing liquidity agreements. At December 31, 2019, resources held in the account were as follows:

- 0 shares
- €1,757,887.00.

6.4.2. SHARE BUYBACK PROGRAM

In view of its excellent showing in first-half 2019 and the confidence it has in its performance for full-year 2019, Chargeurs has renewed its share buyback program. The program will run until November 5, 2020. It allows the investment services provider to buy back Chargeurs shares (depending on market conditions) for up to €15 million, at a maximum price of €29 per share.

In 2019, the Group’s provider bought back 684,536 Chargeurs shares for €11.6 million.

The program falls within the scope of the shareholder authorization granted at the Annual General Meeting of May 6, 2019 to buy back Chargeurs shares representing up to 10% of the Company's capital for a period of 18 months.

It also falls within the scope of the seventeenth resolution of the May 6, 2019 Annual General Meeting, whereby the shareholders:

- granted 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). 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. However, the Company may under no circumstances hold, either directly or indirectly through subsidiaries, more than 10% of its share capital. At December 31, 2018, out of the 23,551,755 shares making up its share capital, the Company directly held 557,878 shares. Consequently, the maximum number of shares that the Company will be able to purchase under the share buyback program will be 1,797,297, and the maximum amount that it can invest in the program is fifty-three million, nine hundred and eighteen thousand, nine hundred and ten euros (€53,918,910);

- resolved that shares could be purchased and held 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 agreement 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. 225-197-1 *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 be fifty-three million, nine hundred and eighteen thousand, nine hundred and ten euros (€53,918,910);
- 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, 2019, the Company held 1,153,914 shares in treasury, representing an aggregate purchase price of €20.2 million.

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 (17th resolution of the May 6, 2019 AGM)	18 months on November 6, 2020	€35 per share, maximum investment of €2,331,726 (par value) since the Company may not hold more than 10% of its capital	Utilized*	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 (13th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	€1.8 million (par value) for share issues (with issues deducted from the blanket ceiling of €1.8 million, hereinafter named "the Blanket Ceiling") and €300 million for debt securities (with issues deducted from "the Blanket Ceiling for Debt Securities")	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 preemptive subscription rights Issues of all types of securities through public offerings (14th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	€370,000 (par value) for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	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

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 without preemptive subscription rights Issues of all types of securities through private placement offerings (15th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	€370,000 (par value) for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	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 (16th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	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 thirteenth, fourteenth and fifteenth resolutions, the Board of Directors may increase the number of securities and issue them at the same price as for the initial offer
Issues of securities in payment for the shares of other companies tendered to a public exchange offer initiated by the Company (18th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	€370,000 (par value) for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	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 (19th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	10% of the share capital on the issue date for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	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

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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
Free shares granted to beneficiaries selected from among employees and executives, with a waiver of shareholders' pre-emptive subscription rights (18th resolution of the May 6, 2019 AGM)	26 months July 6, 2021	1% of the Company's share capital as at the May 6, 2019 AGM	Authorization utilized by the Board of Directors on December 19, 2019 to grant 13,000 shares to Group employees, excluding the CEO, and to allocate 150,000 shares to senior executives of the Group, excluding the CEO**, representing a total of 0.68% of the capital	N/A
Subscription or purchase options (stock options) without pre-emptive subscription rights (19th resolution of the May 6, 2019 AGM)	26 months July 6, 2021	1% of the Company's share capital as at the May 6, 2019 AGM	Not utilized	N/A
Employee rights issue (20th resolution of the May 6, 2019 AGM)	26 months July 6, 2021	€200,000 (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 L. 3332-19 of the French Labor Code The shares cannot 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, or 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 (12th resolution of the April 16, 2018 AGM)	26 months June 16, 2020	10% of the share capital per 24-month period.	Not utilized	N/A

* *See section 6.4.2 of this Universal Registration Document for a description of the implementation of the share buyback program.*
** *See section 4 of this Universal 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 April 16, 2018 Annual General Meeting, 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 this Universal 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 Universal 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 Universal 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."

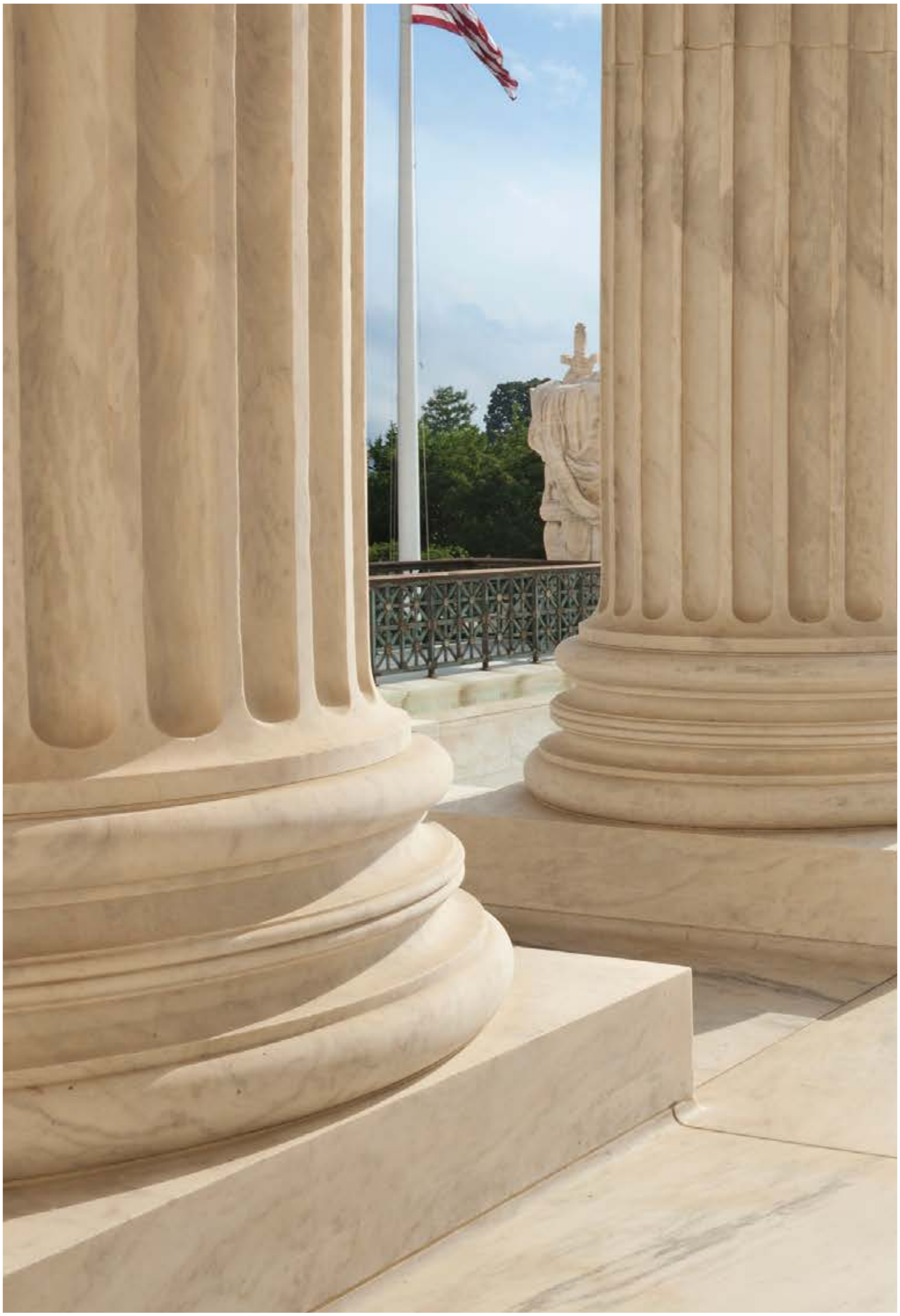
Payment of interest and dividends (article 27 of the Company's bylaws)

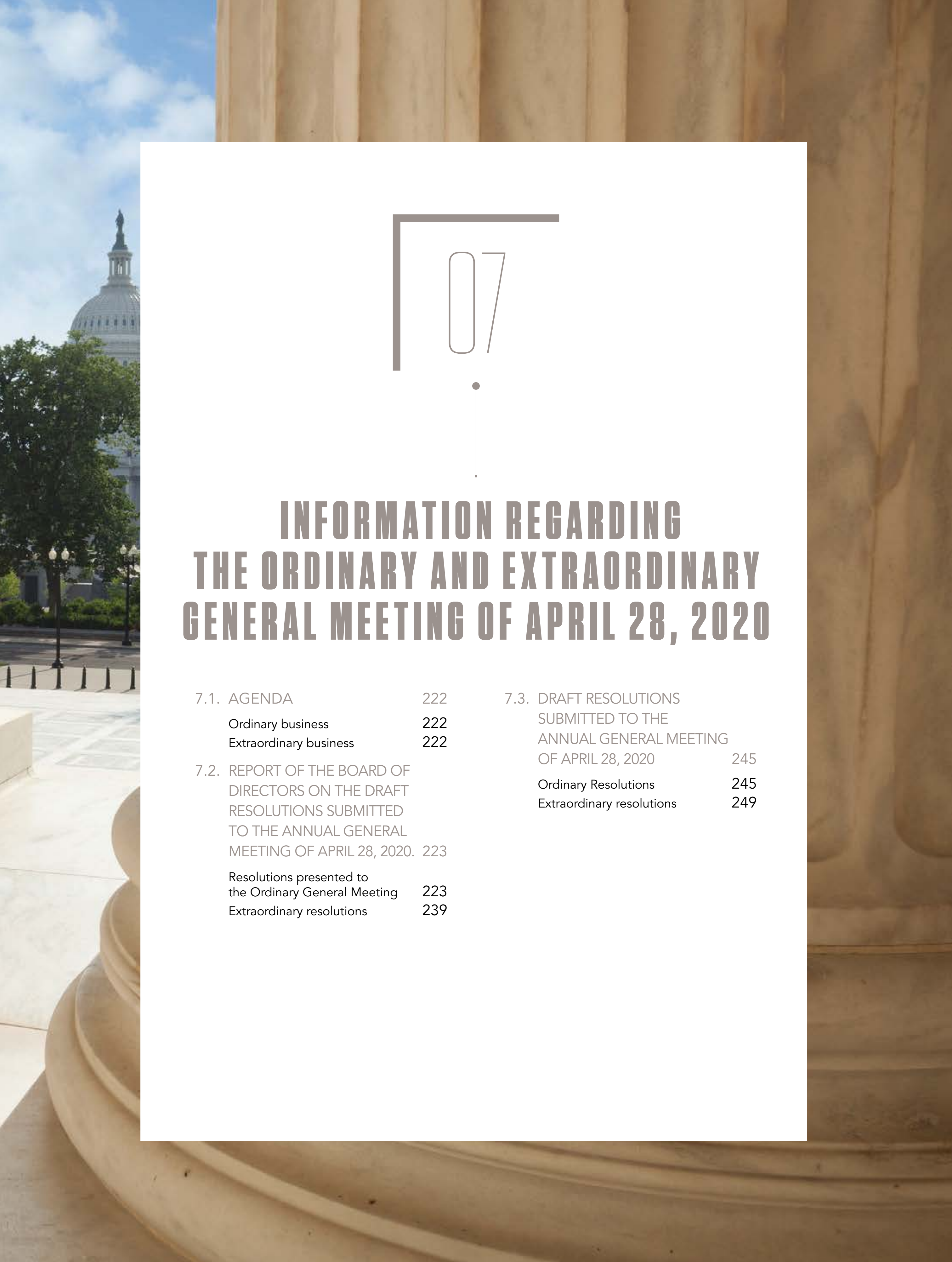
"The method of paying interest and dividends shall be determined by a vote at the General Meeting or, failing that, by the Board of Directors.

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

The Company has no pledge agreements concerning its share capital.





