

# CONVENING NOTICE

ANNUAL SHAREHOLDERS' MEETING  
WEDNESDAY 18 MAY 2016  
AT 9:30 AM

MADE



TO LAST\*

SOCIÉTÉ BIC HEADQUARTERS  
14, RUE JEANNE D'ASNIÈRES 92110 CLICHY (FRANCE)



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## Message from the Chairman

Clichy, April 13, 2016

*Dear Madam, Sir, Shareholder,*

*The BIC Group's Joint Extraordinary and Ordinary Shareholders' Meeting will be held on Wednesday, May 18, 2016, at 9:30 am at SOCIÉTÉ BIC headquarters in Clichy (France).*

*The Annual Shareholders' Meeting is a special occasion for information, exchange and discussion between BIC and all of our shareholders.*

*It is also the opportunity to express yourselves and vote to play an active role in making major decisions for your Group, regardless of the number of shares you own.*

*I sincerely hope you will be able to participate in this Meeting, either by attending in person, by using the proxy form which allows you to vote directly or to be represented by the Chairman, or any other person of your choice. For the first time this year, you can participate in the Meeting via an electronic vote.*

*In the following pages, you will find instructions on how to participate in this Meeting, the agenda and the resolutions to be submitted for your approval.*

*I would like to thank you, on behalf of the Board, for your confidence and your loyalty to the BIC Group and I look forward to welcoming you at the Meeting on Wednesday, May 18.*

Bruno Bich

Chairman of the Board of Directors





## RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

- Reports of the Board of Directors, the Chairman and the Statutory Auditors on the fiscal year ended December 31, 2015.
- Approval of the Statutory Accounts of the fiscal year ended December 31, 2015.
- Approval of the Consolidated Financial Statements of the fiscal year ended December 31, 2015.
- Appropriation of Earnings of fiscal year ended December 31, 2015 – Dividends.
- Determination of the amount of the Directors' fees for 2016.
- Authorization to be given to the Board of Directors to undertake operations with regard to the shares of the Company.
- Reappointment of Mr. Bruno BICH as Director of the Board.
- Reappointment of Mr. Mario GUEVARA as Director of the Board.
- Reappointment of Mrs. Elizabeth BASTONI as Director of the Board.
- Opinion on the compensation elements due or awarded to Bruno BICH, Chairman of the Board of Directors, for the fiscal year ended December 31, 2015.
- Opinion on the compensation elements due or awarded to Mario GUEVARA, Chief Executive Officer, for the fiscal year ended December 31, 2015.
- Opinion on the compensation elements due or awarded to François BICH, Executive Vice-President, for the fiscal year ended December 31, 2015.
- Opinion on the compensation elements due or awarded to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for the fiscal year ended December 31, 2015.
- Approval of a regulated agreement.

## WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorization to be given to the Board of Directors to reduce the share capital by cancellation of shares acquired in compliance with article L. 225-209 of the French commercial code.
- Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the capital, with preservation of Shareholders' preferential rights of subscription - Delegation of authority to be given to the Board to increase the number of securities to be issued in the event of a share capital increase decided by the Board of Directors.
- Delegation of authority to be given to the Board of Directors in order to decide to increase the share capital once or several times by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted.
- Delegation of authority to be given to the Board of Directors in order to proceed to one or several share capital increase(s) reserved for employees – Correlative cancellation of preferential rights of subscription
- Authorization to be given to the Board of Directors to proceed to free grants of shares to officers and employees of the Company and its subsidiaries – Cancellation of preferential rights of subscription in case of grants of shares to be issued.
- Authorization to be given to the Board of Directors to grant options to subscribe for and/or purchase shares of the Company to officers and employees of the Company and its subsidiaries – Cancellation of preferential rights to subscribe shares issued as the subscription options are exercised.
- Modification of Article 14 of the articles of incorporation – Determination of the age limit of the Chairman, the Chief Executive Officer and the Executive Vice-Presidents at 72 years.

## WITHIN THE COMPETENCE OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorization to perform formalities.

*You will find in the following pages useful information about this Shareholders' Meeting, as well as instructions on how to participate. All documents which have to be published before Shareholders' Meetings, in compliance with the texts currently in force, are available for shareholders at the Company's headquarters. Documents and information mentioned in article R. 225-73-1 of the French commercial code are available on our website [www.bicworld.com](http://www.bicworld.com). You can also get documents mentioned in article R. 225-83 of the French commercial code by filling the attached documentation request and send it back to us.*

## 2. WAYS TO PARTICIPATE

### 2.1 PRELIMINARY FORMALITIES TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

All shareholders, regardless of the number of shares held, can participate in the Shareholders' Meeting.

For this, you must provide proof that you are a shareholder through registration of your shares in your name (or in the name of your designated intermediary, if you are not a resident of France) as of the second business day preceding

the Meeting at 00:00, i.e. **Monday May 16, 2016** at 00:00 (Paris time):

- either in the shareholders' register kept for the Company by its agent, SOCIÉTÉ GÉNÉRALE, or
- in a bearer share account held by the financial intermediary where your shares are recorded.

**Once you have requested an admission card, voted by post or granted a proxy, you may no longer choose another way to participate in the Meeting.**

### 2.2 USE OF VOTACCESS SECURED WEBSITE

This year, in addition to the usual ways of participation in the Shareholders' Meeting (e.g. the voting or proxy form), the Board of Directors decided to allow the participation in the Shareholders' Meeting through VOTACCESS secured website.

As a consequence, you can use VOTACCESS website if you:

- hold registered shares. You can connect to VOTACCESS through the internet website [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) using your usual user codes.
- hold bearer shares and if your financial intermediary allows access to VOTACCESS website. You can connect to VOTACCESS through the internet portal of your financial intermediary using your usual user codes.

Following the on-screen instructions, you will be able to choose between the above ways to participate:

- ask for an admission card in order to attend the Shareholders' Meeting. This card will be then sent to you, at your option, electronically or by post.

Should your admission card not have arrived on Monday May 16, 2016, we invite you to contact SOCIÉTÉ GÉNÉRALE's call center, as explained on the following page.

On the day of the Meeting, you will have to provide proof of your identity.

- vote the resolutions,
- be represented by the Chairman of the Meeting. The Chairman will cast a vote in favor of the proposed resolutions presented by or approved by the Board of Directors and a vote against any other proposed resolutions.
- be represented by any individual or legal entity of your choice.

You may cancel your proxy. This cancellation must be done using the same forms and procedures as those used to appoint the proxy.

**These formalities may be carried out on VOTACCESS website from Tuesday April 26, 2016 at 9:00 am to Tuesday May 17, 2016 at 3:00 pm (Paris time). However, in order to avoid potential network congestion, we recommend you do not wait until the day before the Shareholders' Meeting to enter your instructions.**

## 2.3 USE OF THE VOTING OR PROXY FORM

The form attached to this document allows you to choose among the different ways to participate. All you need to do

is fill it out, date it and sign it, as indicated on the following pages.

### If you wish to attend in person

If you hold **registered shares**, you must send the attached form to SOCIÉTÉ GÉNÉRALE. To do so, please use the attached prepaid envelope.

- Mark box A on the top left of the form
- Date and sign the bottom of the form

You will then be sent an admission card, which is required for you to be admitted to the Meeting and to vote.

If you hold **bearer shares**, you need to ask your financial intermediary to send SOCIÉTÉ GÉNÉRALE a certificate confirming that you are a shareholder. SOCIÉTÉ GÉNÉRALE will send you your admission card, which is necessary for you to participate in the Shareholders' Meeting.

On the day of the Meeting, you will have to provide proof of your status as a shareholder and personal identification at the time of registration.

**If the admission card you requested has not reached you on Monday May 16, 2016, we invite you to direct your questions concerning it to SOCIÉTÉ GÉNÉRALE's admission card call center, Monday to Friday (excluding holidays) from 8:30 am to 6:00 pm, at +33 (0) 825 315 315 (0.15€ per minute).**

SOCIÉTÉ GÉNÉRALE – SERVICE DES ASSEMBLÉES  
SGSS/SBO/CIS/ISS/GMS  
CS 30812  
44308 NANTES CEDEX 3 – FRANCE

### If you do not attend the Meeting in person

If you hold **registered shares**, use the attached form and prepaid envelope.

If you hold **bearer shares**, you need to ask the financial intermediary where your shares are recorded to provide

you with the form. Your request must be received by SOCIÉTÉ GÉNÉRALE (address below) or SOCIÉTÉ BIC (at the company's headquarters) at the latest on **Thursday May 12, 2016**.

#### REPRESENTATION

If you do not attend the Meeting in person, you can be represented:

- either **by the individual or legal entity of your choice**.
  - In which case mark the box in the area "JE DONNE POUVOIR / I HEREBY APPOINT" and, in the area reserved for it, write the name and address of your representative
  - Date and sign the bottom of the form
- or by the **Chairman of the Meeting**, who will cast a vote in favor of the proposed resolutions presented by

or approved by the Board of Directors and a vote against any other proposed resolutions.

- In which case mark the box in the area "JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE / I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING"
- Date and sign the bottom of the form

A shareholder may cancel his or her proxy. This cancellation must be done using the same forms and procedures as those used to name the proxy.

**Your proxy will not be counted unless it arrives duly completed and signed (and accompanied by the attendance certificate for bearer shares) at SOCIÉTÉ BIC (company's headquarters) or SOCIÉTÉ GÉNÉRALE (address below) at the latest on Saturday May 14, 2016.**

SOCIÉTÉ GÉNÉRALE – SERVICE DES ASSEMBLÉES  
SGSS/SBO/CIS/ISS/GMS  
CS 30812  
44308 NANTES CEDEX 3 – FRANCE

## 2 WAYS TO PARTICIPATE

### VOTING BY POST

If you do not attend the Meeting in person, you can vote by post:

- In which case mark the box in the area "JE VOTE PAR CORRESPONDANCE / I VOTE BY POST"
- Date and sign the bottom of the form
- If you wish to vote "For" the resolutions presented to the Meeting by the Board, you do not blacken any box.
- If you wish to vote "No" or "Abstain" on one or more resolutions, you will have to blacken the appropriate box(es).

- If you wish to vote on any proposals not approved by the Board, you must also blacken the box(es) that correspond to your choice.
- Finally, in the event that amendments or new resolutions are proposed during the Meeting, you have the option of indicating your choice by blackening the corresponding box.

**Your vote by post will be counted only if your form arrives duly completed and signed (and accompanied by the attendance certificate for bearer shares) at SOCIÉTÉ BIC (company's headquarters) or SOCIÉTÉ GÉNÉRALE (address below) at the latest on Saturday May 14, 2016.**

**SOCIÉTÉ GÉNÉRALE – SERVICE DES ASSEMBLÉES  
SGSS/SBO/CIS/ISS/GMS  
CS 30812  
44308 NANTES CEDEX 3 – FRANCE**

## 2.4 DESIGNATING AND REVOKING A REPRESENTATIVE BY ELECTRONIC MAIL

The Shareholder holding bearer shares and whose financial intermediary does not allow access to VOTACCESS website may also designate and revoke a representative by email.

To do so, you must send an email at [actionnaires@bicworld.com](mailto:actionnaires@bicworld.com), stating the following information:

- your full name, address and complete bank information,
- the full name of the representative being designated or revoked.

- You **must** then ask your financial intermediary managing your share account to send a written confirmation to SOCIÉTÉ GÉNÉRALE (Service des Assemblées - SGSS/SBO/CIS/ISS/GMS - CS 30812 - 44308 NANTES cedex 3 – FRANCE).

You may cancel your proxy. This cancellation must be done using the same forms and procedures as those used to appoint the proxy.

**Only notices to designate or cancel representatives that have been duly signed, completed and received at the latest on Saturday May 14, 2016 will be valid.**

## 2.5 HOW DO I FILL IN THE FORM?

If you wish to attend the Meeting in person: **Mark here**

If you wish to vote by post: **Mark here and follow the instructions**

If you wish to give your proxy to the Chairman of the Meeting: **Mark here**

If you wish to give your proxy to a designated person attending the Meeting: **Mark here and enter the name and address of this person**

**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this, date and sign at the bottom of the form.**  
**A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.**  
**B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.**

**SOCIETE BIC**  
**14 rue Jeanne d'Asnières**  
**92110 CLICHY**

Capital : 183 108 384,24 €  
 552 008 443 RCS NANTERRE

**ASSEMBLEE GENERALE MIXTE**  
 le 18 mai 2016, à 9h30, au siège social  
**COMBINED SHAREHOLDER'S MEETING**  
 of May 18, 2016, at 9.30 a.m.  
 at the Company's headquarters

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY	
Identifiant - Account	
Nombre d'actions Number of shares	Nominatif Registered
	Porteur Bearer
Nombre de voix - Number of voting rights	Vote simple Single vote Vote double Double vote

### ☐ JE VOTE PAR CORRESPONDANCE / I VOTE BY POST

Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this.

									Oui / Yes	Non/No	Abst/Abs										Oui / Yes	Non/No	Abst/Abs
1	2	3	4	5	6	7	8	9				F											
10	11	12	13	14	15	16	17	18				G											
19	20	21	22	23	24	25	26	27				H											
28	29	30	31	32	33	34	35	36				J											
37	38	39	40	41	42	43	44	45				K											

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting  
 - Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.....  
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (its equivalent to vote NO).....  
 - Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint [see reverse (4)] M./Mrs or Miss, Corporate Name to vote on my behalf .....

Pour être prise en considération, toute formule doit parvenir au plus tard :  
 In order to be considered, this completed form must be returned at the latest:

à la banque / to the bank 14/05/2016  
 à la société / to the company 14/05/2016

☐ JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE  
 Cf. au verso (3)  
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING  
 See reverse (3)

☐ JE DONNE POUVOIR À : Cf. au verso (4)

I HEREBY APPOINT: See reverse (4)

M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION :** s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.

**CAUTION :** if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement). Cf au verso (1)  
 Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary). See reverse (1)

Date & Signature

Whatever your choice,  
 date and sign here

Enter here your full  
 name and address or  
 check them if they  
 already appear

### 3. PROFILE 2015

## NET SALES BY CATEGORY



**33%**

STATIONERY

## A WORLD LEADER IN THE CONSUMER GOODS MARKETS

### 70 years of history

- 1950** Launch of the BIC® Cristal® pen
- 1969** BIC enters the Promotional Products Industry
- 1973** First BIC® lighter
- 1975** First BIC® shaver

### Recognized brands

- BIC®, Tipp-Ex® | Wite-Out® | BIC® Kids |
- BIC® Matic | BIC® Ecolutions® |
- BIC Graphic (Promotional Products) |
- Cello® in India

### Net Sales by geography

160 countries




**30%**
**LIGHTERS**

**20%**
**SHAVERS**

**14%**
**BIC GRAPHIC**

**3%**
**OTHER CONSUMER  
PRODUCTS**

## A true commitment to **sustainable and responsible growth**

**QUALITY PRODUCTS** SOLD AT A FAIR PRICE AND CONTINUALLY IMPROVED

- Long-lasting products with a light environmental footprint manufactured with a minimum of resources and a maximum useful life.
- An eco-design approach, integrating alternative solutions such as the use of recycled materials or bioplastics in the manufacturing of certain products.
- 1.3% of net sales invested in new products Research and Development in 2015.

### A UNIQUE INDUSTRIAL EXPERTIZE

AND EFFECTIVE CONTROL OF MANUFACTURING COSTS

- 27 high performance factories (21 are located in developed countries according to the HDI indicator).
- 86% of net sales realized with products manufactured in our own factories\*.

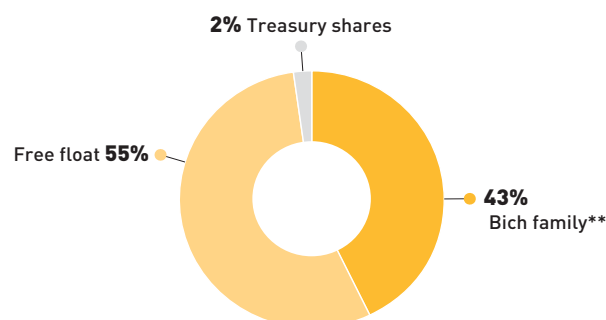
### AN HISTORICAL **SOCIALLY RESPONSIBLE** APPROACH

- A complete program for the training and development of its employees' skills and employability.
- A clear vision, a lasting philosophy and fundamental shared values: Ethics, Responsibility, Teamwork, Simplicity and Ingenuity.

A SUSTAINABLE DEVELOPMENT PROGRAM MEASURED VIA **A BAROMETER WITH 10 OBJECTIVES ASSOCIATED WITH 10 PERFORMANCE INDICATORS** AND UPDATED EVERY THREE YEARS.

## Governance

### SHAREHOLDING STRUCTURE



## Board of Directors

**8**

MEETINGS IN  
2015 WITH  
RATE OF  
ATTENDANCE

**98%**
**10**

Directors

**40%**

Independents

**4**

Nationalities

**30%**

Women

\* Excluding Cello Pens.

\*\* Direct and indirect.



## 4. BIC IN 2015

### 4.1 GROUP IN 2015

#### 2015 KEY EVENTS

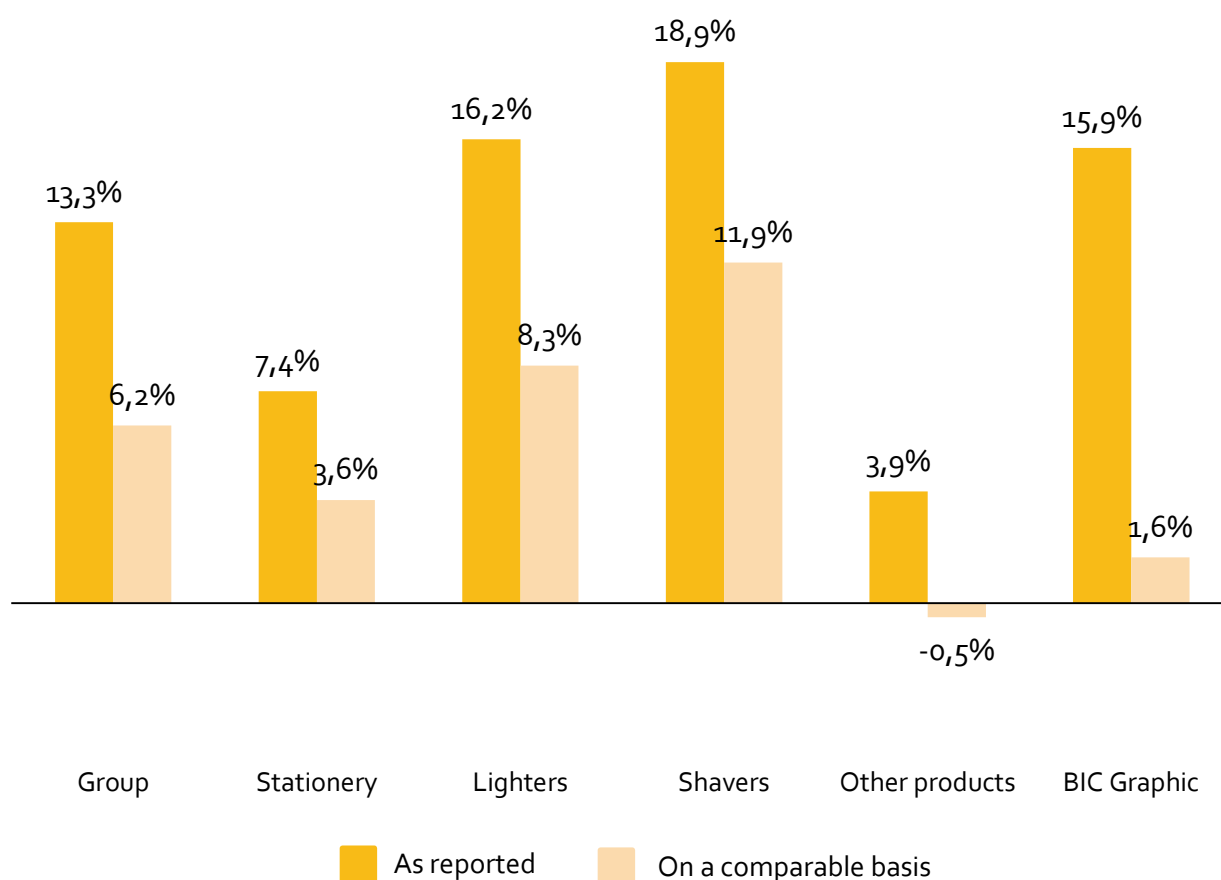
<b>April</b>	BIC's Portable fuel cell Technology is sold to Intelligent Energy for 14 million euros. The transaction included all assets (patents and related technology and know-how).
<b>October</b>	The BIC Group presents an investment project intended to modernize its industrial facilities in the North of France (Pas-de-Calais). Planned over a 5 year period, the project includes an investment of 12 million euros to extend the production facility at Samer.
<b>December</b>	BIC increases its stake in Cello Pens to 100% for an amount of 5.4 billion Indian rupees (approximately 74 million euros).

