



Made to last

CONVENING NOTICE

ANNUAL SHAREHOLDERS' MEETING
WEDNESDAY 10 MAY 2017
AT 9:30 AM



SOCIÉTÉ BIC Headquarters
14 rue Jeanne d'Asnières 92110 Clichy (France)

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Message from the Chairman - Chief Executive Officer

Clichy, April 20, 2017

Dear Madam, Sir, Shareholder,

The BIC Group's Combined Extraordinary and Ordinary Shareholders' Meeting will be held on Wednesday, May 10, 2017, 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 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. You can also 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 10.

Bruno Bich

Chairman of the Board of Directors and Chief Executive Officer

RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

- Approval of the Statutory Financial Statements of fiscal year ended December 31, 2016.
- Approval of the Consolidated Financial Statements of fiscal year ended December 31, 2016.
- Appropriation of Earnings and Settings of Dividends.
- Determination of the amount of the Directors' fees.
- Authorization to be given to the Board of Directors to undertake operations with regard to the shares of the Company.
- Renewal of Mr. François BICH as Director of the Board.
- Renewal of Mrs. Marie-Pauline CHANDON-MOËT as Director of the Board.
- Appointment of Mrs. Candace MATTHEWS as a new Director of the Board.
- Renewal of the mandate of the company Deloitte & Associés as Statutory Auditor.
- Renewal of the mandate of the company BEAS as Alternate Auditor.
- Renewal of the mandate of the company Grant Thornton as Statutory Auditor.
- Renewal of the mandate of the company IGEC as Alternate Auditor.
- Opinion on the compensation elements due or awarded to Bruno BICH, Chairman of the Board of Directors then Chairman and Chief Executive Officer, for fiscal year ended December 31, 2016.
- Opinion on the compensation elements due or awarded to Mario GUEVARA, Chief Executive Officer, for fiscal year ended December 31, 2016.
- Opinion on the compensation elements due or awarded to François BICH, Executive Vice-President, for fiscal year ended December 31, 2016.
- Opinion on the compensation elements due or awarded to Gonzalve BICH, Executive Vice-President, for fiscal year ended December 31, 2016.
- Opinion on the compensation elements due or awarded to James DIPIETRO, Executive Vice-President, for fiscal year ended December 31, 2016.
- Opinion on the compensation elements due or awarded to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for fiscal year ended December 31, 2016.
- Compensation policy of the Chairman, Chief Executive Officer and Executive Vice-Presidents.

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.
- Insertion in the Articles of Incorporation of an Article 10 bis "Director(s) representing the employees".

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 applicable regulations, are available for shareholders at the Company's headquarters. Documents, as prescribed by article R. 225-73-1 of the French Commercial Code, are available on our website www.bicworld.com. You can also get documents prescribed by 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 evidence that you are a shareholder through registration of your shares in your name (or in the name of the bank or broker that manages your securities account) as of the second business day preceding the Meeting at 00:00, i.e. **Monday May 8, 2017** at 00:00 (Paris time):

- either in the shareholders' register kept for the Company by its agent, SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES, or
- in a bearer share account held by the financial intermediary that manages your securities account.

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

You can participate in the Shareholders' Meeting through VOTACCESS website, if you:

- hold registered shares: you can connect to VOTACCESS through the internet website 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 following ways to participate:

- Request an admission card to attend the Shareholders' Meeting. This card will be sent to you, at your option, either electronically or by post.

Should you not receive your admission card, please contact SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES' 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 9:00 am on Thursday April 20, 2017 until 3:00 pm (Paris time) on Tuesday May 9, 2017. You are asked to place your vote as early as possible to avoid any system blockages during the final days, which could result in your vote not being recorded.

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 SECURITIES SERVICES. To do so, please use the attached prepaid envelope.

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

You will receive 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 SECURITIES SERVICES a certificate of ownership issued by the bank or broker that manages your securities account, attesting that you were a shareholder as of the second business day before the Meeting. SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES 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 identity.

Should you not receive your admission card, please contact SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES' 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).

If you do not attend the Meeting

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

If you hold **bearer shares**, you need to ask the financial intermediary that manages your securities account to provide you with the form.

Your voting or proxy form (with your ownership certificate attesting that you were a shareholder as of the second business day before the Meeting, if you hold bearer shares) must be received by SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES at the latest three calendar days prior to the Meeting, i.e. on **Friday May 5, 2017**.

REPRESENTATION

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

- either **by the individual or legal entity of your choice**:
 - Tick 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 form at the bottom
- 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:

- Tick 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 form at the bottom

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

In order to be valid, your form, duly filled in and signed, must be received (accompanied by ownership certificate if you hold bearer shares) by SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES (address below) no later than Friday May 5, 2017, at 00:00 (Paris time).

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES – 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:

- Tick the box in the area "JE VOTE PAR CORRESPONDANCE / I VOTE BY POST"
- Date and sign the form at the bottom
- If you wish to vote "For" the resolutions presented to the Meeting by the Board, just leave the box blank.
- If you wish to vote "No" or "Abstain" a resolution, blacken the appropriate box corresponding to the number of the resolution.

If you wish to vote on any proposals not approved by the Board, blacken the box(es) that correspond to your choice.

- Finally, if amendments or new resolutions are proposed during the Meeting, blacken the corresponding box if you wish.

In order to be valid, your form, duly filled in and signed, must be received (accompanied by ownership certificate if you hold bearer shares) by SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES (address below) no later than Friday May 5, 2017, at 00:00 (Paris time).

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES – 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

you can also designate and revoke a representative by email.

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

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

- You **must** ask your bank or broker that manages your securities account to send a written confirmation of your ownership to SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES (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.

In order to be valid, appointments or revocations of proxies made by e-mail must be received no later than Friday May 5, 2017, at 00:00 (Paris time).

2.5 HOW DO I FILL IN THE FORM?

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

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

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

If you wish to give your proxy to a designated person attending the Meeting: **Tick 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 boxes (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 : 181 542 184,24€
 552 008 443 RCS NANTERRE

ASSEMBLEE GENERALE MIXTE
 le 10 mai 2017 9h30 au siège social
COMBINED SHAREHOLDER'S MEETING
 of May 10, 2017 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	Vote simple Single vote	
	Porteur Bearer	Vote double Double vote	
Nombre de voix - Number of voting rights			

FORMULAIRE DÉDIÉ AUX SOCIÉTÉS FRANÇAISES / FORM RELATED TO FRENCH COMPANIES

<input type="checkbox"/> 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 ■.																	
1	2	3	4	5	6	7	8	9		Oui / Yes	Non/No		Oui / Yes	Non/No			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	<input type="checkbox"/>	<input type="checkbox"/>		F	<input type="checkbox"/>	<input type="checkbox"/>		
10	11	12	13	14	15	16	17	18	B	<input type="checkbox"/>	<input type="checkbox"/>		G	<input type="checkbox"/>	<input type="checkbox"/>		
19	20	21	22	23	24	25	26	27	C	<input type="checkbox"/>	<input type="checkbox"/>		H	<input type="checkbox"/>	<input type="checkbox"/>		
28	29	30	31	32	33	34	35	36	D	<input type="checkbox"/>	<input type="checkbox"/>		J	<input type="checkbox"/>	<input type="checkbox"/>		
37	38	39	40	41	42	43	44	45	E	<input type="checkbox"/>	<input type="checkbox"/>		K	<input type="checkbox"/>	<input type="checkbox"/>		

☐ 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 (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

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 (is 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)) Mr, 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 05/05/2017

Date & Signature

Regardless of your choice, **date and sign here**

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

PROFILE 2016

A WORLD LEADER IN THE CONSUMER GOODS MARKETS

Over 70 years of history

- 1950** Launch of the BIC® Cristal®
- 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 geographies ⁽¹⁾



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.

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).
- 90% of net sales realized with products manufactured in our own factories*.

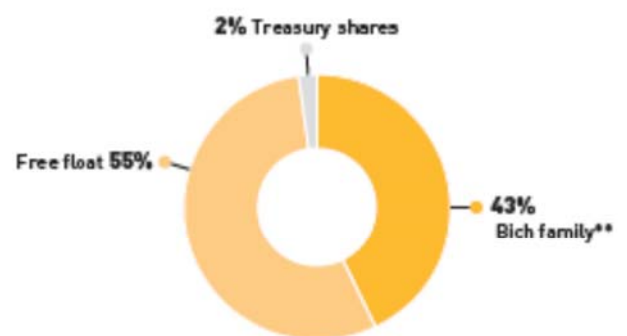
AN HISTORICAL **SOCIALLY RESPONSIBLE APPROACH**

- 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.

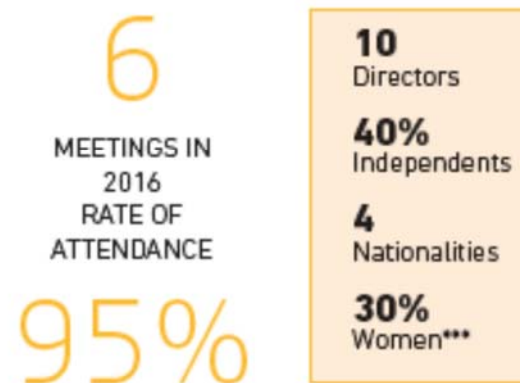
A SUSTAINABLE DEVELOPMENT PROGRAM MEASURED VIA A **BAROMETER WITH 10 OBJECTIVES ASSOCIATED WITH 10 PERFORMANCE INDICATORS** AND UPDATED EVERY THREE YEARS.

Strong governance

SHAREHOLDING STRUCTURE



Board of Directors



* Excluding Cello Pens.

** Direct and indirect.

*** This percentage will increase to 40% subject to the approval of the resolution of the May 10, 2017 Shareholders' meeting, related to the appointment of Mrs. Candace Matthews.

4. BIC IN 2016

4.1 GROUP IN 2016

2016 KEY EVENTS

February	<p>Acknowledging Chief Executive Officer Mario Guevara's decision to retire in May 2016, the Board of Directors decides to combine the Chairman and Chief Executive Officer functions and to appoint Bruno Bich as Chairman and Chief Executive Officer.</p> <p>Considering the recent changes in the competitive landscape of the Promotional Products Industry, the Board decides to initiate a review of strategic alternatives for BIC Graphic.</p> <p>The Stationery facility in Shanghai (China) is closed down and its production transferred to other BIC Stationery sites.</p>
September	<p>On 20 September 2016, the "Cour de Cassation" (French Supreme Civil court) has rejected the ultimate legal arguments of Polyflame Europe (a pocket lighter importer), making final the prohibition to claim conformity to the ISO 9994 safety standard of its eight lighter models involved in the court procedure against Société BIC. On 22 October 2014, the Paris Court of Appeal had issued this prohibition on the grounds that such a conformity claim constitutes false advertising and consequently unfair competition.</p>

GROUP IN 2016 AS PUBLISHED

On February 7, 2017, BIC Group announced the status of the strategic alternatives review initiated in February 2016 for BIC Graphic. The Group mentioned that discussions regarding BIC Graphic North America and the Asia sourcing operations were still ongoing. Consequently, at December 31, 2016 these activities are accounted and presented in accordance with IFRS 5.

In 2016, BIC reinforced brand support to accompany the launch of new products, strengthen its existing positions in developing markets, improve in-store visibility and boost awareness of the BIC® brand.

The Group also increased investment in Research & Development to enhance both the quality and performance of newly-launched BIC products, develop new technologies and introduce new added-value products. Our goal is to consistently produce quality products at a low cost, either in-house with our own technologies or, to a lesser extent, by outsourcing to increase flexibility.

FY 2016 **Net Sales** were 2,025.8 million euros, up 1.6% (+4.9% on a constant currency basis).

FY 2016 **Gross Profit margin** came in at 52.6%, compared to 51.7% for FY 2015. Excluding the impact of the special employee bonus in 2016 and the negative impact of the

Argentinian ARS in 2015, Gross Profit margin would have grown by 0.7 points.

FY 2016 **Normalized IFO** was 409.1 million euros (i.e., a Normalized IFO margin of 20.2% or 20.6% excluding the impact of the special employee bonus).

Income before tax fell back to 408.2 million euros, compared to 457.0 million euros for FY 2015. Net finance revenue was a positive 4.8 million euros compared to a positive amount of 32.6 million euros for FY 2015.

Net income Group Share was 249.7 million euros in FY 2016, a 23.2% drop. The effective tax rate in FY 2016 was 29.5%.

▪ *Net Income Group Share From Continuing Operations was 285.5 million euros.*

▪ *Net Income Group Share From Discontinued Operations represented a loss of 35.8 million euros.*

EPS Group Share was 5.32 euros, compared to 6.89 euros in FY 2015, down by 22.8%.

▪ *EPS Group Share From Continuing Operations was 6.09 euros compared to 6.77 euros in FY 2015.*

▪ *EPS Group Share From Discontinued Operation was -0.77 euros compared to 0.12 euros in FY 2015.*

CONDENSED PROFIT AND LOSS ACCOUNT

<i>(in million euros)</i>	FY 2015	FY 2016	As published
Net sales	1,993.4	2,025.8	+1.6%
Cost of goods	962.6	960.5	
Gross Profit	1,030.8	1,065.3	+3.4%
Administrative & other operating expenses	(606.4)	(661.9)	
Income from operations	424.4	403.4	-4.9%
Finance revenue/costs	32.6	4.8	
Income before tax	457.0	408.2	-10.7%
Income tax expense	(136.3)	(122.7)	
Net Income from continuing operations	320.7	285.5	-11.0%
Net Income from discontinued operations	5.8	(35.8)	NA
Group net income	326.5	249.7	-23.5%
Non-controlling interests	1.4	-	
Net income group share	325.1	249.7	-23.2%
Earnings per share Group share from continuing operations <i>(in euros)</i>	6.77	6.09	
Earnings per share Group share from discontinued operations <i>(in euros)</i>	0.12	(0.77)	
Earnings per share Group share <i>(in euros)</i>	6.89	5.32	-22.8%
Average number of shares outstanding (net of treasury shares)	47,173,339	46,898,827	-

THE GROUP IN 2016 RESTATED FOR DISCONTINUED OPERATIONS

Figures "restated for discontinued operations" are based on the restatement of the discontinued activities (BIC Graphic North America and Asia sourcing) classification and aim at presenting information consistent with historical presentation.

FY 2016 Net Sales were 2,272.4 million euros, up 1.4% (+4.2% on a constant currency basis). The negative impact of currency fluctuations (-2.8%) was mainly due to the depreciation of Latin American currencies against the euro.