07

INFORMATION REGARDING THE ORDINARY AND EXTRAORDINARY GENERAL MEETING OF APRIL 28, 2020

7.1. AGENDA

ORDINARY BUSINESS:

1. Approval of the parent company financial statements for the year ended December 31, 2019;
2. Approval of the consolidated financial statements for the year ended December 31, 2019;
3. Appropriation of profit for 2019 and approval of a dividend;
4. Stock dividend alternative for the 2019 final dividend;
5. Stock dividend alternative for the 2020 interim dividend;
6. Approval of agreements governed by article L. 225-38 of the French Commercial Code;
7. Re-election of Nicolas Urbain as a director;
8. Re-election of Cécilia Ragueneau as an independent director;
9. Approval of the compensation policy applicable to the Chairman and Chief Executive Officer;
10. Approval of the compensation policy applicable to members of the Board of Directors;
11. Approval of the disclosures referred to in article L. 225-37-3, paragraph I of the French Commercial Code;
12. Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2019;
13. Authorization for the Board of Directors to carry out a share buyback program;

EXTRAORDINARY BUSINESS:

14. 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;
15. 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;
16. 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 public offer other than those governed by article L. 411-2 of the French Monetary and Financial Code;
17. 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 public offer governed by article L. 411-2, paragraph 1, of the French Monetary and Financial Code;
18. 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;
19. Authorization for the Board of Directors to set, in accordance with the terms and conditions decided at the Annual General Meeting, the issue price of the securities issued without preemptive subscription rights pursuant to the sixteenth and seventeenth resolutions and a cap representing 10% of the Company's capital;
20. 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;
21. 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;
22. Authorization for the Board of Directors to grant free shares to employees and/or officers, without pre-emptive subscription rights for existing shareholders;
23. Authorization for the Board of Directors to carry out employee share issues, without preemptive subscription rights for existing shareholders;
24. Blanket ceiling on capital increases carried out pursuant to the fifteenth to twenty-first resolutions and the twenty-third resolution of this Meeting;
25. Amendment to article 12 of the bylaws (Decisions) to enable the Board of Directors to make certain decisions based on a written consultation of its members, as allowed by Act 2019-744 dated July 19, 2019 ("Soilihi Act") modifying article L. 225-37 of the French Commercial Code;
26. Alignment of article 14 of the bylaws [Compensation] with the Act of May 22, 2019 ["Pacte Law"] and government order 2019-1234 dated November 27, 2019 concerning the compensation paid to the corporate officers of listed companies, which modify article L. 225-45 of the French Commercial Code;
27. Amendment of article 15 of the bylaws (Non-voting directors) to delete the term "directors' fees";
28. Amendment of article 20 of the bylaws (Ordinary General Meeting) to delete the term "directors' fees";
29. Powers to carry out legal formalities.

7.2. REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING OF APRIL 28, 2020.

RESOLUTIONS PRESENTED TO THE ORDINARY GENERAL MEETING

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2019)

The purpose of the first resolution is to approve the parent company financial statements for the year ended December 31, 2019.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2019)

The purpose of the second resolution is to approve the consolidated financial statements for the year ended December 31, 2019.

Third resolution

(Appropriation of profit for 2019 and approval of a dividend)

The purpose of the third resolution is to appropriate profit for 2019 and set the dividend for that year. The Board of Directors is recommending that the shareholders:

- note that profit available for distribution amounts to €220,518,135.19 comprising profit for 2019 of €11,035,260.91 and "Retained earnings" of €209,482,874.28;
- resolve to pay a total of €9,539,456.40 to the shareholders as a dividend;
- credit the balance of profit of €210,978,678.79 available for distribution to "Retained earnings”.

The dividend for financial year 2019 proposed by the Board of Directors takes account of the Covid-19 health crisis as of the start of March of this year.

The amount in the "Retained earnings" account has therefore been increased from €209,482,874.28 to €210,978,678.79.

Based on the 23,848,641 shares with a par value of €0.16 outstanding as of December 31, 2019, the dividend per share would amount to €0.40.

An interim dividend of €0.20 per share was paid on October 16, 2019. Consequently, the final per-share dividend payable is €0.20. The ex-dividend date for this amount will be May 4, 2020 and it will be paid on May 26, 2020.

The amounts corresponding to final dividends not paid on shares held in treasury stock on May 4, 2019 will be credited to "Other reserves".

Both the €0.20 interim dividend and the €0.20 final dividend are eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code for individual shareholders who are French tax residents.

In accordance with the disclosure requirements of article 243 *bis* of the French General 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 €)*
2016	22,966,144	12,631,379.20	0.55
2017	23,209,500	13,925,700	0.60
2018	23,551,755	15,779,676	0.67

(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 2016, 2017 and 2018 were eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code (*Code général des impôts*).

Fourth resolution

(Stock dividend alternative for the 2019 final dividend)

In the fourth resolution, in accordance with articles L. 232-18 *et seq.* of the French Commercial Code (*Code de commerce*) and article 27 of the Company's bylaws, the shareholders are invited to approve an option for their final dividend for 2019 to be paid in either cash or new shares.

Each shareholder would be able to exercise this option to choose between cash payment or the stock dividend alternative but the payment method opted for would 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 Meeting of April 28, 2020, 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 must notify their bank or broker between May 6, 2020 (the ex-dividend date for the final dividend) and May 19, 2020. Any shareholder whose option has not been exercised by that date would automatically receive a cash dividend.

The final dividend would be paid on May 26, 2020, and shareholders who have opted for the stock dividend alternative would 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 would 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 2020 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 2020 to be paid either in cash or new shares.

Each shareholder would 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 would 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 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 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 would 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 accordance with article L. 225-38 of the French Commercial Code, the Board of Directors is recommending that the shareholders approve the conclusions of the Statutory Auditors' special report on related-party agreements for the year ended December 31, 2019, as presented in section 5.3 of the Universal Registration Document. Shareholders will also be asked to approve on an *ex ante* basis the agreements referred to in this report, which are described below.

Related-party agreements in 2019

No new related-party agreements or undertakings were authorized or signed in 2019.

Related-party agreements in 2020

Over and above the legal provision of the French Commercial Code, the Board of Directors requests that shareholders at the Annual General Meeting approve *ex ante* two proposed related-party agreements, which will not be implemented if their approval is withheld.

Following the meticulous, supervised procedure described below, the draft agreements were examined in detail by the Audit Committee, which issued a favorable recommendation. Their signature was subsequently authorized by the Board of Directors on March 4, 2020, subject to prior shareholder approval at the Annual General Meeting of April 28, 2020, it being specified that only the independent directors took part in the discussions and vote.

The two proposed related-party agreements are as follows:

1. The sale by Chargeurs USA, LLC (the vendor), a wholly-owned subsidiary of the Company, to Foncière Transcontinentale (the buyer), a company controlled by Michaël Fribourg, of offices in the Chelsea Arts Tower, 545 W 25th St, New York, NY 10001, United States, which house the headquarters of Chargeurs USA, LLC (the "Sale Agreement");
2. The lease of the above-mentioned offices by Foncière Transcontinentale (lessor) to Chargeurs USA LLC or any other Chargeurs Group company (lessee), with the stipulation that the lessee may sublet the offices to any Group company that uses them and has a call option on the offices should the lessor dispose of the property (the "Lease Agreement").

The offices were acquired on January 23, 2019 by Chargeurs USA, LLC after it became strategically important to regroup part of the management of the Group's fast-growing US businesses in a single location. The offices will be used for the employees of several Group subsidiaries in response to their increasing business needs.

Both the Audit Committee and the Board of Directors considered that ownership of these offices did not fall the scope of the Group's main corporate purpose and that the proceeds from their sale could be better used for other development projects. Signing the Sale Agreement and Lease Agreement would enable the Company to continue using this asset for business purposes while maintaining the operational flexibility it needs. Furthermore, the agreements would give the Company a call option on the offices, exercisable should the lessor dispose of the property.

The Sale Agreement and Lease Agreement meet the criteria for classification as related-party agreements. The following procedure was therefore implemented:

1. The Audit Committee assessed whether the two agreements were appropriate and examined the underlying financial rationale, without any input from representatives of the related parties. This assessment by the Audit Committee did not form part of the legally mandated review procedure for related party agreements; it constituted a specific procedure applied to the agreements concerned;
2. The Chair of the Audit Committee presented the proposed agreements to the Board of Directors, along with the Committee's analysis and assessment of their terms based on all the information given to the members of the Board of Directors, including detailed appraisals performed by the US subsidiaries of two internationally recognized firms of independent property experts (CBRE and JLL);
3. The Board of Directors then authorized the signature of the two proposed agreements, with only the independent directors taking part in the discussions and vote;
4. The proposed agreements were also analyzed by the Statutory Auditors for the purposes of their special report on related-party agreements to be submitted for the prior approval of shareholders at the Annual General Meeting of April 28, 2020.

Based on the information provided, the Board of Directors noted that the proposed agreements were in line with the Company's corporate interests, particularly as concerns the sale price and the rent, which were consistent with current market conditions as assessed by the two firms of property experts (CBRE and JLL).

The financial terms of each of the two agreements are presented in detail in the Statutory Auditors' special report below. They may be summarized as follows:

- Sale price: USD 4,825,000.
- Annual rent: USD 298,000.

Seventh resolution

(Re-election of Nicolas Urbain as a director)

The shareholders are invited to re-elect Nicolas Urbain as a director for a three-year term, expiring at the close of the Ordinary General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022. Nicolas Urbain's detailed profile is provided in section 4.3.2 of this Universal Registration Document.

Name	Current position within the Company	Date first elected/appointed	Current term expires	Audit Committee	Compensation Committee	Acquisitions Committee
Nicolas Urbain	Director	Oct. 30, 2015 Board meeting (appointed by the Board)	2020 AGM	N/A	Member	Member

ATTENDANCE RATE:

	2017	2018	2019
Board of Directors	100%	100%	100%
Compensation Committee	100%	100%	100%
Acquisitions Committee	N/A	100%	N/A

Eighth resolution

(Re-election of Cécilia Ragueneau as an independent director)

The shareholders are invited to re-elect Cécilia Ragueneau as an independent director for a three-year term, expiring at the close of the Ordinary General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

Cécilia Ragueneau's detailed profile is provided in section 4.3.2 of this Universal Registration Document.

Name	Current position within the Company	Date first elected/ appointed	Current term expires	Audit Committee	Compensation Committee	Acquisitions Committee
Cécilia Ragueneau	Independent director	April 20, 2017 AGM	2020 AGM	N/A	Chair	N/A

ATTENDANCE RATE:

	2017	2018	2019
Board of Directors	86%*	100%	100%
Compensation Committee (Chair)	100%	100%	100%
Acquisitions Committee	N/A	100%	N/A

* *Cecilia Ragueneau attended six of the seven Board meetings held in 2017.*

Ninth resolution

(Approval of the compensation policy applicable to the Chairman and Chief Executive Officer)

In accordance with the French Commercial Code, in the ninth resolution the Board of Directors is asking shareholders to approve the compensation policy applicable to the Chairman and Chief Executive Officer General for 2020 (*ex ante* say-on-pay 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. His compensation package for 2020, which is being put to the shareholders' vote and is described below, was set by the Board at its March 4, 2020 meeting based on the Compensation Committee's recommendations. The policy is also presented word-for-word in the Board of Directors' corporate governance report in section 4 of this Universal Registration Document.

Compensation policy applicable to the Chairman and Chief Executive Officer for 2020 (*ex-ante* say-on-pay vote)

Compensation and benefits of the Chairman and Chief Executive Officer for 2020

In accordance with article L. 225-37-2, paragraph 2 of the French Commercial Code, the following section sets out the principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the Chairman and Chief Executive Officer's total compensation and benefits for 2020, which will be submitted for shareholders' approval in an *ex ante* say-on-pay vote at the Annual General Meeting of April 28, 2020.

On the recommendation of the Compensation Committee, the Board of Directors determines the Chairman and Chief Executive Officer's compensation and benefits based on two guiding principles: balance and consistency. Specifically, the Chairman and Chief Executive Officer's compensation takes into account the Company's overall interests and the ratio between his compensation and that paid to the other corporate officers and the Company's employees.

Shareholders should note that:

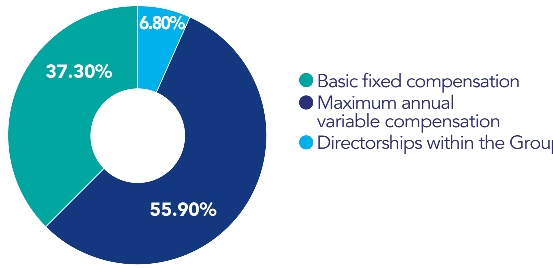
- The Chairman and Chief Executive Officer is the Chargeurs Group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest; his direct and indirect interests make him the Group's leading shareholder.
- The Chairman and Chief Executive Officer therefore has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary; this illustrates his deep long-term commitment to the Group.
- Since he took up his position, Michaël Fribourg has never sold a single Chargeurs share.
- Michaël Fribourg steadily increased his direct and indirect personal investment in the Group in each of the years 2016, 2017, 2018 and 2019 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), paying a premium over the share price quoted on the stock market. The Chargeurs shares and voting rights held by Colombus Holding SAS as of December 31, 2019 are presented in section 6.4 of this Universal Registration Document.
- At his request, Michaël Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect.
- At his request, Michaël Fribourg does not participate in any company pension plan or any other deferred benefit plan with an equivalent effect.
- At his request, Michaël Fribourg's basic compensation is less than that paid to his predecessor under the previous governance structure.
- Lastly, the Chairman and Chief Executive Officer does not have an employment contract.