In 2015, BIC realized net sales of 2,241.7 million euros (+6.2% on a comparative basis) and reached 432.0 million euros normalized IFO(1) (19.3% of net sales). Net income Group share was 325.1 million euros and earnings per share Group share was 6.89 euros.

In 2015, BIC realized 86% of its sales in Consumer Goods (through its stationery, lighter, shaver and other products categories) and 14% in the Advertising and Promotional Products industry.

In 2015, BIC continued to invest in brand name development to strengthen its recognition and reputation among customers and consumers in both developed and Developing markets. Our goal is to consistently produce quality products at a lower cost, either in-house with our own technologies or, to a lesser extent, by outsourcing to increase flexibility.

#### 2015 NET SALES CHANGE VS. 2014 AS REPORTED AND ON A COMPARATIVE BASIS<sup>1</sup>



<sup>1</sup> Comparative basis: at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date.



## COMPARISON OF KEY FIGURES 2014-2015

(in million euros)	Change 2014/2015			
	2014	2015	As reported	On a comparative basis <sup>(a)</sup>
<b>NET SALES</b>	<b>1,979.1</b>	<b>2,241.7</b>	<b>+13.3%</b>	<b>+6.2%</b>
Gross Profit	971.1	1,113.0	+14.6%	-
Normalized Income From Operations <sup>(b)</sup>	370.0	432.0	+16.7%	-
Income From Operations	369.3	439.9	+19.1%	-
Financial income/(costs)	11.1	26.8	-	-
Income Before Tax	380.4	466.7	+22.7%	-
Income Tax Expense	(114.2)	(140.2)	-	-
Income From Joint Ventures	-	-	-	-
<b>Group Net Income</b>	<b>266.2</b>	<b>326.5</b>	<b>+22.7%</b>	<b>-</b>
Non-controlling Interests	(4.1)	(1.4)	-	-
<b>Net Income Group Share</b>	<b>262.1</b>	<b>325.1</b>	<b>+24.0%</b>	<b>-</b>
EPS Group Share	5.57	6.89	+23.7%	-
Number of shares <sup>(c)</sup>	47,063,465	47,173,339	-	-

(a) Comparative basis: at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date.

(b) Normalized means excluding non-recurrent items.

(c) Average number of shares outstanding net of treasury shares.

BIC Group 2015 Net Sales stood at 2,241.7 million euros, compared to 1,979.1 million euros in 2014, up 13.3% as reported and +6.2% on a comparative basis.

Our Consumer business increased 6.9% on a comparative basis in 2015, turning in solid performances in all of its geographical markets. Developed markets showed solid performance, with Net Sales up +5.7% in Europe and +7.3% in North America. In Developing markets, total Net Sales grew 7.5%, with Latin America up low-double digit.

BIC Graphic Net Sales increased 1.6% on a comparative basis.

2015 gross profit margin was 49.7% of Net Sales, versus 49.1% in 2014. Excluding the negative impact of the Argentinian ARS in 2015 and the Venezuelan VEF in 2014, change in gross profit margin including FX impact was +0.4 point, benefiting from sales growth and favorable raw material impact.

Full Year 2015 Normalized IFO was 432.0 million euros (19.3% normalized IFO margin). Full Year Consumer

business normalized IFO margin was 21.9%, an increase of 0.8 point notably driven by higher gross profit.

2015 Income from operations increased 19.1% as reported to 439.9 million euros. 2015 IFO included a total of -7.9 million euros of non-recurring items.

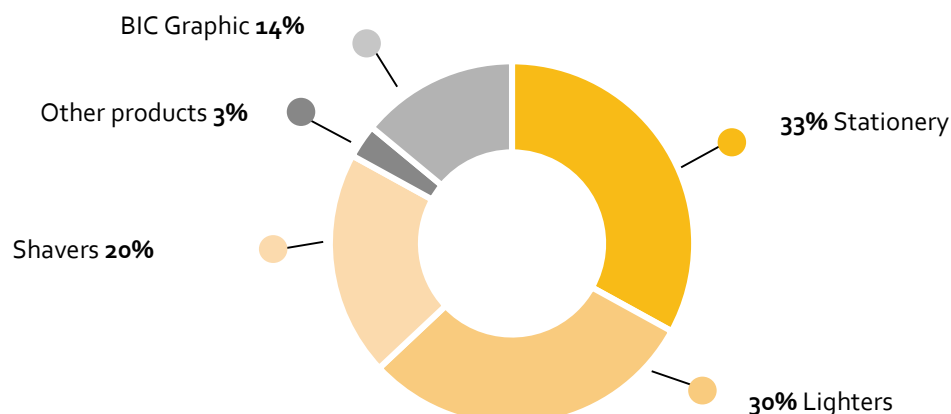
Income before tax increased 22.7% as reported to 466.7 million euros.

Net finance revenue was 26.8 million euros compared to 11.1 million euros in 2014, mainly due to the increase of the USD against most currencies during the year, generating a favorable impact on the valuation of financial assets denominated in that currency and higher interest income. Net income Group Share was 325.1 million euros, a 24.0% increase as reported. The Full Year 2015 tax rate was 30.0%.

EPS Group Share amounted to 6.89 euros, compared to 5.57 euros in 2014, up 23.7%. Normalized EPS Group Share was up 21.3% to 6.77 euros, compared to 5.58 euros in 2014.

## 4.2 2015 GROUP PERFORMANCE BY CATEGORY

### 2015 NET SALES BREAKDOWN BY CATEGORY



### BIC GROUP NET SALES AND INCOME FROM OPERATIONS (IFO) BY PRODUCT CATEGORY 2014-2015

(in million euros)	Stationery		Lighters		Shavers		Other consumer products <sup>(A)</sup>		BIC Graphic	
	Net sales	IFO	Net sales	IFO	Net sales	IFO	Net sales	IFO	Net sales	IFO
2014	676.9	83.0	581.6	226.4	380.0	64.7	65.1	(14.3)	275.6	9.6
2015	727.0	83.7	675.7	260.9	452.0	83.3	67.6	(1.2)	319.3	13.1

(a) The Income From Operations includes other products income from operations as well as Group expenses not allocated to the other categories.

#### STATIONERY

Full Year 2015 Stationery Net Sales increased 7.4% as reported and +3.6% on a comparable basis. Full Year 2015 volumes were up 2%.

2015 results were good thanks to the success of our "Champion brand" strategy fueled by successful new product introductions, continued investments in brand support, and sustained investments in geographic expansion. Our sales grew in all geographies where we operate, with market share gains or stability across the board. We continued to invest in brand support with a special focus on fast growing markets to take full profit of the market dynamics but also increased investments in selected developed countries. On one hand, our brand support investments have been dedicated to support our commitment to Education such as our "Donate a pen" CSR initiative in South Africa. On the other hand, we actively supported our brand and our Champion brands such as the "4-Color" campaigns in Europe and the "Cristal" campaigns in Latin America, Middle-East and Africa.

- **Developed markets:** Net Sales grew high-single digit in Europe with market share gains in most countries and increased low-single digit in North America, thanks

notably to good results during Back-to-School. We benefited from the success of our "Champion Brand" strategy with strong growth in our core segments such as ball pens, coloring and correction. We actively supported our products with communication programs such as the "Fight for your write" campaign in North America and the TV campaign to promote BIC® Kids learners' range in Europe.

- **Developing markets:** Net Sales increased low-single digit with most of the regions delivering good performances. We continued our successful expansion in key Latin America countries such as Brazil, where we gained leadership in coloring, and we reversed trend in Mexico, where we re-gained market share. In the Middle-East and Africa, BIC registered good performance, with market share and distribution gains across the region. We also reinforced our proximity strategy through the creation of a subsidiary in Morocco. In India, Cello Pens Net Sales decreased low-single digit. Domestic sales were flat in an aggressively competitive market and as we focused on core products.

The increase in Cello ownership to 100% in December will allow us to focus our efforts on improving operations and building capacity to accelerate growth in 2016 and beyond.

Full Year 2015 Stationery normalized IFO margin was 11.5% compared to 12.5% in 2014 as a result of higher manufacturing costs and higher brand support investments (promotional activities).

## LIGHTERS

Full Year 2015 Lighter Net Sales increased 16.2% as reported and +8.3% on a comparative basis. Full Year 2015 volumes were up 5%.

- **Developed markets:** in Europe, net sales grew mid-single digit. Northern and Western regions registered a good year. Eastern European countries showed very dynamic trends, with high-single digit growth thanks to distribution gains. In all these countries, we benefited from the solid performance of our classic products and our utility lighters. In North America, Net Sales growth increased high-single digit, driven by the impact of second quarter 2015 price adjustment, continued distribution and market share gains as well as the success of added-value sleeves, notably Special Edition series such as Fashion, Favorites and Trendsetter. In the U.S., we also benefited from the success of our “complete the convo” marketing campaign addressing millennial consumers.
- **Developing markets:** Full Year 2015 net sales increased double digits. In Latin America, sales growth benefited from distribution gains especially in Mexico and Brazil. In Middle-East and Africa, growth continued to be strong thanks to our proximity strategy aimed at gaining distribution and improved visibility. In Asia, the strong performance was driven by Japan and improved in-store visibility and we continued to focus on building distribution channel through convenience stores. In Oceania, the sales increase was driven by the success of both classic and added-value product lines.

Full Year 2015 Lighter normalized IFO margin was 38.2%, compared to 37.7% in 2014. This improvement is due to sales growth, the impact of Q2 2015 price increase in the U.S. and lower raw material costs.

## SHAVERS

The Shaver category reported a rise in Net Sales of 18.9% as reported and +11.9% on a comparative basis. Full Year 2015 volumes were up 1%.

In 2015, we continued to strengthen our positions in all geographies. Thanks to the “Great Value” positioning of all our products, we maintained our consumer base on core products and brought new consumers to the BIC franchise with our successful new products.

- **Developed markets:** in Europe Net Sales increased high-single digit as we continued to show solid trends both in Western and Eastern regions thanks to the success of our triple blades products such as the BIC® 3 for men and BIC® Miss Soleil® for women. In North America, Net Sales increased double digits with market share gains in both men’s and women’s segments. The performance was driven by our best value/quality positioning across our entire range, as well as a very strong new product pipeline (BIC® Flex 5, BIC® Simply Soleil® Click). In 2015, we have continued to invest in advertising in the U.S. with the digital “Smooth up” campaign for the BIC® Flex 5 shaver. We have also launched a radio campaign in France to improve the brand awareness of the BIC® 3 shaver for men.
- **Developing markets:** Net Sales grew double digits, with a solid performance across all regions. In Latin America, sales increase was driven by a strong performance in Mexico and continued growth in Brazil thanks notably to the success of our triple blade disposable shavers such as BIC® Soleil® and BIC® Comfort 3®. In the Middle-East and Africa, we grew across all regions and in all product ranges, from double-edge to triple blades as we maintained our solid positions in our core products and continued to expand our business with added-value products.

Full Year 2015 Shaver normalized IFO margin was 18.5% compared to 17.8% in 2014 driven by Net Sales growth, positive FX impact on Gross Profit which more than offset the increase in brand support compared to last year.

### OTHER CONSUMER PRODUCTS

Other consumer products Net Sales increased 3.9% as reported and declined 0.5% on a comparative basis.

Other consumer products 2015 Normalized IFO was -3.4 million euros, compared to -11.3 million euros in 2014, which included expenses related to the portable fuel cell project (sold in April 2015).

BIC Sport Net Sales (46% of the Other Consumer Products category) reached 31.1 million euros, up 15.6% as reported and +5.0% on a comparative basis, driven by the success of our Stand-Up-Paddle boards.

### ADVERTISING AND PROMOTIONAL PRODUCTS – BIC GRAPHIC

BIC Graphic Net Sales increased 15.9% as reported and 1.6% on a comparative basis.

In the industry, quality, safety compliance and trademark continued to be major drivers of the growth and customers recognized the deep expertise of BIC Graphic on these fields. In Europe, Northern countries continued to show signs of recovery and Southern countries started to

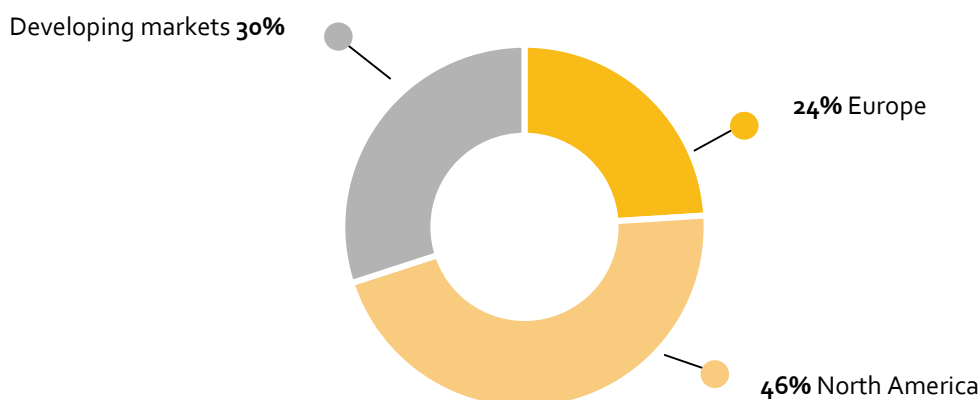
improve. In North America, the Advertising and Promotional Products business trend was driven by the consolidation of the industry and the e-commerce move up.

- **Stationery:** In Europe, BIC Graphic confirmed its sales recovery thanks to the success of new product launches. In North America, despite the low price competition, sales have shown improving trends thanks to new product launches and our “good value” proposition. In developing markets, net sales growth was driven by good performances in Latin America and Asia.
- **Hard goods:** In Europe, sales were driven by the innovative BritePix® imprinted technology and key products such as bags and drinkware. In North America, we registered a good performance, supported by the success of the “good value” range of value priced items, new products and the BritePix® technology.
- **Calendars:** The U.S. promotional calendar industry overall has been challenging and our sales continued to be unfavorably impacted.

In 2015, BIC Graphic normalized IFO margin reached 3.3%, compared to 3.5% in 2014.

## 4.3 2015 GROUP PERFORMANCE BY GEOGRAPHICAL AREA

### 2015 NET SALES BREAKDOWN BY GEOGRAPHICAL AREA



#### EUROPE

The Europe region includes Western and Eastern Europe. In 2015, Net Sales in Europe reached 527.8 million euros, an increase of 3.7% as reported and +5.3% on a comparative basis compared to 2014.

##### Consumer business

Europe registered a good performance in 2015 in the three consumer categories, despite the continued unfavorable political and economic environments in Russia and Ukraine.

- **In Stationery**, the performance was good in both Western and Eastern countries thanks to the successful back-to-school season and to the strong demand for some of our product lines such as BIC® 4 colors™. We reinforced our leadership and continued to gain market share in most regions, notably in France, and in major stationery products such as ball pens, coloring and correction. 2015 was also a year of successful digital actions, with the BIC® Kids digital advertising and website which offers qualitative content around coloring and handwriting activities, the Mybicpen Facebook page (BIC® Cristal® and BIC® 4 colors™) as well as the TV campaign to promote the BIC® Kids Learners' range run during Back to School in France.

- **In Lighters**, the good results were driven by continued growth in Western and Eastern Europe thanks to distribution gains and consumer demand for our products which offer both quality and safety. Most of the growth has been driven by the decorated pocket lighters and the utility range.
- **In Shavers**, the growth was driven by market share gains in most countries, despite an aggressive competitive environment (high level of promotions). The increase in market shares took place in both the men and women segments. We delivered strong results on 3-blades shavers thanks to the continuous trend of trading up to the 3-blade segment: the main contributors were the new BIC® Flex3 Comfort and the BIC® 3 range (BIC® 3 Sensitive and BIC® 3 Action).

##### Advertising and Promotional Products

Northern countries continued to show signs of recovery and Southern countries started to improve. The expertise of BIC in terms of quality, safety and compliance and the launch of the new website allowed us to offer better service and consequently to register additional customers.

### NORTH AMERICA

The North America region includes the U.S. and Canada. In 2015, Net Sales in North America reached 1,040.1 million euros, up 25.3% as reported and up 5.5% on a comparative basis compared to 2014.

#### Consumer business

BIC continued to deliver an overall strong performance in both the U.S. and Canada. BIC grew market share in most categories and the performance continued to be driven by increased emphasis on our added value products, on driving quality distribution, and by the impact of our targeted advertising and marketing programs.

- **In Stationery**, BIC performed in line with the market despite an increasingly aggressive competitive environment and continued turbulence in the office superstore channel. We continued to focus on our "Champion brand" strategy (including Atlantis and Velocity range) and on new product introductions such as BIC® X-tra fun graphite pencils, Brite-Liner and Wite-Out® correction products. In the U.S., BIC performance was particularly strong driven by strength in the Food & Drug and Office products channels. In Canada, our performance was driven by office superstores. Across the continent, we focused our investments on two key initiatives:
  - For the second consecutive year in the U.S and the first time in Canada, we leveraged our "BIC Fight for your Write" campaign to promote the benefits handwriting provides for learning and development;
  - We supported the launch of BIC® X-tra fun graphite pencil, which has been well received by both consumers and customers.
- **In Lighters**, Net Sales growth reflected continued share gains in both the U.S. and Canada. Our strong performance was driven by our continued premium safety/quality/value positioning, our increased emphasis on impactful added value sleeve designs, U.S. pocket lighter price adjustments, and a strong performance in utility lighters. The highly engaging "complete the convo" pocket lighter social media campaign also fueled our success.
- **In Shavers**, Net Sales growth reflected market share gains in the disposable segment despite continued aggressive competitive promotional activity. BIC's performance was driven by expanded distribution and

shelf presence, the strength of our core "value" products, the BIC® Soleil® franchise, the continued solid growth of our added value flexible blade products and the introduction of new products such as the BIC® Flex 5 for men and BIC® Simply Soleil® Click for women. In Men's Shavers in the U.S., the BIC® Flex 5 introduction was supported by the "*Men, it's time to smooth up*" digital campaign and in Canada by the continuation of our successful sponsorship of the "Toronto Raptors", National Basketball team. In Women's Shavers, BIC® Soleil® was supported by a North American "*Make your own sun*" consumer campaign which incorporated TV, social, digital, and print execution.

#### Advertising and Promotional Products

The consolidation of the industry continued on both sides (suppliers and distributors) and the online business continued to trend up. The "good value" range, new products and the BritePix® technology were the main drivers of the growth in this region.

### DEVELOPING MARKETS

Developing markets include Latin America (Mexico, Central America, the Caribbean and South America), the Middle-East, Africa, Oceania and Asia. In 2015, Net Sales reached 673.8 million euros, up 5.3% as reported and +7.8% on a comparative basis.