- **Consumer business** grew 5.3% on a constant currency basis (Europe +6.5%, North America +2.7%, developing markets +7.5%).
- **BIC Graphic** Net Sales decreased by 1.9% on a constant currency basis.

In 2016, 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.

Consumer business

- In the Stationery category, net sales increased 5.2% on a constant currency basis. In Europe, BIC net sales grew high-single digit and in North America, net sales increased low-single digit. Developing countries grew low-single digit.
- In the Lighter category, net sales grew 5.6% on a constant currency basis. In Europe and in North America, BIC registered a mid-single digit growth. In developing markets, full year 2016 net sales were stable.
- In the Shaver category, net sales increased 7.0% on a constant currency basis with high-single digit growth in Europe. In North America, net sales were stable. Developing markets grew double digit.

Advertising and Promotional Products

BIC Graphic net sales decreased 1.9% on a constant currency basis.

FY 2016 Gross Profit margin came in at 50.4%, compared to 49.7% for FY 2015. Excluding the impact of the special employee bonus in 2016 and the negative impact of the Argentinian ARS in 2015, Gross Profit margin would have grown by 0.9 points.

FY 2016 Normalized IFO was 418.9 million euros (*i.e.*, a Normalized IFO margin of 18.4% or 18.9% excluding the impact of the special employee bonus).

- **Consumer business** Normalized IFO margin stood at 21.0% for FY 2016, a decline of 0.9 points on FY 2015 (down 0.5 points excluding the impact of the special employee bonus), attributable to increased investment in brand support and research and development.
- **BIC Graphic** Normalized IFO margin decreased by 0.9 points for FY 2016 to 2.4% (if the impact of the special employee bonus is excluded, it was stable at 3.3%).

KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN (IN % POINTS)

	FY 2015 vs. FY 2014	FY 2016 vs. FY 2015
▪ Change in cost of production ^(a)	+0.6	+1.0
▪ Total Brand Support ^(b)	-0.3	-0.7
▪ <i>Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin</i>	-0.2	-0.1
▪ <i>Of which, advertising, consumer and trade support</i>	-0.1	-0.6
▪ OPEX and other expenses	+0.3	-0.7
Total change in Normalized IFO margin excluding the special employee bonus^(c)	+0.6	-0.4
Special employee bonus^(c)	-	-0.5
▪ Of which impact on Gross Profit	-	-0.3
▪ Of which impact on OPEX	-	-0.2
Total change in Normalized IFO margin	+0.6	-0.9

(a) Gross Profit margin excluding promotions and investments related to consumer and business development support.

(b) Total Brand Support: consumer and business development support + advertising, consumer and trade support.

(c) In 2016, a special bonus was awarded to employees who were not granted shares under performance share plans.

NON-RECURRING ITEMS

<i>(in million euros)</i>	2015	2016
INCOME FROM OPERATIONS	439.9	355.0
IFO margin	19.6%	15.6%
Restructuring costs (BIC Graphic, Lighters, Middle-East and Africa)	+4.5	+10.4
Impairment recognized for BIC Graphic North America and Asia sourcing	-	+54.6
Divestment of Fuel Cell business (net of restructuring costs)	-2.2	-
Gains on real estate operations	-9.2	-
Retiree Medical Adjustment in the U.S.	-	-1.1
Impact of lump sum election for terminated vested pension participants in the U.S.	-4.6	-
Impact of the reevaluation of intercompany accounts payable in Argentina (IAS 21)	+3.6	-
NORMALIZED IFO	432.0	418.9
Normalized IFO margin	19.3%	18.4%
Special employee bonus ^(a)	-	+11.4
NORMALIZED IFO EXCLUDING THE SPECIAL EMPLOYEE BONUS ^(A)	432.0	430.3
Normalized IFO margin excluding the special employee bonus ^(a)	19.3%	18.9%

(a) In 2016, a special bonus was awarded to employees who were not granted shares under performance share plans.

NORMALIZED IFO MARGIN

	2015	2016
Group	19.3%	18.4%
▪ Consumer business	21.9%	21.4%
▪ BIC Graphic	3.3%	3.3%

Income before tax fell back to 354.3 million euros, compared to 466.7 million euros for FY 2015. Net finance revenue was a negative 0.8 million euros compared to a positive amount of 26.8 million euros for FY 2015, due to favorable FY 2015 fair value adjustments to U.S. dollar denominated financial assets when compared to December 2014.

Net Income From Discontinued Operations was a negative 35.8 million euros compared to a positive 5.8 million euros in 2015, due to the impact of the reassessment of BIC Graphic North America and Asia Sourcing carrying value.

Normalized EPS Group Share decreased by 7.8% period on period, from 6.77 euros in FY 2015 to 6.24 euros in FY 2016.

2016 GROUP PERFORMANCE BY CATEGORY (OPERATING SEGMENTS)
BIC GROUP NET SALES AND INCOME FROM OPERATIONS (IFO) BY PRODUCT CATEGORY 2015-2016

<i>(in million euros)</i>	Stationery		Lighters		Shavers		Other Consumer Products		BIC Graphic	
	Net sales	IFO	Net sales	IFO	Net sales	IFO	Net sales	IFO	Net sales	IFO
2015	727.0	83.7	675.7	260.9	452.0	83.3	67.6	(1.2)	319.3	13.1
2016	736.6	66.2	696.4	275.3	467.0	68.6	61.0	(2.9)	311.5	(52.2)

BIC GROUP IFO AND NORMALIZED(A) IFO BY PRODUCT CATEGORY 2015-2016

<i>(in million euros)</i>	Stationery		Lighters		Shavers		Other Consumer Products^(a)		BIC Graphic	
	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO
2015	83.4	83.7	257.9	260.9	83.6	83.3	(3.4)	(1.2)	10.4	13.1
2016	67.5	66.2	277.3	275.3	69.6	68.6	(2.7)	(2.9)	7.3	(52.2)

STATIONERY

Stationery full-year 2016 Net Sales increased by 1.3% (+5.2% on a constant currency basis). Full year 2016 volumes grew by 1.5%.

The stationery market continued to show positive momentum in 2016 with mid-single digit growth in value terms well balanced between developed and developing markets. In a relentlessly competitive environment, we held on to market share gains in most geographies especially in developing markets where we had a record year in Brazil and in certain regions such as the Middle-East and Africa. In line with our strategy, we have accelerated our R&D and brand support investment which helped fuel our net sales growth and successful new product launches.

- **Developed markets:** Net Sales registered high-single digit growth in Europe with market share gains in most countries thanks to good execution, especially during the Back-to-School season and enhanced brand support. We actively supported our products with communication programs such as the "4 colors™" TV campaigns broadcast throughout the region and the coloring campaign in France, the UK, Spain and Eastern European countries. Despite a very competitive environment in North America, Net Sales registered low-single digit growth, as we continued to benefit from the success of our "Champion Brand" products such as Cristal®, Atlantis® and Xtra-Fun graphite pencils with market share gains in all of their respective segments.
- **Developing markets:** Net Sales posted low-single digit growth and most of the regions performed well. We continued our successful expansion in Latin America, supported by regional advertising campaigns, notably in

the ball pen and coloring segments. In Brazil, BIC reinforced its position with strong market share gains, driven by higher brand support investment and in-store visibility; we consolidated our leadership in the modern mass market channel. In the Middle-East and Africa, BIC delivered strong growth along with an outstanding performance in South Africa across the whole range, particularly in the Ball Pen and Coloring segments. In India, Cello Pens Net Sales decreased mid-single digit. Domestic sales were flat in a competitive environment. We continued to streamline our product portfolio and to focus on higher value-added items such as the Butterflow™ range.

Full Year 2016 Stationery normalized IFO margin was 9.2% compared to 11.5% in 2015. Excluding the impact of the special employee bonus, Normalized IFO margin for Stationery would have been 9.6%. The year-on-year drop is attributable to the impact of an increase in operating expenses, as well as significant investment in brand support in Europe and North America.

LIGHTERS

Full-year 2016 Net Sales of Lighters grew by 3.1% (+5.6% on a constant currency basis). Full year 2016 volumes were up 2.3%.

- **Developed markets:** In Europe, growth in Net Sales was in the mid-single digits, driven by Western Europe and distribution gains in Eastern Europe. In all of these countries, we benefited from the solid performance of our core products and our utility lighters. North America achieved mid-single digit growth, driven by the success of added-value sleeves, notably the new bohemian pocket lighter design series. In the U.S., we also

benefited from our creative Facebook page promoting our added value sleeve designs and our New York City Fashion week participation.

- **Developing markets:** Full-year 2016 net sales were in the high-single digits. In Latin America, high-single digit growth in Net Sales was underpinned by distribution gains especially in Mexico where Child Resistant regulation came into force this year, and despite a tough business environment in Brazil. In the Middle-East and Africa, growth was driven by the North African region on the back of strong visibility and distribution gains. In Asia, the performance was driven by distribution gains in Japan; we continued to focus on building a distribution channel through convenience stores. In Oceania, we continued to extend our market leadership position through increased distribution of pocket lighters and the Utility range into modern mass market accounts.

Full-year 2016 Normalized IFO margin for Lighters was 39.8% compared to 38.2% in 2015. Excluding the impact of the special employee bonus, Normalized IFO margin for Lighters would have been 40.2%, reflecting a higher gross profit margin.

SHAVERS

Full-year 2016 Net Sales of Shavers grew by 3.3% (+7.0% on a constant currency basis). Full-year 2016 volumes were up by 0.6%.

In 2016, we continued to reinforce our positions in most geographies, especially in Latin America and Eastern Europe. Thanks to the "Great value" positioning of our products, consumers continued to use BIC® shavers and our new products helped us to win new consumers.

- **Developed markets:** In Europe, Full-year Net Sales achieved high-single digit growth with solid performances in Eastern European regions underpinned by distribution gains and successful new products launches in the region, such as the BIC® Flex 3 for men and BIC® Simply Soleil® for women. In North America, the total U.S. wet shave market declined by 5.0% at the end of December 2016. The one-piece segment declined by 6.1%, reflecting consumers' attrition due to less promotional activity and good performances by private

labels. Despite this context, Net Sales were stable and we gained market share (+1.4 points to 28.0%⁽¹⁾ in value terms) thanks to our best value/quality positioning across our entire product range and a very strong new product pipeline (the BIC® Flex 5 and the BIC® Soleil® Shine shavers). In the U.S., we continued to invest in advertising with the digital "Smooth up" campaign for the BIC® Flex 5 shaver and the BIC® Soleil® "campaign ("Make your own sun") in both traditional and digital media.

- **Developing markets:** Net Sales posted double digit growth, with solid performance across all regions. In Latin America, the increase in sales was driven by the success of all product ranges (BIC® 3, BIC® Comfort 3 and BIC® Soleil). This growth was also supported by distribution gains and brand support investment in the region, such as TV campaigns in Brazil to promote the BIC® Comfort 3 and the BIC® Soleil shavers. The Middle-East and Africa benefited from the good performance across all regions and in all product ranges, especially in BIC® 1 and BIC® 3 shavers. We maintained our solid positions.

Full-year 2016 Normalized IFO margin for Shavers was 14.9% compared to 18.5% in 2015. Excluding the impact of the special employee bonus, Normalized IFO margin for Shavers would have been 15.4%. This year-on-year decrease was due to increased investment in Research and Development and in brand support.

OTHER CONSUMER PRODUCTS

Full-year 2016 Net Sales of Other Consumer Products decreased by 9.8% (-9.0% on a constant currency basis).

BIC Sport registered a double-digit decline in its full-year Net Sales on a constant currency basis, notably due to an increasingly competitive environment in the U.S.

Full-year 2016 Normalized IFO for Other Consumer Products was a negative 2.7 million euros (negative 2.5 million euros excluding the impact of the special employee bonus), compared to a negative 3.4 million euros in 2015.

(1) Source: IRI total market YTD through December 25, 2016 (one-piece shavers) – in value terms.

ADVERTISING AND PROMOTIONAL PRODUCTS

BIC Graphic Full-year 2016 Net Sales decreased by 2.5% (-1.9% on a constant currency basis).

Customers continued to recognize the vast expertise of BIC Graphic in the fields of quality, safety compliance and trademarks. We continued to enhance our customer service

and we benefited from our "Good value" positioning and new products launches.

Full-year 2016 Normalized IFO margin for BIC Graphic was 2.4% compared to 3.3% in 2015. Excluding the impact of the special employee bonus, Normalized IFO margin would have been 3.3%.

2016 GROUP PERFORMANCE BY GEOGRAPHICAL AREA

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA

(in million euros)	2015	2016	Change 2015/2016	
			Change in %	On a constant currency basis
Europe	527.8	544.8	+3.2%	+5.3%
North America	1,040.1	1,058.6	+1.8%	+1.8%
Developing markets	673.8	669.0	-0.7%	+7.1%

EUROPE

The Europe region includes Western and Eastern Europe. In 2016, Net Sales in Europe reached 544.8 million euros, a year-on-year increase of 3.2% (+5.3% on a constant currency basis).

Consumer business

In a fiercely competitive environment, Europe registered a strong performance in 2016 across all consumer categories and all regions, with a recovery in Southern European countries and strong growth in Eastern European countries.

- **In Stationery**, BIC delivered a good performance in both Western and Eastern countries thanks to the success of core stationery products such as BIC® 4 colors™ (Fluo and Shine) and BIC® Cristal® pens, as well as coloring and correction ranges. We reinforced our leadership positions and continued to gain market share in most regions, notably in France, Italy, Germany and Spain. We accelerated brand support investment, mainly through TV campaigns such as the "4 colors/Made in France" campaign and advertising for Evolution coloring pencils in Eastern Europe.

- **In Lighters**, net sales posted mid-single digit growth. Western Europe's performance was driven by both classic products and utility lighters. Eastern European countries continued their good momentum on the back of distribution gains.
- **In Shavers**, growth was mainly driven by Eastern European countries. In this region, we increased the distribution of our core products and expanded our product portfolio with new products such as the BIC® 3 for men and BIC® Simply Soleil® for women. As planned, we increased brand support investment to boost brand awareness and visibility with a TV advertising campaign in Eastern Europe to support the Miss Soleil® range, a global digital campaign to support our women's product range and a TV campaign in Russia to promote the BIC® Flex 3.

Advertising and Promotional Products

Net sales were mainly driven by Eastern Europe but key countries such as France, Benelux and Germany also performed well.

NORTH AMERICA

The North America region includes the U.S. and Canada. In 2016, Net Sales in North America reached 1,058.6 million euros, up 1.8% both as reported and on a constant currency basis.