As in 2019, the underlying principles for the compensation policy applicable to the Chairman and Chief Executive officer for 2020 are based on budgetary discipline and aligning the rules used for determining his compensation with the annual assessment of his individual performance and that of the Group. The policy is also designed to take into account (i) the Chairman and Chief Executive Officer's experience and responsibilities; (ii) the Group's increased scale with the recent acquisition of Design and Production, the leader of the United States heritage museum market, which will lift the Group's consolidated revenue to €750 million on a full-year basis in 2020 based on a comparable environment; and (iii) the Group's record of earnings growth, which continued in 2019 despite the more volatile environment.

Against this backdrop, the 2020 compensation policy is based on the same rules and caps as in 2019, including the specific sub-ceilings for the different criteria that were added to the overall cap in 2019.

The Chairman and Chief Executive Officer's compensation package comprises a fixed component and a variable component. The breakdown between the various components reflects the Compensation Committee's choice of maintaining an overriding emphasis on variable performance-based compensation that supports the Group's strategic objectives.

THEORETICAL ANNUAL BREAKDOWN



(a) Basic fixed compensation

In order to take into account the change in the size of the Group – which has generated annual revenue of €619 million since 2019 and is expected to generate €750 million over full year in 2020 – as well as its higher number of host countries (90, versus 70 previously), and other factors that have increased his workload, the Chairman and Chief Executive Officer's basic fixed compensation was set at €525,000 (gross) per year in 2019 and frozen for a period of two years, i.e., 2019 and 2020. The Chairman and Chief Executive's basic fixed compensation reflects his experience and responsibilities, the Group's new scale and scope and recent US acquisition, Design and Production. His fixed compensation for 2020 is capped at €525,000. It has remained 25% below the annualized basic compensation paid to Michaël Fribourg's predecessor under the previous governance system, despite the very substantial increase in the Group's scale, the extended scope of its businesses and the growth in its geographic footprint, from 32 countries in 2015 to 90 in 2019.

(b) Basic variable compensation

Variable compensation is based on criteria that closely reflect the Group's strategy and ambitions.

The Chairman and Chief Executive Officer's variable compensation for 2020 will be contingent on the following two types of objectives:

- financial objectives, based on the Group's financial performance, notably its consolidated recurring operating profit by business segment; and
- individual non-financial objectives, based on successful implementation of key strategic long-term actions, as assessed by the Compensation Committee.

The Chairman and Chief Executive Officer' basic variable compensation for 2020 is therefore 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 by business segment is fully reached and the Group's strategic qualitative objectives are met, as assessed 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.

(c) Variable compensation for outperformance

The variable compensation that could be awarded for 2020 to the Chairman and Chief Executive Officer if he outperforms his targets will be based on the following criteria:

- A criterion based on the Group's intrinsic performance: If the financial objectives are exceeded, as measured by the difference between actual recurring operating profit for 2020 and the threshold that triggers payment of his basic variable compensation, the Chairman and Chief Executive Officer may receive an additional amount of variable compensation, calculated based on a pre-defined formula. The award of this additional variable compensation will be contingent on the Group achieving an ambitious target in terms of recurring operating profit, pre-defined in 2019 when the objectives for 2020 were set.

  The amount of additional variable compensation that would be payable if the financial objectives are outperformed would be capped at 140% of the Chairman and Chief Executive Officer's total basic variable compensation, which itself is capped at 50% of his basic fixed compensation.
- A criterion based on the Group's stock market performance: The Chairman and Chief Executive could receive a special bonus if Chargeurs' share price performs significantly well. The related share performance target for 2020 is based on a criterion of shareholder return, measured based on two performance conditions which each count for 50 % of the bonus and are the same as for 2019 and 2018, namely:
  a) If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 is awarded.
  b) If the dividend amount paid during the year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 will be awarded. This criterion is directly linked to shareholders' immediate interests.
- In addition to the above, the Board of Directors may award other special bonuses to the Chairman and Chief Executive Officer on a case-by-case basis on the recommendation of the Compensation Committee. Such bonuses may be awarded for particularly successful work related to matters such as raising debt or equity financing for the Group, acquisitions or divestments, or if the Chargeurs share price performs significantly well.

These bonuses may not exceed €100,000 in 2020.

As in previous years, the total variable compensation for which the Chairman and Chief Executive Officer is eligible for 2020 will, at his own request, be capped at 150% of his basic fixed compensation.

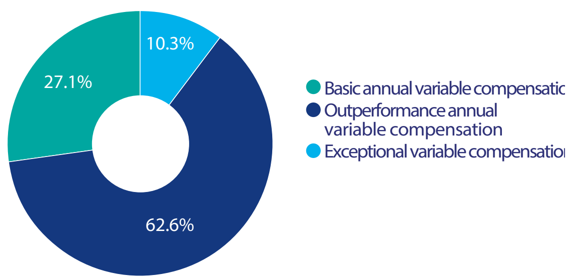
For 2020, the individual qualitative criteria (each with the same weighting) will concern the following five areas, with a new CSR criterion added this year:

- talent management;
- the Group's "iconic" brand and marketing strategy;
- smart manufacturing;
- innovation;
- increase in the proportion of sustainable products included in the Group's total production, within the meaning of the Global Compact's Sustainable Development Goal (SDG) no. 9.

SDG no. 9 (United Nations Sustainable Development Goal) – Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

The respective weightings of the variable compensation components reflect the predominance of the quantitative component rewarding outperformance compared with targets for (i) recurring operating profit and (ii) stock market performance. The breakdown reflects the Compensation Committee's choice of maintaining an exacting variable compensation program.

THEORETICAL WEIGHTING OF THE VARIABLE COMPENSATION COMPONENTS (BEFORE APPLYING THE CAP)



(d) Payment of the Chairman and Chief Executive Officer's variable and exceptional compensation

In accordance with article L. 225-37-2 II of the French Commercial Code, payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for 2020 will be contingent on the shareholders' approval – at the Annual General Meeting called to approve the 2020 financial statements – 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 2020.

The above compensation components are summarized in the following table:

Type	Weighting	Maximum bonus (*% of basic fixed compensation*)	Objective
		Basic variable compensation	
Consolidated recurring operating profit	60%	30%	*Recurring operating profit performance*
Talent management Brand strategy Smart manufacturing Innovation Increase in proportion of sustainable products	40%	20%	*By reference to the qualitative aspects of the Game Changer plan*
Sub-total I	100%	50%	-
		Variable compensation for outperformance	
Consolidated recurring operating profit	60.6%	70%	*Outperformance vs. target consolidated recurring operating profit*
Relative share price	19.7%	22.8% (€120,000)	*Over the year, Chargeurs shares outperformed the SBF 120 by 5%*
Dividends/Relative share price	19.7%	22.8% (€120,000)	*In terms of annual dividend/share price ratio, Chargeurs outperforms its peer group by 2%*
Sub-total II	100%	115.6%	-
		Exceptional variable compensation	
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	19.1% (€100,000)	*Particularly successful equity/debt raising exercises, divestments or acquisitions, exceptionally good stock market performance*
Sub-total III	100%	19.1%	-
TOTAL AFTER APPLYING THE 150% CAP	**-**	**150%**	**-**

(e) Compensation of directors

As stated above, at his own request, the Chairman and Chief Executive Officer does not receive any compensation 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 for 2020 in his capacity as a member of the Board of Directors of Chargeurs SA.

(f) Benefits in kind

The Chairman and Chief Executive Officer does not receive any benefits in kind such as a company car. However, in 2020 he may continue to have the personal use of a means of transport at the Group's disposal to facilitate certain business trips. The use of this means 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 whose premiums (representing an annual amount of €22,000) are subject to payroll taxes and are therefore accounted for as benefits in kind.

(g) 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 compensation 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.

Therefore, 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, he 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 compensation received for his directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year.

The payment of this indemnity is contingent on consolidated recurring operating profit for the last full fiscal year representing the minimum amount for Michaël Fribourg's quantitative-based variable compensation to become payable.

Draft resolution (*ex-ante* say-on-pay vote)

"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 approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on corporate governance. "

Tenth resolution

(Approval of the compensation policy for directors of the Company)

In accordance with the French Commercial Code, in the tenth resolution the Board of Directors is asking shareholders to approve the compensation policy applicable to the members of the Board of Directors for 2020 (*ex ante* say-on-pay vote)

The compensation policy for directors is set by the Board of Directors based on the recommendations of the Compensation Committee. His compensation package for 2020, which is being put to the shareholders' vote and is described below, was set by the Board at its March 4, 2020 meeting based on the Compensation Committee's recommendations. The policy is also presented word-for-word in the Board of Directors' corporate governance report in section 4 of this Universal Registration Document.

COMPENSATION POLICY APPLICABLE TO THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2020 (*EX-ANTE* SAY-ON-PAY VOTE)

In accordance with articles L. 225-45 and L. 225-37-2 of the French Commercial Code, an annual fixed amount of compensation is awarded to the Board of Directors by the shareholders at the Annual General Meeting.

This amount is allocated among the directors, including the non-voting director, 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 any compensation for his role as a director of the Company).

At the Annual General Meeting of May 6, 2019, shareholders set the maximum total annual amount that may be awarded to the members of the Board of Directors as compensation for their participation in the work of the Board and the Board Committees at €380,000, applicable for 2019 and all subsequent years until a new amount is set at an Annual General Meeting. In line with the 2020 compensation policy applicable to members of the Board of Directors that will be submitted to shareholders at the Annual General Meeting on April 28, 2020, the Board proposes maintaining this total amount at €380,000. This amount takes into account the number of directors, as well as the greater workload of the Board and the Board Committees and the resulting increase in the directors' commitments and responsibilities.

The compensation awarded to each member of the Board of Directors out of this total amount will be determined based on their attendance at meetings of the Board and the Board Committees. Concerning the Board Committees, compensation is paid only for attendance at meetings that are not held on the same day as a Board meeting.

The members of the Board of Directors do not receive any compensation from the Group apart from that allocated to them for their attendance at meetings of the Board and the Board Committees. They do not receive any performance shares or stock options.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by directors in the interests of the company.

If a member of the Board of Directors were to be asked to perform a one-off assignment in the Company's interests, due to his or her expertise and role, the compensation allocated to this director for this assignment by the Board of Directors would be subject to the approval procedure applicable to related-party agreements.

Draft resolution (*ex-ante* say-on-pay vote)

"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 approve the compensation policy applicable to the members of the Board of Directors, as presented and described in the report of the Board of Directors on corporate governance. "

Eleventh and twelfth resolutions

(Approval of the disclosures referred to in article L. 225-37 3 I of the French Commercial Code and approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2019)

In accordance with the French Commercial Code, shareholders are asked to approve, in the eleventh and twelfth resolutions respectively, (i) the disclosures referred to in article L. 225-37-3 I of the French Commercial Code concerning the compensation of corporate officers – i.e., the Chairman and Chief Executive Officer and the members of the Board of Directors – for 2019 (first part of the *ex post* say-on-pay 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 2019 (second part of the *ex post* say-on-pay vote).

These disclosures are presented below and are also reproduced word-for-word in the Board of Directors' corporate governance report in section 4.4.1.3 of this Universal Registration Document.

Compensation of the Chairman and Chief Executive Officer for 2019 (*ex-post* vote)

Components of compensation and benefits paid or awarded in 2019

In accordance with article L. 225-100, III of the French Commercial Code, the following paragraphs set out the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2019 for the duties he performed in this capacity, and which will be submitted for shareholders' approval on an *ex-post* basis at the Annual General Meeting of April 28, 2020 called to approve the 2019 financial statements.

The principles and criteria used 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 2019 were approved on an *ex-ante* basis by a 95.32% vote at the Annual General Meeting of May 6, 2019.

Shareholders should note that:

- The Chairman and Chief Executive Officer is the Chargeurs Group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest directly and indirectly; his direct and indirect interests make him Chargeurs' leading shareholder.
- The Chairman and Chief Executive Officer therefore has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary; this illustrates his deep long-term commitment to the Group.
- Since he took up his position, Michaël Fribourg has never sold a single Chargeurs share.
- Michaël Fribourg steadily increased his direct and indirect personal investment in the Group in each of the years 2016, 2017, 2018 and 2019 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), paying a premium over the share price quoted on the stock market. The Chargeurs shares and voting rights held by Colombus Holding SAS as of December 31, 2019 are presented in section 6.4 of this Universal Registration Document.
- At his request, Michaël Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect.
- At his request, Michaël Fribourg does not participate in any company pension plan or any other deferred benefit plan with an equivalent effect.
- At his request, Michaël Fribourg's basic compensation is less than that paid to his predecessor under the previous governance structure.
- Lastly, the Chairman and Chief Executive Officer does not have an employment contract.