#### Consumer business

##### Latin America

Sales grew double digits in Latin America with strong performance in all categories thanks to distribution gains and new product launches. In all categories, sales were sustained by successful marketing programs such as the BIC® Cristal® advertising campaign in Mexico, Brazil and Argentina.

**Stationery:** BIC gained market share in key countries thanks notably to ball pen classic, marking and coloring. The main driver of growth was Mexico, where BIC maintained the leadership position. In Brazil, BIC continued to outperform the market with strong market share gains in ball pen, marking and coloring. The BIC® Cristal® 360 campaign "your world opens with a BIC Pen" (launched in Mexico in 2014) was successfully rolled out in Brazil and Argentina, with strong media support and significant investment in in-store visibility.

**Lighters:** 2015 Net Sales was driven by distribution gains. In key countries such as Mexico and Brazil, the strategy of converting match users to BIC Lighters contributed to improve distribution in areas where consumption and use of matches remain high.

**Shavers:** Sales growth was driven by strong performance of triple-blade shavers such as BIC® 3, BIC® Comfort 3 and BIC® Soleil®. Mexico registered strong results with market share gains in volume and value, while Brazil solidified its position on the market, especially on the Triple-blade Disposable segment. BIC's commitment to the Value-for-Money proposition was reflected in each of the products in the portfolio, from Single to Triple-blade Shavers, offered to male or female consumers.

#### **Middle-East and Africa**

BIC took further steps towards the implementation of the proximity Strategy with the creation of a BIC Subsidiary in Morocco. This has been consistent with the strategy initiated a few years ago with the objective of strengthening BIC's position in the Middle-East and Africa. During the year, BIC continued to work closely with distributors to reinforce our presence and strength of the BIC brand in the region.

**Stationery:** BIC registered good performance, with market share and distribution gains across the region. In South Africa, BIC gained market share for the third consecutive year, reinforcing its solid leadership position in the category. BIC also benefited from the impactful campaign "BIC® Cristal® – it makes the grade", which started in a few West-African countries and will be extended over the rest of the region over 2017.

**Lighters:** the performance was good in the region thanks to strong sales of sleeve and utility lighters. North-West-Africa showed strong performance due to continuous focus on improving distribution footprint and visibility.

**Shavers:** BIC grew across all regions with strong performance in South Africa and North Africa. BIC maintained a solid position in core shavers and continued to expand the business with added value products such as BIC® Flex 5 launched in South Africa.

#### **Asia Pacific**

BIC registered a good performance across the region, gaining market share in all three categories across Australia and New Zealand. In Asia, BIC managed to grow the business in core products.

**Stationery:** BIC continued to gain market share in Oceania thanks to added value products such as ball pen and coloring, as well as strong promotional activities supported by our key retail partners. In Asia, sales benefited from the continued success of the EZ Smooth Asian range as well as the BIC Minions license. In India, Cello Pens Net Sales decreased low-single digit. Domestic sales were flat in an aggressively competitive market and as we focused on core products.

**Lighters:** in Oceania, BIC extended the market leadership position through increased distribution of pocket lighters into petrol and convenience store channels, as well as the successful launch of the utility range into modern trade. In Asia, Net Sales were driven by good results in convenience stores.

**Shavers:** BIC delivered a strong year across the region. In Oceania, BIC benefited from additional distribution and new product launches such as BIC® Soleil® range, BIC® 3 and BIC® Flex3. BIC reached its highest market share in Australia, while confirmed its solid leadership position in New Zealand.

#### **Advertising and Promotional Products**

Developing markets benefited from a strong performance in Latin America as we continued to focus on the expansion of new categories.



## 4.4 FINANCIAL SITUATION AND CASH

At the end of 2015, the net cash position was 448.0 million euros, compared to 320.2 million euros as of December 31, 2014.

At the end of December 2014, the net cash position included 77.1 million euros from Cello Pens put option valuation. In December 2015, BIC increased its stake in Cello Pens to 100% for an amount of approximately 74 million euros.

EVOLUTION OF NET CASH POSITION (in million euros)	2014	2015
<b>NET CASH POSITION (BEGINNING OF THE PERIOD)</b>	<b>196.7</b>	<b>320.2</b>
• Net cash from operating activities	+349.0	+367.1
○ <i>Of which operating cash flow</i>	+354.5	+435.6
○ <i>Of which change in working capital and others</i>	-5.5	-68.5
• CAPEX	-112.3	-120.7
• Dividend payment	-122.4	-134.8
• Share buy-back program	-10.2	-26.3
• Cash received from the exercise of stock options and liquidity contract	+15.3	+9.6
• Sheaffer assets sale and Fuel Cell divestiture	+8.4	+14.0
• Real estate divestiture	-	+11.6
• Others	-4.3	+7.3
<b>NET CASH POSITION (END OF THE PERIOD)</b>	<b>320.2</b>	<b>448.0</b>

2015 Net Cash from operating activities totaled 367.1 million euros. Working capital as % of sales was

27.0% in 2015, compared to 30.0% in 2014.

## 4.5 SHAREHOLDERS' REMUNERATION

In 2015, Shareholders' Remuneration totaled 161.1 million euros:

- 134.8 million euros related to the payment of dividend (2014 fiscal year);
- 26.3 million euros related to the share buy-back program (180,213 shares bought at an average of 146.0 euros per share).

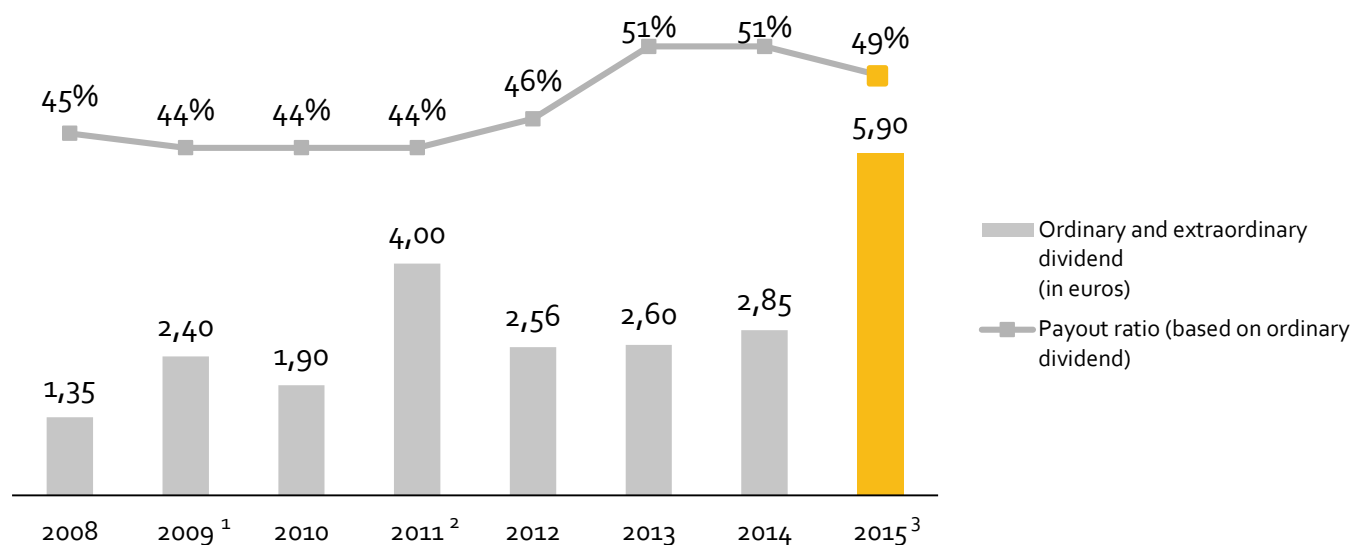


## 4.6 DIVIDENDS

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily as a function of the Company's earnings, its investment policy and balance sheet strength, as well as comparisons with peer companies in the same sector. BIC does not foresee a material change in this dividend distribution policy.

Considering the Group's strong full-year 2015 performance, and confident in the BIC Group's prospects and the sustainability of its strong financial position, the Board of Directors will propose 3.40 euros as an ordinary dividend per share and 2.50 euros as an exceptional dividend per share, at the Annual Shareholders' Meeting on May 18, 2016. The pay-out ratio (calculated with the ordinary dividend) would be 49% in 2015, compared to 51% in 2014.

### PAID DIVIDENDS HISTORY



<sup>1</sup> For the fiscal year 2009, the Company paid a special dividend of 1.00 euro.

<sup>2</sup> For the fiscal year 2011, the Company paid a special dividend of 1.80 euro.

<sup>3</sup> The distribution of an exceptional dividend of 2.50 euros per share will be proposed at the AGM of May 18, 2016. Payable from June 1<sup>st</sup>, 2016 and pending approval at the AGM of May 18, 2016.

## 4.7 PROSPECTS FOR 2016 AND STRATEGY

### 2016 OPERATIONAL OUTLOOK

#### GROUP

In 2016, we expect Net Sales to grow mid-single digit on a comparative basis. Excluding major macroeconomic disruptions or currency fluctuations, Normalized IFO margin should decline between 100 and 150 basis points as result of accelerated Brand Support and R&D investments aimed at fueling profitable mid and long term growth. We also expect Net Cash from operating activities to be maintained despite an increase in development CAPEX.

#### CONSUMER BUSINESS

##### Stationery

In 2015, the stationery market continued to demonstrate strong resilience with value growth estimated low to mid-single digit. We expect this trend to be maintained mid-term. In this context, all regions should benefit from the dynamics, with different drivers:

- demand for improved quality and innovation in developed markets;
- higher income and better access to education in Developing markets;

In 2016, our objective is to grow organic sales mid to high single digit driven by our robust geographical footprint, the quality of our products, our innovation capabilities and a further reinforced proximity with our consumers supported by increased brand support investments.

##### Lighters

We will continue to rely on our safety and best quality added-value lighters. In Europe, we will widen our distribution and strengthen in-store visibility.

We will also continue to leverage our added-value sleeve design strategy in both Europe and North America, notably through new special edition introductions. In developing markets, we will continue to strengthen our distribution and increase our brand awareness.

##### Shavers

We will continue to improve our product performance and sell at a fair price. The continued success of the BIC® Flex 5 in North America and the BIC® Soleil® in Latin America, as well as the introduction of our first 5 movable blade shaver for women, the BIC® Soleil® Shine launched in the U.S., will support sales growth.

#### BIC GRAPHIC

In 2016, the priority for BIC Graphic will be to continue to deliver profitable growth. In Europe, the slight increase in Northern countries should continue to be offset by the weakness of Southern countries. In North America, we will focus on new products and the Good value® line and enhanced service to customers.

### GROUP LONG-TERM STRATEGIC PRIORITIES

- Continue to create long-term value by outperforming our markets and growing sales organically low to mid-single digit, thanks to:
  - expanded distribution networks in all geographies;
  - increased focus on value-added segments in developed markets;
  - enlarged consumer base in developing markets.
- Grow Normalized Income From Operations through increased productivity as we invest in our people, in brand support and in Research and Development with a focus on quality and innovative new products.
- Maintain strong cash generation to:
  - continue to grow the business organically,
  - finance strategic bolt-on acquisitions,
  - sustain total Shareholders' remuneration.

### RISKS AND OPPORTUNITIES

In summary, we foresee the major challenges for 2016 to be:

- continued economic uncertainty;
- global geopolitical environment;
- continued foreign currency volatility.

While many of these issues are outside of our control, we will make every effort to minimize these risks in all aspects of our operations.

We believe that our greatest opportunity for growth remains the strength of the BIC® brand, combined with the diverse talents of our multinational workforce in more than 160 countries around the world. Our teams are delivering products and programs, including advertising and promotional support, that speak directly to today's consumers in their local marketplaces, meeting their specific needs.

## PERFORMANCE GOALS

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In 2016, we will focus on paving the way for profitable long-term growth. This will lead to an increase in brand support in all regions either to strengthen our existing positions or to support new product launches. We will also invest more in Research & Development.

Despite a significant increase in development CAPEX, we aim to maintain Operating Cash Flow Generation to protect total Shareholders' remuneration.

## RECENT EVENTS

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In early 2016, the decision was taken to close BIC's Stationery facility in Shanghai (China) and transfer its production to other BIC Stationery sites with higher production volumes.

The Promotional Product Industry has changed throughout 2015 with a consolidation happening in all regions and new entrants arising. In light of this evolution, in early 2016, the Board has decided to initiate a review of strategic alternatives for BIC Graphic. The strategic review is expected to be concluded by the end of 2016.

Acknowledging the decision of Mario Guevara, Chief Executive Officer, to retire in May 2016, the Board of Directors of SOCIÉTÉ BIC has decided to propose an evolution of the Group's governance:

- A modification of the articles of incorporation will be submitted to the next Shareholders' Meeting (on 18 May 2016) in order to allow the Chairman, the Chief Executive Officer and the Executive Vice-Presidents to exercise their functions until 72 years old.
- Following this Shareholders' Meeting, the Board of Directors will combine the functions of Chairman of the Board and of Chief Executive Officer and will nominate Bruno Bich as Chairman and Chief Executive Officer.

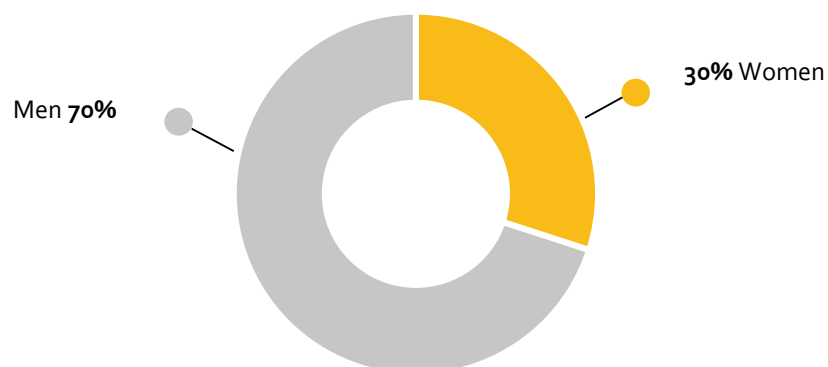
## 5. Governance

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### GENDER BALANCE ON THE BOARD OF DIRECTORS

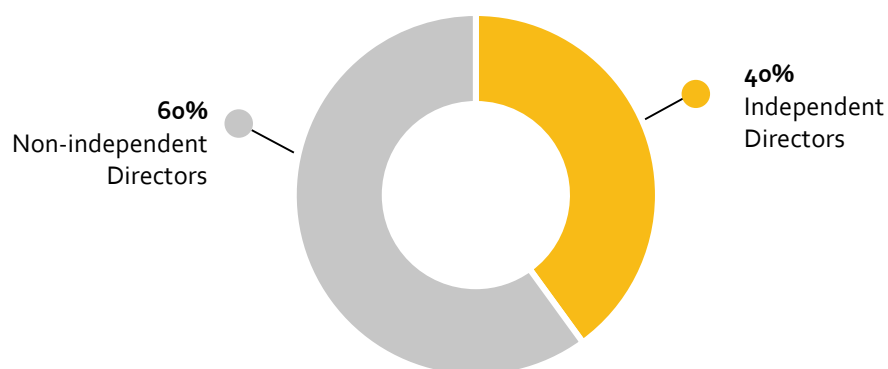
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### PORTION OF DIRECTORS CONSIDERED INDEPENDENT

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In 2015, the Board of Directors met 8 times. The attendance rate was 98%.

The proportion of women with seats on the Board is 30%. 40% of the directors are independent within the meaning of the AFEP/MEDEF Corporate Governance Code.

## 5.1 COMPOSITION OF THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2015

BRUNO BICH<sup>1</sup>CHAIRMAN OF THE BOARD OF DIRECTORS<sup>2</sup>

69 YEARS OLD

NATIONALITY: FRENCH/AMERICAN

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of June 2, 1986  
**Expiration date:** Annual Shareholders' Meeting in 2016, for fiscal year 2015  
**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2015, SOCIÉTÉ M.B.D. held 26.37% of SOCIÉTÉ BIC share capital and 36.40% of the voting rights.

**Main position:**

Chairman of the Board of Directors of SOCIÉTÉ BIC since March 1, 2006.

MARIO GUEVARA<sup>1</sup>CHIEF EXECUTIVE OFFICER AND DIRECTOR<sup>2</sup>

56 YEARS OLD

NATIONALITY: MEXICAN/AMERICAN

**Date of 1<sup>st</sup> appointment:** Director: Annual Shareholders' Meeting of May 22, 2001 / Chief Executive Officer: March 1, 2006

**Expiration date:** Annual Shareholders' Meeting in 2016, for fiscal year 2015

**Number of shares held:** 36,050

**Main position:**

Chief Executive Officer of SOCIÉTÉ BIC since March 1, 2006.



FRANÇOIS BICH

EXECUTIVE VICE-PRESIDENT AND DIRECTOR<sup>3</sup>

66 YEARS OLD

NATIONALITY: FRENCH

**Date of 1<sup>st</sup> appointment:** Board of Directors of September 30, 1977 ratified by the Annual Shareholders' Meeting of May 29, 1978  
**Expiration date:** Annual Shareholders' Meeting in 2017, for fiscal year 2016

**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2015, SOCIÉTÉ M.B.D. held 26.37% of SOCIÉTÉ BIC share capital and 36.40% of the voting rights.

**Main position:**

Executive Vice-President of SOCIÉTÉ BIC since December 15, 1988;  
 General Manager Lighters of BIC Group.

ELIZABETH BASTONI<sup>1</sup>

DIRECTOR

50 YEARS OLD

NATIONALITY: AMERICAN

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of May 15, 2013

**Expiration date:** Annual Shareholders' Meeting in 2016, for fiscal year 2015

**Number of shares held:** 500

**Main position:**

President of Bastoni Consulting Group, LLC (non-listed company)



MARIE-PAULINE CHANDON-MOËT, MAIDEN NAME BICH

DIRECTOR

48 YEARS OLD

NATIONALITY: FRENCH

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of May 28, 2003

**Expiration date:** Annual Shareholders' Meeting in 2017, for fiscal year 2016

**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2015, SOCIÉTÉ M.B.D. held 26.37% of SOCIÉTÉ BIC share capital and 36.40% of the voting rights.

**Main position:**

Member of the Supervisory Board - SOCIÉTÉ M.B.D. - France  
 President - Ferrand SAS - France



JOHN GLEN

DIRECTOR

56 YEARS OLD

NATIONALITY: BRITISH

**Date of 1<sup>st</sup> appointment:** Board of Directors of December 10, 2008 ratified by the Annual Shareholders' Meeting of May 14, 2009

**Expiration date:** Annual Shareholders' Meeting in 2018 for fiscal year 2017

**Number of shares held:** 500

**Main position:**

Chief Executive Officer of Buccleuch Group (United Kingdom – non-listed company)

<sup>1</sup> Directors whose renewal of term of office has to be renewed at the Shareholders' Meeting of May 18, 2016. The curriculum vitae of these Directors are available on pages 43 to 45.

<sup>2</sup> In May 2016, Bruno Bich should succeed Mario Guevara as Chief Executive Officer.

<sup>3</sup> Since March 1<sup>st</sup>, 2016, François Bich is no longer Executive Vice-President and General Manager for Lighters.



**MARIE-HENRIETTE POINOT**

DIRECTOR

54 YEARS OLD

NATIONALITY: FRENCH

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of May 21, 1997

**Expiration date:** Annual Shareholders' Meeting in 2018 for fiscal year 2017

**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2015, SOCIÉTÉ M.B.D. held 26.37% of SOCIÉTÉ BIC share capital and 36.40% of the voting rights.

