



# Supervisory Board

## Supervisory Board's report

Dear Shareholders,

The Supervisory Board's report complements the management report setting out the Group's activities and results, allowing it to report to you on its permanent monitoring of the Group's management.

It describes the work of the Supervisory Board in 2016 and expresses the Board's opinion on the financial statements for the year ended December 31, 2016 and on the draft resolutions submitted for your approval.

The Supervisory Board met twice in 2016, on March 9 and September 8. It also met on March 13, 2017 to review the Group's trading performance and the annual and half-yearly financial statements of the Company and the Group for the year ended December 31, 2016, on the basis of the documents provided to it by the Management.

At each of its meetings, attended by the Statutory Auditors, the Supervisory Board was briefed by the Management on the following topics:

- each business division's performance and outlook within the framework of the strategy set by the Management;
- acquisitions and/or disposals of businesses or subsidiaries, new interests and, in general, any major investment;
- the market for the Rubis share;
- internal control procedures defined and drawn up by Group companies under the Management's authority, as well as the risk management policy.

Each meeting of the Supervisory Board was preceded by a meeting of the Accounts and Risk Monitoring Committee, which:

- having taken note of changes in bank debt and the financial structure within the framework of the financial policy set by the Management;
- carried out a detailed examination of the financial statements and accounting procedures, and became acquainted with the internal control procedures as they relate to the treatment of accounting and financial information, as well as the risk management procedures;

reported on its assignment to the Board.

Risk assessment and risk monitoring, as well as procedures implemented by the Group in respect of such risks, were the focus of a special meeting of the Accounts and Risk Monitoring Committee held prior to the review of the annual separate and consolidated financial statements.

For questions relating to the independence of Board members, their reappointment, and the fixed and variable compensation of the Management and the Chairman of the Supervisory Board, the Supervisory Board benefited from the work of the Compensation and Appointments Committee, which met on March 10, 2017.

Financial data for the year ended December 31, 2016, discussed at the meeting of the Supervisory Board on March 13, 2017, show:

- consolidated revenue of €3,003,880 thousand;
- current operating income of €299,675 thousand;
- net income, Group share of €208,022 thousand.

The financial statements and results, detailed analysis of which is presented by the Management, do not require any special observations by the Board.

At the same meeting, the Board reviewed the regulated agreements concluded or amended in 2016, as well as those concluded and authorized in previous years and which remained in force over the last year, as well as change in the management of insider lists.

It also presented the conclusions of its 3-yearly self-assessment and the necessary improvements.

Finally, it approved the draft report presented to it by the Chairman of the Supervisory Board on the composition, balanced representation of women and men, preparation and organization of the work of the Supervisory Board, as well as the internal control and risk management procedures put in place by the Company.

The Supervisory Board also reviewed the draft resolutions to be submitted to shareholders at the Combined Shareholders' Meeting of June 8, 2017:

## I. ORDINARY BUSINESS

The resolutions proposed by the Management include those relating to the approval of the annual and consolidated financial statements, the allocation of net income for the year (setting the dividend at €2.68 per share), the option for the payment of the dividend in shares, the renewal of the authority to buy back shares of the Company within the limit of 1% of share capital, and the approval of regulated agreements and commitments.

You are also asked to vote on:

- the components of compensation due or awarded to the Management and to myself, in my capacity as Chairman of the Supervisory Board, in respect of the year ended December 31, 2016;
- the reappointment of 3 members of the Supervisory Board whose terms expire at the Shareholders' Meeting of June 8, 2017 (Christian Moretti, Alexandre Picciotto and myself) for terms of 3 years.

## II. EXTRAORDINARY BUSINESS

Extraordinary resolutions bear on:

- the 2-way split of the par value of the Company's shares;
- the renewal of financial authorizations (capital increase with preferential subscription rights, capital increase by contributions in kind, capital increase by capitalization of profits, reserves or share premiums, capital increase by issue of equity warrants as part of a new equity line, capital increase reserved for employees);
- the award of free preferred shares to certain executive officers of the Group;
- the amendment of articles of the by-laws to comply with legal provisions.

The Supervisory Board has not expressed reserves in regard to any of these resolutions.

On the basis of its work, the Supervisory Board advises that it has no comment to make on either the separate or consolidated financial statements for the past fiscal year or the management of the Company and the Group.

Paris, March 13, 2017

Olivier Heckenroth,  
Chairman of the Supervisory Board