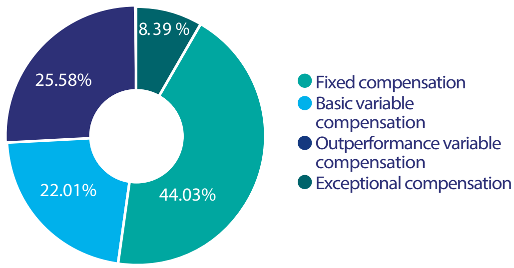
The Chairman and Chief Executive Officer's compensation package for 2019 was set by the Board of Directors based on the recommendations of the Compensation Committee.

The Chairman and Chief Executive Officer's compensation package comprises a fixed component and a variable component.

As in 2018 and prior years, the principles underlying the compensation policy applicable to the Chairman and Chief Executive Officer for 2019 were based on budgetary discipline and alignment of the rules used to determine his compensation with the annual assessment of his personal performance and that of the Group. The policy was designed to take into account (i) the experience and responsibilities of the Chairman and Chief Executive Officer, (ii) the Group's new scale and scope, resulting in particular from its acquisition of PCC, which generated additional synergies in new countries for the Group. The compensation policy applicable to the Chairman and Chief Executive Officer in 2019 was based on the same rules and caps as for 2018, with a specific sub-ceiling for each different criterion added to the overall cap on his variable compensation. Only his fixed compensation, which had been unchanged since 2016, was raised to take into account the Group's increased scale and scope, the Chairman and Chief Executive Officer's experience and responsibilities, and the steady growth in the Group's earnings.

The weighting of each component of the Chairman and Chief Executive Officer's compensation for 2019 was as follows:

WEIGHTING OF EACH FIXED AND VARIABLE COMPENSATION COMPONENT DUE FOR 2019



(a) Basic fixed compensation

The Chairman and Chief Executive Officer's basic fixed compensation for 2019 amounted to €525,000 (gross). This amount has been frozen for two years. It has remained 25% below the annualized basic compensation paid to Michaël Fribourg's predecessor under the previous governance system, despite the very substantial increase in the Group's scale, the extended scope of its businesses and the growth in its geographic footprint, from 32 countries in 2015 to 90 in 2019.

(b) Basic variable compensation

The Chairman and Chief Executive Officer's variable compensation for 2019 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 and in view of the Group's strong recurring operating profit figure for 2019, the Chairman and Chief Executive Officer was eligible for 100% of his basic variable compensation based on quantitative objectives. In addition, the qualitative improvements made under the Game Changer plan resulted in all of the qualitative performance objectives being met and even exceeded, especially in the following areas:

- talent management;
- the Group's "iconic" brand and marketing strategy;
- smart manufacturing; and
- innovation.

The table below summarizes the major and noteworthy advances made in 2019 that were impelled and guided by the Chairman and Chief Executive Officer in each of the areas targeted by the Game Changer plan:

Strategic vision	2019 outcomes	Examples
Talent management	• New talents hired • Organization optimized • International training • New Incentive Program	• Appointment of a Head of Investor Relations, a Head of Tax, and a Head of the Chargeurs-PCC Global Supply Chain • Reorganization of corporate functions (Finance), revamped Chargeurs-PCC post-acquisition organization • Executive training in the Game Changer plan with ESMT Berlin (second session) and at Harvard Business School • Deployment of management-by-objectives policy among all managers, to improve alignment with Group strategy
Iconic brand and marketing strategy	• Segments creating new markets • Integrated services and specification • "High Emotion Technology" global branding signature	• Uniforms, museums • Nativa label for Merino wool users, integrated services to support deliveries of Leach graphic displays • Global branding signature for all Group businesses launched on September 5, 2019
Smart manufacturing	• Premium production facilities developed • Sites specialized • Supply chain revamped	• New production line in Italy brought on stream for Chargeurs Protective Films, representing the Group's biggest ever investment in manufacturing • CPF plants: solvents, emulsions, etc. • Deployment of global supply chain functions in all businesses (step 1: Chargeurs PCC)
Innovation	• Green System deployed • Strategic partnerships formed	• "Sustainable" product ranges developed in all businesses (S50 at Chargeurs PCC, Oxygen at CPF) • Brooklyn Museum, Digital Factory, Abu Dhabi

Consequently, the Chairman and Chief Executive Officer was eligible for the full amount of his basic variable compensation contingent on both the qualitative and qualitative objectives, corresponding to 50% of his basic fixed compensation, i.e., €262,500.

(c) Variable compensation for outperformance

On top of this basic variable compensation, for 2019 the Chairman and Chief Executive Officer was eligible for additional variable compensation or variable compensation for outperformance if his performance targets were exceeded. This was in fact the case, as the target threshold for quantitative performance, measured based on a predefined level of 2019 recurring operating profit, was exceeded by a wide margin, reflecting the quantitative successes of the Game Changer plan. Consequently, the Chairman and Chief Executive Officer was eligible for this additional amount of variable compensation based on outperformance, which totaled €185,000 for 2019. The relative decline in this component compared with 2018 attests to the challenging nature of this performance condition.

In addition, a portion of the Chairman and Chief Executive Officer's variable compensation for 2019 was specifically based on shareholder return. The shareholder return objective was measured on the basis of achieving either one or both of the following two criteria, which each counted for 50% of the objective:

- If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 is awarded.
- If the dividend amount paid during the year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 is awarded. The Compensation Committee defines peer companies as Danaher, ITW and Griffon (50%); Serge Ferrari, Sioen Guillin and Bolloré (50%).

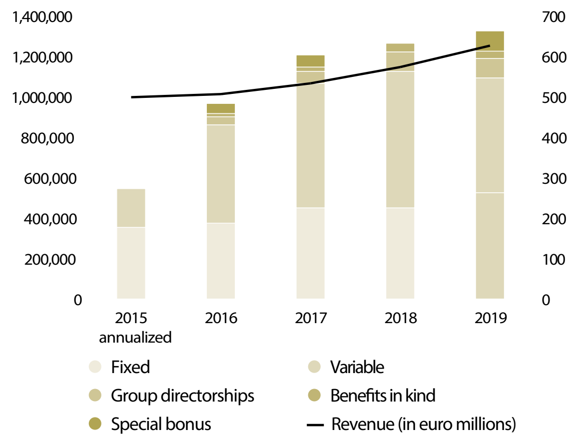
As the dividend objective described in point (ii) above was met, the Chairman and Chief Executive Officer was eligible for specific additional compensation of €120,000.

Lastly, on the recommendation of the Compensation Committee:

- For the successful renegotiation of the Group's financing terms in early 2019, leading to an unprecedented decision by lenders to cancel certain hard covenants previously applicable to the Group, the Board of Directors decided to award a special bonus of €40,000 to the Chairman and Chief Executive Officer.
- For the successful completion of various complex acquisitions by Chargeurs Museum Solutions and the transformation of this business into a world champion in museum services, the Board of Directors decided to award a special bonus of €60,000 to the Chairman and Chief Executive Officer.
- The sum of these two bonuses is within the overall cap on special bonus payments to the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer's total variable compensation for 2019 is therefore €657,500 representing less than the overall cap of €787,500 or 150% of his basic fixed compensation.

Moreover, the Chairman and Chief Executive Officer's total compensation has evolved in line with the Group's revenue since 2015 as shown in the graph below:



In accordance with articles L. 225-37-2 II and L. 225-100-2 of the French Commercial Code, the payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for 2019 will be contingent on the shareholders' approval, at the April 28, 2020 Annual General Meeting, 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 2019.

The following table summarizes the various components of the Chairman and Chief Executive Officer's compensation for 2019:

Type	Theoretical weighting	Performance	Amount (in €)
Basic annual variable compensation			
Consolidated recurring operating profit	60%	> €41m (representing an historic high)	€157,500
Talent management	10%	New talent hired/International training/Incentive Program/Organization optimized	€105,000
Brand strategy	10%	New markets tapped/Integrated services and specification/ High Emotion Technology global marketing signature	
Smart manufacturing	10%	Premium production facilities developed/Sites specialized/ Supply chain revamped	
Innovation	10%	Green System deployed/Strategic partnerships formed	
Sub-total I	100%	-	€262,500
Annual variable compensation for outperformance			
Consolidated recurring operating profit	60.6%	> €41m (representing an historic high) Quantitative success of the Game Changer plan	€185,000
Relative share price	19.7%	Criterion not met	-
Dividends/Relative share price	19.7%	Criterion met	€120,000
Sub-total II	100%	-	€305,000
Exceptional variable compensation			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	Improved financing terms and unprecedented decision by lenders to cancel hard covenants	€40,000
		Successful completion of complex acquisitions by Chargeurs Museum Solutions	€60,000
Sub-total III	100%	-	€100,000
Sub-total I+II	-	-	€567,500
Sub-total I+II+III	-	-	€667,500
TOTAL AFTER APPLYING THE 150% CAP	**-**	**-**	**€667,500***

* *The Chairman and Chief Executive Officer's variable and exceptional compensation for 2019 was capped at €787,000 representing 150% of his basic fixed compensation.*

At his request, the Chairman and Chief Executive Officer did not receive any compensation for his participation on the Board of Directors. 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.

In 2019, the Chairman and Chief Executive Officer made only limited use of the means of transport at the Group's disposal to facilitate certain business trips, as authorized by the Board of Directors on the recommendation of the Compensation Committee and approved under the shareholders' *ex-ante* say-on-pay vote at the May 6, 2019 Annual General Meeting. The related cost for 2019 was €14,491, out of an authorized maximum annual amount of €22,000.

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 whose premiums (representing €22,000 in 2019) are subject to payroll taxes and are therefore accounted for as a benefit in kind.

Ratio between the Chairman and Chief Executive Officer's compensation and employees' average and median compensation

The following CEO-to-worker pay ratio information is disclosed in accordance with article L. 225-37-3 I, paragraph 6. In the case of Chargeurs, it concerns the ratio between the Chairman and Chief Executive Officer's compensation and (i) the average compensation of the Company's employees (excluding corporate officers) and (ii) the median compensation of the Company's employees (excluding corporate officers) since 2018.

	2018	2019
Average monthly salary	€19,161	€18,210
CEO/Median ratio	17.42	17.89
CEO/Average ratio	5.40	6.02

Data from previous years do not allow for relevant ratios.

The following table shows the ratio between the Chairman and Chief Executive Officer's compensation and the French minimum wage ("SMIC") for the last five years. This information does not correspond to a legal disclosure requirement but provides a useful stable basis of comparison that is common to all French companies:

2015	2016	2017	2018	2019
-	29.1	57.2	69.1	72.0

Draft resolution (*ex-post* say-on-pay vote)

"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 III of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits due or awarded to the Chairman and Chief Executive Officer for 2019, as described in the Board of Directors' corporate governance report."

Summary of compensation and benefits awarded to executive management for 2019

As required under article L. 225-37-3, I paragraph 1, of the French Commercial Code and the MiddleNext Code, 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.

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

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

As Chargeurs' executive director did not receive any stock options or free shares the following tables are not applicable in this Universal 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: SUMMARY TABLE OF COMPENSATION AWARDED TO EACH EXECUTIVE DIRECTOR.

Since 2015, at the request of the Chairman and Chief Executive Officer, the Board of Directors has capped his total variable compensation at 150% of his basic fixed compensation.

Depending on the year, this cap can have the effect of significantly reducing the variable compensation paid to the Chairman and Chief Executive Officer, even in years when the Group delivers an exceptionally strong performance or demonstrates above-average resilience to volatile conditions by considerably outperforming its competitors. Strict application of the cap is not offset by any alternative system for the benefit of the Chairman and Chief Executive Officer.