**Main position:**

Director of Strategic Planning - Options SAS - France

Member of Strategic Planning Committee - Options SAS - France



**FRÉDÉRIC ROSTAND**

DIRECTOR

53 YEARS OLD

NATIONALITY: FRENCH

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of May 28, 2003

**Expiration date:** Annual Shareholders' Meeting in 2017 for fiscal year 2016

**Number of shares held:** 1,000

**Main position:**

Chief Executive Officer of SODIAAL Group (France – non-listed company)



**SOCIÉTÉ M.B.D.**

DIRECTOR

(REPRESENTED BY ÉDOUARD BICH)

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of May 24, 2006

**Expiration date:** Annual Shareholders' Meeting in 2018, for fiscal year 2017

**Number of shares held:** 26.37% of SOCIÉTÉ BIC share capital and 36.40% of the voting rights (as of December 31, 2015)

**Permanent representative and Managing Director:**

- Édouard BICH



**PIERRE VAREILLE**

DIRECTOR

58 YEARS OLD

NATIONALITY: FRENCH

**Date of 1<sup>st</sup> appointment:** Annual Shareholders' Meeting of May 14, 2009

**Expiration date:** Annual Shareholders' Meeting in 2018, for fiscal year 2017

**Number of shares held:** 1,000

**Main position:**

Chief Executive Officer of CONSTELLIUM N.V. (Netherlands – company listed in New York)

## 5.2 WORK OF THE BOARD OF DIRECTORS IN 2015

- Number of meetings: 8
- Average: 3 hours 32
- Attendance rate: 98%

In 2015, the Board of Directors ruled in particular on the following points:

- accounts and budget:
  - settlement of the statutory accounts and of the consolidated financial statements for the year ended December 31, 2014 and for the first half of the year 2015,
  - review of the quarterly results,
  - revision of the 2015 budget and 2016 preliminary budget;
- corporate governance:
  - setting compensation for Corporate Officers and Directors,
  - succession plan for the Corporate Officers,
  - allocation of free shares with or without performance conditions,
- drawing-up of the various documents submitted to the Shareholders' Meeting;
- strategy:
  - strategy relating to growth acceleration on all of our markets,
  - analysis of the strategy for the Stationery and Shaver activities and for BIC Graphic,
  - analysis of the Group's strategy in India,
  - increase of the BIC Group's stake from 75% to 100% in the seven Cello Pens entities;
- miscellaneous:
  - sale of fuel cell,
  - BIC Group's Sustainable Development Program,
  - share repurchase program,
  - analysis and recommendation regarding the structure of the Group's Information Technology capabilities.

## 5.3 COMPOSITION OF THE BOARD COMMITTEES

	AUDIT COMMITTEE	COMPENSATION AND NOMINATION COMMITTEE
Bruno Bich		
François Bich		
Elizabeth Bastoni		✓
Marie-Pauline Chandon-Moët		
John Glen	✓	
Mario Guevara		
Marie-Henriette Poinot		✓
Frédéric Rostand		✓
Édouard BICH, permanent representative of SOCIÉTÉ M.B.D.	✓	
Pierre Vareille	✓	

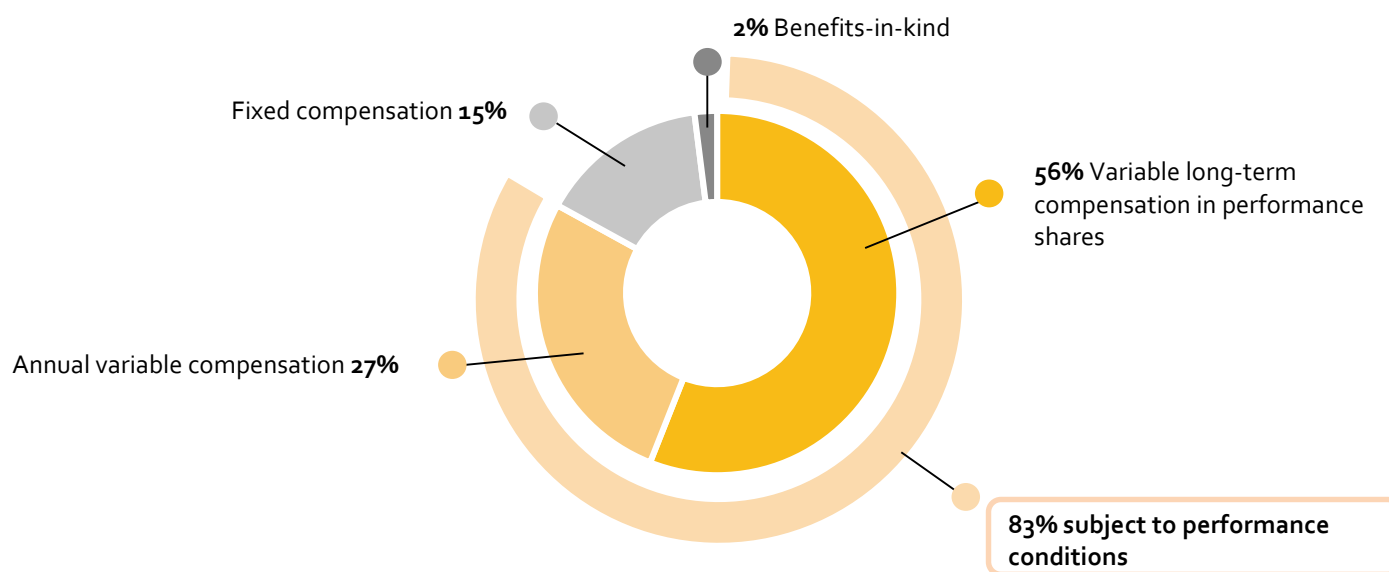
## 6. Senior Management compensation

### 6.1 COMPENSATION POLICY

Remuneration is fixed by the Board of Directors upon the recommendation of the Compensation and Nomination Committee. This committee:

- analyzes and compares trends in remuneration for comparable individuals and positions in the French marketplace for the Chairman and the Executive Vice-Presidents and in the U.S. marketplace for the Chief Executive Officer;
- analyzes the performance of individuals and of the Company as a whole;
- ensures that the Group's policies and priorities are reflected in variable remuneration programs, both short and long-term;
- analyses the total reward including all benefits (and including pension).

### 6.2 CHIEF EXECUTIVE OFFICER REMUNERATION – MARIO GUEVARA



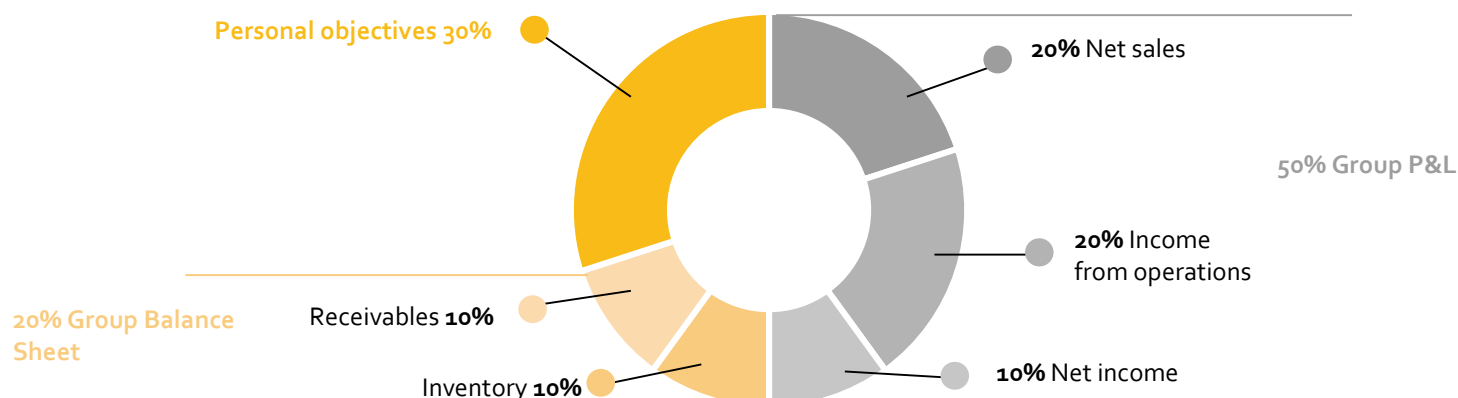
#### ANNUAL FIXED COMPENSATION

In 2015, the total fixed remuneration for Mario Guevara was 810,000 USD (730,256 euros).

#### ANNUAL VARIABLE COMPENSATION

The annual bonus paid to the Chief Executive Officer, is calculated on the basis of six criteria determined by the Board of Directors at the beginning of the fiscal year upon

proposal of the Compensation and Nomination Committee. 70% of these criteria relate to Company performance and 30% relate to personal objectives.





<b>2015 GROUP PERFORMANCE RELATED CRITERIA</b>	In 2015, BIC achieved very strong results. Group Net Sales grew 13.3% as reported and +6.2% on a comparative basis. Income From Operations increased 19.1% and Net Income grew 24.0%. Both inventories and receivables ratio (as % of Net Sales) improved.	<b>2015 TOTAL BONUS PAID</b> (company performance related and personal objectives)
<b>2015 PERSONAL OBJECTIVES</b>	In 2015, the Individual Objectives focused on the global IT strategy, the execution of BIC's long term strategic roadmap and BIC's Leadership succession plan (notably for the positions of General Counsel and General Manager of the Lighters Category).	

At the end of the year, collective and individual achievements in each criteria were assessed as excellent and have been rewarded with the maximum bonus (140% of the target bonus of each criteria). The Board has therefore decided to pay Mario Guevara a bonus amounting to 1,417,500 USD (1,277,948 EUR), representing 175% of base salary and 140% of the target bonus.

### VARIABLE LONG-TERM COMPENSATION IN PERFORMANCE SHARES

22,500 Performance shares were granted to Mario Guevara in February 2015.

The amount of shares granted is a function of personal performance and benchmark data for the position which are periodically reviewed.

Performance shares are subject to two company performance conditions which must be achieved over the fiscal years 2015-2016-2017:

- Net Sales growth at constant currencies;
- Cash Flow from operations and change in inventory, as a percentage of net sales.

These criteria are demanding by design, because the measures are based on growth by percentage versus measures based on growth in value.

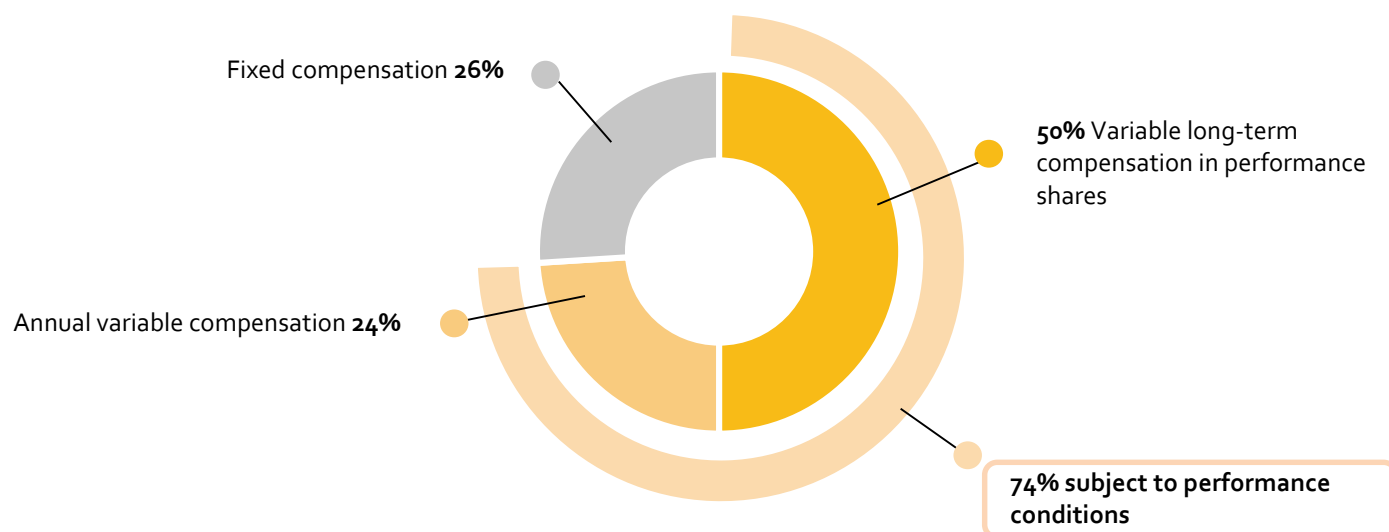
BIC plans are subject to the same performance criteria since 2005.

For each performance % achievement below target, 2% of the initial grant is forfeited.

The table below shows the achievement of each plan for the last 10 years:

Plan N°	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	Plan 9	Average
Performance period (3 years)	(2005-6-7)	(2006-7-8)	(2007-8-9)	(2008-9-10)	(2009-10-11)	(2010-11-12)	(2011-12-13)	(2012-13-14)	(2013-14-15)	
% Achievement of 3-year <b>NET SALES</b> performance targets	84.8	66.4	95.2	147.1	119.1	89.2	76.8	88.1	108.1	95.8
% Achievement of 3-year <b>CASH FLOW</b> performance targets	85.5	88.2	98.6	99.7	110.1	103.1	98.9	105.8	98.9	98.7
% Achievement of the above performance targets	85	77	97	> 100	> 100	96	88	97	> 100	93.5
Final Vesting: % of initial share grant definitely acquired	70	54	94	100	100	92	76	94	100	87

### 6.3 EXECUTIVE VICE-PRESIDENT COMPENSATION – FRANÇOIS BICH



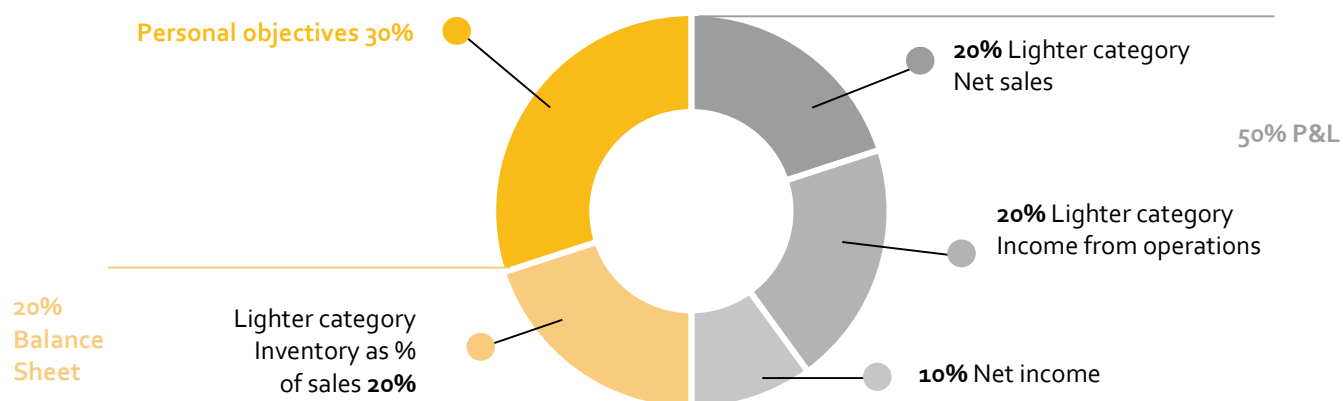
#### ANNUAL FIXED COMPENSATION

In 2015, the total fixed remuneration for François Bich was 490,000 euros.

#### ANNUAL VARIABLE COMPENSATION

The annual bonus paid to François Bich is calculated on the basis of five criteria determined by the Board of Directors at the beginning of the fiscal year upon proposal of the

Compensation and Nomination Committee. 70% of these criteria relate to Company and Category Lighters performance and 30% relate to personal objectives.



**2015 TOTAL BONUS PAID (company performance related and personal objectives)**

At the end of the year, individual and collective achievements in each criteria were assessed as excellent and were rewarded with the maximum bonus (150% of the target bonus of each criteria). The Board has therefore decided to pay François Bich a bonus amounting to 441,000 euros, representing 90% of the base salary and 150% of the target bonus.

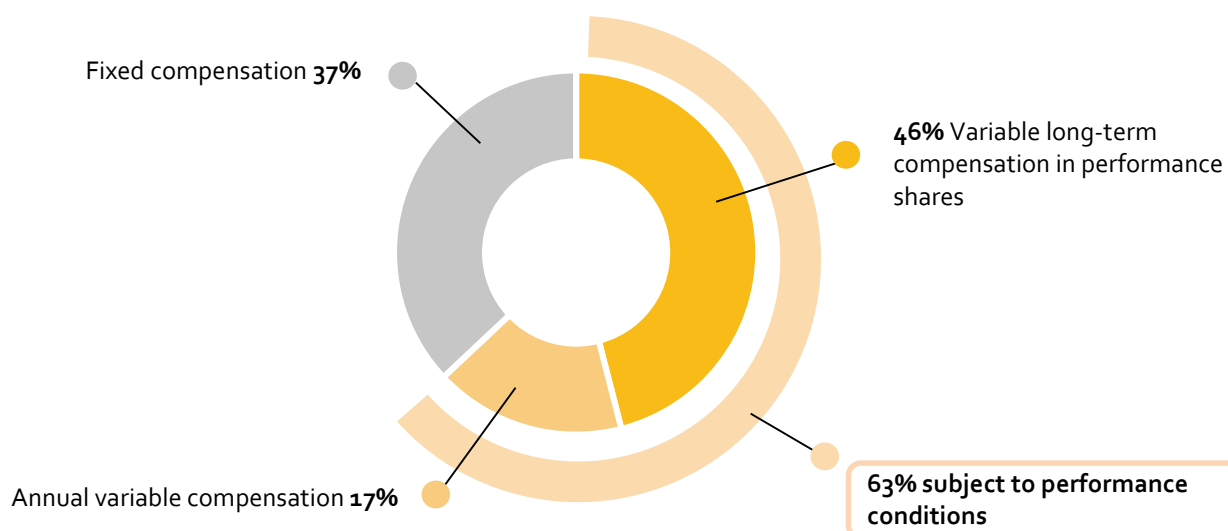
**VARIABLE LONG-TERM COMPENSATION IN PERFORMANCE SHARES**

8,000 Performance shares were granted to François Bich in February 2015.

The amount of shares granted is a function of personal performance and benchmark data for the position which are periodically reviewed.

Performance shares are subject to the same criteria as outlined above for Mario Guevara.

### 6.4 EXECUTIVE VICE-PRESIDENT COMPENSATION – MARIE-AIMÉE BICH-DUFOUR



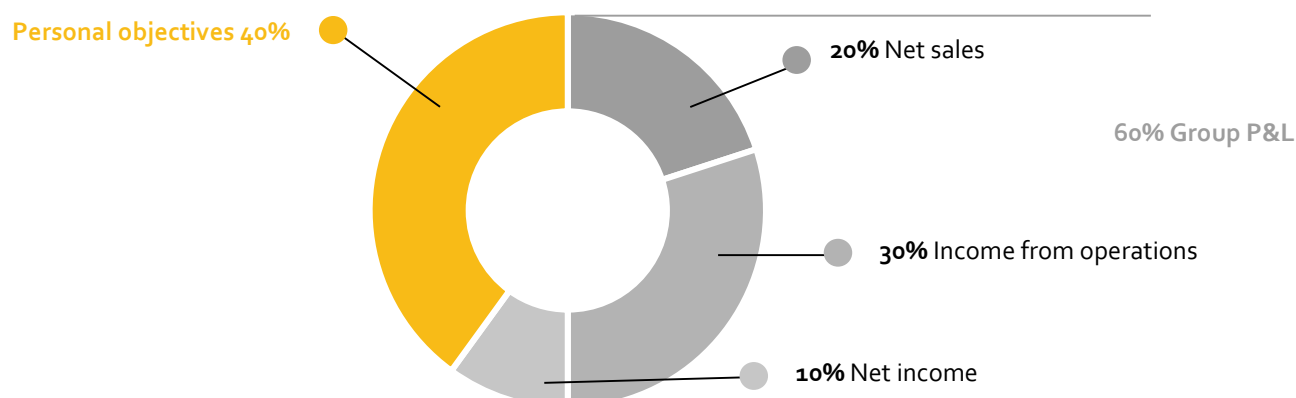
#### ANNUAL FIXED COMPENSATION

In 2015, the total fixed remuneration for Marie-Aimée Bich-Dufour was 295,000 euros.