Consumer business

BIC delivered a good performance in both the U.S. and Canada and grew or held market share in most categories despite a challenging environment. This good performance continued to be driven by consistently promoting our quality and value positioning, an increased emphasis on our added value products, on driving quality distribution, and the impact of our targeted advertising and marketing programs.

- **In Stationery**, mid-single digit net sales growth reflects BIC's continued strong market presence. We managed to hold onto our market share despite an increasingly aggressive competitive environment and continued turbulence in the office superstore channel. This performance was driven by a solid back to school season and by focusing on our "Champion brands". Across the continent, we increased our presence in the adult coloring category (which included the launch of our Conté® coloring brand) and we focused our investments on added value products supported by our BIC *"Fight for your Write"* campaign promoting the learning and developmental benefits associated with hand-writing.
- **In Lighters**, mid-single digit growth was driven by our continued emphasis on product safety and quality, our extensive distribution, and the success of our added-value sleeve designs notably the new *"bohemian"* series. In addition, our creative Facebook posts promoting our added value sleeve designs together with our presence at the New York city Fashion Week as part of designer Alexander Wang's show (where models wore necklaces made with BIC® lighters) generated considerable interest on social media.
- **In Shavers**, 2016 reflects another year of continued market share gains in both countries despite an extremely turbulent U.S. market. BIC's success continues to be driven by expanded distribution and shelf presence, our best Quality/Value positioning, the BIC® Soleil® range and the solid growth and continuous pipeline of added value premium flexible blade products including the BIC® Flex 5 and the BIC® Soleil® Shine ranges. In Men's Shavers, the BIC® Flex 5 was supported by the *"Men, it's time to smooth up"* digital campaign in the U.S. and by our successful sponsorship of the "Toronto Raptors", basketball team in Canada. In both

countries, our women's Shavers continued to be supported by the BIC® Soleil® *"Make your own sun"* advertising campaign on TV, social, digital, and print media.

Advertising and Promotional Products

Sales of Writing Instruments and Hard Goods continued to be driven by our "Good Value" line and by new products.

DEVELOPING MARKETS

Developing markets include Latin America (Mexico, Central America, the Caribbean and South America), the Middle-East, Africa, Oceania and Asia. In 2016, Net Sales reached 669.0 million euros, down 0.7% (+7.1% on a constant currency basis).

Consumer business

LATIN AMERICA

In Latin America, consumer categories net sales delivered a double-digit increase. BIC reinforced its brand through effective advertising and marketing campaigns such as the coloring TV campaign and the BIC® Comfort3 campaign, both of which ran in Brazil, Argentina, Mexico and Central America.

- **Stationery**: BIC expanded its market share in key countries, thanks to higher brand support investment and in-store visibility, focusing on the Evolution coloring range and Cristal® pens. We rolled out our first ever regional Evolution coloring advertising campaign ("Little artist") and harmonized our packaging throughout the region. As a result, we consolidated our leadership in the coloring segment in the retail trade both in Mexico and Brazil.
- **Lighters**: high-single digit growth in net sales was driven by distribution gains especially in Mexico, where Child Resistant regulation was implemented this year, supported by communication campaigns. We also benefited from the impact of the "Save money with BIC" TV and radio campaigns.
- **Shavers**: Sales continued to grow with good performance in all regions. Mexico posted strong results thanks to the success of BIC® Twin and BIC® Comfort3 Shavers, supported by a TV, radio and digital advertising campaign. Brazil delivered outstanding performance underpinned by increased brand support investment and resulting in market share gains, stronger brand awareness, higher household penetration and repeat purchase rates. BIC's commitment to the Value-for-Money concept was reflected in each of the products in the portfolio, from single- to triple-blade Shavers, for both men and women.

MIDDLE-EAST AND AFRICA/INDIA

BIC continued to deploy the proximity strategy first rolled out in 2012. During the year, we continued to work closely with distributors and customers to reinforce our presence, leverage the BIC® brand and increase net sales by focusing on distribution gains and improved in-store visibility.

- **Stationery:** BIC registered a good performance in the region, especially in Southern and Eastern Africa, and in Morocco. This growth was mainly driven by the success of core products such as the Ball Pen range, the Cristal® pen and the M10 pen (which celebrated its 60-year anniversary in South Africa in 2016). Southern Africa had a fine year and consolidated the strong back-to-school performance of 2015. Eastern Africa delivered a good performance, thanks notably to excellence in execution from product listing to consumer engagement. In India, 2016 was the first year with BIC having 100% of Cello Pens: substantial progress has been made notably in Human Resources, Marketing, Finance and Manufacturing. We have reinforced our presence and increased distribution within the domestic market. Cello Pens remained leader in the Ball Pen segment and gained leadership in the Gel Pens segment. Domestic sales were flat in an aggressively competitive market.
- **Lighters:** 2016 was a satisfactory year, especially in North-Africa, thanks to our strategy, aimed at gaining distribution and improving in-store visibility. We also benefited from our sleeve strategy, offering consumers novelty with local sleeve series.

- **Shavers:** BIC delivered a good performance across all regions. Growth was supported by effective advertising programs such as the BIC® 1 successful campaign conducted across West Africa, and the "Get Smooth" Premium Range promotion in South Africa (Flex 3, 4 and 5). We also increased in-store activity in South Africa, through additional promotions. Consequently, BIC maintained its solid positions in core shavers and continued to grow sales through added value products.

ASIA-PACIFIC

In Oceania, BIC delivered strong set of results across the region with growth in all categories.

- **Stationery:** in Oceania, we achieved solid growth in mass markets through additional promotional events and distribution gains especially in added value (Ball Pens and Coloring).
- **Lighters:** in Oceania, BIC extended its leadership position through distribution gains. In Asia, the performance was driven by distribution gains in convenience stores in Japan. China continued its growth on the back of distribution gains especially in convenience stores.
- **Shavers:** BIC delivered a strong performance across the entire region. In Australia, we climbed to number two in the market for the first time thanks to the increased distribution of the Flex and Soleil® ranges. In New Zealand, we reinforced our market leadership position.

4.4 FINANCIAL SITUATION AND CASH

At the end of 2016, the net cash position was 222.2 million euros, compared to 448.0 million euros as of December 31, 2015.

2016 Net Cash from operating activities totaled

298.7 million euros.

2016 cash generation is impacted by the dividend payment for 277.0 million euros, 81.6 million euros of cash paid on share buy-backs and 180.8 million euros on CAPEX.

AS PUBLISHED

MAIN BALANCE SHEET ITEMS AS PUBLISHED

<i>(in million euros)</i>	2015	2016
Shareholders' equity	1,849.5	1,792.6
Current borrowings and bank overdrafts	7.8	49.6
Non-current borrowings	2.4	1.4
Cash and cash equivalents – Assets	385.2	243.8
Other current financial assets	73.0	29.4
Net cash position	448.0	222.2
Goodwill and intangible assets	421.7	372.7
TOTAL BALANCE SHEET	2,536.2	2,573.7

NB: SOCIÉTÉ BIC did not request any rating from any credit ratings agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit ratings agency.

CONDENSED CASH FLOW STATEMENT AS PUBLISHED

<i>(in million euros)</i>	2015	2016
Cash flow from operations	435.6	417.2
(Increase)/Decrease in net working capital	(24.0)	(62.8)
Other operating cash flows	(44.5)	(55.7)
Net cash from operating activities from continuing operations	351.4	276.2
Net Cash from operating activities from discontinued operations	15.7	22.5
Net cash from operating activities	367.1	298.7
Net Cash from investing activities from continuing operations	(108.5)	(127.2)
Net Cash from investing activities from discontinued operations	(5.4)	(5.3)
Net cash from investing activities	(113.8)	(132.5)
Net Cash from financing activities from continuing operations	(224.2)	(291.5)
Net Cash from financing activities from discontinued operations	(3.5)	(48.0)
Net cash from financing activities	(227.8)	(339.5)
Net increase/(decrease) in cash and cash equivalents	25.6	(173.2)
Closing cash and cash equivalents	380.6	217.4

AS RESTATED FOR DISCONTINUED OPERATIONS

MAIN BALANCE SHEET ITEMS RESTATED FOR DISCONTINUED OPERATIONS

<i>(in million euros)</i>	2015 ^(a)	2016
Shareholders' equity	1,849.5	1,792.6
Current borrowings and bank overdrafts	7.8	49.6
Non-current borrowings	2.4	1.4
Cash and cash equivalents – Assets	385.2	243.8
Other current financial assets and derivative instruments	76.3	31.1
Net cash position	448.0	222.2
Goodwill and intangible assets	421.7	388.0
TOTAL BALANCE SHEET	2,536.2	2,573.7

NB: SOCIÉTÉ BIC did not request any rating from any credit ratings agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit ratings agency.

(a) Restated for IFRIC 21.

CONDENSED CASH FLOW STATEMENT RESTATED FOR DISCONTINUED OPERATIONS

<i>(in million euros)</i>	2015	2016
Cash flow from operations	435.6	417.2
(Increase)/Decrease in net working capital	(24.0)	(62.8)
Other operating cash flows	(44.5)	(55.7)
Net cash from operating activities ^(a)	367.1	298.7
Net cash from investing activities	(113.8)	(132.5)
Net cash from financing activities	(227.8)	(339.5)
Net increase/(decrease) in cash and cash equivalents	25.6	(173.2)
Closing cash and cash equivalents	380.6	217.4

(a) See Glossary § 8.9.

4.5 SHAREHOLDERS' REMUNERATION

In 2016, Shareholders' Remuneration totaled 358,6 million euros:

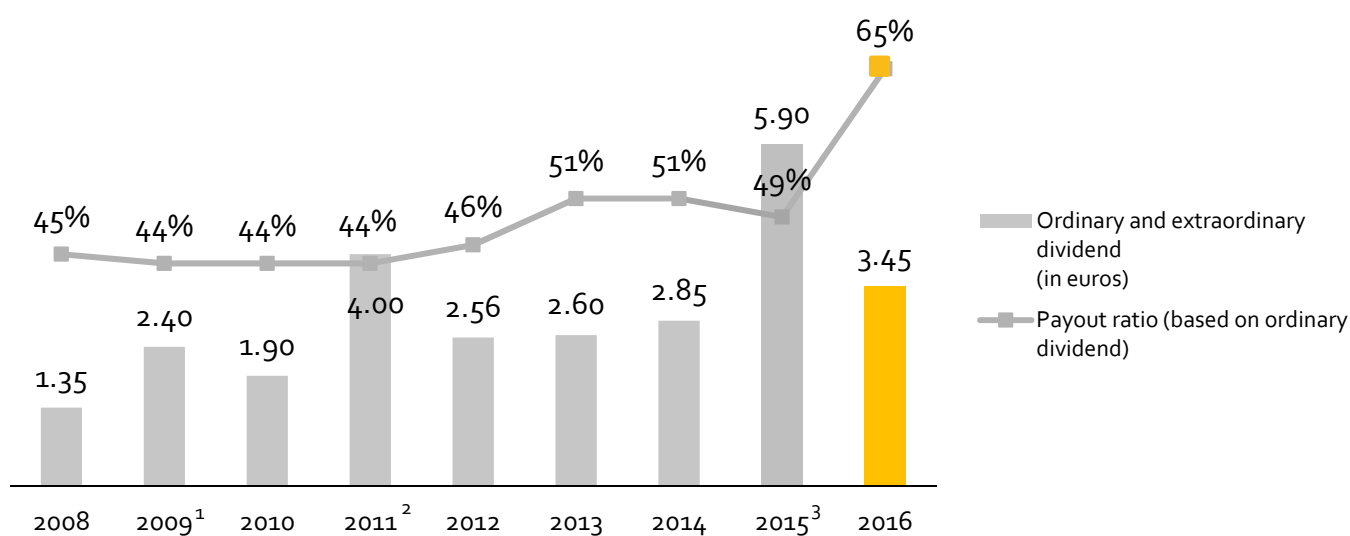
- 134.8 million euros related to the payment of dividend (2014 fiscal year);
- 26.3 million euros related to the share buy-back program (180,213 shares bought at an average of 146.0 euros per share).

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 2016 performance, and confident in the BIC Group's prospects and the sustainability of its strong financial position, the Board of Directors will propose 3.45 euros at the Annual Shareholders' Meeting on May 10, 2017. The pay-out ratio (calculated with the ordinary dividend) would be 65% in 2016, compared to 49% in 2015.

PAID DIVIDENDS HISTORY



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

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

³ For the fiscal year 2015, the Company paid a special dividend of 2.50 euro.

4.7 PROSPECTS FOR 2017 AND STRATEGY

2017 OPERATIONAL OUTLOOK

GROUP

In 2017, the volatility of currencies and the unpredictable global environment will require increased levels of agility from our teams to ensure continued success. We plan to deliver mid-single digit organic growth in Net Sales. We will continue to launch new products and strengthen our distribution, with a focus on e-commerce in developed markets.

To enhance long-term growth, we plan another year of selected investments in R&D, CAPEX and Brand Support. The total impact of these investments on Normalized Income from Operations margin will be approximately -100 basis points compared to 2016, excluding major currency fluctuations.

Stationery

In 2017, our objective is to deliver organic sales growth and to gain market shares through:

- new product launches, resulting from increased R&D investment;
- our strong “champion brand” strategy buoyed by higher brand support investment;
- new emerging channels such as e-commerce, in developed countries;
- more qualified distribution channels in developing countries.

Lighters

We will continue to leverage our proven safety and quality classic and added-value products, to drive sales increases with new added-value sleeve designs in developed markets. In developing countries, we will consolidate our footprint and enhance BIC® brand awareness.

Shavers

We will continue to enhance product performance and sell at an affordable price. We expect the U.S. market to continue to slow down: in this context, we will step up promotional activities for our added-value products. We forecast continued growth in Latin America and Eastern Europe.

Thanks to increased R&D investment, our growth will be boosted by major new product launches, including:

- the BIC® Hybrid 5 shaver, in North America, which offers the best of our technology (moveable blades, optimized pivot, ect.) at a fair price;
- the BIC® Soleil® Sensitive shaver, in Latin America, a more advanced version of our BIC® Soleil® shaver;

- BIC Shave Club, a direct to consumer online-only subscription service with a refillable shaver will be tested in France.

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 brief, we foresee the major challenges for 2017 to be:

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

While many of these issues are outside of our control, we will make every effort to minimize the related 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

Sales growth, market share gains, margins, cash flow and a strong balance sheet are the main indicators of the group performance.