Michaël Fribourg, Chairman and Chief Executive Officer	Fiscal 2017		Fiscal 2018		Fiscal 2019	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€450,000	€450,000	€450,000	€450,000	€525,000	€525,000
Annual variable compensation	€615,000(1)	€485,500	€675,000(1)	€615,000(1)	€567,500	€675,000(1)
Compensation for corporate officer positions in other Group companies	€60,000	€60,000	€96,000	€96,000	€96,000	€96,000
Benefits in kind	€21,228(2)	€21,228(2)	€43,120(3)	€21,120(4)	€36,491(3)	€28,142(4)
Special bonus	€60,000(5)	€0	€0(6)	€60,000(5)	€100,000(7)	€0(6)
TOTAL	**€1,206,228**	**€1,016,728**	**€1,264,120**	**€1,242,120**	**€1,324,991**	**€1,324,142**

(1) The variable compensation amounts of €615,000 due for 2017 and €675,000 due for 2018 were paid in 2018 and 2019 respectively.
(2) This amount corresponds to the personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer as well as an unemployment insurance policy whose premiums are subject to payroll taxes and are therefore accounted for as a benefit in kind.
(3) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use of a means of transport at the Group's disposal to facilitate certain business trips, and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.
(4) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use of a means of transport at the Group's disposal to facilitate certain business trips (€0 in 2018 and €6,142 in 2019), and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.
(5) Corresponding to a special bonus awarded following the success of the Euro PP private placement in June 2017 with very attractive interest rates.
(6) A special bonus of €85,000 was awarded to the Chairman and Chief Executive Officer following the successful acquisition of PCC Interlining – a leader in the United States and Asia in technical interlinings – in August 2018. However, this bonus was not paid due to the cap of 150% of basic fixed compensation applied to his total variable remuneration.
(7) Corresponding to two special bonuses awarded to the Chairman and Chief Executive Officer for (i) the successful renegotiation of the terms of the Group's financing in early 2019, leading to the unprecedented decision by lenders to cancel certain hard covenants previously applicable to the Group (€40,000), and (ii) the successful completion of acquisitions in the museum services segment along with the transformation of Chargeurs Museum Solutions into the world leader in this segment (€60,000).

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: Revenue 2021 (Chairman) and Revenue 2023 (Chief Executive Officer) Director of: First appointed: Oct. 30, 2015 Board meeting: Current term expires: 2021 AGM	No	No	Yes(2)	Yes(3)

(1) Michaël Fribourg's termination benefit has been applicable since 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 compensation received for his directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year.
(3) 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, he 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 compensation received for his directorships in Group companies) and the full amount of his variable compensation received for the last full fiscal year. The payment of this indemnity is contingent on reaching, during the last full fiscal year, the quantitative objectives for Michaël Fribourg's variable compensation.

Summary table of compensation awarded to the members of the Board of Directors for 2019

As recommended in the MiddleNext Corporate Governance Code (the "MiddleNext Code"), a summary table is provided below of the compensation paid in the last three years to the Company's directors in respect of their participation in the work of the Board and the Board Committees. The members of the Board of Directors did not receive any other form of compensation from the Group.

The total compensation allocated among the members of the Board of Directors for 2019 amounted to €335,998.

TABLE 3: TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE DIRECTORS

Emmanuel Coquoin	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€80,488	€68,571	€64,615
Other compensation	N/A	N/A	N/A
TOTAL	**€80,488**	**€68,571**	**€64,615**

Isabelle Guichot	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€58,537	€42,857	€51,692
Other compensation	N/A	N/A	N/A
TOTAL	**€58,537**	**€42,857**	**€51,692**

Cécilia Ragueneau	Amount due for 2017 (from April 20, 2017 to Dec. 31, 2017)	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€43,902	€68,571	€64,615
Other compensation	N/A	N/A	N/A
TOTAL	**€43,902**	**€68,571**	**€64,615**

Nicolas Urbain	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€58,537	€68,571	€64,615
Other compensation	N/A	N/A	N/A
TOTAL	**€58,537**	**€68,571**	**€64,615**

Maria Varciu	Amount due for 2017	Amount due for 2018	Amount due for 2019 (from May 6, 2019 to December 31, 2019)
Compensation for participation in the work of the Board of Directors and the Board Committees	N/A	N/A	€38,769
Other compensation	N/A	N/A	N/A
TOTAL	**N/A**	**N/A**	**€38,769**

Georges Ralli (Non-voting director)	Amount due for 2017	Amount due for 2018	Amount due for 2019
Compensation for participation in the work of the Board of Directors and the Board Committees	€43,902	€51,429	€51,692
Other compensation	N/A	N/A	N/A
TOTAL	**€43,902**	**€51,429**	**€51,692**

Draft resolution (first part of the *ex-post* say-on-pay vote)

"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 II of the French Commercial Code, the shareholders approve the disclosures referred to in Article L.225-37-3 I of the French Commercial Code, as presented and described in the report of the Board of Directors on corporate governance."

Thirteenth resolution

(Authorization for the Board of Directors to carry out a share buyback program)

In the thirteenth 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 public offers for the Company's shares are 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 €30, which the Board of Directors may adjust in order to take into account the effect of any corporate actions.

At December 31, 2019, out of the 23,848,641 shares making up its share capital, the Company directly held 1,153,914 shares. Consequently, a maximum of 1,230,950 shares could be bought back under the authorization.

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 (*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 reallocate 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

Other financial authorizations included in the Meeting's extraordinary business

After these ordinary resolutions the Board will then present a set of resolutions designed to give the Company the financial resources needed to grow the business and implement its strategy, giving all stakeholders, whether they be shareholders, employees or corporate officers, an opportunity to share in the business's success and the resulting value creation. These authorizations are granted to give the Company 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.

Their main purpose is to renew financial authorizations that are due to expire and to adjust the ceilings set in the previous resolutions in line with the Company's current financial situation and share price.

Fourteenth 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 16, 2018 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 2019.

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 16, 2018 Annual General Meeting.

Fifteenth resolution

(Authorization for 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 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 free 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 €1.9 million.**

This ceiling would be deducted from the €1.9 million blanket ceiling set in the twenty-fourth resolution of this Meeting (if said resolution is adopted) as provided for in article L. 225-129, paragraph 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 sixteenth, seventeenth, eighteenth, twentieth and twenty-first 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 sixteenth and seventeenth resolutions, allows 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 to issue securities with rights to shares they automatically waive their pre-emptive right to subscribe for the shares to be issued upon conversion, redemption or exercise of the rights attached to the securities.

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 16, 2018 Annual General Meeting.

Sixteenth 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 public offer other than those governed by article L. 411-2 of the French Monetary and Financial Code)

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 (other than an offer to a closed group of investors or to qualified investors governed by article L. 411- 2 of the French Monetary and Financial Code) **without pre-emptive subscription rights for existing shareholders**.

The shareholders are asked to waive their pre-emptive subscription right for the reasons set out in the section above 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 €380,000.

The issues would be deducted from the blanket ceiling set in the twenty-fourth 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 opening date of the public offer, less **a maximum discount of 10%**, 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 right to subscribe for the shares to be issued upon conversion, redemption or exercise of the rights attached to the securities.

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 16, 2018 Annual General Meeting.

Seventeenth 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 public offer governed by article L. 411-2, paragraph 1, of the French Monetary and Financial Code)

In the seventeenth resolution, the Board is asking shareholders for an authorization to carry out public offers of shares or compound securities, without pre-emptive subscription rights for existing shareholders, governed by article L. 411-2, paragraph 1, of the French Monetary and Financial Code (previously referred to as private placements). The shares or compound securities would be offered exclusively to (i) a closed group of investors who are investing their own funds, and/or (ii) qualified investors.

This authorization would make it easier for the Company to raise funds at the best rates available in the market, as this type of restricted public offer is a quicker and easier solution than ordinary public offers (other than those governed by article L. 411-2 of the Monetary and Financial Code). The shareholders are being asked to waive their pre-emptive subscription rights in order to allow the Board to raise funds through offers to a closed group of investors or qualified investors 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 €380,000. This ceiling does not include the par value of any shares that may be issued in order to protect the rights of existing 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 **€1.9 million** set in the twenty-fourth resolution, and (ii) the overall €380,000 sub-ceiling for capital increases set in point 5 of the sixteenth 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 fifteenth 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 for the Company's shares over the three trading days preceding the opening date of the public offer, less a maximum discount of 10%, 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.

Eighteenth 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 fifteenth, sixteenth and seventeenth resolutions (capital increases with or without preemptive 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 fifteenth, sixteenth and seventeenth 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 sixteenth 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-fourth resolution.

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.

Nineteenth resolution

(Authorization for the Board of Directors to set, in accordance with the terms and conditions decided at the Annual General Meeting, the issue price of the securities issued without pre-emptive subscription rights pursuant to the sixteenth and seventeenth resolutions, subject to compliance with the terms of the seventeenth resolution and a cap representing 10% of the Company's capital)

Subject to the adoption of the sixteenth and seventeenth resolutions (capital increases without pre-emptive subscription rights), in the nineteenth resolution the Board is seeking an authorization to set the price of shares or other securities issued pursuant to the sixteenth and seventeenth resolution, 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 sixteenth and seventeenth 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 5%, 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 €380,000 sub-ceiling set in the sixteenth resolution (provided the sixteenth resolution is adopted).

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.

Twentieth 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 the French 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 €380,000 and would be deducted from the overall ceiling for capital increases set in point 5 of the sixteenth 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 fifteenth 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 April 16, 2018 Annual General Meeting.

Twenty-first 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 for the 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 €380,000 blanket sub-ceiling for capital increases** set in point 5 of the sixteenth 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 fifteenth 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 April 16, 2018 Annual General Meeting.

Twenty-second resolution

(Authorization for the Board of Directors to grant free shares to employees and/or officers, without pre-emptive subscription rights for existing shareholders)

The purpose of this resolution is to authorize the Board of Directors to 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.

Under this resolution the Board would be given full powers to decide on the beneficiaries of the grants, the number of free shares to be granted to each beneficiary and the related terms and conditions, including any vesting conditions. The total number of free shares that could be granted would not be able to exceed 1% of the Company's capital at the date of this Meeting.

In addition, if the free shares granted correspond to new shares, this authorization would result in a capital increase at the end of the corresponding vesting periods, to be paid up by capitalizing reserves, profit, or the share premium account, and existing shareholders would waive their rights to the capitalized portion of reserves, profit, or the share premium account, as well as their pre-emptive rights to subscribe for the issues to be carried out on the vesting of the free shares concerned.

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 previous authorization granted by shareholders for the same purpose.

To give shareholders a consolidated vision of the Company's use of the authorizations given to date, the free share policy is presented below along with details of the current free share plans.

Since 2017, Chargeurs has adopted a policy of granting shares free of consideration to its employees in order to encourage the development of long-term employee share ownership. With a view to more closely involving employees in the Group's performance, and strengthening their commitment to value creation, Chargeurs launched its first free share plan ("performance share plan") in 2017 for selected Group employees.

At his own request, the Chairman and Chief Executive Officer is not a beneficiary of the performance share plans described below. In addition, no other corporate officer is a beneficiary of these plans. The Board of Directors does not intend to use its authorizations to grant performance shares to corporate officers.

For future performance share plans, the Board of Directors intends to set performance conditions that are similar to those of the current plans:

- quantitative conditions based on Group performance, as measured based on budgeted recurring operating profit;
- personal performance conditions, corresponding for each beneficiary to their direct contribution to the Game Changer plan's success.

The performance targets are ambitious, as illustrated by the plans' vesting rates of 54% for plan no. 1, 29% for plan no. 2 and 0% for plan no. 3 (see table below).

Free share grant plans in effect on December 31, 2019

The table below presents free share grant plans applicable in the Company at December 31, 2019:

	Plan no. 1 (2017)	Plan no. 2 (2018-1)	Plan no. 3 (2018-2)	Plan no. 4 (2019)	Plan no. 5 (2020)	Plan no. 6 (2023)
Date of the Annual General Meeting	Apr. 20, 2017	Apr. 20, 2017	Apr. 20, 2017	Apr. 20, 2017	May 06, 2019	May 06, 2019
Date of the Board Meeting	Jul. 20, 2017	Sept. 05, 2018	Dec. 10, 2018	Mar. 11, 2019	Dec. 19, 2019	Dec. 19, 2019
Total number of free shares granted, *of which*	31,400	44,200	18,000	2,000	13,000	150,000
Corporate officers	*None*	*None*	*None*	*None*	*None*	*None*
Date shares were vested:	Jul. 20, 2018	Sept. 05, 2019	Dec. 10, 2019	Mar. 11, 2020	Jan. 1, 2021	Jan. 1, 2023
End of holding period	Jul. 20, 2019	Sept. 05, 2020	Dec. 10, 2020	Mar. 11, 2021	Jan. 1, 2022	Jan. 1, 2024
Number of shares vested at December 31, 2019	17,000	13,017	0	0	0	0
Aggregate number of shares that have been canceled or lapsed	14,400	31,183	18,000	0	0	0
Free shares outstanding at December 31, 2019	0	0	0	2,000	13,000	150,000

Free shares granted by the Board of Directors during the year ended December 31, 2019

During the year ended December 31, 2019, the Board of Directors made use of the powers delegated to it by the Extraordinary General Meeting of April 20, 2017, and May 6, 2018, to implement the following three share grant plans:

- Free share grant plan no. 4 (2019) by decision of the Board of Directors on March 11, 2019, as follows:
  - total number of free shares: 2,000,
  - free share beneficiaries: Group employees,
  - vesting period: One year from the vesting date. Therefore, shares will only be fully vested as of March 11, 2020, if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met,
  - holding period: One year from the end of the vesting period;
- Free share grant plan no. 5 (2020) by decision of the Board of Directors on December 19, 2019, as follows:
  - total number of free shares: 13,000,
  - free share beneficiaries: Group employees,
  - vesting period: One year from January 1, 2020. Therefore, shares will only be fully vested as of January 1, 2021, if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met,
  - holding period: One year from the end of the vesting period;
- Free share grant plan no. 6 (2023) by decision of the Board of Directors on December 19, 2019, as follows:
  - total number of free shares: 150,000,
  - granted to senior executives of the Group,

- vesting period: 3 years from January 1, 2020. Therefore, shares will only be fully vested as of January 1, 2023, if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met.