#### ANNUAL VARIABLE COMPENSATION

The annual bonus paid to Marie-Aimée Bich-Dufour is calculated on the basis of four criteria determined by the Board of Directors at the beginning of the fiscal year upon

proposal of the Compensation and Nomination Committee. 60% of these criteria relate to Company performance and 40% relate to personal objectives.



**2015 TOTAL BONUS PAID (company performance related and personal objectives)**

At the end of the year, as a result of individual and collective achievements in each criteria, the Board decided to pay Marie-Aimée Bich-Dufour a bonus amounting to 139,122 euros, representing 47.16% of the base salary and 105% of the target bonus.

**VARIABLE LONG-TERM COMPENSATION IN PERFORMANCE SHARES**

3,250 Performance shares were granted to Marie-Aimée Bich-Dufour in February 2015.

The amount of shares granted is a function of personal performance and benchmark data for the position which are periodically reviewed.

Performance shares are subject to the same criteria as outlined above for Mario Guevara.

## 7. Financial statements

### 7.1 CONSOLIDATED FINANCIAL STATEMENTS

#### INCOME STATEMENT

<i>(in thousand euros)</i>	<b>Dec. 31, 2014*</b>	<b>Dec. 31, 2015</b>
Net sales	1,979,120	2,241,705
Cost of goods	(1,007,977)	(1,128,672)
<b>Gross profit</b>	<b>971,143</b>	<b>1,113,033</b>
Distribution costs	(291,341)	(314,797)
Administrative expenses	(198,181)	(234,175)
Other operating expenses	(123,218)	(140,665)
Other income	22,311	26,792
Other expenses	(11,444)	(10,331)
<b>Income from operations</b>	<b>369,271</b>	<b>439,857</b>
Income from cash and cash equivalents	10,507	14,245
Net finance income/(net finance costs)	622	12,557
<b>Income before tax</b>	<b>380,400</b>	<b>466,659</b>
Income tax expense	(114,239)	(140,158)
<b>Net income from consolidated entities</b>	<b>266,161</b>	<b>326,501</b>
Net income from continuing operations	266,161	326,501
<b>Consolidated income of which:</b>	<b>266,161</b>	<b>326,501</b>
Non-controlling interest	4,085	1,443
<b>NET INCOME GROUP SHARE</b>	<b>262,076</b>	<b>325,058</b>
Earnings per share Group share (in euros)	5.57	6.89
Diluted earnings per share Group share (in euros) (a)	5.51	6.81
Average number of shares outstanding net of treasury shares	47,063,465	47,173,339

\* Freight recharged to customers has been reclassified in 2015 as a reduction to freight costs, booked in other operating expenses (see Notes 4 and 5). As the amount as of December 31, 2014 was significant, the 2014 financial statements have been adjusted.

(a) The dilutive elements taken into account are stock options.

## BALANCE SHEET

## ASSETS

<i>(in thousand euros)</i>	Dec. 31, 2014	Dec. 31, 2015
Property, plant and equipment	482,473	508,533
Investment properties	2,116	2,150
Net goodwill	307,395	324,894
Intangible assets	94,841	96,777
Other non-current assets	25,092	28,636
Deferred tax assets	174,912	163,756
Derivative instruments	228	549
<b>Non-current assets</b>	<b>1,087,057</b>	<b>1,125,295</b>
Inventories	441,139	478,413
Income tax advance payments	10,011	11,614
Trade and other receivables	453,771	439,979
Other current assets	16,434	19,391
Derivative instruments	194	3,296
Other current financial assets	53,139	73,048
Cash and cash equivalents	352,154	385,156
Assets held for sale	15,014	-
<b>Current assets</b>	<b>1,341,856</b>	<b>1,410,897</b>
<b>TOTAL ASSETS</b>	<b>2,428,913</b>	<b>2,536,192</b>

## EQUITY AND LIABILITIES

<i>(in thousand euros)</i>	Dec 31, 2014*	Dec. 31, 2015
Share capital	179,939	180,169
Accumulated profits	1,418,186	1,652,982
Translation reserve	20,609	16,393
<b>Group Shareholders' equity</b>	<b>1,618,734</b>	<b>1,849,544</b>
Non-controlling interests	28,836	-
<b>Shareholders' equity</b>	<b>1,647,570</b>	<b>1,849,544</b>
Non-current borrowings	78,890	2,450
Other non-current liabilities	-	1,259
Employee benefits obligation	238,407	208,832
Provisions	55,549	41,526
Deferred tax liabilities	46,488	52,506
Derivative instruments	138	134
<b>Non-current liabilities</b>	<b>419,472</b>	<b>306,707</b>
Trade and other payables	119,110	124,867
Current borrowings	6,246	7,780
Current tax due	17,354	15,183
Other current liabilities	215,384	228,406
Derivative instruments	3,776	3,705
<b>Current liabilities</b>	<b>361,871</b>	<b>379,941</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,428,913</b>	<b>2,536,192</b>

\* Figures have been adjusted as mentioned in Note 1 "Main rules and accounting policies" pursuant to the interpretation IFRIC 21 - Levies.

### INCOME STATEMENT

<i>(In thousand euros)</i>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2015</b>
Net sales	611,424	661,573
Reversal of depreciation, amortization and provisions, transfer of charges	16,832	22,823
Other income	103,316	94,303
<b>Total operating income</b>	<b>731,572</b>	<b>778,699</b>
Purchases of goods and changes in inventories	(362,946)	(396,130)
Purchases of raw materials, other supplies and changes in inventories	(19,500)	(19,772)
Other purchases and external charges	(166,442)	(167,734)
Taxes, levies and similar payments	(4,584)	(5,143)
Payroll costs	(2,234)	(2,485)
Depreciation, amortization and provisions	(28,247)	(32,473)
Other expenses	(195)	(180)
<b>Total operating expenses</b>	<b>(584,148)</b>	<b>(623,917)</b>
<b>NET OPERATING INCOME</b>	<b>147,424</b>	<b>154,782</b>
<b>NET FINANCIAL INCOME</b>	<b>104,086</b>	<b>116,416</b>
<b>NON-RECURRING INCOME AND EXPENSES</b>	<b>(2,715)</b>	<b>(4,546)</b>
Income tax	(53,445)	(55,986)
<b>NET INCOME</b>	<b>195,350</b>	<b>210,666</b>



## BALANCE SHEET

## ASSETS

(in thousand euros)	Dec. 31, 2014	Dec. 31, 2015		
	Net	Gross	Deprec., amort. and provisions	Net
Research and development expenses	-	3,823	(3,823)	-
Patents and similar rights	25,207	53,296	(37,301)	15,995
Intangible assets under construction	591	-	-	-
<b>Intangible assets</b>	<b>25,798</b>	<b>57,119</b>	<b>(41,124)</b>	<b>15,995</b>
Land	1,345	1,345	-	1,345
Buildings	1,617	15,295	(13,478)	1,817
Industrial fixtures and equipment	1,643	13,683	(12,730)	953
Other property, plant and equipment	2,988	9,239	(6,083)	3,156
Fixed assets under construction	483	798	(52)	746
<b>Property, plant and equipment</b>	<b>8,076</b>	<b>40,360</b>	<b>(32,343)</b>	<b>8,017</b>
Equity Investments	861,232	884,183	(24,120)	860,063
Loans to equity investments	-	-	-	-
Other long-term investments	59,154	53,775	-	53,775
<b>Long-term investments</b>	<b>920,386</b>	<b>937,958</b>	<b>(24,120)</b>	<b>913,838</b>
<b>Non-current assets</b>	<b>954,260</b>	<b>1,035,437</b>	<b>(97,587)</b>	<b>937,850</b>
Raw materials and supplies	1,208	1,287	-	1,287
Work-in-process goods	-	646	(646)	-
Goods	29,527	35,688	(1,839)	33,849
<b>Inventories</b>	<b>30,735</b>	<b>37,621</b>	<b>(2,485)</b>	<b>35,136</b>
Advances and prepayments paid	1,804	1,532	-	1,532
Trade receivables and related accounts	112,427	119,239	(5,815)	113,424
Other receivables	208,560	265,636	(25,891)	239,745
Short-term financial investments	149,135	181,865	-	181,865
Cash and cash equivalents	32,809	60,062	-	60,062
Prepaid expenses	995	635	-	635
Unrealized losses from foreign exchange	220	213	-	213
<b>Current assets</b>	<b>536,685</b>	<b>666,803</b>	<b>(34,191)</b>	<b>632,612</b>
<b>TOTAL ASSETS</b>	<b>1,490,945</b>	<b>1,702,240</b>	<b>(131,778)</b>	<b>1,570,462</b>

## 7 FINANCIAL STATEMENTS

### EQUITY AND LIABILITIES

	Before appropriation of earnings	
(in thousand euros)	Dec. 31, 2014	Dec. 31, 2015
Share capital	183,214	183,139
Share issue premiums, merger contributions	125,746	133,790
Legal reserve	22,410	22,410
General reserve	180,379	180,389
Retained earnings	336,134	371,023
Net income for the year	195,350	210,666
<b>Shareholders' equity</b>	<b>1,043,233</b>	<b>1,101,417</b>
Provisions for contingencies and losses	44,101	50,907
<b>Provisions for contingencies and losses</b>	<b>44,101</b>	<b>50,907</b>
Bank borrowings (Bank overdraft)	1,608	1,047
Other borrowings	293,878	303,770
<b>Financial liabilities</b>	<b>295,486</b>	<b>304,817</b>
Trade payables and related accounts	85,150	95,896
Tax and employee-related liabilities	18,118	7,381
Other liabilities	3,834	8,545
Deferred income	93	308
<b>Operating liabilities</b>	<b>107,195</b>	<b>112,130</b>
Unrealized gains from foreign exchange	930	1,191
<b>Liabilities</b>	<b>403,611</b>	<b>418,138</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>1,490,945</b>	<b>1,570,462</b>

### 7.3 FIVE-YEAR FINANCIAL SUMMARY FOR SOCIÉTÉ BIC

(in euros)	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
<b>1 - Shareholders' equity at year end</b>					
Share capital	182,941,404	184,805,095	181,976,098	183,213,854	183,139,039
Number of shares outstanding	47,890,420	48,378,297	47,637,722	47,961,742	47,942,157
Number of bonds convertible into shares	-	-	-	-	-
<b>2 - Net results</b>					
Net sales	592,596,618	557,479,419	591,748,483	611,424,057	661,573,108
Net income before tax, deprec., amort. and provisions	272,420,210	217,727,923	227,503,156	249,664,309	280,814,295
Income tax	38,603,086	25,838,033	29,267,191	53,444,920	55,985,737
Net income after tax, deprec., amort. and provisions	216,240,834	173,647,194	185,282,676	195,350,462	210,665,506
Dividend distribution (a)	188,290,448	121,761,516	119,959,980	134,247,645	278,271,488
<b>3 - Per share data</b>					
Net income after tax, but before deprec., amort. and provisions	4.88	3.97	4.16	4.09	4.69
Net income after tax, deprec., amort. and provisions	4.52	3.59	3.89	4.07	4.39
Dividend per share	4.00	2.56	2.60	2.85	5.90
<b>4 - Payroll</b>					
Non-salaried staff	3	3	3	3	3
Total payroll	1,355,399	1,381,777	1,325,148	1,440,406	1,502,331
Social welfare benefits (social security, social works)	562,015	2,867,265	1,190,885	794,168	983,317

(a) Applicable to the issued number of shares (treasury shares deducted) as of December 31. The final amount depend on the number of shares entitled to dividend the day of payment.

## 8. Authorizations of capital increase at the closing of the 2015 fiscal year

SOCIÉTÉ BIC has, as of December 31, 2015, the following authorizations which were granted by the Annual Shareholders' Meeting:

### I. Authorization of capital increase with Shareholders' pre-emptive subscription rights<sup>(a)</sup>

Maximum amount (in million euros)	Ordinary shares: 50 Complex investment securities: 650
Term	May 14, 2014 (resolutions 14 and 15)
Expiration date	26 months
Use	July 13, 2016
Term	No
Issuance price	The issuance price of ordinary shares and/or of complex investment securities (and the shares to which the latter shall give right), is set by the Board of Directors, with or without premium, in compliance with the rules and regulations in force.

(a) Articles L. 225-129, L. 228-91 and L. 228-92 of the French Commercial Code.

### II. Authorization of capital increase by capitalization of reserves, income, premiums or other<sup>(b)</sup>

Maximum amount	Total amount of reserves, profits and/or premium or other sums that may likely be capitalized into the share capital and which will exist at the moment of the decision to increase the share capital, net of the amount that may be necessary to preserve, in compliance with the law, the rights of bearers of already issued securities giving right to the shares of the Company.
Date	May 14, 2014 (resolution 16)
Term	26 months
Expiration date	July 13, 2016
Use	No

(b) Articles L. 225-129 and L. 225-130 of the French Commercial Code..

### III. Authorizations of capital increase in favor of employees and corporate officers

	Issue of shares reserved for members of an employee savings plan <sup>(c)</sup>	Granting of free shares to be issued <sup>(d)</sup>	Share subscription options <sup>(e)</sup>
Maximum amount	3% of the share capital	4% of the share capital over 38 months (with a maximum of 0.4% for the Corporate Officers) and 8% of the share capital (taking into account the stock options)	4% of the share capital over 38 months (with a maximum of 0.8% for the Corporate Officers) and 8% of the share capital (taking into account the free grant of shares)
Date	May 14, 2014 (resolution 17)	May 15, 2013 (resolution 11)	May 15, 2013 (resolution 12)
Term	26 months	38 months	38 months
Expiration date	July 13, 2016	July 14, 2016	July 14, 2016
Use in 2015	No	No	No
Issuance price	Determined by the Board of Directors pursuant to Article L. 3332-19 of the French Labor Code	-	Cannot be lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange before the day the options are granted

(c) Articles L. 225-138 and L. 225-138-1 of the French Commercial Code and L. 3332-1 et seq. of the French Labor Code.

(d) Articles L. 225-197-1 et seq. of the French Commercial Code.

(e) Articles L. 225-177 et seq. of the French Commercial Code.

The renewal of these authorizations, expiring in 2016, will be submitted to the Shareholders during the Shareholders' Meeting of May 18, 2016.

## 9. Board of Directors' report and proposed resolutions

### 9.1 ORDINARY SHAREHOLDERS' MEETING

#### PROPOSED RESOLUTIONS 1 TO 3 - APPROVAL OF THE FINANCIAL STATEMENTS – APPROPRIATION OF EARNINGS – SETTING OF DIVIDENDS

##### Board of Directors' Report:

By voting on the first and second resolutions, we ask you to approve the annual and consolidated financial statements of the fiscal year ending December 31, 2015.

The purpose of the third resolution is to allocate the net income of the fiscal year 2015 and to set the dividend.

We propose the distribution of a total dividend of 278,271,488.10 euros corresponding to a dividend per share of 5.90 euros (3.40 euros + 2.50 euros of exceptional dividend). This is a gross amount excluding social charges (currently 15.5%). The dividend will be paid as from June 1st, 2016. If the number of shares carrying rights to the dividend is not 47,164,659, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be determined on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to Article 158-3 of this Code, to French tax resident individuals. Dividends are subject to the compulsory withholding tax provided by Article 117 quater of the CGI as amended (currently 21%). A withholding-exemption can be claimed under certain conditions by the beneficiary prior to the end of November of the previous year. The compulsory withholding tax is held by the Bank.

We remind you that the dividends paid during the last three years (income eligible for the tax allowance provided for in Article 158-3 of the French Tax Code) amount to:

- 2.56 euros in respect of fiscal year 2012;
- 2.60 euros in respect of fiscal year 2013;
- 2.85 euros in respect of fiscal year 2014.

##### Proposed resolution 1 – Approval of the Statutory Accounts of Fiscal Year 2015

The Shareholders, after having considered the reports of the Board of Directors, the Chairman and the Statutory Auditors and having heard the additional explanations given during the meeting, approve the annual financial statements of the fiscal year ending December 31, 2015. They also approve all transactions presented in these accounts or summarized in these reports.

##### Proposed resolution 2 – Approval of the Consolidated Financial Statements of Fiscal Year 2015

The Shareholders, after having considered the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors and having heard the additional explanations given during the meeting, approve the consolidated financial statements of the fiscal year ending December 31, 2015. They also approve all transactions presented in these accounts or summarized in these reports.

##### Proposed resolution 3 – Appropriation of Earnings and Setting of Dividends

The Shareholders approve the total net income after deduction of income tax for the fiscal year ending December 31, 2015 of 210,665,506.66 euros and decide to allocate this amount in the following manner (in euros):

<i>Net income for 2015</i>	<b>210,665,506.66</b>
<b>To add:</b>	
Retained earnings from previous year	371,022,872.64
<b>TOTAL DISTRIBUTABLE INCOME</b>	<b>581,688,379.30</b>
<b>Appropriation of earnings:</b>	
• Works of art special reserve	19,251.60
• Dividends (excluding treasury shares)	278,271,488.10
• Retained earnings	303,397,639.60
<b>TOTAL EQUAL TO DISTRIBUTABLE INCOME</b>	<b>581,688,379.30</b>

The amount of the dividends for the fiscal year ending December 31, 2015 will be 278,271,488.10 euros corresponding to a dividend per share of 5.90 euros (3.40 euros + 2.50 euros of exceptional dividend). It will be paid as from June 1st, 2016. If the number of shares carrying rights to the dividend is not 47,164,659, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be

adjusted on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance provided for in Article 158-3 of this Code, for French tax resident individuals.

In accordance with the law, we also remind you that the following dividends were distributed during the last three years:

Fiscal year	Number of shares	Dividend per share (in euros)	Dividend entitled to the tax allowance defined in Art. 158-3 of the CGI <sup>(a)</sup>
2012	47,188,869	2.56	2.56
2013	47,080,941	2.60	2.60
2014	47,308,363	2.85	2.85
<i>(a) French Tax Code (CGI).</i>			

#### **PROPOSED RESOLUTION 4 - DETERMINATION OF THE AMOUNT OF THE DIRECTORS' FEES**

##### **Board of Directors' Report:**

It is proposed to set the amount of the Directors' fees to be allocated to the Board of Directors for fiscal year 2016 at 400,000 euros (compared to 325 thousand euros for fiscal year 2015). This progression is due to the increase of the number of non-executive Directors receiving Directors' fees in 2016.

##### **Proposed resolution 4 – Determination of the amount of the Directors' fees**

The Shareholders decide to set the annual amount of the Directors' fees to be allocated to the Board of Directors for fiscal year 2016 at 400,000 euros.

## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

### PROPOSED RESOLUTION 5 - AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO UNDERTAKE OPERATIONS WITH REGARD TO THE SHARES OF THE COMPANY

#### Board of Directors' Report:

We propose that you authorize the Board of Directors to buy back by any means, on one or more occasions, shares of the Company in accordance with the legislation in force.

This authorization may be used during public offers on the Company's shares in compliance with Article L. 233-32 of the French Commercial Code, i.e. subject to the powers expressly assigned to the Shareholders within the limit of the Company's interest.