In 2017, our priority is to continue to drive sales growth through selected investments in R&D, brand support and CAPEX.

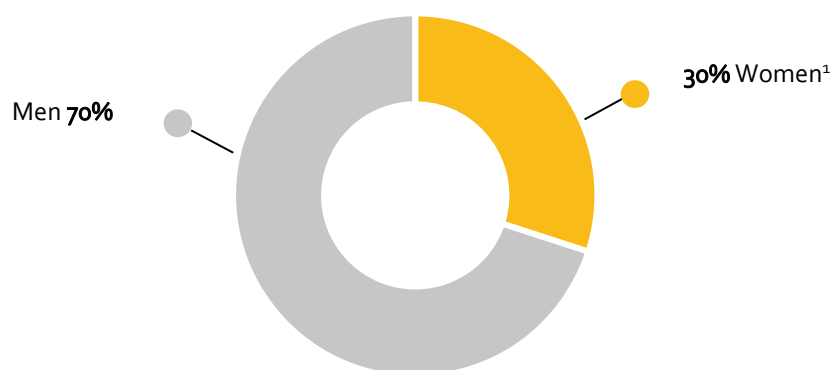
RECENT EVENTS

Following the BIC Graphic strategic review initiated in February 2016 and after conducting a careful review of the business, the following decisions have been made:

- BIC Graphic Europe operations will report to the European BIC Consumer Product business. The European BIC Graphic team will focus on implementing a plan to develop a sustainable business model while developing innovative services and maintaining BIC Graphic's imprinting and decorating expertise. In developing markets, BIC Graphic operations that have a sustainable business model will report to the local consumer business;
- Strategic alternative discussions regarding BIC Graphic North America and the Asia Sourcing operations are still on-going.

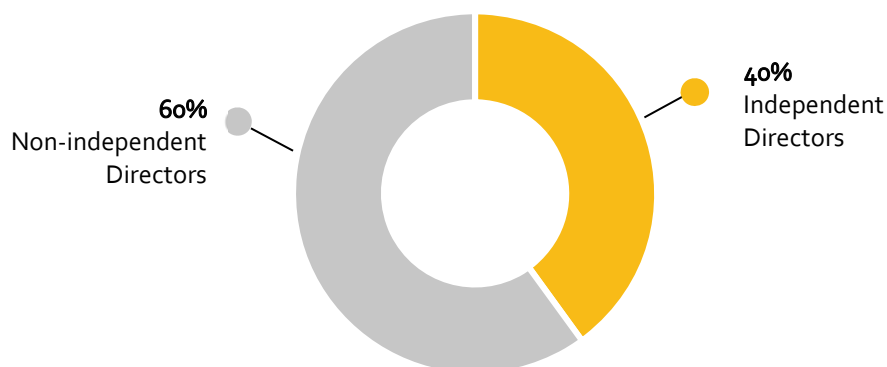
5. Governance

GENDER BALANCE ON THE BOARD OF DIRECTORS



¹This percentage will increase to 40% subject to the approval of the resolution of Annual Shareholders' Meeting of May 10, 2017 related to the appointment of Mrs. Candace Matthews.

PORTION OF INDEPENDENT DIRECTORS



In 2016, the Board of Directors met 6 times. The attendance rate was 95%.

40% of the directors are independent within the meaning of the AFEP/MEDEF Corporate Governance Code.

5.1 DIRECTORS AND CORPORATE OFFICERS



BRUNO BICH

CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

70 YEARS OLD

NATIONALITY: FRENCH/AMERICAN

Date of 1st appointment: Annual Shareholders' Meeting of June 2, 1986
Expiration date: Annual Shareholders' Meeting in 2019, for fiscal year 2018
Number of shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.
Main position:
 Chairman of the Board of Directors and Chief Executive Officer of SOCIÉTÉ BIC.



PIERRE VAREILLE

VICE-CHAIRMAN AND LEAD-DIRECTOR

59 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: Annual Shareholders' Meeting of May 14, 2009
Expiration date: Annual Shareholders' Meeting in 2018, for fiscal year 2017
Number of shares held: 3,000
Main position: Co-President, Founder of "The Vareille Foundation" - Switzerland



ELIZABETH BASTONI

INDEPENDENT DIRECTOR

51 YEARS OLD

NATIONALITY: AMERICAN

Date of 1st appointment: Annual Shareholders' Meeting of May 15, 2013
Expiration date: Annual Shareholders' Meeting in 2019, for fiscal year 2018
Number of shares held: 500
Main position:
 President of Choukette, Inc. – U.S.A.



FRANÇOIS BICH

DIRECTOR

67 YEARS OLD

NATIONALITY: FRENCH

Date of 1st 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, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.



**MARIE-PAULINE CHANDON-MOËT,
MAIDEN NAME BICH**

DIRECTOR

49 YEARS OLD

NATIONALITY: FRENCH

Date of 1st 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, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.
Main position:
 President - Ferrand SAS - France



JOHN GLEN

INDEPENDENT DIRECTOR

57 YEARS OLD

NATIONALITY: BRITISH

Date of 1st 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)



MARIO GUEVARA

DIRECTOR

57 YEARS OLD

NATIONALITY: MEXICAN/AMERICAN

Date of 1st appointment: Director: Annual Shareholders' Meeting of May 22, 2001
Expiration date: Annual Shareholders' Meeting in 2019, for fiscal year 2018
Number of shares held: 46,458



FRÉDÉRIC ROSTAND

INDEPENDENT DIRECTOR

54 YEARS OLD

NATIONALITY: FRENCH

Date of 1st 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



**MARIE-HENRIETTE POINOT,
MAIDEN NAME BICH**

DIRECTOR

55 YEARS OLD

NATIONALITY: FRENCH

Date of 1st 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, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.



SOCIÉTÉ M.B.D.

DIRECTOR

PERMANENT REPRESENTATIVE: ÉDOUARD BICH

Date of 1st appointment: Annual Shareholders' Meeting of May 24, 2006

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

Number of shares held: 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights (as of December 31, 2016)

Permanent representative and Managing Director:

- Édouard BICH



GONZALVE BICH

EXECUTIVE VICE-PRESIDENT

37 YEARS OLD

NATIONALITY: FRENCH/AMERICAN

Date of 1st appointment: Board of Directors of May 18, 2016 – effect: June 2nd, 2016

Number of shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.

Main position:

Executive Vice-President of SOCIÉTÉ BIC
Chief Executive Officer of BIC Group



JAMES DIPIETRO

EXECUTIVE VICE-PRESIDENT

56 YEARS OLD

NATIONALITY: AMERICAN

Date of 1st appointment: Board of Directors of May 18, 2016 – effect: June 2nd, 2016

Number of shares held: 16,636

Main position:

Executive Vice-President of SOCIÉTÉ BIC
Group Chief Financial Officer



MARIE-AIMÉE BICH-DUFOUR

EXECUTIVE VICE-PRESIDENT

58 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: Board of Directors of March 22, 1995

Number of shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.

Main position:

Executive Vice-President of SOCIÉTÉ BIC
Board of Directors' Secretary
President of the BIC Corporate Foundation for Education



APPOINTMENT OF MRS. CANDACE MATTHEWS AS A NEW DIRECTOR

It is proposed to the Shareholders to appoint as a new Director, Mrs. Candace Matthews, for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2020 to approve the financial statements of the fiscal year ending December 31, 2019.

Mrs. Matthews would replace Mr. Frédéric Rostand whose mandate expires at the present Shareholders Meeting.

Number of shares held: 0

Main position:

Region President - The Americas - Amway - U.S.A.

INDEPENDENT DIRECTOR

58 YEARS OLD

NATIONALITY: AMERICAN

5.2 WORK OF THE BOARD OF DIRECTORS IN 2016

- Number of meetings: 6
- Average: 4 hours 25
- Attendance rate: 95%

In 2016, the Board of Directors ruled in particular on the following points:

- Financial Statements and budget:
 - settlement of the statutory Financial Statements and of the consolidated financial statements for the year ended December 31, 2015 and for the first half of the year 2016,
 - review of the quarterly results,
 - revision of the 2016 budget and 2017 preliminary budget;
- Corporate governance:
 - setting compensation for Corporate Officers and Directors,
 - succession plan for the Corporate Officers,
 - search for a new Director,
 - mode of designation of the Director representing the employees,
 - allocation of free shares with or without performance conditions,
 - drawing-up of the various documents submitted to the Shareholders' Meeting;
- Strategy:
 - strategy relating to acceleration of growth on all of our markets,
 - analysis of the strategy for the Stationery, Lighter and Shaver activities and for BIC Graphic,
 - analysis of the Group's strategy in India,
 - BIC Group Sustainable Development Program,
 - share buyback program.

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	✓	

*Chairman of the Committee

6. Senior Management compensation

6.1 REPORT ON COMPENSATION POLICY FOR CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS OF SOCIÉTÉ BIC

6.1.1. GENERAL PRINCIPLES GOVERNING COMPENSATION

In addition to the AFEP/MEDEF's Corporate Governance Code's principles (except the recommendations stated in section 3.1.1.2.e), the following general principles characterize the compensation policy and practices across the Group:

PRESENTATION OF PRINCIPLES

INTERNAL EQUITY

Internal differentials have credible justification and reflect level of responsibilities, experience, performance, potential and market practice.

PAY FOR PERFORMANCE

Individual and collective performance plays an important role in remuneration at BIC. Base remuneration increases at the individual level are based on the market yearly evolution and, differentiated based on individual performance. Remuneration includes a variable part (annual or long-term) based on the achievement of individual and/or collective objectives that are critical to the team, business unit

and/or company's success.

COMPETITIVENESS

BIC refers to benchmarks from external remuneration markets and designs its remuneration systems to be aligned with its business needs, growth objectives and values. Total compensation for well-established and performing employees is competitive.

EFFECTIVE COMMUNICATION

Compensation & benefits policies and practices are openly and clearly communicated, both in their structure and their "value" to the individual.

METHOD OF DETERMINING THE PAY ELEMENTS

BIC uses third-party consultant experts in compensation and benefits to analyze the remuneration package of executives with comparable responsibilities to those of BIC executives based in France and USA. In line with previous years, the comparison panel includes the following companies:

- in France: Accor Hotels, Atos, Bureau Veritas, Carrefour, Danone, Dassault Systèmes, Essilor, Gemalto, Hermes international, Kering, Lafarge, L'Oreal, LVMH, Pernod Ricard, Unibail-Rodamco, Valeo, Vallourec, Vivendi ;
- in USA: Amway, Coca Cola Enterprises, Diageo North America, Hasbro, Kellogg, Kimberly-Clark, Mary Kay, NBTY, NU Skin Enterprises, PepsiCo, SC Johnson & Son, Scotts Miracle-Gro, Sealed Air, Sherwin-Williams, Tupperware Brands, Unilever USA.

Remuneration is set, in respect of the above-mentioned principles and

the practice of comparable companies, 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 Bruno Bich and Marie-Aimée Bich-Dufour, and in the U.S. marketplace for Gonzalve Bich and James DiPietro.
- 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).

ALLOCATION OF THE VARIABLE AND EXCEPTIONAL PAY ELEMENTS

Under the new provisions of Article L.225-37-2 of the French Commercial Code, the payment of the variable annual part and of

exceptional items requires an *ex post* vote of the Shareholders' Meeting.

6.1.2. PARTICULAR PRINCIPLES GOVERNING COMPENSATION

In application of the general principles of the BIC Compensation Policy, which are set forth in the present report, and upon the recommendation of the Compensation and Nomination Committee, the Board has applied a specific remuneration structure for the Chairman, Chief Executive Officer and Executive Vice-Presidents, with:

- a fixed part;
- an annual variable part;

- a long-term incentive;
- exceptional items;
- pension plans;
- benefits in kind.

FIXED PART

At the beginning of each year, the Board sets the fixed part of the remuneration of the executives for the fiscal year.

The fixed part of the remuneration for the Chairman, the Chief Executive Officer and the Executive Vice-Presidents

reflects the responsibilities of the executive, his/her experience and his/her skills.

The fixed part is the base from which the annual variable part is determined.

ANNUAL VARIABLE PART

The Chairman, Bruno Bich, received no variable remuneration for 2016.

The annual variable target for the Chief Executive Officer and the Executive Vice-Presidents, is a percentage of the fixed part, with a maximum potential payout of 150% of the target. The annual bonus is calculated based on six criteria:

- 20%: Group/Categories and/or geographical area Net Sales;
- 20%: Group/Categories Income from Operations;

- 10%: Group Net Income;
- 10%: Group/Categories Inventory;
- 10%: Group/geographical area Accounts Receivables;
- 30%: Individual Objectives and overall performance.

At the end of the fiscal year, the individual and financial results are evaluated against the bonus criteria.

LONG-TERM INCENTIVE

GRANT OF PERFORMANCE SHARES SINCE 2005

From 2005, exercising the power placed at its disposal by the Shareholders' Meeting, the Board of Directors decided, upon the recommendation of the Compensation and Nomination Committee, to put in place a policy of three-year performance-based free share grants. Performance is assessed according to the achievement of two objectives:

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

If the average percentage for the achievement of the two performance conditions is between 100% and 75%, and for each percent below 100%, the number of shares actually given to each beneficiary on the vesting date will be reduced

by 2% compared to the initial grant.

If the average percentage for the achievement of the two objectives is less than 75%, no shares will be given.

BIC Corporate Officers are required to keep 20% of free shares given, until their mandate expires. The 20% requirement 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.

NO GRANT OF STOCK OPTIONS SINCE 2011

As part of a policy recommended by the Compensation and Nomination Committee, since 2011, the Board has decided to no longer award stock options and has set up a policy of performance share grants.

SUPPLEMENTARY PENSION PLANS

The Chairman, the Chief Executive Officer and the Executive Vice-Presidents benefit from supplementary pension plans

as presented in detail in section 3.4.1.7.

BENEFITS IN KIND

In the course of their regular duties, the Chairman, the Chief Executive Officer and the Executive Vice-Presidents may

benefit from a company car (if based in France) or a car allowance (if based in the United States).

TERMINATION PAYMENT AND SIGN ON BONUS

No Corporate Officer has received a Termination Payment or Sign on Bonus.

such payments, in particular in consideration of the personal situation of the person concerned (change in status, termination of an employment contract).