In order to continue to build on the Group's employee share ownership strategy, shareholders will be asked to renew the authorization given to the Board of Directors to grant, on one or more occasions, rights to existing or new Chargeurs free shares under the terms and conditions presented above.

Twenty-third resolution

(Authorization for the Board of Directors to carry out employee share issues, without preemptive 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. 3332-24 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 would be capped at two hundred thousand euros (€200,000) and this amount would be included in the **one million nine hundred thousand euros (€1,900,000) blanket ceiling** for capital increases set in the twenty-fourth 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 30% 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, 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 their monetary value, determined by reference to the subscription price, would not result in the ceilings specified in articles L. 3332-11 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 16, 2018 Annual General Meeting.

Twenty-fourth resolution

(Blanket ceiling on capital increases carried out pursuant to the fifteenth to twenty-first resolutions, and the twenty-third resolution of this Meeting)

The purpose of the twenty-fourth resolution is to set a blanket ceiling of **€1.9 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 fifteenth to twenty-first resolutions, and the twenty-third resolution.

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-fifth resolution

Amendment to article 12 of the bylaws (Decisions) to enable the Board of Directors to make certain decisions based on a written consultation of its members, as allowed by Act 2019-744 dated July 19, 2019 ("Soilihi Act") modifying article L. 225-37 of the French Commercial Code

Act 2019-744 dated July 19, 2019 ("Soilihi Act" clarifying and simplifying French company law) has introduced the possibility for joint stock corporations to specify in their bylaws that certain decisions of the Board of Directors may be made based on a written consultation of its members.

The purpose of the twenty-fifth resolution is therefore to amend article 12 of the Company's bylaws to give the Board of Directors the option of making decisions concerning the following matters based on a written consultation of its members:

- the provisional appointment of new members of the Board;
- authorizations to issue all forms of guarantees;
- the use of delegations of competence given by the shareholders in Extraordinary General Meetings to align the bylaws with new laws and regulations;
- the decision to call a General Meeting; and
- the decision to transfer the Company's head office to a new location in the same *département*.

Twenty-sixth, twenty-seventh and twenty-eighth resolutions

(Alignment of article 14 of the bylaws [Compensation] with the Act of May 22, 2019 ["Pacte Law"] and government order 2019-1234 dated November 27, 2019 concerning the compensation paid to the corporate officers of listed companies, which modify article L. 225-45 of the French Commercial Code; Amendment of article 15 of the bylaws [Non-voting directors] to delete the term "directors' fees"; Amendment of article 20 of the bylaws [Ordinary General Meeting] to delete the term "directors' fees")

The term "directors' fees" in article L. 225-45 of the French Commercial Code has been replaced by the concept of an "annual fixed amount" pursuant to Act 2019-486 dated May 22, 2019 ("Pacte Law" concerning the growth and transformation of French businesses).

The rules concerning the compensation of members of the Board of Directors set out in article L. 225-45 of the French Commercial Code have been amended by government order 2019-1234 dated November 27, 2019 concerning the compensation of corporate officers of listed companies. The annual fixed amount awarded to the Board of Directors and the rules governing its allocation among the individual directors are now required to be included in the compensation policy described in the Board of Directors' corporate governance report and submitted to shareholders for approval at the Annual General Meeting.

The purpose of the twenty-sixth, twenty-seventh and twenty-eighth resolutions is to amend articles 14, 15 and 20 of the Company's bylaws to align them with the above legal provisions.

Twenty-ninth 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.

The Board of Directors

7.3. DRAFT RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING OF APRIL 28, 2020

ORDINARY RESOLUTIONS

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2019)

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, 2019, as presented, showing profit for the year of €11.0 million, 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, 2019.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2019)

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 company financial statements for the year ended December 31, 2019, as presented, together with all the transactions for the year reflected in the financial statements or referred to in the aforementioned reports.

Third resolution

(Appropriation of profit for 2019 and approval of a dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having noted that 2019 profit of €11,035,260.91 and "Other reserves" of €209,482,874.28 together represent profit available for distribution of €220,518,135.19, the shareholders approve the appropriations recommended by the Board of Directors.

Consequently, the shareholders resolve to appropriate profit available for distribution as follows:

- Dividend: €9,539,456.40;
- Retained earnings: €210,978,678.79;

Total: €250,518,135.19.

The amount in the "Retained earnings" account has therefore been increased from €209,482,874.28 to €210,978,678.79.

Based on the 23,848,641 shares with a par value of €0.16 outstanding as of December 31, 2019, the dividend per share amounts to €0.40.

An interim dividend of €0.20 per share was paid on October 16, 2019. Consequently, the final per-share dividend payable is €0.20. The ex-dividend date for this amount will be May 4, 2020 and payment will be made on May 26, 2020.

The amounts corresponding to final dividends not paid on shares held in treasury stock on May 4, 2020 will be credited to "Retained earnings".

Both the €0.20 interim dividend and the €0.20 final dividend are eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code for individual shareholders who are French tax residents.

In accordance with the disclosure requirements of article 243 *bis* of the French General 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 €*)
2016	22,966,144	12,631,379.20	0.55
2017	23,209,500	13,925,700	0.60
2018	23,551,755	15,779,676	0.67

(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 2016, 2017 and 2018 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 2019 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 2019 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 May 6, 2020 (the ex-dividend date for the final dividend) and May 19, 2020. Any shareholder whose option has not been exercised by that date would automatically receive a cash dividend.

The final dividend will be paid on May 26, 2020, and shareholders who have opted for the stock dividend alternative will also receive their shares on that date.

The new shares will carry dividend rights immediately and will 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 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 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 2020 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 2020, 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 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) will 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 will 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 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)

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

(Re-election of Nicolas Urbain 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 Nicolas Urbain's directorship is due to expire at the close of this Meeting, the shareholders re-elect Nicolas Urbain as a director for a three-year term expiring at the close of the Annual General Meeting to be held in 2023 to approve the 2022 financial statements.

Eighth resolution

(Re-election of Cécilia Ragueneau as an independent 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 Cécilia Ragueneau's directorship is due to expire at the close of this Meeting, the shareholders re-elect Cécilia Ragueneau as a director for a three-year term expiring at the close of the Annual General Meeting to be held in 2023 to approve the 2022 financial statements.

Ninth resolution

(Approval of the compensation policy applicable 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 approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on corporate governance.

Tenth resolution

(Approval of the compensation policy for directors of the Company)

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 approve the compensation policy applicable to the members of the Board of Directors, as presented and described in the report of the Board of Directors on corporate governance.

Eleventh resolution

(Approval of the disclosures referred to in article L. 225-37-3 I of the French Commercial Code)

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 II of the French Commercial Code, the shareholders approve the disclosures referred to in Article L.225-37-3 I of the French Commercial Code, as presented and described in the report of the Board of Directors on corporate governance.

Twelfth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2019)

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. 225-100-3 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 2019 as presented and described in the report of the Board of Directors on corporate governance.

Thirteenth resolution

(Authorization for the Board of Directors to carry out a share buyback program)

Voting in accordance with the quorum and majority vote rules applicable to ordinary meetings, having reviewed the Board of Directors' report, resolves, in accordance with Articles L.225-209 *et seq.* of the 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. The Company may in no circumstances hold, either directly or indirectly through subsidiaries, more than 10% of its share capital. At December 31, 2019, out of the 23,848,641 shares making up its share capital, the Company directly held 1,153,914 shares. Consequently, a maximum of 1,230,950 shares could be bought back under the authorization.
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 (*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;
   (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 €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 be thirty-six million, nine hundred and twenty-eight thousand, and five hundred euros (€36,928,500).
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

Fourteenth 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.

Fifteenth resolution

(Authorization for 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 in cash or by capitalizing debt; and/or

   (b) Issuance of Chargeurs free 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, nine hundred thousand euros (€1,900,000), and that:
   (a) this amount will be deducted from the blanket ceiling set in the twenty-fourth resolution, subject to said twenty-fourth resolution being adopted by this Meeting; and
   (b) 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).
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 delegation of authority and the delegations and authorizations given in the sixteenth, seventeenth, eighteenth, twentieth and twenty-first resolutions of this Meeting, such that the aggregate face value of debt securities issued pursuant to said delegations and authorizations will be deducted from the above blanket ceiling; and

(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 cases; 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; and
   (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 delegation of authority 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.

Sixteenth 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 public offer other than those governed by article L. 411-2 of the French Monetary and Financial Code)

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.225-136 and L.228-91 to L.228-94:

1. 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 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 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 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 any public offers decided pursuant to this delegation of authority may be combined, in the same issue or through several issues conducted simultaneously, with public offers governed by article L. 411-2, paragraph 1 of the Monetary and Financial Code that are decided pursuant to the seventeenth 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 €380,000, and that:
   (a) this amount will be deducted from the blanket ceiling set in the twenty-fourth resolution, subject to said twenty-fourth resolution being adopted by this Meeting; and
   (b) 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. 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 fifteenth 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 authorization will automatically entail the waiver by shareholders of their pre-emptive rights 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 for the Company's shares over the three trading days preceding the opening date of the public offer, less a maximum discount of 10%, 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; and
   (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. 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 cases; 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; and
    (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 delegation of authority 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.

Seventeenth 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 public offer governed by article L. 411-2, paragraph 1, 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, paragraph 1 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, paragraph 1 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, paragraph 1, 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 (other than those governed by article L. 411-2 of the Monetary and Financial Code) decided by the Board of Directors pursuant to the sixteenth 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 €380,000, and that:
   (a) this amount will be deducted from the blanket ceiling set in the twenty-fourth resolution, subject to said twenty-fourth resolution being adopted by this Meeting; and
   (b) this amount will be deducted from the blanket ceiling set in point 5 of the sixteenth 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 fifteenth 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 for the Company's shares over the three trading days preceding the opening date of the public offer, less a maximum discount of 10%, 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; and
   (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. Resolve 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 cases; 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; and
   (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 delegation of authority 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.

Eighteenth 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, paragraph 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 seventeenth resolution. 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 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.

Nineteenth resolution

(Authorization for the Board of Directors to set, in accordance with the terms and conditions decided at the Annual General Meeting, the issue price of the securities issued without pre-emptive subscription rights pursuant to the sixteenth and seventeenth resolutions, subject to compliance with the terms of the seventeenth resolution and a cap representing 10% of the Company's capital)

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, subject to the adoption of the sixteenth and seventeenth resolutions and in compliance with article L. 225-136, paragraph 1, of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors, for each issue of shares or other securities decided pursuant to the sixteenth and seventeenth resolutions, to set the issue price in such a way that the amount received or receivable by the Company for each share issued under the seventeenth 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 5%, provided that the amount to be received per share is at least equal to the par value.
2. Resolve 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 €380,000 ceiling set in the sixteenth resolution (provided the sixteenth resolution is adopted).
3. Resolve that this delegation of authority shall be given for a period of twenty-six (26) months from the date of this Meeting.
4. Resolve that this authorization supersedes, as from the date of this Meeting, any previous authorization given by shareholders for the same purpose.
5. Resolve that the Board of Directors shall have full powers – which may be delegated in accordance with the law – to use this authorization subject to the conditions set out in the sixteenth and seventeenth resolutions.

Twentieth 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 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 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 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 €380,000, and that:
   (a) this amount will be deducted from the blanket ceiling set in point 5 of the sixteenth resolution, subject to said resolution being adopted by this Meeting; and
   (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 fifteenth resolution of this Meeting.
7. 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) 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. 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

(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)

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 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 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 sixteenth resolution, subject to said resolution being adopted by this Meeting; and
   (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 fifteenth resolution of this Meeting.
7. 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 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; and
   (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.

Twenty-second resolution

(Authorization for the Board of Directors to grant free shares to employees and/or officers, without pre-emptive subscription rights for existing shareholders)

Voting in accordance with the quorum and majority rules applicable to extraordinary meetings and having heard the report of the Board of Directors and the Statutory Auditors' special report, the shareholders:

1. Authorize the Board of Directors to 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, in accordance with the terms and conditions set out below.