The Company would be authorized, during a period of 18 months, to buy back its own shares for a maximum price per share of 300 euros:

- **within the limit of 10% of the share capital** on the date of the Board of Directors' decision to buy back the shares and for a maximum amount of 1.440 billion euros. This authorization would be used to fulfill the following objectives:
  - provide liquidity in the securities market pursuant to a liquidity agreement managed by an external service provider,
  - allow their subsequent remittance as payment, exchange or otherwise, within the scope of external growth operations (with the exception of mergers, demergers or contribution operations mentioned below),
  - remit the shares at the moment of the exercise of rights attached to securities giving access to the Company's share capital,
  - allocate them to employees and/or officers (in the scope of an employee saving scheme, a stock option program, free allocations of shares, etc.),
  - cancel the shares,
  - implement any market practice authorized by the Paris Stock Exchange Authority (AMF);
- **within the limit of 5% of the share capital** on the date of the Board of Directors' decision to buy back the shares and for a maximum global amount of 720 million euros. The shares would be bought back in order to be kept and subsequently remitted as payment or exchange within the scope of a merger, demerger or contribution operation.

#### SHARE BUYBACK PROGRAM - OPERATIONS REALIZED IN 2015:

Operation	Number of shares	% capital	Nominal value (in euros)	Average purchase/sale price (in euros)
Share buyback (excl. liquidity agreement) <sup>(a)</sup>	180,213	0.38	688,413.66	146.00
Liquidity agreement(a):				
• Share buyback	158,419	0.33	605,160.58	141.84
• Sale of shares	157,661	0.33	602,265.02	141.97
Shares transferred to cover free share plans	80,565	0.17	307,758.30	80.58
Canceled shares	180,213	0.38	688,413.66	146.00
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buyback transactions disclosed above amounted to 109,195.52 euros.

During the last 24 months, the Board of Directors cancelled 180,213 shares, representing 0.38% of the share capital as of December 31, 2015.

### Proposed resolution 5 – Authorization to be given to the Board of Directors to undertake operations with regard to the shares of the Company

The Shareholders, deliberating in compliance with the provisions of Article L. 225-209 of the French Commercial Code, of the General Regulation of the Paris Stock Exchange Authority (AMF), of European Commission Regulation No. 2273/2003 of December 22, 2003, and after considering the report of the Board of Directors, authorize the Board of Directors to buy back by any means, on one or more occasions, the shares of the Company:

1. Within the limit of a number of shares representing a maximum of 10% of its share capital on the date of the Board of Directors' decision to buy back the shares:
  - for a maximum amount of 1.440 billion euros, under the conditions and limits provided by the laws and regulations in force;
  - for a maximum purchase price of 300 euros, exclusive of costs.

In accordance with the above-mentioned dispositions and with the market practices allowed by the Paris Stock Exchange Authority (AMF), this authorization can be used by the Board of Directors in order to:

- provide liquidity and stimulate the market of the securities of the Company through an investment service provider acting independently in the name and on behalf of the Company, pursuant to a liquidity agreement compliant with professional ethics standards recognized by the Paris Stock Exchange Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations (with the exception of mergers, demergers or contribution operations referred to in paragraph 2 below) in accordance with the market practices approved by the Paris Stock Exchange Authority;
- remit them at the moment of the exercise of rights attached to the securities giving access to the Company's share capital by redemption, conversion, exchange, presentation of a warrant or by any other means;
- allocate them to employees and officers under the conditions and according to the methods prescribed by the law, notably within the scope of employee profit-sharing schemes, the stock option program, the free allocation of shares plan or through an employee savings scheme;
- cancel them entirely or partly, according to the conditions provided by the regulations in force, by reducing accordingly the share capital, within the limit of 10% of the capital existing on the cancellation date, per

period of 24 months, subject to the adoption at the Extraordinary Shareholders' Meeting of resolution 14 hereunder;

- implement all market practices that may be authorized by the Paris Stock Exchange Authority.
2. Within the limit of a number of shares representing a maximum of 5% of its share capital on the date of the Board of Directors' decision to buy back the shares:
    - for a maximum amount of 720 million euros;
    - for a maximum purchase price fixed at 300 euros, exclusive of costs;
 and in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation.

The limits provided in paragraphs 1 and 2 above are not cumulative and the Company cannot at any time, directly or through a third party, hold more than 10% of the total number of its own shares forming the share capital.

The acquisition, assignment, transfer or exchange of shares can be carried out by the Board of Directors by any means, on one or more occasions, notably on the market, over the counter or in block and if necessary, having recourse to option mechanisms or to derivative financial instruments negotiated on a regulated market or by mutual consent, excluding the sale of put options, in accordance with the conditions authorized by the legal, regulatory and stock exchange rules in force, and at the times when the Board of Directors or its proxy shall deem appropriate, or by a third party acting on behalf of the Company in compliance with the provisions of the last paragraph of Article L. 225-206 of the French Commercial Code. It is specified that the part of the share buyback program realized by acquisition or transfer of blocks of shares may represent the entire program.

The Shareholders decide that the maximum purchase price per share, excluding costs, should not exceed that of the last independent transaction or, if it is higher, that of the highest current independent offer on the market where the purchase is made.

In the case where the options provided in the fifth paragraph of Article L. 225-209 of the French Commercial Code were used, the sale price (in the event that such a sale price would be necessary) shall thus be determined in accordance with the legal provisions in force.

The acquisition of shares of the Company realized pursuant to this authorization shall also comply with the rules enacted by the Paris Stock Exchange Authority regarding the conditions and the periods of intervention on the market. The Company shall abstain from buying more than 25% of the daily average quantity of shares traded on the regulated market where the purchase is made.



## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 6, 2015 (Resolution 5). This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting.

This authorization may be used during public offers on the Company's shares in compliance with the legislation in force.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the shares of the Company acquired pursuant to this authorization must be registered and must be entirely paid up upon their acquisition. These acquisitions must not have the effect of reducing the net equity to an amount lower than that of the capital increased by non-distributable reserves. Finally, the Company must have reserves (other than the legal reserve) amounting to at least the value of all the shares that the Company owns directly or through a third party.

Within the scope of its global financial management, the Company reserves itself the possibility of using part of its available financial resources to finance the purchase of the shares and to resort to debt to finance the additional needs that may exceed its internal financing.

The Board of Directors shall inform the Shareholders, in its annual management report, of the operations realized pursuant to this authorization.

The Shareholders confer all powers to the Board of Directors to implement this share buyback program and notably to:

- assess opportunities and proceed with the share buyback authorized by this resolution;
- prepare and publish, before the realization of a share buyback program, a description of the share buyback program, in accordance with the conditions and methods set by the General Regulations of the Paris Stock Exchange Authority;
- place all stock market orders, conclude all agreements in particular regarding the holding of the purchases and sales register;
- inform the market and the Paris Stock Exchange Authority of operations carried out, in compliance with the General Regulations of the Paris Stock Exchange Authority;
- delegate to the Chief Executive Officer or, in agreement with the latter, to one or several Executive Vice-Presidents, the authority necessary for the realization of the share buyback program;
- make all declarations and carry out any other formalities and, as a general rule, do all that is necessary to carry out the foregoing authorization.

### PROPOSED RESOLUTIONS 6 TO 8 - REAPPOINTMENT OF MR. BRUNO BICH, MR. MARIO GUEVARA AND MS. ELIZABETH BASTONI AS DIRECTORS OF THE BOARD

#### Board of Directors' Report:

It is proposed to the Shareholders to reappoint Bruno Bich, Mario Guevara and Elizabeth Bastoni as Directors for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2019 upon the approval of the accounts of the fiscal year ending December 31, 2018.

Mario Guevara having announced to the Board of Directors of February 16, 2016 his willingness to retire, his mandate of Chief Executive Officer will not be renewed. We nevertheless propose you to renew his mandate of Director in order to allow your Company to continue to benefit from his experience and knowledge.

Following the Shareholders' Meeting, the Board of Directors intends to combine the Chairman and Chief Executive Officer functions and to appoint Bruno Bich as Chairman and Chief Executive Officer. The temporary combination of these functions will allow Bruno Bich to continue to develop a Chief Executive Officer successor.

Bruno Bich will reach the 70 years old age limit currently set forth in the articles of incorporation. Therefore, in parallel with the renewal of his mandate of Director, the Board of Directors proposes you, in resolution 22, to modify the articles of incorporation in order to set at 72 years old the age limit of the Chairman, the Chief Executive Officer and the Executive Vice-Presidents.



## MR. BRUNO BICH

**Chairman of the Board of Directors****Basis of the appointment**

Article L. 225-18 of the French Commercial Code

**Independent Director**

No

**Date of 1<sup>st</sup> appointment**

Annual Shareholders' Meeting of June 2, 1986

**Member of a committee**

No

**Professional address**

SOCIÉTÉ BIC  
14 rue Jeanne d'Asnières  
92110 Clichy – France

**Main position**

Bruno Bich was Chairman and Chief Executive Officer of SOCIÉTÉ BIC from May 27, 1993 to February 28, 2006.

He has been Chairman of the Board of Directors of SOCIÉTÉ BIC since March 1, 2006.

**Other current mandates or functions**

Chairman of the Board of Directors - Cello Plastic Products Private Ltd.<sup>(1)</sup> - India  
Chairman of the Board of Directors - Cello Stationery Products Private Ltd.<sup>(1)</sup> - India  
Chairman of the Board of Directors - Cello Tips and Pens Private Ltd.<sup>(1)</sup> - India  
Chairman of the Board of Directors - Cello Writing Aids Private Ltd.<sup>(1)</sup> - India  
Chairman of the Board of Directors - Cello Writing Instruments and Containers Private Ltd.<sup>(1)</sup> - India  
Chairman of the Board of Directors - Pentek Pen and Stationery Private Ltd.<sup>(1)</sup> - India  
Chairman of the Board of Directors - Cello Pens Private Ltd.<sup>(1)</sup> - India  
Director, Member of the Control Committee - Seb<sup>(2)</sup> - France  
Member of the International Advisory Board - Edhec - France  
Trustee - Harlem Academy - U.S.

**Expired mandates or functions in the previous five years (non-BIC Group companies)**

Member of the Supervisory Board - Bluwan - France  
Co-founder, Member of the Supervisory Board - Management Institute of Paris – M.I.P. (merged with EDHEC Group) – France

**Biography**

Since March 1, 2006, Bruno Bich has been Chairman of the Board of Directors of SOCIÉTÉ BIC (mother company of BIC Group). In 1993, he was appointed Chairman and Chief Executive Officer of SOCIÉTÉ BIC, succeeding the Company founder, Marcel Bich.

Prior to 1993, Bruno Bich served for nine years as Chairman and Chief Executive Officer of BIC CORPORATION, the Group's North American subsidiary. He had previously held several key corporate positions in this subsidiary including Vice-President Sales and Marketing and Sales Director.

Bruno Bich holds a bachelor's degree in marketing and finance from New York University. He began his career by working for five years in the corporate finance department of White, Weld & Company, an investment banking firm.

69 years old

**Nationality:**

French/American

**Number of BIC shares held:**

Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2015, SOCIÉTÉ M.B.D. held 26.37% of SOCIÉTÉ BIC share capital and 36.40% of the voting rights.

(1) BIC Group.  
(2) Listed company.

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### MR. MARIO GUEVARA

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#### Chief Executive Officer and Director

#### Basis of the appointment

Article L. 225-18 of the French Commercial Code

#### Independent Director

No

#### Date of 1<sup>st</sup> appointment

Director: Annual Shareholders' Meeting of May 22, 2001

Chief Executive Officer: March 1, 2006

56 years old

#### Member of a committee

No

#### Nationality:

Mexican/American

#### Professional address

BIC INTERNATIONAL

One BIC Way,

Suite 1 Shelton,

CT – 06484 – 6299 – U.S.

#### Number of BIC shares held:

36,050

#### Main position

Chief Executive Officer of SOCIÉTÉ BIC since March 1, 2006.

#### Other current mandates or functions

Chairman of the Board of Directors, Chief Executive Officer - BIC CORPORATION<sup>(1)</sup> - U.S.

Chief Executive Officer, Director - BIC INTERNATIONAL Co<sup>(1)</sup> - U.S.

Director - BIC Japan Co Ltd<sup>(1)</sup> - Japan

#### Expired mandate or function in the previous five years (non BIC Group companies)

None

#### Biography

Chief Executive Officer of SOCIÉTÉ BIC since March 1, 2006, Mario Guevara began his career at BIC in 1992 as Manager of BIC Mexico before becoming the Manager for South America in 1998. Following this, he held the position of Chairman of BIC CORPORATION in charge of North, Central and South America from 2001 to March 10, 2004 and then Executive Vice-President in charge of SOCIÉTÉ BIC operations until February 28, 2006.

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(1) BIC Group.

**MRS. ELIZABETH BASTONI****Director****Basis of the appointment**

Article L. 225-18 of the French Commercial Code

**Independent Director**

Yes

**Date of 1<sup>st</sup> appointment**

Annual Shareholders' Meeting of May 15, 2013

**Member of a committee**

Compensation and Nomination Committee

**Professional address**

Bastoni Consulting Group, LLC  
2606 E Garfield Street  
Seattle, WA 98112  
U.S.

**Main position**

President of Bastoni Consulting Group, LLC (non-listed company)

**Other current mandate or function**

None

**Expired mandates or functions in the previous five years (non BIC Group companies)**

Head of Human Resources at B.M.G.I. – U.S.

Human Resources consultant - EBB LLC - U.S.

Director, Chairman of the Compensation Committee - Rezidor Hotel Group<sup>(1)</sup> - Sweden

Director, Chairman of the Compensation Committee - Carlson Wagonlit Travel - France

Executive Vice-President, Human Resources and Communication - Carlson - U.S.

**Biography**

An American citizen, Elizabeth Bastoni holds a Bachelor of Arts degree with a concentration in Accounting from Providence College, Providence, RI (U.S.). She also has a degree in French Civilization from Paris' Sorbonne University (Paris IV). She is a former student of the École du Louvre.

Having lived and worked for over 18 years in France, Elizabeth Bastoni held various executive roles at KPMG, Lyonnaise des Eaux and Thales in Paris. From 2005 to 2010, she was Head of the Compensation, Benefits and International Mobility for The Coca-Cola Company in Atlanta, GA (U.S.).

From February 2011 to October 2012, she was Executive Vice-President, Chief Human Resources and Communications Officer for the Carlson Group. From March 2011 to October 2012, she was a Director of the Board and Chairman of the Compensation Committee of Carlson Wagonlit Travel. She was also Director and Chairman of the Compensation Committee of The Rezidor Hotel Group from April 2011 to April 2013.

**Proposed resolution 6 – Reappointment of Mr. Bruno BICH as Director of the Board**

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. Bruno BICH as Director of the Board. The term of the mandate of Mr. Bruno BICH will thus expire at the end of the Shareholders' Meeting called to vote in 2019 upon the approval of the financial statements for the fiscal year ending December 31, 2018.

**Proposed resolution 7 – Reappointment of Mr. Mario GUEVARA as Director of the Board**

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. Mario GUEVARA as Director of the Board. The term of the mandate of Mr. Mario GUEVARA will thus expire at the end of the Shareholders' Meeting called to vote in 2019 upon the approval of the financial statements for the fiscal year ending December 31, 2018.

**Proposed resolution 8 – Reappointment of Ms. Elizabeth BASTONI as Director of the Board**

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Ms. Elizabeth BASTONI as Director of the Board. The term of the mandate of Ms. Elizabeth BASTONI will thus expire at the end of the Shareholders' Meeting called to vote in 2019 upon the approval of the financial statements for the fiscal year ending December 31, 2018.

(1) Listed company.

## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

### PROPOSED RESOLUTIONS 9 TO 12 - OPINION ON THE COMPENSATION ELEMENTS DUE OR AWARDED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015 TO THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE VICE-PRESIDENTS

#### Board of Directors' Report:

In accordance with the Guidelines for the application of the AFEF/MEDEF's Corporate Governance Code for listed corporations, the table below lists the compensation elements due or awarded to Bruno Bich, Mario Guevara, François Bich and Marie-Aimée Bich-Dufour for the fiscal year 2015. These elements are described in more detail in the 2015 registration document (see *Chapter 3, section 3.3.1. Senior Management Compensation*).

#### BRUNO BICH, CHAIRMAN OF THE BOARD OF DIRECTORS

Compensation due or awarded in respect of the fiscal year 2015	Amounts or accounting valuation submitted for opinion	Presentation
Fixed compensation 2015	196,000 euros	+2.08% versus 2014
Annual variable compensation	N/A	The principle of this compensation has not been provided for.
Deferred variable compensation	N/A	The principle of this compensation has not been provided for.
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	N/A	No allocation
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	N/A	Absence
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause
Supplementary pension plan	N/A	No supplementary pension plan has been put in place for Bruno Bich with regard to his mandate of Chairman of the Board or any other current mandate within the Group.

**MARIO GUEVARA, CHIEF EXECUTIVE OFFICER**

Compensation due or awarded in respect of the fiscal year 2015	Amounts or accounting valuation submitted for opinion <sup>(a)</sup>	Presentation
Fixed compensation 2015	810,000 USD (730,256 euros)	+3.05% versus 2014
Annual variable compensation due in respect of 2015	1,417,500 USD (1,277,948 euros) The bonus paid for 2015 equals 175% of base salary and represents 140% of the bonus target.	The bonus is calculated on the basis of six criteria: <ul style="list-style-type: none"> <li>▪ net sales (20%);</li> <li>▪ income from operations (20%);</li> <li>▪ net income (10%);</li> <li>▪ inventory (10%);</li> <li>▪ receivables (10%);</li> <li>▪ individual qualitative objectives regarding the implementation of the Group strategy (30%).</li> </ul> Target bonus is 125% of base salary. The maximum bonus is 175% of base salary, equivalent to 140% of target bonus.
Deferred variable compensation	N/A	Absence
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	22,500 performance shares granted in 2015. Valuation according to the method used for the consolidated financial statements: 2,578,725 euros. With regard to the performance shares plans, Mario Guevara received a gross remuneration of 67 406 USD (60 770 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period.	Share acquisition depends on two performance conditions: <ul style="list-style-type: none"> <li>▪ net sales growth;</li> <li>▪ cash flow from operations and change in inventory, as a percentage of net sales.</li> </ul> These criteria are demanding per nature (growth versus value). The grant represents 0.04% of the share capital. Annual Shareholders' Meeting date: May 15, 2013. Board of Directors' Meeting date: Feb. 10, 2015.
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	116,808 USD (105,307 euros)	<ul style="list-style-type: none"> <li>▪ Car allowance: 19,200 USD (17,310 euros);</li> <li>▪ Company contributions to Company U.S. savings plan: <ul style="list-style-type: none"> <li>- 401K: 7,950 USD (7,167 euros),</li> <li>- Executive Compensation Plan: 32,400 USD (29,210 euros);</li> </ul> </li> <li>▪ Other: 57,258 USD (51,620 euros)</li> </ul>
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause
Supplementary pension plan	The amount of pension liability as of December 31, 2015 is 11,254,098 USD (10,146,140 euros)	Mario Guevara contributes to the BIC CORPORATION Supplementary Executive Retirement Plan. This plan provides a pension equal to 2.5% of the average remuneration of the last three years of service, by year of service, with a maximum of 50% (i.e. 20 years of service) including the pension granted by the U.S. Qualified Pension Plan. Mario Guevara has been contributing to this plan since 2001, which is significantly in advance of his appointment as a Corporate Officer of SOCIÉTÉ BIC.