However, the Board reserves the right to make provision for

6.2. RULES GOVERNING THE GRANTING OF THE VARIABLE ANNUAL PART (BONUS) FOR 2016

The Board of Directors set the annual fixed and the annual variable parts of the remuneration for 2016:

Corporate Officer	Annual Fixed Part 2016	Annual Target Variable 2016 (corresponds to 100% achievement of the objectives)
Bruno Bich Chairman, then Chairman and Chief Executive Officer from June 2016	200,000 euros	-
Mario Guevara Chief Executive Officer until May 2016	810,000 U.S. dollars, paid <i>prorata temporis</i> until June 1, 2016	-
François Bich Executive Vice-President until February 2016	490,000 euros to pay <i>prorata temporis</i> - until February 29, 2016;	-
Gonzalve Bich Executive Vice-President from June 2016	400,000 U.S. dollars, from June 2016	70% of the fixed part as of June 2016
James DiPietro Executive Vice-President from June 2016	500,000 U.S. dollars, from June 2016	75% of the fixed part as of June 2016
Marie-Aimée Bich-Dufour Executive Vice-President	295,000 euros	45% of the fixed part

BRUNO BICH COMPENSATION

FIXED PART

In 2016, the total fixed remuneration for Bruno Bich, Chairman and then Chief Executive Officer as from June 2016 was 200,000 euros.

ANNUAL VARIABLE PART

The Chairman and Chief Executive Officer, Bruno Bich, received no variable remuneration for 2016.

Bruno Bich took the role of CEO upon the retirement of Mario Guevara. This expanded his role from Chairman to Chairman and CEO during a managing transition period that will end at the latest in October 2018, when Bruno Bich will attain 72 years old (the maximum age of the Chairman, the

Chief Executive Officer and the Executive Vice-Presidents as per SOCIÉTÉ BIC Articles of incorporation). At this point no additional remuneration was granted in variable form. This explains why Bruno Bich has no variable compensation in his package; he kept the same remuneration structure (fixed base remuneration only) as he had been granted when he was in the role of Chairman only.

MARIO GUEVARA COMPENSATION

FIXED PART

In 2016, the total fixed remuneration for Mario Guevara, Chief Executive Officer through May 2016, was

810,000 euros. **ANNUAL VARIABLE PART**

Mario Guevara did not receive any variable remuneration for 2016.

FRANÇOIS BICH COMPENSATION

FIXED PART

In 2016, the total fixed remuneration for François Bich, Executive Vice-President through February 2016, was 490,000 euros.

ANNUAL VARIABLE PART

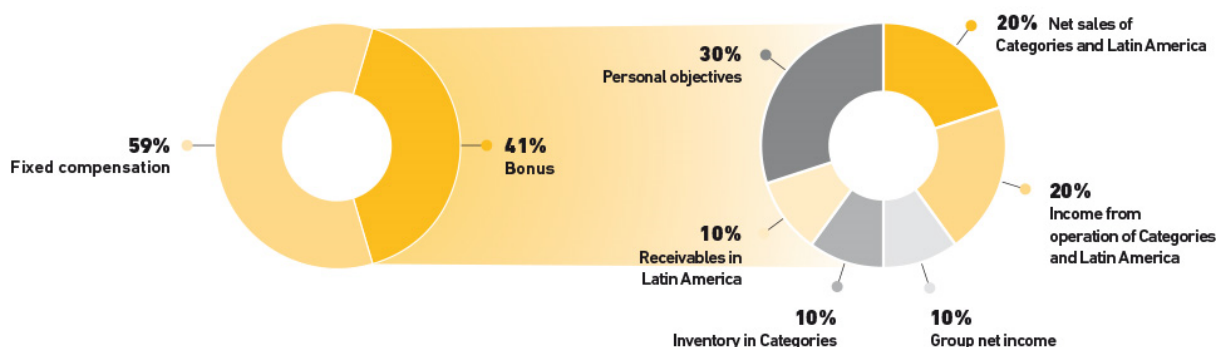
François Bich, Executive Vice-President through February 2016, did not receive any variable remuneration for 2016.

GONZALVE BICH COMPENSATION

FIXED PART

In 2016, the total fixed remuneration for Gonzalve Bich, Executive Vice-President from May 2016 ,was 400,000 U.S. dollars.

ANNUAL VARIABLE PART FROM MAY 2016



BONUS – GONZALVE BICH

Criteria	2016 Bonus as a % of base salary			Index of achievement of 2016 objectives	Actual 2016 bonus paid, as a % of base salary
	Minimum	Target (index 100)	Maximum		
Net sales of Categories and Latin America	5.10%	12.75%	19.10%	99.0	12.37%
Income from operations of Categories and Latin America	5.10%	12.75%	19.10%	99.0	12.37%
Group Net income	2.50%	6.40%	9.60%	104.4	7.30%
Inventory in Categories	2.50%	6.40%	9.60%	101.2	6.66%
Account Receivables in Latin America	2.50%	6.40%	9.60%	102.3	6.85%
Personal Objectives	7.80%	19.05%	28.50%	100.0	19.05%
TOTAL	25.50%	63.75%	95.50%		64.60%

In June 2016, target bonus increased from 55% to 70% of base salary, *i.e.* a global rate of 63.75% for the year.

At the end of the year, individual and collective achievements on each criteria were assessed.

Personal objectives are qualitative criteria related to the implementation of a development plan defined by the Board in April 2016, the implementation of the Information Technology strategy, building of digital capabilities,

development projects in Brazil and people management. The individual part represents 29% of the target bonus and represents a maximum of 28.50% of the base salary. For 2016, the individual part represents 29.5% of the bonus paid.

The Board of Directors has decided to pay to Gonzalve Bich a bonus amounting to 258,400 U.S. dollars representing 64.60% of base salary and 101.3% of the target bonus.

JAMES DIPIETRO COMPENSATION

FIXED PART

In 2016, the total fixed remuneration for James DiPietro, Executive Vice-President from June 2016, was 500,000 U.S. dollars, from June 2016.

ANNUAL VARIABLE PART FROM MAY 2016



BONUS – JAMES DIPIETRO

Criteria	2016 Bonus as a % of base salary			Index of achievement of 2016 objectives	Actual 2016 bonus paid, as a % of base salary
	Minimum	Target (si index 100)	Maximum		
Group Net sales	5.30%	13.30%	20.00%	98.7	12.90%
Group Income from operations	5.30%	13.30%	20.00%	104.0	14.90%
Group Net income	2.70%	6.70%	10.00%	104.4	7.64%
Group Inventory	2.70%	6.70%	10.00%	100.6	6.83%
Group Receivables	2.70%	6.70%	10.00%	99.9	6.70%
Personal Objectives	8.00%	20.00%	30.00%	100.0	20.00%
TOTAL	26.70%	66.70%	100.00%		68.97%

In June 2016, target bonus increased from 55% to 75% of base salary, *i.e.* a global rate of 66.70% for the year.

At the end of the year, individual and collective achievements on each criteria were assessed.

Personal objectives are qualitative criteria related to the quality of reporting and analysis, tax management, participation in strategic projects and improvement of audits

and procedures. The individual part represents 30% of the target bonus and represents a maximum of 30% of the base salary. For 2016, the individual part represents 29 % of the bonus paid.

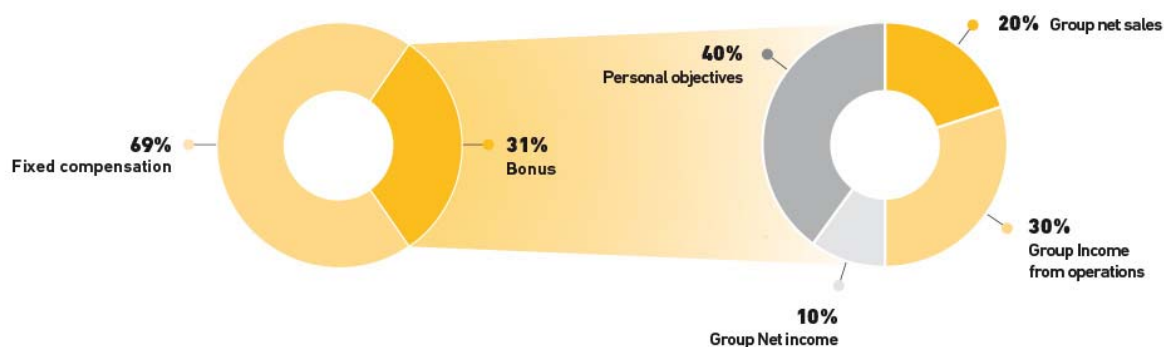
The Board of Directors has decided to pay James DiPietro a bonus amounting to 344,850 U.S. dollars representing 68.97% of base salary and 103.4% of the target bonus.

MARIE-AIMÉE BICH-DUFOUR COMPENSATION

FIXED PART

In 2016, the total fixed remuneration for Marie-Aimée Bich-Dufour was 295,000 euros.

ANNUAL VARIABLE PART



BONUS – MARIE-AIMÉE BICH-DUFOUR

Criteria	2016 Bonus as a % of base salary			Index of achievement of 2016 objectives a % of base salary	Actual 2016 bonus paid. as a % of base salary
	Minimum	Target (index 100)	Maximum		
Group Net sales	3.60%	9.00%	13.50%	98.7	8.73%
Group Income from operations	5.40%	13.50%	20.25%	104.0	15.12%
Group Net income	1.80%	4.50%	6.75%	104.4	5.13%
Personal objectives	7.20%	18.00%	27.00%	100.0	18.00%
TOTAL	18.00%	45.00%	67.50%		46.98%

At the end of the year 2016, individual and collective achievements on each criteria were assessed.

Personal objectives are qualitative criteria related to the launch of the foundation, social business projects and the engagements for Sustainable Development. The individual part represents 40% of the target bonus and represents a

maximum of 27% of the base salary. For 2016, the individual part represents 38.3% of the due bonus.

The Board of Directors has decided to pay to Marie-Aimée Bich-Dufour a bonus amounting to 138,591 euros representing 46.98% of base salary and 104.4% of the target bonus.

PERFORMANCE-BASED SHARE ALLOCATIONS

From 2005, exercising the power placed at its disposal by the Shareholders' Meeting, the Board of Directors decided, upon the recommendation of the Compensation and Nomination Committee, to put in place a policy of three-year performance-based share grants. The Corporate Officers mentioned in the table below benefit from this policy.

Performance is assessed according to the achievement of two objectives:

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

RESULTS OF THE PLANS: INDEX OF ACHIEVEMENT OF PERFORMANCE CONDITIONS, PER CRITERIA AND PER PLAN

	Plan 1 (2005-6-7)	Plan 2 (2006-7-8)	Plan 3 (2007-8-9)	Plan 4 (2008-9-10)	Plan 5 (2009-10-11)	Plan 6 (2010-11-12)	Plan 7 (2011-12-13)	Plan 8 (2012-13-14)	Plan 9 (2013-14-15)	Plan 10 (2014-15-16)	Average of the plans
Net sales growth	84.8	66.4	95.2	147.1	119.1	89.2	76.8	88.1	108.1	96.7	97.2
Cash Flow	85.5	88.2	98.6	99.7	110.1	103.1	98.9	105.8	98.9	98.6	98.8
Combined criteria (maximum 100)	85	77	97	100	100	96	88	97	100	98	93.3
Final acquisition as a percentage of the initial grant	70%	54%	94%	100%	100%	92%	76%	94%	100%	96%	87%

If the average percentage for the achievement of the two Performance Conditions is between 100% and 75%, and for each percent below 100%, the number of shares actually acquired by each beneficiary on the vesting date will be reduced by 2% compared to the initial grant.

If the average percentage for the achievement of the two objectives is less than 75%, no shares will be given.

BIC Corporate Officers are required keep 20% of free shares acquired, until their mandate expires. The 20% requirement 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.

To the best of the Company's knowledge, no hedging instrument has been put in place by the five Corporate Officers. Moreover, these Corporate Officers have made a formal commitment not to use hedging instruments.

The impact of previous years' shares grants on dilution is non-existent because granted shares are existing shares.

6 SENIOR MANAGEMENT COMPENSATION

TABLES G – PERFORMANCE SHARES AWARDED DURING THE FISCAL YEAR 2016 TO EACH EXECUTIVE CORPORATE OFFICER

Performance shares awarded during the fiscal year to each Executive Corporate Officer by the issuer and by any company of the Group (Nominative list)	Number and date of the plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method used for the consolidated fiscal statements (in euros)	Acquisition date	Availability date	Performance conditions
Mario Guevara	12 (May 18, 2016)	25,000	2,841,000	Mar 31, 2022	Mar 31, 2022	1) Net sales growth 2) Cash flow from operations and change in inventory as a percentage of net sales
Gonzalve Bich	12 (May 18, 2016)	5,000	568,200	Mar 31, 2022	Mar 31, 2022	idem
James DiPietro	12 (May 18, 2016)	8,000	909,120	Mar 31, 2022	Mar 31, 2022	idem
Marie-Aimée Bich-Dufour	12 (May 18, 2016)	3,250	367,900	May 18, 2019	Mar 31, 2022	idem

7. Financial statements

7.1 CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

<i>(in thousand euros)</i>	Dec. 31, 2015*	Dec. 31, 2016
Net sales	1,993,421	2,025,771
Cost of goods	(962,646)	(960,442)
Gross profit	1,030,775	1,065,329
Distribution costs	(278,951)	(285,954)
Administrative expenses	(206,694)	(211,932)
Other operating expenses	(136,833)	(158,933)
Other income	23,954	5,407
Other expenses	(7,889)	(10,525)
Income from operations	424,363	403,392
Income from cash and cash equivalents	14,237	8,856
Net finance income/(Net finance costs)	18,356	(4,057)
Income before tax	456,956	408,191
Income tax expense	(136,293)	(122,651)
Net income from consolidated entities	320,663	285,540
Net income from continuing operations	320,663	285,540
Net income from discontinued operations	5,839	(35,854)
Consolidated income	326,501	249,686
of which: non-controlling interests	1,443	-
NET INCOME GROUP SHARE	325,058	249,686
Earnings per share Group share <i>(in euros)</i>	6.89	5.32
<i>Continuing operations</i>	6.77	6.09
<i>Discontinued operations</i>	0.12	(0.77)
Diluted earnings per share Group share <i>(in euros)</i> ^(a)	6.81	5.27
<i>Continuing operations</i>	6.69	6.03
<i>Discontinued operations</i>	0.12	(0.76)
Average number of shares outstanding net of treasury shares over the period	47,173,339	46,898,827

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

* Restated from IFRS 5 "Discontinued operations" following the envisaged disposal of BIC Graphic North America and Asia (see Note 10-2 and 20).