2. Give the Board full powers to determine the beneficiaries of the grants, the number of free shares to be granted to each beneficiary and the related terms and conditions, including any vesting conditions.

The total number of free shares granted must not exceed 1% of the Company's capital at the date of this Meeting.

Each time it decides to carry out such a share grant, the Board of Directors shall set – in accordance with the applicable legal conditions – the vesting period of the shares concerned, which must not be less than one year from the grant date.

Also, each time it decides to carry out share grants, the Board of Directors shall set – in accordance with the applicable legal conditions – the minimum time period during which the beneficiaries must hold their shares after they have vested (the "lock-up period"). In general, the lock-up period must not be less than one year but if the vesting period corresponds to at least two years the Board of Directors may remove the requirement for a lock-up period.

On an exceptional basis, the free shares granted shall vest before the expiry of the vesting period if the beneficiary becomes disabled (as classified in the second or third categories defined in article L. 341-4 of the French Social Security Code).

Existing shares granted to beneficiaries for the purpose of implementing this resolution must be purchased in advance by the Company, either (i) pursuant to article L. 225-208 of the French Commercial Code, or (ii) under the share buyback program authorized in the thirteenth resolution of this Meeting in accordance with article L. 225-209 of the French Commercial Code or any other previously or subsequently authorized share buyback program.

The shareholders note that if the free shares granted correspond to new shares, this authorization will result in a capital increase at the end of the corresponding vesting periods, to be paid up by capitalizing reserves, profit, or the share premium account. Consequently, they resolve to waive their rights to the capitalized portion of reserves, profit, or the share premium account, as well as their pre-emptive rights to subscribe for the issues to be carried out on the vesting of the free shares concerned.

The Board of Directors shall have full powers to:

- set the terms and conditions of the grants and any vesting conditions;
- determine the beneficiaries of the share grants and the number of shares granted to each one;
- determine the impact that any corporate actions carried out during the vesting or lock-up periods may have on the rights of beneficiaries, and consequently adjust where necessary the number of shares granted in order to protect said rights;
- set, within the limits provided for in this resolution, the duration of the vesting period and any lock-up period;
- and where appropriate:
  - place on record that there are sufficient reserves, and at the time of each free share grant transfer to a special reserve the amounts required to pay up the new shares to be granted,
  - carry out the capital increase(s) required to grant new shares, by capitalizing reserves, profit or the share premium accounts,
  - purchase the requisite number of shares under the share buyback program and allocate them to the free share plan(s),
  - take all necessary measures to ensure that the beneficiaries respect the lock-up period, and
  - generally, do whatever is necessary, within the scope of the applicable legislation, to implement this resolution.

This authorization is given for a period of twenty-six months from the date of this Meeting and supersedes any previous authorization given by shareholders for the same purpose.

Twenty-third 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. 3332-24 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 €1.9 million blanket ceiling on capital increases set in the twenty-fourth resolution, subject to said twenty-fourth resolution being adopted by this Meeting.
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 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 30% of this average. The Board of Directors shall be 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. 3332-11 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 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-fourth resolution

(Blanket ceiling on capital increases carried out pursuant to the fifteenth to twenty-first resolutions, and the twenty-third resolution 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 €1.9 million. 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-fifth resolution

(Amendment to article 12 of the bylaws (Decisions) to enable the Board of Directors to make certain decisions based on a written consultation of its members, as allowed by Act 2019-744 dated July 19, 2019 ("Soilihi Act") modifying article L. 225-37 of the French Commercial Code)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report, resolves to use the option offered by article L. 225-37 of the French Commercial Code to authorize the Board of Directors to make certain decisions falling within its remit by written consultation, and consequently to add the following paragraph to article 12 – Decisions, section IV, of the bylaws:

"The Board of Directors may also adopt certain decisions falling within its remit by written consultation, in accordance with the provisions of the law; said decisions may relate to:

- *the provisional appointment of new members of the Board;*
- *authorizations to issue all forms of guarantees;*
- *the use of delegations of competence given by the shareholders in Extraordinary General Meetings to align the bylaws with new laws and regulations;*
- *the decision to call a General Meeting; and*
- *the decision to transfer the Company's head office to a new location in the same département".*

The rest of the article is unchanged.

Twenty-sixth resolution

(Alignment of article 14 of the bylaws [Compensation] with the Act of May 22, 2019 ["Pacte Law"] and government order 2019-1234 dated November 27, 2019 concerning the compensation paid to the corporate officers of listed companies, which modify article L. 225-45 of the French Commercial Code)

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report, resolves to align article 14 of the bylaws (Compensation) with article L. 225-45 of the French Commercial Code and consequently to amend article 14 – Compensation, section II, as follows:

"II. The directors may receive an annual fixed amount as compensation for their duties. Said amount will be set by the shareholders in General Meeting and allocated in accordance with the applicable laws and regulations.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by directors in the interests of the company."

The rest of the article is unchanged.

Twenty-seventh resolution

Amendment of article 15 "Non-voting directors" of the bylaws to delete the term "directors' fees")

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report, resolves to delete the term "directors' fees" in reference to the non-voting directors' compensation and to amend the final paragraph of article 15 "Non-voting directors" as follows:

"The non-voting directors may be paid compensation in exchange for their duties, determined by the same method as the voting directors' compensation."

The rest of the article is unchanged.

Twenty-eighth resolution

(Amendment of article 20 of the bylaws (Ordinary General Meeting) to delete the term "directors' fees")

The General Meeting, voting in accordance with the quorum and majority vote rules applicable to extraordinary meetings, having reviewed the Board of Directors' report, resolves replace the term "directors' fees" with the term "annual fixed amount" in accordance with article L. 225-45 of the French Commercial Code and consequently to amend article 20 – Ordinary General Meeting, as follows:

"The Annual Ordinary General Meeting may (i) hear reports presented by the Board of Directors and the Statutory Auditors; (ii) approve the balance sheet and financial statements or request amendments thereto; (iii) decide how and where the profits shall be appropriated; (iv) determine the dividends; (v) appoint and replace directors, when required; (vi) ratify or reject appointments made during the financial year; (vii) review the management duties of the directors, discharge them of said duties or remove them from office at its sole discretion; (ix) approve or reject transactions governed by article L. 225-38 of the French Commercial Code; (x) award an annual fixed amount to the Board of Directors as compensation for their duties; and (xi) appoint the Statutory Auditors, when required."

The rest of the article is unchanged.

Twenty-ninth 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.

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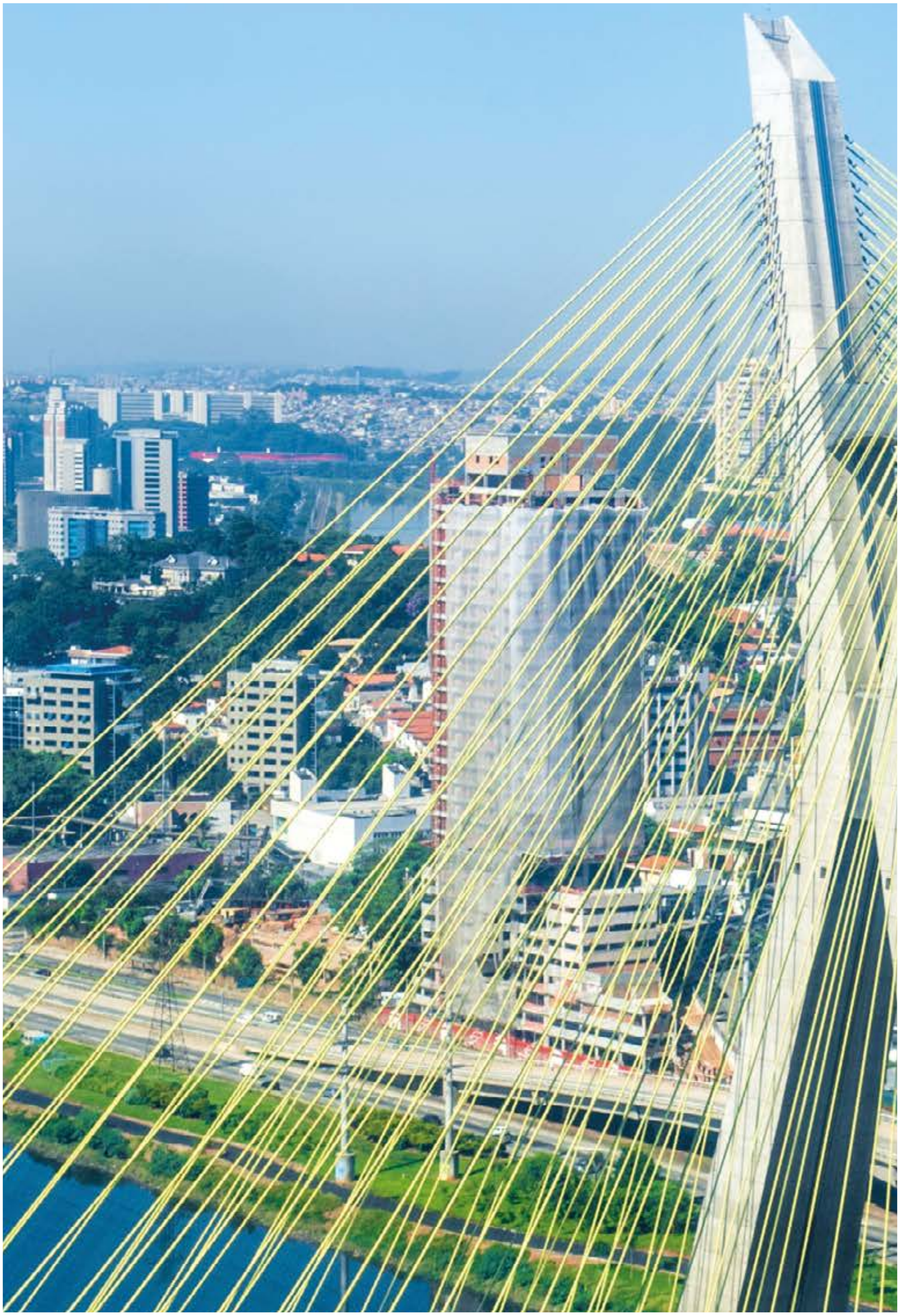

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ADDITIONAL INFORMATION

8.1. RELATIONSHIPS BETWEEN CHARGEURS AND ITS SUBSIDIARIES

8.1.1. ORGANIZATIONAL STRUCTURE AT DECEMBER 31, 2019

The table of subsidiaries and affiliates at December 31, 2019 is presented in note 26 to the 2019 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 section 6.4 of this Universal 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 movable 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.

Its legal entity identifier is 969500ZPQQLG72TQND21.

8.2.7. RIGHTS ATTACHED TO SHARES (ARTICLE 7 OF THE COMPANY'S BYLAWS)

"Each share shall give rise to ownership of the Company 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 UNIVERSAL REGISTRATION DOCUMENT

"I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal 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".

Paris, April 6, 2020
Michaël Fribourg,
Chairman and Chief Executive Officer

8.4. DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of this Universal Registration Document are available, free of charge, at the Company's registered office located at 112, avenue Kléber, 75116 Paris, France.

This Universal 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 historical 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.com/)*.

8.5. STATUTORY AUDITORS

STATUTORY AUDITORS

PricewaterhouseCoopers Audit, represented by Dominique Ménard – 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.

Crowe HAF, Member of Crowe Global, represented by Marc de Prémare – 85, rue Edouard Vaillant – 92300 Levallois – France

- Member of Compagnie Régionale des Commissaires aux Comptes de Paris.
- Appointed at the April 20, 2017 Annual General Meeting.