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2015 (1 euro = 1.1092 U.S. dollars)

## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

### FRANÇOIS BICH, DIRECTOR AND EXECUTIVE VICE-PRESIDENT

Compensation due or awarded in respect of the fiscal year 2015	Amounts or accounting valuation submitted for opinion	Presentation
Fixed compensation 2015	490,000 euros	+2.08% versus 2014
Annual variable compensation due in respect of 2015	The bonus paid for 2015 equals 90% of base salary, represents 150% of the bonus target and amounts to 441,000 euros.	<p>The bonus is calculated on the basis of five criteria:</p> <ul style="list-style-type: none"> <li>▪ net sales (20%);</li> <li>▪ income from operations (20%);</li> <li>▪ net income (10%);</li> <li>▪ inventory (20%);</li> <li>▪ individual qualitative objectives (30%).</li> </ul> <p>Target bonus is 60% of base salary. The maximum bonus is 90% of base salary, equivalent to 150% of target bonus.</p>
Deferred variable compensation	N/A	The principle of this compensation has not been provided for.
Multi-year variable compensation	N/A	The principle of this compensation has not been provided for.
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	8,000 performance shares granted in 2015. Valuation according to the method used for the consolidated financial statements: 916,880 euros.	<p>Share acquisition depends on two performance conditions:</p> <ul style="list-style-type: none"> <li>▪ net sales growth;</li> <li>▪ cash flow from operations and change in inventory, as a percentage of net sales.</li> </ul> <p>These criteria are demanding per nature (growth versus value). The grant represents 0.01% of the share capital. Annual Shareholders' Meeting date: May 15, 2013. Board of Directors' Meeting date: Feb. 10, 2015.</p>
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	3,672 euros	Company car
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause
Supplementary pension plan	The amount of pension liability as of December 31, 2015 is 5,660,821 euros.	<p>François Bich contributes to the Supplementary Executive Retirement Plan for BIC executives in France. This plan, which is an additional pension plan, provides a supplementary pension to the compulsory plans, equal to 1.25% of the average remuneration of the last three years of service, based on years of membership of the plan, with a maximum of 25% (i.e. 20 years). In addition, the consolidation of all his pension rights cannot exceed a replacement rate of 50%.</p> <p>The regulated agreements procedure was followed for this pension plan. Board of Directors' Meeting: May 19, 2005. Shareholders' Meeting: May 24, 2006 (Resolution 5).</p>

**MARIE-AIMÉE BICH-DUFOUR, EXECUTIVE VICE-PRESIDENT**

Compensation due or awarded in respect of the fiscal year 2015	Amounts or accounting valuation submitted for opinion	Presentation
Fixed compensation 2015	295,000 euros.	+2.08% versus 2014
Annual variable compensation due in respect of 2015	The bonus paid for 2015 equals 47.16% of base salary, represents 105% of the bonus target and amounts to 139,122 euros.	<p>The bonus is calculated on the basis of four criteria:</p> <ul style="list-style-type: none"> <li>▪ net sales (20%);</li> <li>▪ income from operations (30%);</li> <li>▪ net income (10%);</li> <li>▪ individual qualitative objectives (40%).</li> </ul> <p>Target bonus is 45% of base salary. The maximum bonus is 67.5% of base salary, equivalent to 150% of target bonus.</p>
Deferred variable compensation	N/A	The principle of this compensation has not been provided for.
Multi-year variable compensation	N/A	The principle of this compensation has not been provided for.
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	3,250 performance shares granted in 2015. Valuation according to the method used for the consolidated financial statements: 372,483 euros.	<p>Shares acquisition depends on two performance conditions:</p> <ul style="list-style-type: none"> <li>▪ net sales growth;</li> <li>▪ cash flow from operations and change in inventory, as a percentage of net sales.</li> </ul> <p>These criteria are demanding per nature (growth versus value). The grant represents 0.01% of the share capital. Annual Shareholders' Meeting date: May 15, 2013. Board of Directors' Meeting date: Feb. 10, 2015.</p>
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	1,488 euros	Company car
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause
Supplementary pension plan	The amount of pension liability as of December 31, 2015 is 3,060,216 euros.	<p>Marie-Aimée Bich-Dufour contributes to the Supplementary Executive Retirement Plan for BIC executives in France. This plan, which is an additional pension plan, provides a supplementary pension to the compulsory plans, equal to 1.25% of the average remuneration of the last three years of service, based on years of membership of the plan, with a maximum of 25% (i.e. 20 years). In addition, the consolidation of all her pension rights cannot exceed a replacement rate of 50%.</p> <p>The regulated agreements procedure was followed for this pension plan. Board of Directors' Meeting: May 19, 2005. Shareholders' Meeting: May 24, 2006 (resolution 5).</p>

## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

### **Proposed resolution 9 – Opinion on the compensation elements due or awarded to Bruno BICH, Chairman of the Board of Directors, for the fiscal year ended December 31, 2015**

The Shareholders, deliberating under the conditions of quorum and majority required by the Ordinary Shareholders' Meetings, issue a favorable opinion on the compensation elements due or awarded to Bruno BICH, Chairman of the Board of Directors, for the fiscal year ended December 31, 2015, as described in the Board of Directors' Report and in the 2015 registration document (see *Chapter 3, section 3.3.1. Senior Management Compensation*).

### **Proposed resolution 10 – Opinion on the compensation elements due or awarded to Mario GUEVARA, Chief Executive Officer, for the fiscal year ended December 31, 2015**

The Shareholders, deliberating under the conditions of quorum and majority required by the Ordinary Shareholders' Meetings, issue a favorable opinion on the compensation elements due or awarded to Mario GUEVARA, Chief Executive Officer, for the fiscal year ended December 31, 2015, as described in the Board of Directors' Report and in the 2015 registration document (see *Chapter 3, section 3.3.1. Senior Management Compensation*).

### **Proposed resolution 11 – Opinion on the compensation elements due or awarded to François BICH, Executive Vice-President, for the fiscal year ended December 31, 2015**

The Shareholders, deliberating under the conditions of quorum and majority required by the Ordinary Shareholders' Meetings, issue a favorable opinion on the compensation elements due or awarded to François BICH, Executive Vice-President, for the fiscal year ended December 31, 2015, as described in the Board of Directors' Report and in the 2015 registration document (see *Chapter 3, section 3.3.1. Senior Management Compensation*).

### **Proposed resolution 12 – Opinion on the compensation elements due or awarded to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for the fiscal year ended December 31, 2015**

The Shareholders, deliberating under the conditions of quorum and majority required by the Ordinary Shareholders' Meetings, issue a favorable opinion on the compensation elements due or awarded to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for the fiscal year ended December 31, 2015, as described in the Board of Directors' Report and in the 2015 registration document (see *Chapter 3, section 3.3.1. Senior Management Compensation*).

## **PROPOSED RESOLUTION 13 - APPROVAL OF A REGULATED AGREEMENT**

### **Board of Directors' Report:**

We propose that you approve a waiver of debt from SOCIÉTÉ BIC in favor of its Indian subsidiary Cello Pens Pvt. Ltd. for an amount of 176,417 euros. This debt follows rendered services under a management fees agreement, at the time when some minor shareholders were still part of the subsidiary. The details of this debt waiver are specified in the Statutory Auditors' Special Report on regulated agreements and commitments.

### **Proposed resolution 13 – Approval of a regulated agreement**

The Shareholders', after having been advised by the Statutory Auditors' Special Report on regulated agreements and commitments mentioned in Articles L. 225-38 *et seq.* of the French Commercial Code, approves the new agreement mentioned in this Report.



## 9.2 EXTRAORDINARY SHAREHOLDERS' MEETING

### PROPOSED RESOLUTION 14 - AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF SHARES ACQUIRED IN ACCORDANCE WITH ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE

#### Board of Directors' Report:

We propose that you renew the authorization given to the Board of Directors, for a period of 18 months, to:

- cancel, within the limit of 10% of the share capital per period of 24 months, all or part of the shares held in the framework of the share buyback program authorized by the fifth resolution and to decrease the share capital accordingly;
- charge the difference between the buyback price of the cancelled shares and their nominal value to premiums and available reserves.

#### Proposed resolution 14 – Authorization to be given to the Board of Directors to reduce the share capital by cancellation of shares acquired in accordance with Article L. 225-209 of the French Commercial Code

The Shareholders, after having considered the Board of Directors' Report and the Statutory Auditor's Report, deliberating in accordance with the provisions of Article L. 225-209 of the French Commercial Code, authorize the Board of Directors:

- on its sole deliberations, at the times it deems it necessary, to cancel on one or more occasions, by a reduction of said share capital accordingly, all or part of the shares of the Company acquired or to be acquired by the Company within the scope of the buyback of shares authorized by previous Shareholders' Meetings or by the fifth resolution above, within the limit of 10% of the share capital existing on the date of the Shareholders' Meeting, per period of 24 months;

- to charge the difference between the buyback price of the cancelled shares and their nominal value to available premiums and reserves.

The Shareholders delegate to the Board of Directors all authority to proceed with the cancellation(s) of these shares, to take note of the corresponding reduction(s) in share capital, to charge the difference between the carrying amount of cancelled shares and their nominal value to all reserve accounts or others, to proceed with the modification of the articles of incorporation accordingly, to carry out all formalities, make all declarations with all authorities or administrative bodies and in a general manner, do all that may be necessary to carry out the foregoing authorization.

This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting and replaces that given at the Shareholders' Meeting held on May 6, 2015 (Resolution 14).

### PROPOSED RESOLUTION 15 - DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING NEW ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO THE SHARE CAPITAL, WITH PRESERVATION OF SHAREHOLDERS' PREFERENTIAL RIGHTS OF SUBSCRIPTION

#### Board of Directors' Report:

We propose that you delegate to the Board of Directors the authority to proceed, in France or abroad, to one or several issuance(s) of new ordinary shares of the Company and/or of securities giving access by any means to the Company's share capital, with preservation of Shareholders' preferential rights of subscription.

This system is intended to give your Board of Directors the opportunity to react quickly to the financial needs of the Company, allowing it also to select, in due time, the most appropriate type of securities to be issued. The authorization would cover the issuance of ordinary shares and/or any securities giving access to the share capital, notably for example, shares with warrants, bonds with warrants, bonds convertible into shares or equity warrants.

The total nominal amount of issuances likely to be realized would not exceed:

- 50 million euros for issuance of ordinary shares;
- 650 million euros for issuance of Compound Investment Securities, such an amount including the nominal value of shares to which these securities would give right.

To these amounts, shall be added, if necessary, the extra/surplus nominal amount of shares to be issued in order to preserve, in compliance with the law, the rights of bearers of already issued investment securities giving right to shares.

We remind you that the decision to issue securities giving right to the share capital would also prevail over renunciation by the Shareholders of their preferential rights of subscription to the share capital to which the securities issued would give right.

We propose that you decide that if the subscriptions on an irreducible basis and, if applicable, on a reducible basis, do not absorb all the ordinary shares and/or securities issued, the Board may make an offer to the public of all or part of the unsubscribed shares.

This delegation of authority would be given for a period of 26 months starting from the date of this Shareholders' Meeting and would replace the delegation given to the Board of Directors at the Shareholders' Meeting of May 14, 2014 (resolution 14).

This delegation may be used during public offers on the Company's shares in compliance with Article L. 233-32 of the French Commercial Code, i.e. subject to the powers expressly assigned to the Shareholders within the limits of the Company's interest.

If necessary, the Board of Directors will keep you informed about the use of this delegation of authority under the conditions provided by law.

#### Proposed resolution 15 – Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the capital, with preservation of Shareholders' preferential rights of subscription

The Shareholders after having noted that the share capital of the Company is fully paid up and after having considered the Board of Directors' Report and the Statutory Auditors' Special Report, deliberating in compliance with Articles L. 225-129 *et seq.*, L. 228-91 and L. 228-92 of the French Commercial Code, delegate authority to the Board of Directors to decide immediately or when due, with preservation of Shareholders' preferential rights of subscription, in France and/or abroad, either in euros, in foreign currency or in any unit of account established by reference to a set of currencies:

- one or several increases of the share capital, by cash contribution and issuing of new ordinary shares of the

Company; and/or

- one or several issues of securities (hereinafter the "Compound Investment Securities" "Valeurs Mobilières Composées") giving access by any means to the Company's share capital.

The Shareholders decide that the total nominal amount of issuances likely to be realized shall not exceed:

- 50 million euros for issuance of ordinary shares;
- 650 million euros for issuance of Compound Investment Securities, such amount including the nominal value of shares to which these Investment Securities will give right;

having specified that to these amounts, shall be added, if necessary, the extra/surplus nominal amount of shares to be issued in order to preserve, in compliance with the law, the rights of the bearers of already issued investment securities giving right to shares.

Consequently, the Shareholders delegate authority to the Board of Directors to, notably and without this list being considered as restrictive:

- assess the timeliness of deciding whether or not to carry out one or several increase(s) of the share capital by issuing new ordinary shares of the Company and/or one or several issuance(s) of Compound Investment Securities;
- decide the nature and characteristics of the Compound Investment Securities;
- fix the amount of the increase(s) of the share capital by issuing new ordinary shares and/or issuance of Compound Investment Securities;
- determine the conditions and methods of realization of the share capital increase(s) and/or of the issuance of Compound Investment Securities, notably to set the issuance price of the new ordinary shares and/or of the Compound Investment Securities (and the shares to which the latter shall give right), with or without premium, in compliance with the rules and regulations in force;
- fix the opening dates and closing dates of subscriptions, extend these dates if necessary, organize receipt of funds and more generally acknowledge the final realization of the increase(s) of share capital and/or the issuance of Compound Investment Securities, and/or the capital increases resulting from the exercise of Compound Investment Securities; proceed with the modification of the articles of incorporation accordingly, do all that is necessary and carry out all legal formalities;
- conclude with any investment service provider of its choice, any guaranty agreement of the realization of the issuance;
- determine the conditions and methods of exercising rights attached to the issued Compound Investment Securities;
- take all necessary measures for the proper management of the issuing of Compound Investment Securities and draft an issuance contract for each category and issuance of Compound Investment Securities;
- decide the issuance of shares to which the Compound Investment Securities shall give right and fix the date of possession of said shares;
- prepare all the documents necessary to inform the public, Shareholders and holders of previously issued compound investment securities;
- take all measures to ensure, if necessary, the

preservation of the rights of holders of already issued Compound Investment Securities giving right to the allocation of share capital, in compliance with the rules and regulations in force and notably the provisions of Articles L. 228-98 to L. 228-102 of the French Commercial Code;

- take all measures to proceed with the appointment of a representative of stock owners for each category of Compound Investment Securities issued;
- delegate to the Chief Executive Officer or, in accordance with the latter, to one or several Executive Vice-President(s), the authority to decide on the realization of the share capital increase(s) and/or the issuance of Compound Investment Securities, as well as the authority to suspend it, under the conditions and according to the methods set by the Board of Directors.

The Shareholders take note that, in compliance with Article L. 225-132 of the French Commercial Code, the decision to issue securities giving right to the capital also prevails over waiving by the Shareholders of their preferential rights of subscription to the share capital to which the securities issued give right.

The Shareholders decide that if the subscriptions on an irreducible basis and, if applicable, on a reducible basis, do not absorb all the ordinary shares and/or securities issued, the Board may make an offer to the public of all or part of the unsubscribed shares.

This delegation of authority is given for a period of 26 months starting from the date of the Shareholders' Meeting.

This delegation may be used during public offers on the Company's shares in compliance with the legislation in force.

The Shareholders take note that this delegation replaces any previous delegation having the same purpose, and notably, the delegation given to the Board of Directors at the Shareholders' Meeting of May 14, 2014 (resolution 14).

In accordance with Article L. 225-129-5 of the French Commercial Code, the other details of implementation of the operation will be explained in a complementary report from the Board of Directors and issued when the Board exercises the delegation of authority given at this Shareholders' Meeting in accordance with provisions set by decree.

The Board of Directors shall, each year, inform the Shareholders' Meeting of operations realized within the scope of this resolution.

## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

### PROPOSED RESOLUTION 16 - DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF A SHARE CAPITAL INCREASE DECIDED BY THE BOARD OF DIRECTORS ACCORDING TO RESOLUTION 15

#### Board of Directors' Report:

We propose that you authorize the Board of Directors, in the event that the Board proceeds to a capital increase in compliance with the delegation given under resolution 15 above, to increase, where appropriate, the number of securities to be issued, within the limit of 15% of the initial issuance.

This delegation may be used during public offers on the Company's shares in compliance with the legislation in force.

#### Proposed resolution 16 – Delegation of authority to be given to the Board to increase the number of securities to be issued in the event of a share capital increase decided by the Board of Directors according to resolution 15

The Shareholders, deliberating under the conditions of quorum and majority required by the Extraordinary Shareholders' Meetings, after having considered the Board of Directors' Report and the Statutory Auditor's special Report, in accordance with Article L. 225-135-1 of the French Commercial Code:

- delegate authority to the Board of Directors – including the power to sub-delegate to the Chief Executive Officer or, in accordance with the latter, to one or several Executive Vice-President(s) – to decide, for each issue of

shares decided in accordance with resolution 15 above, to increase the number of securities to be issued under the limits and conditions provided by Article R. 225-118 of the French Commercial Code (i.e. say within thirty days of the close of the subscription period), within the limit of 15% of the initial issue and at the same price as the price provided for the initial issue. This delegation of authority is subject to compliance with the global upper limits of amount set forth in resolution 15 below;

- decide that this delegation will be valid for a period of 26 months.

This delegation may be used during public offers on the Company's shares in compliance with the legislation in force.

**PROPOSED RESOLUTION 17 - DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO DECIDE TO INCREASE THE SHARE CAPITAL ONCE OR SEVERAL TIMES BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS OR OTHER SUMS OF MONEY WHOSE CAPITALIZATION SHALL BE ACCEPTED**

**Board of Directors' Report:**

We propose, in accordance with Article L. 225-129 of the French Commercial Code, that you delegate to the Board of Directors, for a period of 26 months, the authority to increase the share capital of the Company, in once or several times, in the proportion and at the period/time the Board will deem necessary, by incorporation of all or part of the reserves, profits and/or premiums or other sums whose capitalization shall be legally or statutorily possible, and this by attribution of new free shares of the Company or by increase of the nominal value of the existing shares of the Company.

The maximum nominal amount of the share capital increase(s) likely to be decided by the Board of Directors or by the Chief Executive Officer (or Executive Vice-President) and realized by virtue of this delegation, may not be higher than the entire amount of reserves, profits and/or premiums or other sums that may be incorporated into the share capital.

This delegation may be used during public offers on the Company's shares in accordance with Article L. 233-32 of the French Commercial Code, i.e. subject to the powers expressly assigned to the Shareholders within the limit of the Company's interest.

This delegation would cancel any other previous delegation having the same purpose, and notably the delegation of authority given to the Board of Directors at the Shareholders' Meeting of May 14, 2014 (resolution 16).

**Proposed resolution 17 – Delegation of authority to be given to the Board of Directors in order to decide to increase the share capital once or several times by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted**

The Shareholders, deliberating under the conditions of quorum and majority required by the Ordinary Shareholders' Meetings, and after having considered the Board of Directors' Report, making use of the option referred to in Article L. 225-129 of the French Commercial Code, decide:

- to delegate to the Board of Directors, for a period of 26 months, the authority to decide a share capital increase, once or several times, in the proportion and at the period/time the Board will deem necessary, by incorporation of all or part of the reserves, profits and/or premiums or other sums which capitalization shall be legally or statutorily possible, and by attribution of new free shares of the Company and/or by increase of the nominal value of the existing shares of the Company;
- that the maximum nominal amount of the share capital increase(s) likely to be decided by the Board of Directors or by the Chief Executive Officer (or Executive Vice-President) and realized by virtue of this delegation, cannot be higher than the entire amount of reserves, profits and/or premium or other sums that may be incorporated into the share capital and which will exist at the moment of the decision to increase the share capital of the Company, not taking into account the amount that may be necessary to preserve, in compliance with the law, the rights of bearers of already issued securities giving right to the shares of the Company.