7 FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS (in thousand euros)	Dec. 31, 2015	Dec. 31, 2016
Property, plant and equipment	508,533	564,420
Investment properties	2,150	2,088
Goodwill	324,894	297,304
Intangible assets	96,777	75,447
Other non-current assets	28,636	29,472
Deferred tax assets	163,756	174,669
Derivative instruments	549	33
Non-current assets	1,125,295	1,143,433
Inventories	478,413	468,142
Income tax advance payments	11,614	30,823
Trade and other receivables	439,979	483,099
Other current assets	19,391	20,584
Derivative instruments	3,296	1,702
Other current financial assets	73,048	29,439
Cash and cash equivalents	385,156	243,762
Current assets	1,410,897	1,277,551
Assets held for sale	-	152,697
TOTAL ASSETS	2,536,192	2,573,680
EQUITY AND LIABILITIES (in thousand euros)	Dec. 31, 2015	Dec. 31, 2016
Share capital	180,169	178,333
Accumulated profits	1,652,982	1,552,100
Translation reserve	16,393	62,182
Shareholders' equity Group share	1,849,544	1,792,615
Non-controlling interests	-	-
Shareholders' equity	1,849,544	1,792,615
Non-current borrowings	2,450	1,452
Other non-current liabilities	1,259	1,178
Employee benefits obligation	208,832	205,455
Provisions	41,526	35,560
Deferred tax liabilities	52,506	51,358
Derivative instruments	134	4,234
Non-current liabilities	306,707	299,239
Trade and other payables	124,867	118,676
Current borrowings	7,780	49,578
Current tax due	15,183	13,596
Other current liabilities	228,406	232,111
Derivative instruments	3,705	15,591
Current liabilities	379,941	429,553
Liabilities held for sale	-	52,273
TOTAL EQUITY AND LIABILITIES	2,536,192	2,573,680

7.2 STATUTORY FINANCIAL STATEMENTS

INCOME STATEMENT

<i>(in thousand euros)</i>	Dec. 31, 2015	Dec. 31, 2016
Net sales	661,573	675,728
Reversal of depreciation, amortization and provisions, transfer of charges	22,823	9,737
Other income	94,303	101,806
Total operating income	778,699	787,271
Purchases of goods and changes in inventories	(396,130)	(408,210)
Purchases of raw materials, other supplies and changes in inventories	(19,772)	(20,884)
Other purchases and external charges	(167,734)	(183,355)
Taxes, levies and similar payments	(5,143)	(4,607)
Payroll costs	(2,485)	(4,440)
Depreciation, amortization and provisions	(32,473)	(19,579)
Other expenses	(180)	(247)
Total operating expenses	(623,917)	(641,322)
NET OPERATING INCOME	154,782	145,949
NET FINANCIAL INCOME	116,416	27,566
NON-RECURRING INCOME AND EXPENSES	(4,546)	(5,030)
Income tax expense	(55,986)	(49,850)
NET INCOME	210,666	118,635

BALANCE SHEET
ASSETS

(in thousand euros)	Notes	Dec. 31, 2015	Dec. 31, 2016		
		Net	Gross	Deprec., amort. and provisions	Net
Research and development expenses		-	3,823	(3,823)	-
Patents and similar rights		15,995	59,087	(38,999)	20,088
Intangible assets under construction		-	-	-	-
Intangible assets	3, 4	15,995	62,910	(42,822)	20,088
Land		1,345	1,345	-	1,345
Buildings		1,817	16,296	(13,875)	2,421
Industrial fixtures and equipment		953	11,306	(10,062)	1,244
Other property, plant and equipment		3,156	6,214	(2,643)	3,571
Fixed assets under construction		746	2,075	(192)	1,883
Property, plant and equipment	3, 4	8,017	37,236	(26,772)	10,464
Equity Investments	23	860,063	887,191	(25,007)	862,184
Loans to equity investments		-	-	-	-
Other long-term investments	3	53,775	72,554	-	72,554
Long-term investments	3	913,838	959,745	(25,007)	934,738
Non-current assets		937,850	1,059,891	(94,601)	965,290
Raw materials and supplies		1,287	1,495	-	1,495
Work-in-process goods		-	533	(533)	-
Goods		33,849	38,827	(1,402)	37,425
Inventories		35,136	40,855	(1,935)	38,920
Advances and prepayments paid		1,532	2,393	-	2,393
Trade receivables and related accounts	5, 6	113,424	137,102	(7,851)	129,251
Other receivables	5, 6	239,745	214,501	(22,183)	192,318
Short-term financial investments	7	181,865	38,944	-	38,944
Cash and cash equivalents		60,062	11,332	-	11,332
Prepaid expenses	5	635	1,022	-	1,022
Unrealized losses from foreign exchange	8	213	128	-	128
Current assets		632,612	446,277	(31,969)	414,308
TOTAL ASSETS		1,570,462	1,506,168	(126,570)	1,379,598

EQUITY AND LIABILITIES

<i>(in thousand euros)</i>	Dec. 31, 2015	Dec. 31, 2016
Share capital	183,139	181,649
Share issue premiums, merger contributions	133,790	136,435
Legal reserve	22,410	22,410
General reserve	180,389	180,408
Retained earnings	371,023	250,564
Net income for the year	210,666	118,635
Shareholders' equity	1,101,417	890,101
Provisions for contingencies and losses	50,907	35,318
Provisions for contingencies and losses	50,907	35,318
Bank borrowings (Bank overdraft)	1,047	45,914
Other borrowings	303,770	291,291
Financial liabilities	304,817	337,205
Trade payables and related accounts	95,896	96,916
Tax and employee-related liabilities	7,381	7,700
Other liabilities	8,545	10,619
Deferred income	308	13
Operating liabilities	112,130	115,248
Unrealized gains from foreign exchange	1,191	1,726
Liabilities	418,138	454,179
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,570,462	1,379,598

7.3 FIVE-YEAR FINANCIAL SUMMARY FOR SOCIÉTÉ BIC

<i>(in euros)</i>	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016
1 - Shareholders' equity at year-end					
Share capital	184,805,095	181,976,098	183,213,854	183,139,039	181,649,411
Number of shares outstanding	48,378,297	47,637,722	47,961,742	47,942,157	47,552,202
Number of bonds convertible into shares	-	-	-	-	-
2 - Net results					
Net sales	557,479,419	591,748,483	611,424,057	661,573,108	675,728,517
Net income before tax, deprec., amort. and provisions	217,727,923	227,503,156	249,664,309	280,814,295	154,721,960
Income tax	25,838,033	29,267,191	53,444,920	55,985,737	49,849,725
Net income after tax, deprec., amort. and provisions	173,647,194	185,282,676	195,350,462	210,665,506	118,634,879
Dividend distribution ^(a)	121,761,516	119,959,980	134,247,645	278,271,488	161,060,428
3 - Per share data					
Net income after tax, but before deprec., amort. and provisions	3.97	4.16	4.09	4.69	2.21
Net income after tax, deprec., amort. and provisions	3.59	3.89	4.07	4.39	2.49
Dividend per share	2.56	2.60	2.85	5.90	3.45
4 - Payroll					
Non-salaried staff	3	3	3	3	2
Total payroll	1,381,777	1,325,148	1,440,406	1,502,331	811,476
Social welfare benefits (social security, social works)	2,867,265	1,190,885	794,168	983,317	3,628,184
<i>(a) Applicable to the issued number of shares (treasury shares deducted) as of December 31. The final amount will depend on the number of shares entitled to dividends on the day of payment</i>					

8. Authorizations of capital increase at the closing of the 2016 fiscal year

SOCIÉTÉ BIC has, as at December 31, 2016, the following authorizations which were granted by the Annual Shareholders' Meeting:

I. AUTHORIZATION TO INCREASE THE CAPITAL WITH SHAREHOLDERS' PRE-EMPTIVE SUBSCRIPTION RIGHTS^(A)

Maximum amount (<i>in million euros</i>)	Ordinary shares: 50 Complex investment securities: 650
Date	May 18, 2016 (resolutions 15 and 16)
Term	26 months
Expiration date	July 17, 2018
Use in 2016	No
Issuance price	The issuance price of new ordinary shares and/or 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 TO INCREASE THE CAPITAL BY CAPITALIZATION OF RESERVES, INCOME, PREMIUMS OR OTHER^(B)

Maximum amount	Total amount of reserves, profits and/or premiums 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 18, 2016 (resolution 17)
Term	26 months
Expiration date	July 17, 2018
Use in 2016	No

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

III. AUTHORIZATIONS TO INCREASE THE CAPITAL IN FAVOR OF EMPLOYEES AND CORPORATE OFFICERS

	Issue of shares reserved for members of an employee savings plan ^(c)	Grantings of free shares to be issued ^(d)	Share options ^(e)
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 6% of the share capital (taking into account the stock options)	2% of the share capital over 38 months (with a maximum of 0.8% for the Corporate Officers) and 6% of the share capital (taking into account the free grant of shares)
Date	May 18, 2016 (resolution 18)	May 18, 2016 (resolution 20)	May 18, 2016 (resolution 21)
Term	26 months	38 months	38 months
Expiration date	July 17, 2018	July 17, 2019	July 17, 2019
Use in 2016	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.

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, 2016.

The purpose of the third resolution is to allocate the net income of the fiscal year 2016 and to set the dividend.

We propose the distribution of a total dividend of 161,060,427.90 euros corresponding to a dividend per share of 3.45 euros. This is a gross amount excluding social charges (currently 15.5%). The dividend will be paid as from May 24, 2017. If the number of shares carrying rights to the dividend is not 46,684,182, 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:

- 2.60 euros in respect of fiscal year 2013;
- 2.85 euros in respect of fiscal year 2014;
- 5.90 euros in respect of fiscal year 2015 (3.40 euros + 2.50 euros of exceptional dividend).

Proposed resolution 1 – Approval of the Statutory Financial Statements of Fiscal Year 2016

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, 2016. They also approve all transactions presented in these statutory financial statements or summarized in these reports.

Proposed resolution 2 – Approval of the Consolidated Financial Statements of Fiscal Year 2016

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, 2016. They also approve all transactions presented in these consolidated financial statements 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, 2016 of 118,634,879.20 euros and decide to allocate this amount in the following manner (in euros):

Net income for 2016	118,634,879.20
To add:	
▪ Retained earnings from previous year	250,564,092.29
TOTAL DISTRIBUTABLE INCOME	369,198,971.49
Appropriation of earnings:	
▪ Works of art special reserve	38,571.52
▪ Dividends (excluding treasury shares)	161,060,427.90
▪ Retained earnings	208,099,972.07
TOTAL EQUAL TO DISTRIBUTABLE INCOME	369,198,971.49

The amount of the dividends for the fiscal year ending December 31, 2016 will be 161,060,427.90 euros corresponding to a dividend per share of 3.45 euros. It will be paid as from May 24, 2017. If the number of shares carrying rights to the dividend is not 46,684,182, 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 ^(a) (in euros)
2013	47,080,941	2.60	2.60
2014	47,308,363	2.85	2.85
2015	46,956,216	5.90 ^(b)	5.90

(a) French Tax Code (CGI).

(b) 3.40 € ordinary dividend + 2.50 € exceptional dividend.

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 2017 at 502,400 euros (compared to 400 000 euros for fiscal year 2016). This progression is due to the allocation of fees for a full year of a Vice-President Lead Director rather than a part-year as in 2016, and two Directors who have now become non-executive Directors and as such, receive Directors' fees, and the desire to introduce a special provision for Directors not resident in Europe.

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 2017 at 502,400 euros.

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 1.427 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 French Financial Markets 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 713.3 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 2016:

Operation	Number of shares	% capital	Nominal value (in euros)	Average sale/purchase price (in euros)
Share buyback (excl. liquidity agreement) ^(a)	652,745	1.37	2,493,485.90	124.96
Liquidity agreement ^(a) :				
▪ Share buyback	439,202	0.92	1,677,751.64	128.62
▪ Sale of shares	437,650	0.92	1,671,823.00	128.93
Shares transferred under free share plans	112,436	0.24	429,505.52	35.04
Canceled shares	451,339	0.95	1,724,114.98	123.60
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buy-back transactions disclosed above amounted to 296,518.71 euros.

During the last 24 months, the Board of Directors cancelled 631,552 shares, representing 1.33% of the share capital as of December 31, 2016. For further information, please refer to section 6.4. page 262.

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 French Financial Markets Authority (AMF), of Regulation N° 596/2014 of the European Parliament and of the Council of April 16, 2014, 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 1.427 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 French Financial Markets 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 French Financial Markets 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 French Financial Markets Authority;
- remit the shares 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 20 hereunder;
- implement all market practices that may be authorized by the French Financial Markets 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 713.3 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.

9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

The acquisition of shares of the Company realized pursuant to this authorization shall also comply with the rules enacted by the applicable regulations 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.

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 18, 2016 (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 French Financial Markets 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 French Financial Markets Authority of operations carried out, in compliance with the General Regulations of the French Financial Markets 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 forgoing authorization.

PROPOSED RESOLUTIONS 6 TO 7 – RENEWAL OF MR. FRANÇOIS BICH AND MRS. MARIE-PAULINE CHANDON-MOËT AS DIRECTORS OF THE BOARD

Board of Directors' Report:

It is proposed to the Shareholders to renew François Bich and Marie-Pauline Chandon-Moët as Directors for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2020 upon the approval of the financial statements of the fiscal year ending December 31, 2019.

MR. FRANÇOIS BICH



67 years old

Nationality: French

Number of BIC shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D.
On December 31, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.

Director

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

No

Date of 1st 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

Member of a committee

No

Other current mandate or function

Chairman of the Supervisory Board – SOCIÉTÉ M.B.D. – France

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

None

Biography

In the BIC Group since March 1, 1969, François Bich has been a Director since September 30, 1977 and Executive Vice-President of SOCIÉTÉ BIC from December 15, 1988 to February 29, 2016. He has been General Manager for the Lighters category of the BIC Group and Chairman of the company Société du Briquet Jetable 75 from its creation in 1975 until February 29, 2016.

MRS. MARIE-PAULINE CHANDON-MOËT (MAIDEN NAME: BICH)



49 years old

Nationality: French

Number of BIC shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2016, SOCIÉTÉ M.B.D. held 26.69% of SOCIÉTÉ BIC share capital and 36.66% of the voting rights.

Director

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

No

Date of 1st appointment

Annual Shareholders' Meeting of May 28, 2003

Expiration date

Annual Shareholders' Meeting in 2017, for fiscal year 2016

Member of a committee

No

Current mandates or functions

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

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

None.