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

Information required		Section of this Universal Registration Document	Page no.
1.	**Persons responsible**		
1.1.	Details of the persons responsible for this Universal Registration Document	8.3	263
1.2.	Statement by the persons responsible for this Universal Registration Document	8.3	263
2.	**Statutory Auditors**		
2.1.	Names and addresses of the Statutory Auditors	8.5	264
2.2.	Information about the resignation, removal or non-renewal of Statutory Auditors	N/A	
3.	**Selected financial information**		
3.1.	Selected historical financial information	Integrated Report page 7	7
3.2.	Selected financial information for interim periods	N/A	
4.	**Risk factors**	**2.1 and 2.2**	58-64
5.	**Information about the issuer**		
5.1.	History and development of the issuer		
5.1.1.	The legal and commercial name of the issuer	8.2.1 and 8.2.3	263
5.1.2.	The place of registration of the issuer and its registration number	8.2.6	263
5.1.3.	The date of incorporation and term of the issuer	8.2.5	263
5.1.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office)	8.2.2	262
5.2.	Investments		
5.2.1.	A description (including the amount) of the issuer's principal investments for each fiscal year for the period covered by the historical financial information up to the date of this Universal Registration Document	1.5	52
5.2.2.	A description of the issuer’s principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external)	1.5	52
5.2.3.	Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments	1.5	52
6.	**Business overview**		
6.1.	Principal activities		
6.1.1.	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each fiscal year for the period covered by the historical financial information	1.1, 1.2, 1.3 and 1.4	34-49
6.1.2.	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, the status of development	1.1, 1.2, 1.3 and 1.4	34-49
6.2.	Principal markets	1.1, 1.2, 1.3, 1.4 and 1.6	34-49; 54-55
6.3.	Exceptional factors	N/A	
6.4.	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	N/A	
6.5.	Competitive position	1.1, 1.2, 1.3, 1.4 and 1.6	34-49; 54-55

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Information required		Section of this Universal Registration Document	Page no.
7.	**Organizational structure**	**8.1.1**	262
7.1.	Brief description of the Group	8.1.1, 8.1.2, 8.1.3 and 5.1.1 (Notes 13 and 26)	262; 162-163; 181
7.2.	List of significant subsidiaries	5.1.1 (Notes 13 and 26), 8.1.1	162-163; 181
8.	**Property, plant and equipment**		
8.1.	Information on existing or planned material property, plant and equipment	1.5 and 5.1.1 (Notes 10 and 11)	50-53; 158-160
8.2.	A description of any environmental issues that may affect the issuer's utilization of property, plant and equipment	3.4	75-84
9.	**Operating and financial review**		
9.1.	Financial position	1.5.2 and 5.1.1 (Notes 15 to 18)	51; 164-166; 169-170
9.2.	Operating results	1.5.2.	
9.2.1.	Information on factors affecting the issuer's operating income	2.1.1, 1.1 to 1.4	34-49; 59-64
9.2.2.	Explanation of material changes in net sales or revenue	1.1 to 1.4	34-49
9.2.3.	Information regarding any policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	2.1.1, 1.1 to 1.4, Integrated Report pages 10-29	10-29; 34-49; 59-64
10.	**Capital resources**		
10.1.	Information concerning the issuer's capital resources	6.3, 6.4 and 5.1.1 (Note 17)	212-213; 167
10.2.	Explanation of the sources and amounts of the issuer's cash flows	5.1.1 (Consolidated Statement of Cash Flows and Note 15)	136; 164-165
10.3.	Information on the borrowing requirements and funding structure of the issuer	5.1.1 (Note 18)	169-170
10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	5.1.1 (Note 17)	167-168
10.5.	Information regarding anticipated sources of funds	5.1.1 (Note 18)	169-170
11.	**Research and development, patents and licenses**	**1.6**	54-55
12.	**Trend information**		
12.1.	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last fiscal year	Integrated Report pages 16-17, 1.5	16-17; 50-53
12.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	Integrated Report pages 16-17, 1.5	16-17; 50-53
13.	**Profit forecasts or estimates**	**N/A**	
14.	**Administrative, management and supervisory bodies and senior management**		
14.1.	Information on the members of the administrative and management bodies	4.3	109-115
14.2.	Conflicts of interest of members of the administrative and management bodies	4.2	99
15.	**Remuneration and benefits**		
15.1.	The amount of remuneration paid and benefits in kind granted to members of the administrative and management bodies	4.4, and 5.1.1 (Note 23)	116-127; 179
15.2.	Total amounts set aside or accrued to provide pension, retirement or similar benefits	4.4	116-127
16.	**Board practices**		
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16.2.	Service contracts between the issuer and members of its administrative bodies	4.2	99-108
16.3.	Information about the Audit Committee and Compensation Committee	4.2	106-107
16.4.	Corporate governance statement of compliance	4.1	98
17.	**Employees**		
17.1.	Number of employees	Integrated Report page 19, 3.7	19; 91
17.2.	Employee shareholdings	4.4. and 6.3.2	116-128; 213
17.3.	Description of any arrangements for involving the employees in the capital of the issuer	4.4, 6.3.2. and 6.4.2	116-128; 213-214

Information required		Section of this Universal Registration Document	Page no.
18.	**Major shareholders**		
18.1.	Shareholders holding more than 5% of the Company's capital or voting rights	6.4.1	213
18.2.	Different voting rights	6.3.1 and 8.2.8	213; 263
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19.	**Related party transactions**	**5.1.1 (Note 23)**	179
20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1.	Historical financial information	5.1.1	132-136
20.2.	Pro forma financial information	N/A	
20.3.	Financial statements	5.1.1, 5.2.1	132-136; 186
20.4.	Auditing of historical annual financial information		
20.4.1.	Statement that the historical financial information has been audited	5.1.2, 5.2.2	182-185; 200-203
20.4.2.	Indication of other information in this Universal Registration Document that has been audited by the auditors	5.3	204-205
20.5.	Age of latest audited financial information	Dec. 31, 2019	
20.6.	Interim and other financial information	N/A	
20.7.	Dividend policy	6.2	212
20.8.	Legal and arbitration proceedings	2.1.3	64
20.9.	A description of any significant changes in the issuer's financial or trading position	Integrated Report pages 28-29, 5.1.1 (Note 25)	28-29; 180
21.	**Additional information**		
21.1.	Share capital		
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21.1.2.	Shares not representing capital	6.3.1 and 6.4	
21.1.3.	Information on shares in the issuer held by the issuer itself	6.4.2	215
21.1.4.	Information on convertible securities, exchangeable securities or securities with warrants	6.3.1	212
21.1.5.	Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or any undertaking to increase the capital	6.4.3	216
21.1.6.	Information about any capital of any Group member which is under option or agreed conditionally or unconditionally to be put under option	6.4.5	219
21.1.7.	History of share capital	6.3.1 and 6.4.1	212-213
21.2.	Memorandum and Articles of Association	6.4.5 and 8.2.3	219; 262
22.	**Material contracts**	**N/A**	
23.	**Third party information and statements by experts and declarations of any interests**	**N/A**	
24.	**Documents available to the public**	**8.4**	264
25.	**Information on holdings**	**5.1.1 (Notes 13 and 26)**	162-163; 181

8.6.2. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

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2. Consolidated financial statements	5.1.1	132-136
3. Management Report (French Monetary and Financial Code)		
Article L. 225-100 of the French Commercial Code		
• Analysis of business trends	1.1 to 1.4	34-46
• Analysis of results of operations	1.1 to 1.4, 5.4.2	34-46; 206
• Analysis of the Company's financial position	5.1.1 (Notes 15 and 18)	164-166; 169-170
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Article L. 225-100-3 of the French Commercial Code		
• Items that could have an impact in the event of a public tender offer	6.4.4	219
Article L. 225-211-3 of the French Commercial Code		
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4. Statement by the person responsible for the Annual Financial Report	8.3	263
5. Statutory Auditors' report on the financial statements	5.2.2	200-203
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8.6.3. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT AS REQUIRED UNDER ARTICLES L. 225-110 *ET SEQ.*, L. 232-1 *ET SEQ.* AND R. 225-102 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE

	Management Report	Chapter/Section	Page no.
BUSINESS REVIEW			
1.	The Company's financial position and business activities in the past year	1.1 to 1.4, 5.4.2	34-49; 206
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3.	Key financial and non-financial indicators relating to the Company's specific operations, particularly environmental and HR information	Integrated Report pages 6, 19 and 26-29, 1.1 to 1.4	6, 19, 26-29, 34-49
4.	Review of the business, results of operations and financial position	1.1 to 1.4, 5.4.2, 5.1.1 (Notes 15 and 18)	34-49; 206; 164-166; 169-170
5.	Significant events occurring between the end of the reporting period and the date on which the Management Report was prepared	5.1.1 (Note 25)	169-170
6.	Developments and outlook	Integrated Report pages 28-29	28-29
7.	Research and development activities	1.1 to 1.4	34-49
8.	Supplier payment times (disclosure required in accordance with article L. 441-6-1 of the French Commercial Code)	5.4.3	207
9.	Changes in the presentation of the financial statements and measurement methods	5.1.1 (Note 2)	139-149
10.	Description of major risks and uncertainties	2.1	58-64
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12.	Use of financial instruments	5.1.1 (Note 2)	139-149
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15.	Internal control and risk management procedures	2.3	
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16.	Information on how the Company takes into account the social, environmental and economic impact of its operations and report of the independent third-party auditor	Integrated Report pages 26-29, 3.1, 3.2, 3.3 and 3.8	26-29; 72-74; 92-94
17.	Key environmental, HR and social indicators	3.2, 3.3 and 3.4	73-82
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CORPORATE GOVERNANCE REPORT (ARTICLES L. 225-37 AND L. 225-68 OF THE FRENCH COMMERCIAL CODE)			
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20.	Applying the principle of boardroom gender balance	4.2	99-108
21.	Membership structure and the conditions for preparing and organizing the work of the Board of Directors	4.2	99-108
22.	Any restrictions placed by the Board of Directors on the powers of the Chief Executive Officer	4.2	99-108
23.	If the Company has chosen to use as its corporate governance framework a corporate governance code drawn up by industry representative organizations, if it does not apply all of the provisions of that code then it must state which provisions have not been applied and explain the reasons for this decision. The Company must also state the place where that industry code can be consulted. If the Company decides not to use such an industry code for its corporate governance framework then it must state why it has taken that decision and must describe any rules and principles it has chosen to implement in addition to the applicable legal requirements	4.1	98

24.	The specific methods and procedures applied by the Company for shareholders to take part in General Meetings and the provisions of the Company's bylaws describing such methods and procedures	8.2.9	263
25.	Agreements entered into, directly or through an intermediary, between (i) a director or officer of the Company or one of its shareholders that holds more than 10% of its voting rights and (ii) another Company in which said director, officer or shareholder directly or indirectly holds over half of the capital, except for routine agreements entered into on arm's length terms	4.2, 5.3, 7.2	99-108; 204; 223-245
26.	Summary table of authorizations in force given by the shareholders to the Board of Directors to increase the Company's capital and use of these authorizations during the year	6.4.3	216-218
27.	Disclosure likely to be material in the event of a public tender offer	6.4.4	219
28.	Compensation and benefits paid to each corporate officer during the year	4.4.1	116-124
29.	Fixed, variable and exceptional components of such compensation and benefits and the methods used to calculate them	4.4	116-128
30.	Commitments of any kind made in favor of executives	4.4	116-128
31.	Presentation of the proposed resolutions concerning the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits allocated to the Chairman, Chief Executive Officer and Deputy Chief Executive Officer(s) for the performance of their duties.	7.2	223-245
32.	For each corporate officer of an SA/SCA who holds at least one directorship or corporate office in a company whose shares are listed on a regulated market, the disclosures required pursuant to article L. 225-37-3 of the French Commercial Code (see above) concerning their compensation and benefits	7.2	223-245
33.	Statutory Auditors' report on the corporate governance report	5.2.2	200-203
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36.	Treasury shares bought and sold by the Company	6.4.2	214
37.	Name of companies controlled and equity interest held	5.1.1 (Notes 13 and 26)	162-163; 181
38.	Stock disposals to adjust cross-shareholdings	N/A	
39.	Amount of dividends and other distributed income paid during the past three fiscal years	6.2	212-213
40.	Disclosure likely to be material in the event of a public tender offer	6.4.4	219
OTHER INFORMATION			
41.	Sumptuary expenditure	N/A	
42.	Five-year financial summary	5.4.1	206
43.	Injunctions or monetary penalties for anti-competitive practices	N/A	
44.	Stock option plans granted to corporate officers and employees	N/A	
45.	Shares granted free of consideration to corporate officers and employees	4.4	116-128
46.	Terms and conditions for selling shares granted free of consideration to executives during their term of office	4.4	116-128
47.	Transactions in the Company's securities carried out by executives and related persons	N/A	

8.7. GLOSSARY OF FINANCIAL TERMS

Change **based on a comparable scope of consolidation and at constant exchange rates** (like-for-like), organic change or internal change for year Y compared with year Y-1 is calculated:

- **by applying the average exchange rates for year Y-1 to the period concerned (year, half-year and quarter); and**
- **based on the scope of consolidation for Year Y-1.**

EBITDA corresponds to recurring operating profit (as defined below) restated for the amortization of property, plant and equipment and intangible assets.

Recurring operating profit (ROP) corresponds to gross profit after selling, general and administrative expenses and research and development costs. It is calculated:

- before **amortization of intangible assets resulting from acquisitions; and**
- **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 margin is recurring operating profit as a percentage of revenue.

Cash flow corresponds to the flow of net cash from operating activities net of any change in working capital.

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This Universal Registration Document can
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