Consequently, the Shareholders delegate to the Board of Directors the authority, notably, and without this list being considered as restrictive to:

- determine the amount and nature of sums to be incorporated in the Company's share capital;
- set the number of the Company's new shares to be issued and which shall be freely allocated or the amount of existing shares which nominal value shall be increased;
- determine the date, possibly retroactively, from which the Company's new shares shall be available for use or that at which the increase of the nominal value of the Company's existing shares shall be effective;
- decide, if necessary, that the rights resulting in fractions of shares are not negotiable or assignable and that the corresponding shares shall be sold, the proceeds from such sale being allocated to owners of rights under the conditions and within the time periods provided by the regulation in force;
- deduct from one or several items of the available reserves the sums necessary to bring the legal reserves amount to one-tenth of the share capital after each share capital increase;
- take all measures to ensure the proper implementation of each share capital increase and to acknowledge the realization of each share capital increase, proceed to the modification of the articles of incorporation accordingly and to carry out all relevant legal formalities;
- take all measures as to allow holders of securities giving rights to the capital, to obtain new shares of the Company;
- delegate to the Chief Executive Officer or in agreement with the latter, to one or several Executive Vice-President(s) the authority to decide on the realization of the capital increase(s), as well as to postpone such issue, under the conditions and according to the methods set by the Board of Directors.

## 9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

The Shareholders take note that this delegation shall cancel any other previous delegation having the same purpose, and notably the delegation of authority given to the Board of Directors at the Shareholders' Meeting of May 14, 2014 (resolution 16).

This delegation may be used during public offers on the Company's shares in compliance with the legislation in force.

### PROPOSED RESOLUTION 18 - DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO PROCEED TO ONE OR SEVERAL SHARE CAPITAL INCREASE(S) RESERVED FOR EMPLOYEES

#### Board of Directors' Report:

We request that you delegate to the Board of Directors the authority to increase the share capital, in once or several times, to the benefit of employees of the Company and/or of its connected companies within the meaning of Article L. 225-180 of the French Commercial Code (possibly represented by a mutual fund (FCPE) to be created and/or subscribing to an employee savings scheme, at the Board of Directors' choice).

This delegation would be valid for 26 months.

The maximum number of shares that could be issued would not exceed 3% of the total number of ordinary shares of the Company on this day.

The price of the shares to be issued would be determined in accordance with Article L. 3332-19 of the Labor Code, i.e. based on the stock exchange price. The price of the shares could not be higher than the average share price for the twenty trading sessions preceding the date of the decision setting the subscription period opening date, nor more than 20% lower than this average (or 30% in the event that the vesting period provided by the plan to be created is equal to or longer than 10 years).

#### Proposed resolution 18 – Delegation of authority to be given to the Board of Directors in order to proceed to one or several share capital increase(s) reserved for employees

The Shareholders, after having considered the Board of Directors' Report and the Statutory Auditors' special Report decide, in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code:

- for a period of 26 months, to delegate to the Board of Directors the authority to increase the share capital, once or several times, for the benefit of employees of the Company and/or of its French or foreign related companies within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (possibly represented by a mutual fund (FCPE) to be created and/or subscribing to an employee savings scheme, at the Board of Directors' choice), under the conditions referred to in Article L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code, of an amount representing, a maximum of 3% of the share capital on this day, by issuing new shares of the Company, giving their owners the same rights as those of the old shares;
- that the price of shares to be issued shall be determined by the Board of Directors, in compliance with Article L. 3332-19 of the French Labor Code;
- to give all rights to the Board of Directors, with power to subdelegate, in order:
  - to implement this delegation, decide and possibly

realize the share capital increase in accordance with this resolution, set the final amount of said share capital increase(s), determine their dates and modalities, set the price of the new shares, determine the opening and closing dates of the subscription period, determine the date of possession of the new shares, determine the method of payment of their subscriptions, establish the list of beneficiaries and the number of shares to be attributed to each of them,

- prepare the complementary report describing the final conditions of the operation as provided by Articles L. 225-129-5 and L. 225-138 of the French Commercial Code,
- to put in place, if the Board deems it necessary, an employee savings scheme to be created, which shall be financed voluntarily by employees and possibly by contributions made by the Company, if it so decides,
- more generally, set the modalities and conditions which shall be realized by virtue of this authorization, take note of the final realization of the share capital increase(s), proceed with the modification of the articles of incorporation accordingly, take all measures and execute acts and carry out all necessary formalities.

The Shareholders take note of the fact that this delegation of authority cancels any other previous delegation having the same purpose and notably, the delegation of authority given to the Board of Directors in accordance with resolution 17 adopted at the Shareholders' Meeting of May 14, 2014.

**PROPOSED RESOLUTION 19 - CANCELLATION OF PREFERENTIAL RIGHTS OF SUBSCRIPTION IN THE EVENT OF A SHARE CAPITAL INCREASE(S) RESERVED FOR EMPLOYEES AND MENTIONED IN RESOLUTION 18****Board of Directors' Report:**

We propose that you cancel, in accordance with the provisions of Article L. 225-138 of the French Commercial Code, the Shareholders' preferential rights of subscription to shares which shall be issued within the scope of the share capital increase(s) which shall be decided in compliance with the previous resolution and to reserve the issuing to employees of the Company and/or of companies which are bound to it, having, on the date of the opening of the subscription, a seniority of at least three months (and who are not on a prior notice period), possibly represented by a mutual fund (FCPE) to be created and/or subscribed to an employee savings scheme to be created, which shall be financed voluntarily by employees and possibly by contributions by the Company, should the Board of Directors so decide.

We remind you that, in accordance with Article L. 225-138 I of the French Commercial Code, the complementary report to be established by the Board of Directors, if the Board makes use of the delegation mentioned in resolution 18, would be certified by the Auditors.

**Proposed resolution 19 – Cancellation of preferential rights of subscription in the event of a share capital increase(s) reserved for employees and mentioned in resolution 18**

The Shareholders, after having considered the Board of Directors' Report, decide to cancel, in accordance with the provisions of Article L. 225-138 of the French Commercial Code, the Shareholders' preferential rights of subscription to shares which shall be issued within the scope of the share capital increase(s) which shall be decided in compliance with

the previous resolution and to reserve the issuing to employees of the Company and/or of companies which are bound to it, having, on the date of the opening of the subscription, a seniority of at least three months (and who are not on a prior notice period), possibly represented by a mutual fund (FCPE) to be created and/or subscribed to an employee savings scheme to be created, which shall be financed voluntarily by employees and possibly by contributions by the Company, should the Board of Directors so decide.



### PROPOSED RESOLUTION 20 - AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO PROCEED TO FREE GRANTS OF SHARES TO OFFICERS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES

#### Board of Directors' Report:

It is proposed that you renew the authorization to the Board of Directors, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code, to grant free existing or to be issued shares, within the limits:

- of 4% of the share capital over 38 months (duration of the present authorization), including a maximum of 0.4% granted to the Corporate Officers; and
- of the global cumulative limit (with the stock options granted under resolution 21) of 6% of the share capital.

This authorization would allow managers and key executives to be more closely associated with the evolution of the shares, as are the Shareholders.

The Board of Directors would determine the conditions and the criteria for the grant of these shares and the identity of the beneficiaries of the free grants of shares among the employees, certain categories of them and/or to Corporate Officers of the Company or companies of the Group, in accordance with the regulations in force.

In any event, Corporate Officers and members of the Leadership Team may only be granted performance shares. Performance is currently assessed over a three-year period according to the achievement of two objectives:

- net sales growth;
- cash flow from operations and change in inventory, as a percentage of net sales.

Moreover, under the current policy of the Board of Directors, the Corporate Officers have to keep 20% of free shares acquired, until their mandate expires. The 20% is reduced to 10% when the Chief Executive Officer owns five years of base salary in BIC shares and when the Executive Vice-Presidents own three years of base salary in BIC shares.

The Corporate Officers to whom performance shares granted will make the formal commitment not to use hedging instruments. The Board of Directors would determine the period after which the grant of shares would become final (vesting period) and possibly a minimum share retention period of the shares by the beneficiaries. The vesting period would be at least three years.

Moreover, in accordance with Article L. 225-197-1 of the French Commercial Code, we propose that you decide that, in case of a severe invalidity suffered by a beneficiary (second and third categories provided by Article L. 341-4 of the French Social Security Code), the shares will be definitely granted before the expiration of the remaining acquisition period.

This authorization would include waiver by the Shareholders of their preferential right to subscribe shares issued, as the shares are granted.

This authorization would be given for a period of 38 months and would replace the authorization given at the Shareholders' Meeting of May 15, 2013 (Resolution 11).

#### Proposed resolution 20 – Authorization to be given to the Board of Directors to proceed to free grants of shares to officers and employees of the Company and its subsidiaries

The Shareholders, after having considered the Board of Directors' Report and the Statutory Auditors' Special Report, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- authorize the Board of Directors to proceed, once or several times, with the free grants of shares of the Company, either existing or to be issued, for the benefit of the employees, or some of them, certain categories of them and/or to Corporate Officers of SOCIÉTÉ BIC and of its connected companies within the meaning Article L. 225-197-2 of the French Commercial Code;
- decide that the Board of Directors will determine the identity of the beneficiaries of the free grants of shares,

the conditions and, if necessary, the criteria for the grant of shares, it being specified that the free grant of shares to Corporate Officers and to members of the Leadership Team must be subject to performance conditions;

- decide that:
  - the total number of free shares granted under this authorization will not exceed 4% of the share capital as of the date of the decision made by the Board of Directors to grant the shares, including a maximum of 0.4% granted to the Corporate Officers;
  - the total number of free shares granted under this authorization will not exceed the global cumulative limit (with the stock options granted under resolution 21 above) of 6% of the share capital as of the date of the decision made by the Board of Directors to grant the shares;



- decide that the grant of shares to the beneficiaries will be definitive at the end of a minimal vesting period determined by the Board of Directors. This period shall not be less than three years as from their allotment. The Board of Directors may also set a period during which the beneficiaries shall retain the shares;
- decide that, in case of invalidity of a beneficiary corresponding to the second or third categories provided by Article L. 341-4 of the French Social Security Code, the shares will be definitely granted before the expiration of the remaining vesting period. The said shares will be freely transferable as from their delivery;
- take note that the present authorization automatically includes, on behalf of the beneficiaries, waiver by the Shareholders of their preferential right to subscribe shares issued in accordance with this resolution, the share capital increase being definitely completed with the mere fact of the definitive grant of the shares to the beneficiaries;
- delegate authority to the Board of Directors, with faculty of delegation within the legal and statutory limits, to implement the present authorization, under the above-mentioned conditions and under the limits provided by

the rules and regulations in force, and notably:

- to proceed, if necessary, to adjustments of the number of shares granted in case of modification of the share capital in order to preserve the rights of beneficiaries,
- to determine the terms and conditions of the issuance that could be realized in accordance with this authorization, the date from which the new shares shall bear dividends,
- to proceed to capital increases through incorporation of reserves, profits or premiums, to amend consequently the articles of incorporation,
- and, generally, carry out all formalities necessary for the issuance, the quotation and the financial service of the shares issued in accordance with this resolution, and to do all that is necessary within the scope of the laws and regulations in force to carry out this delegation.

This authorization is given for a period of 38 months starting from the date of this Shareholders' Meeting and replaces the authorization given at the Shareholders' Meeting of May 15, 2013 (Resolution 11).

#### **PROPOSED RESOLUTION 21 - AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO GRANT OPTIONS TO SUBSCRIBE FOR AND/OR PURCHASE SHARES OF THE COMPANY TO OFFICERS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES**

##### **Board of Directors' Report:**

Under Articles L. 225-177 *et seq.* of the French Commercial Code, it is proposed that you renew the authorization given to the Board of Directors to grant, on one or more occasions, to employees, to some of them, to some categories of them and/or to Corporate Officers of the Company and of its related companies, options to subscribe or to purchase BIC shares. This authorization would be given within the limits:

- of 2% of the share capital over 38 months (duration of the present authorization), including a maximum of 0.8% granted to the Corporate Officers;
- and of the global cumulative limit (with the free shares granted under resolution 20) of 6% of the share capital.

This authorization would allow managers and key executives to be more closely associated with the evolution of the share, as are the Shareholders.

Each time the Board makes use of this authorization, the Board will determine the beneficiaries of these options.

In any event, Corporate Officers and members of the Leadership Team may only be granted options under performance conditions. The Corporate Officers to whom such options would be granted would make the formal commitment not to use hedging instruments.

The subscription or purchase price would be determined by the Board of Directors and could not be lower than the Paris Stock Exchange average share price during the twenty sessions of the Paris Stock Exchange preceding the day the options are granted nor lower, for purchase options, than the average purchase price of the shares held by the Company in accordance with Articles L. 225-208 and/or L. 225-209 of the French Commercial Code.

This authorization would include waiver by the Shareholders of their preferential right to subscribe shares issued as the subscription options are exercised.

We propose that the options exercise period be set at a maximum of 10 years.

This authorization would be given for a period of 38 months and would replace the authorization given at the Shareholders' Meeting of May 15, 2013 (Resolution 12).

### Proposed resolution 21 – Authorization to be given to the Board of Directors to grant options to subscribe for and/or purchase shares of the Company to officers and employees of the Company and its subsidiaries

The Shareholders, after having considered the Board of Directors' Report and the Auditors' Special Report, in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code:

- authorize the Board of Directors, to grant, on one or more occasions, to employees, to some of them, to some categories of them and/or to Corporate Officers of SOCIÉTÉ BIC and of its related companies within the meaning of Article L. 225-180 of the French Commercial Code, options to subscribe for new shares of the Company (resulting in a capital increase) or to purchase existing shares of the Company;
- decide that the Board of Directors will determine the identity of the beneficiaries of the options to subscribe for and/or purchase shares, the conditions and, if necessary, the criteria for the grant of options, it being specified that the grant of options to Corporate Officers and to members of the Leadership Team must be subject to performance conditions;
- decide that the Board of Directors will determine the duration or period(s) of exercise of the options granted, it being specified that the duration of the options may not exceed a ten-year period, as from their date of attribution;
- decide that:
  - the total number of options which will be granted under this authorization will not give right to subscribe or purchase a number of shares higher than 2% of the share capital as of the date of the decision made by the Board of Directors to grant the options, including a maximum of 0.8% granted to the Corporate Officers,
  - the total number of the options allocated under this authorization and still to be exercised will not give right to subscribe more than 6% of the share capital (cumulative limit with the free shares granted under resolution 20) as of the date of the decision made by the Board of Directors to grant the options;
- decide that:
  - with regard to stock subscription options: the subscription price will be determined on the day the options are granted by the Board of Directors, and cannot be lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange preceding the day the subscription options are granted,
  - with regard to stock purchase options: the purchase price of the shares by the recipients will be determined on the day the options are granted by the Board of Directors, and may not be either lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange preceding the day the stock subscription options are granted, or lower than the average purchase price of the shares held by the Company in accordance with Articles L. 225-208 and/or L. 225-209 of the French Commercial Code,
  - decide that no stock subscription or purchase options could be granted:
    - less than twenty sessions of the Paris Stock Exchange following the date on which the shares are traded ex-dividend, or in the twenty sessions following a capital increase,
    - within ten sessions of the Paris Stock Exchange preceding the date on which the financial consolidated statements or, failing this, the annual financial statements are made public,
    - during the period between, on the one hand, the date on which the social bodies of the Company are informed of information which, if it were made public, could have a significant impact on the price of the shares of the Company and, on the other hand, the later date of ten sessions of the Paris Stock Exchange from when this information is made public;
  - acknowledge that the present authorization automatically involves, for the recipients of the stock subscription options, waiver by the Shareholders of their preferential right of subscription for the shares that will progressively be issued as the options are exercised under this resolution;
  - delegate the authority to the Board of Directors, with the possibility to further delegate under the legal and regulatory rules applicable, to determine the other conditions and details of allocation of the options and of their exercise, and, notably, to:
    - determine the conditions under which the price and the number of shares could be adjusted, in particular in the cases provided in Articles R. 225-137 to R. 225-142 of the French Commercial Code,
    - proceed to any deduction from the reserves and/or premiums of the Company in order to realize the share capital increase(s) resulting from the definitive grant of shares to be issued,

- provide the ability to temporarily suspend the exercise of options, during a three-month period at the most, in case of realization of financial transactions implying the exercise of a right attached to the shares,
- at its sole discretion, and if it considers it convenient, charge the expenses of the capital increases to the amount of the premiums related to these increases and deduct from this amount the sums necessary to carry the statutory reserve to one-tenth of the new

capital after each increase,

- perform or have performed all acts and formalities resulting from the implementation of this authorization, amend the articles of incorporation and, in general, do whatever is necessary to carry out this delegation.

This authorization is given to the Board of Directors for 38 months starting from this day. It replaces, for the part not used, the authorization given at the Shareholders' Meeting of May 15, 2013 (Resolution 12).

## **PROPOSED RESOLUTION 22 - MODIFICATION OF ARTICLE 14 "CHAIRMAN, CHIEF EXECUTIVE OFFICER, EXECUTIVE VICE-PRESIDENT" OF THE ARTICLES OF INCORPORATION**

### **Board of Directors' Report:**

The articles of incorporation of the Company currently set age limit of 70 years for the Chairman, the Chief Executive Officer and the Executive Vice-Presidents.

Following the retirement of Mario GUEVARA announced on February 17, 2016, the Board of Directors intends, after the Shareholders' Meeting, to combine the Chairman and Chief Executive Officer functions and to appoint Bruno Bich as Chairman and Chief Executive Officer. The temporary combination of these functions will allow Bruno Bich to continue to develop a Chief Executive Officer successor.

Bruno Bich, currently Chairman of the Company, will be 70 years old in October 2016.

We therefore propose that you modify the articles of incorporation in order to set the age limit of the Chairman, the Chief Executive Officer and the Executive Vice-Presidents at 72 years.

### **Proposed resolution 22 – Modification of Article 14 "Chairman, Chief Executive Officer and Executive Vice-President" of the articles of incorporation**

The Shareholders decide to modify the rules governing the age limit of the Chairman, the Chief Executive Officer and the Executive Vice-Presidents and to set this limit at 72 years.

The last paragraph of Article 14 - Chairman, Chief Executive Officer and Executive Vice-Presidents - of the articles of incorporation, is modified as follows:

- Previous version: "The maximum age of the Chairman, the Chief Executive Officer and the Executive Vice-

Presidents is fixed at 70 years old. When the Chairman, the Chief Executive Officer or an Executive Vice-President reaches this age, his/her resignation is automatic."

- New version: "The maximum age of the Chairman, the Chief Executive Officer and the Executive Vice-Presidents is fixed at 72 years old. When the Chairman, the Chief Executive Officer or an Executive Vice-President reaches this age, his/her resignation is automatic."

The rest remains unchanged.

## **9.3 ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**

### **PROPOSED RESOLUTION 23 - AUTHORIZATION TO PERFORM FORMALITIES**

#### **Board of Directors' Report:**

This resolution allows the performance of the legal formalities following the present Meeting.

### **Proposed resolution 23 – Authorization to perform formalities**

The Shareholders grant full power to the bearer of a copy or of an excerpt of the present document to carry out any and all required legal formalities.



## 10. Document request form

### DOCUMENTATION REQUEST

regarding the Annual Shareholders' Meeting of 18 May 2016

I, the undersigned,

LAST NAME: .....

First name: .....

Address: .....

.....

Owner of ..... registered shares \*

and of ..... bearer shares, subscribed at ..... \*\*

of **SOCIÉTÉ BIC**

Recognize that I have received the documents regarding the Annual Shareholders' Meeting and listed in article R. 225-81 of French commercial code,

Request that the documents and information about the Annual Shareholders' Meeting to be held on 18 May 2016 listed in article R. 225-83 of the same code be sent to me.

In ....., on ..... 2016

Signature

*\* According to article R. 225-88 alinea 3 of the French commercial code, shareholders can, upon simple request, ask the Company to send them the documents and information, listed in articles R. 225-81 et R. 225-83 of the French commercial code, regarding any future Shareholders' Meetings. If the shareholder wishes to benefit from this service, he should mention it on the present Request.*

*\*\* Name of the bank, financial institution or investment firm. Please join a copy of your admission card delivered by your financial intermediary.*







14, rue Jeanne d'Asnières 92110 Clichy – France  
 Metro station: Mairie de Clichy (line 13)  
 Train station (SNCF): Clichy-Levallois  
 Bus stop: Rue Petit (line 174)



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