Biography

Marie-Pauline Chandon-Moët has been a Director of the Board of SOCIÉTÉ BIC since May 28, 2003. She was European real estate projects Manager for BIC Group until December 31, 2010. Before this, she successively held, since 1991, the positions of Sales Administration Assistant, Sales Administration Manager (France then Europe), as well as Supply Chain Manager for Europe.

Marie-Pauline Chandon-Moët has a Bachelor of Science degree from Northeastern University in Boston (U.S.A.).

Proposed resolution 6 – Renewal of Mr. François BICH as Director of the Board

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. François Bich as Director of the Board.

The term of the mandate of Mr. François Bich will thus expire at the end of the Shareholders' Meeting called to vote in 2020 upon the approval of the financial statements for the fiscal year ending December 31, 2019.

Proposed resolution 7 – Renewal of Mrs. Marie-Pauline CHANDON-MOËT as Director of the Board

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mrs. Marie-Pauline Chandon-Moët as Director of the Board.

The term of the mandate of Mrs. Marie-Pauline Chandon-Moët will thus expire at the end of the Shareholders' Meeting called to vote in 2020 upon the approval of the financial statements for the fiscal year ending December 31, 2019.

PROPOSED RESOLUTION 8 – APPOINTMENT OF MRS. CANDACE MATTHEWS AS A NEW DIRECTOR OF THE BOARD**Board of Directors' Report:**

It is proposed to the Shareholders to appoint as a new Director, Mrs. Candace Matthews, for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2020 to approve the financial statements of the fiscal year ending December 31, 2019.

Mrs. Matthews would replace Mr. Frédéric Rostand whose mandate expires at the present Shareholders Meeting.

MRS CANDACE MATTHEWS

58 years old

Nationality:
American

**Number of BIC
shares held :** 0

Director**Basis of the appointment**

Article L. 225-18 of the French Commercial Code

Independent Director

Yes

Main position

▪ Region President - The Americas - Amway - U.S.A.

Other current mandates or functions (non BIC Group companies)

- Member of the Board – Popeyes Louisiana Kitchen Inc. - U.S.A. (listed company)
- Member of the Board – Fifth Third Bank, Western Michigan – U.S.A. (private)

Expired mandates or functions in the previous five years

None

Biography

Since November 2014, Candace Matthews has been Region President, Americas, Amway. She was recruited to Alticor, the parent company of Amway, in December of 2007, as Chief Marketing Officer.

Prior to joining Amway, she was Executive President from 2001 to 2007 of Soft Sheen-Carson, recently acquired by L'Oréal.

Before that, she held different positions in Marketing at General Mills, Procter & Gamble, Bausch & Lomb and in Management at Novartis and The Coca-Cola Company, in the United States.

Candace Matthews has a Bachelor of Science degree from Carnegie Mellon University in Pittsburgh, Pennsylvania (U.S.A.) and an MBA in Marketing from Stanford University Graduate School of Business in Palo Alto, California (U.S.A.).

Proposed resolution 8 – Appointment of Mrs. Candace Matthews as a new Director

The Shareholders decide to appoint, for a period of three fiscal years, Mrs. Candace Matthews as new Director of the Board to replace Mr. Frédéric Rostand whose mandate is due to expire.

The term of the mandate of Mrs. Matthews will thus expire at the end of the Shareholders' Meeting called to vote in 2020 upon the approval of the financial statements for the fiscal year ending December 31, 2019.

PROPOSED RESOLUTION 9 TO 12 – RENEWAL OF THE MANDATES OF THE TWO STATUTORY AUDITORS AND OF THE TWO ALTERNATE AUDITORS

Board of Directors' Report:

We propose to renew, for a period of six fiscal years, the expiring mandates of the Statutory and Alternate Auditors:

- the company Deloitte & Associés and its alternate, the company BEAS,
- the company Grant Thornton and its alternate, the company Institut de gestion et d'expertise comptable – IGEC.

Proposed resolution 9 – Renewal of the mandate of the company Deloitte & Associés as Statutory Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company Deloitte & Associés as Statutory Auditor.

The mandate of the company Deloitte & Associés will thus expire at the end of the Shareholders' Meeting called to vote in 2023 upon the approval of the financial statements for the fiscal year ending December 31, 2022.

Proposed resolution 10 – Renewal of the mandate of the company BEAS as Alternate Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company BEAS as Alternate Auditor to the company Deloitte & Associés.

The mandate of the company BEAS will thus expire at the end of the Shareholders' Meeting called to vote in 2023 upon the approval of the financial statements for the fiscal year ending December 31, 2022.

Proposed resolution 11 – Renewal of the mandate of the company Grant Thornton as Statutory Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company Grant Thornton as Statutory Auditor.

The mandate of the company Grant Thornton will thus expire at the end of the Shareholders' Meeting called to vote in 2023 upon the approval of the financial statements for the fiscal year ending December 31, 2022.

Proposed resolution 12 – Renewal of the mandate of the company IGEC as Alternate Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company Institut de gestion et d'expertise comptable – IGEC as Alternate Auditor to the company Grant Thornton.

The mandate of the company Institut de gestion et d'expertise comptable – IGEC will thus expire at the end of the Shareholders' Meeting called to vote in 2023 upon the approval of the financial statements for the fiscal year ending December 31, 2022.

PROPOSED RESOLUTIONS 13 TO 18 – OPINION ON THE ELEMENTS OF THE COMPENSATION DUE OR AWARDED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016 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 AFEP/MEDEF's Corporate Governance Code for listed corporations, the table below lists the elements of the compensation due or awarded to Bruno Bich, Mario Guevara, François Bich, Gonzalve Bich, James DiPietro and Marie-Aimée Bich-Dufour for the fiscal year 2016. These elements are described in more detail in the 2016 registration document (see Chapter 3, section 3.4.1 Senior Management Compensation).

BRUNO BICH, CHAIRMAN OF THE BOARD FROM JANUARY AND CHIEF EXECUTIVE OFFICER FROM JUNE 2016

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion	Presentation
Fixed compensation 2016	200,000 EUR	+2.04% versus 2015
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
Sign on bonus	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 and Chief Executive Officer or any other current mandate within the Group.

9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

MARIO GUEVARA, CHIEF EXECUTIVE OFFICER UNTIL THE END OF MAY 2016

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion ^(a)	Presentation
Fixed compensation 2016	340,615 USD (307,914 EUR)	-58% versus 2015 (compensation until June 1, 2016)
Annual variable compensation due in respect of 2016	N/A	Absence
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	25,000 performance shares granted in 2016. Valuation according to the method used for the consolidated financial statements: 2,841,000 EUR. With regard to the performance shares plans, Mario Guevara received a gross remuneration of 315,809 USD (285,490 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period (including remuneration of paid leave).	Share acquisition depends on two performance conditions: ▪ net sales growth; ▪ cash flow from operations and change in inventory, as a percentage of net sales. These criteria are demanding per nature (growth versus value). The grant represents 0.05% of the share capital. Annual Shareholders' Meeting authorization date: May 18, 2016. Board of Directors' Meeting grant date: May 18, 2016.
Directors' fees	N/A	N/A
Valuation of any benefits-in-kind	64,964 USD (58,726 EUR)	▪ Car allowance: 8,074 USD (7,298 EUR) ▪ Company contributions to Company U.S. savings plan: ▪ 401K: 7,950 USD (7,187 EUR) ▪ Other: 48,940 USD (44,241 EUR)
Sign on bonus	N/A	Absence
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion ^(a)	Presentation
Supplementary pension plan	Mario Guevara has opted to receive his pension as a lump sum. On May 31, 2016, he has received 121,933 USD (110,227 EUR) for a part of his pension acquired in Mexico. On December 2016, he has received 13,595,188 USD (12,289,991 EUR).	<p>Mario Guevara participated in the BIC CORPORATION Supplementary Executive Retirement Plan, which has existed since 1970 and which benefits to the main executives of BIC Corporation.</p> <ul style="list-style-type: none"> ▪ Condition for pension benefit eligibility: ▪ A minimum period of five years of participation is necessary to benefit from the plan. ▪ Method for determining the pensionable salary: ▪ The pensionable salary is the average remuneration (base+bonus) of the best three years of the last five years of service. ▪ Rate of acquisition of rights ▪ This defined-benefit plan provides, by year of service, a pension equal to 2,5% of the average pensionable salary, with a maximum of 50% (i.e. 20 years of service) including the pension granted by the U.S. Qualified Pension Plan. ▪ Full vesting in the Supplementary Executive Retirement Plan occurs at age 52 with fifteen or more years of service or at age 60 with five years of participation. Full vesting in the U.S. Qualified Pension Plan occurs at five years of service. ▪ The commitments arising from this plan are recorded in BIC CORPORATION's financial statements in accordance with IAS 19. ▪ Maximum payments: ▪ Maximum of 50% of remuneration (i.e., 20 years of service) including the pension obtained from the U.S. Qualified Pension Plan. ▪ Method of funding: ▪ The Supplementary Executive Retirement Plan is unfunded. However, BIC invests in life insurance policies to offset the cost of the plan. The U.S. Qualified Pension Plan is funded through a trust. ▪ Other expenses paid by the Company: ▪ BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan. <p>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.</p>

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2016 (1 euro = 1.1062 U.S. dollars)

9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

FRANÇOIS BICH, DIRECTOR AND EXECUTIVE VICE-PRESIDENT UNTIL THE END OF FEBRUARY 2016

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion	Presentation
Fixed compensation 2016	81,667 EUR	▪ -83% versus 2015 (compensation until end of February 2016)
Annual variable compensation due in respect of 2016	N/A	Absence
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	N/A	Absence
Directors' fees	N/A	N/A
Valuation of any benefits-in- kind	612 EUR	Company car
Sign on bonus	N/A	Absence
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion	Presentation
Supplementary pension plan	<p>François Bich retired on March 1, 2016. Since then, he receives a pension paid by an insurance company under the Supplementary Executive Retirement Plan, which provides a defined benefit for BIC executives in France.</p> <p>No payment is due by BIC in respect of 2016, because the pension is paid by the insurance company.</p>	<p>François Bich contributed to the Supplementary Executive Retirement Plan for BIC Group executives in France. This defined benefit plan, which is an additional pension plan, provides a supplementary pension to the compulsory plans and is covered by Article L. 137-11 of the French Social Security Code.</p> <ul style="list-style-type: none"> ▪ Condition for pension benefit eligibility: <ul style="list-style-type: none"> ▪ a minimum period of five consecutive years of participation is necessary to benefit from the plan; ▪ to officially qualify for a pension under the French Social Security scheme; ▪ to retire at BIC in accordance with the provisions of Article L. 137-11 of the French Social Security Code). ▪ Method for determining the pensionable salary: <ul style="list-style-type: none"> ▪ The pensionable salary is the average remuneration of the last three years of service. ▪ To determine the pensionable salary, only base and annual bonus are included and all other direct or indirect payments are excluded. ▪ Rate of acquisition of rights: <ul style="list-style-type: none"> ▪ The supplementary pension equals 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). ▪ The commitments arising from this plan are recorded in SOCIÉTÉ BIC's financial statements in accordance with IAS 19. ▪ Maximum payments: <ul style="list-style-type: none"> ▪ The consolidation of all their pension rights cannot exceed a replacement rate of 50%. The ceiling is verified at the date of retirement. ▪ Method of funding: <ul style="list-style-type: none"> ▪ The Supplementary Executive Retirement Plan is funded. ▪ Other expenses paid by the Company: <ul style="list-style-type: none"> ▪ BIC pays the Fillon tax, which is 24% of the contributions to the Fund. <p>The annual gross pension (before social contributions) paid to François Bich amounts to 212,832.22 EUR.</p> <p>The regulated agreements procedure was followed for this pension plan.</p> <p>Board of Directors' Meeting decision date: May 19, 2005.</p> <p>Shareholders' Meeting decision date: May 24, 2006 (Resolution 5).</p>

GONZALVE BICH, EXECUTIVE VICE-PRESIDENT FROM JUNE 2016

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion ^(a)	Presentation
Fixed compensation 2016	375,000 USD (338,998 EUR)	Comparison with 2015 exercise not applicable (No mandate)
Annual variable compensation due in respect of 2016	258,400 USD (233,593 EUR). The annual bonus equals 64.60% of base compensation, represents 101.3% of the bonus target.	<p>The bonus is calculated on the basis of four criteria:</p> <ul style="list-style-type: none"> ▪ net sales (20%); ▪ income from operations (20%); ▪ net income (10%); ▪ inventories (10%); ▪ accounts receivable (10%); ▪ individual qualitative objectives (30%); <p>Target bonus is 63.75% of base salary. The maximum bonus is 95.50% of base salary, equivalent to 150% of target bonus.</p> <p>The qualitative part of the bonus cannot exceed 28.50% of the base salary.</p>
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	<p>5,000 performance shares granted in 2016.</p> <p>Valuation according to the method used for the consolidated financial statements: 568,200 EUR.</p> <p>With regard to the performance shares plans, Gonzalve Bich received a gross remuneration of 11,241 USD (10,162 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period.</p>	<p>Share acquisition depends on two performance conditions:</p> <ul style="list-style-type: none"> ▪ net sales growth; ▪ cash flow from operations and change in inventory, as a percentage of net sales. <p>These criteria are demanding per nature (growth versus value).</p> <p>The grant represents 0.01% of the share capital.</p> <p>Annual Shareholders' Meeting authorization date: May 18, 2016.</p> <p>Board of Directors' Meeting grand date: May 18, 2016.</p>
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	77,147 USD (69,740 EUR)	<ul style="list-style-type: none"> ▪ Car allowance: 14,400 USD (13,017 EUR); ▪ Company contributions to Company U.S. savings plan ▪ 401K: 7,950 USD (7,187 EUR), ▪ Executive Compensation Plan; 16,000 USD (14,464 EUR) ▪ Other: 38,797 USD (35,072 EUR)
Sign on bonus	N/A	Absence
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	Absence

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2016 (1 euro = 1.1062 U.S. dollars)

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion ^(a)	Presentation
Supplementary pension plan	No payment is due in respect of 2016	<p>Gonzalve Bich participates in the BIC CORPORATION Restoration Plan, a supplementary pension plan in the U.S., which has existed since 2006 and which benefits selected Company executives whose compensation in the U.S. Qualified Pension Plan benefit is restricted due to regulations.</p> <ul style="list-style-type: none"> ▪ Condition for pension benefit eligibility: ▪ A minimum period of five years of participation is necessary to benefit from the plan. ▪ Method for determining the pensionable salary: ▪ The pensionable salary is the average remuneration which is based on the highest three consecutive years within the last 10 years. ▪ Rate of acquisition of rights: ▪ The defined-benefit plan provides for a single life annuity, payable at normal retirement age (65) equal to 1.1% of average pay up to the average Social Security wage base multiplied by the number of years of service, which may not exceed 35 years plus 1.5% of average pay in excess of the average Social Security wage base multiplied by the number of years of service, which may not exceed 35 years, plus 1.4% of average pay per year of service in excess of 35 years, including the pension granted by the U.S. Qualified Pension Plan. Full vesting in the Restoration Plan occurs at age 52 with fifteen or more years of service or at age 60 with five years of participation. Full vesting in the U.S. Qualified Plan occurs at five years of service. ▪ In addition, the Plan provides reduced early retirement benefits for beneficiaries prior to age 65 (or age 62 if they retire at or after age 55 with ten or more years of service). ▪ The commitments arising from this plan are provisioned in BIC CORPORATION's financial statements in accordance with IAS 19. ▪ Maximum payments: ▪ None applicable. ▪ Method of funding: ▪ The Restoration Plan is unfunded. The U.S. Qualified Pension Plan is funded through a trust. ▪ Other expenses paid by the Company: ▪ BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan. <p>Gonzalve Bich has accrued a pension benefit equivalent to 19.5% of the average remuneration of the last three years of service based on his 13.9 years of service (i.e., for information, an annual pension equal to 98,603 U.S. dollars payable at age 65 (inclusive of the U.S. Qualified Pension Plan benefit), if he had stopped his activity on December 31, 2016). He has elected to receive his Restoration Plan benefit as a lump sum.</p>

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2016 (1 euro = 1.1062 U.S. dollars)

JAMES DIPIETRO, EXECUTIVE VICE-PRESIDENT FROM JUNE 2016

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion ^(a)	Presentation
Fixed compensation 2016	493,333 USD (445,971 EUR)	Comparison with 2015 exercise not applicable (No mandate)
Annual variable compensation due in respect of 2016	344,850 USD (311,743 EUR) The annual bonus equals 68.97% of base compensation, represents 103.4% of the bonus target.	The bonus is calculated on the basis of four criteria: <ul style="list-style-type: none"> ▪ net sales (20%); ▪ income from operations (20%); ▪ net income (10%); ▪ inventories (10%); ▪ account receivable (10%); ▪ individual qualitative objectives (30%). Target bonus is 66.70% of base salary. The maximum bonus is 100% of base salary, equivalent to 150% of target bonus. The qualitative part of the bonus cannot exceed 30% of the base salary.
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	8,000 performance shares granted in 2016. Valuation according to the method used for the consolidated financial statements: 909,120 EUR. With regard to the performance shares plans, James DiPietro received a gross remuneration of 76,739 USD (69,372 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"> ▪ net sales growth; ▪ cash flow from operations and change in inventory, as a percentage of net sales. These criteria are demanding per nature (growth versus value). The grant represents 0.02% of the share capital. Annual Shareholders' Meeting authorization date: May 18, 2016. Board of Directors' Meeting grant date: May 18, 2016.
Directors' fees	N/A	N/A
Valuation of any benefits-in-kind	80,547 USD (72,814 EUR)	<ul style="list-style-type: none"> ▪ Car allowance: 13,800 USD (12,475 EUR); ▪ Company contributions to Company U.S. savings plan ▪ 401K: 7,950 USD (7,187 EUR), ▪ Executive Compensation Plan; 20,000 USD (18,080 EUR) ▪ Other: 38,797 USD (35,072 EUR)
Sign on bonus	N/A	Absence
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	Absence

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2016 (1 euro = 1.1062 U.S. dollars)

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion ^(a)	Presentation
Supplementary pension plan	No payment is due in respect of 2016	<p>James DiPietro participates in the BIC CORPORATION Supplementary Executive Retirement Plan, a supplementary pension plan in the U.S. which has existed since 1970 and which benefits to the main executives of BIC Corporation.</p> <ul style="list-style-type: none"> ▪ Condition for pension benefit eligibility: ▪ A minimum period of five years of participation is necessary to benefit from the plan. ▪ Method for determining the pensionable salary: ▪ The pensionable salary is the average remuneration (base + bonus) of the best three years of the last five years of service. ▪ Rate of acquisition of rights: ▪ This defined benefit plan provides, by year of seniority, a pension equal to 2.5% of the average pensionable salary with a maximum of 50% (i.e. 20 years of services), including the pension granted by the U.S. Qualified Pension Plan. ▪ Full vesting in the Supplementary Executive Retirement Plan occurs at age 52 with fifteen or more years of service or at age 60 with five years of participation. Full vesting in the U.S. Qualified Pension Plan occurs at five years of service. ▪ The commitments arising from this plan are recorded in BIC CORPORATION's financial statements in accordance with IAS 19. ▪ Maximum payments: ▪ Maximum of 50% (i.e., 20 years of service), including the pension granted to the U.S. Qualified Pension Plan. ▪ Method of funding: ▪ The Supplementary Executive Retirement Plan is unfunded. However, BIC invests in life insurance policies to offset the cost of the plan. The U.S. Qualified Pension Plan is funded through a trust. ▪ Other expenses paid by the Company: ▪ BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan. <p>As of December 31, 2016, James DiPietro has accrued a pension benefit equivalent to 2.5% x 18.583 years of service = 46.46% of the average remuneration of the last three years of service (i.e., for information, an annual pension equal to 355,816 U.S., dollars as a single life annuity payable at age 57 (inclusive of the U.S. Qualified Pension Plan benefit), if he had stopped his activity on December 31, 2016). He has elected to receive his Supplementary Executive Retirement Plan benefit as a lump sum.</p>

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2016 (1 euro = 1.1062 U.S. dollars)

MARIE-AIMÉE BICH-DUFOUR, EXECUTIVE VICE-PRESIDENT

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion	Presentation
Fixed compensation 2016	295,000 EUR	+0% versus 2015
Annual variable compensation due in respect of 2016	The annual bonus equals 46.98% of base salary, represents 104.4% of the bonus target and amounts to 138,591 EUR.	<p>The bonus is calculated on the basis of four criteria:</p> <ul style="list-style-type: none"> ▪ net sales (20%); ▪ income from operations (30%); ▪ net income (10%); ▪ individual qualitative objectives (40%) <p>Target bonus is 45% of base salary. The maximum bonus is 67.5% of base salary, equivalent to 150% of target bonus.</p> <p>The qualitative part of the bonus cannot exceed 27% of the base salary</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	<p>3,250 performance shares granted in 2016.</p> <p>Valuation according to the method used for the consolidated financial statements: 367,900 EUR.</p>	<p>Share acquisition depends on two performance conditions:</p> <ul style="list-style-type: none"> ▪ net sales growth; ▪ cash flow from operations and change in inventory, as a percentage of net sales. <p>These criteria are demanding per nature (growth versus value).</p> <p>The grant represents 0.01% of the share capital.</p> <p>Annual Shareholders' Meeting authorization date: May 18, 2016.</p> <p>Board of Directors' Meeting grant date: May 18, 2016.</p>
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	1,488 EUR	Company car
Sign on bonus	N/A	Absence
Termination payment	N/A	No clause providing a termination payment
Non-competition benefits	N/A	No non-competition clause

Compensation due or awarded in respect of the fiscal year 2016	Amounts or accounting valuation submitted for opinion	Presentation
Supplementary pension plan	No payment is due in respect of 2016	<p>Marie-Aimée Bich-Dufour contributes to the Supplementary Executive Retirement Plan (governed by Article L. 137-11 of the Social Security Code) for BIC executives in France:</p> <ul style="list-style-type: none"> ▪ Condition for pension benefit eligibility: ▪ A minimum period of five years of participation is necessary to benefit from the plan. ▪ be officially qualified for a pension under the Social Security scheme. ▪ retire from BIC in accordance with the provision of Article L. 137-11 of the Social Security Code). ▪ Method for determining the pensionable salary: ▪ The pensionable salary is the average remuneration of the last three years of service; ▪ To determine the pensionable salary, only base and annual bonus are included, all other direct or indirect payments are excluded. ▪ Rate of pension rights acquisition: ▪ The supplementary pension is 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). ▪ On May 18, 2016, Société BIC's Board decided to freeze the acquisition rights of Marie-Aimée Bich-Dufour during the new mandate. ▪ The commitments arising from this plan are recorded in SOCIÉTÉ BIC's financial statements in accordance with IAS 19. ▪ Maximum Payments: ▪ The consolidation of all pension rights cannot exceed a replacement rate of 50% of remuneration. The ceiling is verified at the date of retirement. ▪ Method of funding: ▪ The Supplementary Executive Retirement Plan is funded. ▪ Other expenses paid by the Company: ▪ BIC pays the Fillon tax, which is 24% of the contributions to the Fund. <p>On December 31, 2016, the pension which has been determined based on seniority in the Plan and on her remuneration as of May 18, 2016, amounts to 107,318 EUR (for information purpose).</p> <p>The regulated agreements procedure was followed for this pension plan.</p> <p>Board of Directors' Meeting decision date: May 19, 2005.</p> <p>Shareholders' Meeting decision date: May 24, 2006 (resolution 5).</p>

Proposed resolution 13 – Opinion on the compensation elements due or awarded to Bruno BICH, Chairman of the Board of Directors then Chairman and Chief Executive Officer, for the fiscal year ended December 31, 2016

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 then Chairman and Chief Executive Officer, for the fiscal year ended December 31, 2016, as described in the Board of Directors' Report and in the 2016 registration document (see Chapter 3, section 3.4.1. Senior Management Compensation).

Proposed resolution 14 – Opinion on the compensation elements due or awarded to Mario GUEVARA, Chief Executive Officer, for the fiscal year ended December 31, 2016

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, 2016, as described in the Board of Directors' Report and in the 2016 registration document (see Chapter 3, section 3.4.1. Senior Management Compensation).

Proposed resolution 15 – Opinion on the compensation elements due or awarded to François BICH, Executive Vice-President, for the fiscal year ended December 31, 2016

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, 2016, as described in the Board of Directors' Report and in the 2016 registration document (see Chapter 3, section 3.4.1. Senior Management Compensation).

Proposed resolution 16 – Opinion on the compensation elements due or awarded to Gonzalve BICH, Executive Vice-President, for the fiscal year ended December 31, 2016

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 Gonzalve Bich, Executive Vice-President, for the fiscal year ended December 31, 2016, as described in the Board of Directors' Report and in the 2016 registration document (see Chapter 3, section 3.4.1. Senior Management Compensation).

Proposed resolution 17 – Opinion on the compensation elements due or awarded to James DIPIETRO, Executive Vice-President, for the fiscal year ended December 31, 2016

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 James DiPietro, Executive Vice-President, for the fiscal year ended December 31, 2016, as described in the Board of Directors' Report and in the 2016 registration document (see Chapter 3, section 3.4.1. Senior Management Compensation).

Proposed resolution 18 – Opinion on the compensation elements due or awarded to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for the fiscal year ended December 31, 2016

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, 2016, as described in the Board of Directors' Report and in the 2016 registration document (see Chapter 3, section 3.4.1. Senior Management Compensation).

PROPOSED RESOLUTION 19 – COMPENSATION POLICY OF THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS**Board of Directors' Report:**

In application of Article L. 225-37-2 of the French Commercial Law, the Board of Directors submits to the approval of the Shareholders' Meeting the principle and criteria applicable to the determination, distribution and allocation of the fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to their mandate of Chairman, Chief Executive Officer and Executive Vice-Presidents, in respect of the 2017 financial year and constituting the compensation policy relating to them (ex ante vote).

These principles and criteria adopted by the Board of Directors upon the recommendation of the Compensation and Nomination Committee are presented in the report provided for by the aforementioned-article and laid down in 3.3. of the 2016 Registration Document.

In application of Article L. 225-100 of the French Commercial Law, amounts resulting from the implementation of these principles and criteria will be submitted to the approval of the Shareholders' Meeting ruling in 2018 on financial statements closed on December 31, 2017 (ex post vote).

Proposed resolution 19 – Compensation policy of the President, Chief Executive Officer and Executive Vice-Presidents

The Shareholders' Meeting, acting in accordance to the conditions of quorum and to the majority required by the Ordinary Shareholders' Meetings and having reviewed the report provided for by Article L. 225-37-2 of the French

Commercial law, approves the principles and criteria of determination, distribution and allocation of the fixed, variable and exceptional items composing the total remuneration and benefits of any kind presented in the aforementioned report and attributable to their mandates of Chairman, Chief Executive Officer and Executive Vice-Presidents.

9.2 EXTRAORDINARY SHAREHOLDERS' MEETING**PROPOSED RESOLUTION 20 – 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 to 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 20 – 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 appropriate, to cancel on one or more occasions, by a

corresponding reduction of share capital, all or part of the shares of the Company acquired or to be acquired by the Company under 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.

9 BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS

The Extraordinary Shareholders' Meeting delegates 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 18, 2016 (Resolution 14).

PROPOSED RESOLUTION 21 – INSERTION IN THE ARTICLES OF INCORPORATION OF AN ARTICLE 10 BIS "DIRECTOR(S) REPRESENTING THE EMPLOYEES"

Board of Directors' Report:

The REBSAMEN Law of August 17, 2015 pertaining to social dialog and employment extended the scope of the mandatory appointment at the Board of Directors of a Director representing the employees. Your Company is now compelled to proceed with the said appointment before the end of fiscal year 2017.

The appointment or election of such Director can be performed in three different manners:

- Election by the employees of the Company and its French subsidiaries;
- Appointment by the labor union having obtained most votes at the first round of professional elections;
- Appointment by the Group Committee (Comité de Groupe).

It is incumbent on the Shareholders, based upon submission by the Board of Directors, to insert in the Articles of incorporation a provision that determines how the appointment shall be made.

It is therefore proposed to have the Articles of incorporation provide that the Director representing the employees shall be appointed by the Group Committee.

Proposed resolution 21 – Insertion in the Articles of incorporation of an Article 10 bis "Director(s) representing the employees"

The Extraordinary General Meeting, acting in accordance to the conditions of quorum and to the majority required for Extraordinary Shareholders' Meeting, resolves to insert in the Articles of Incorporation an Article Ten Bis "Employee Representative Director(s)" as follows:

"Article 10 bis - Director(s) representing the employees"

The Board of Directors comprises, additionally, pursuant to article L. 225-27-1 of the French Commercial Code, a Director representing the Group's employees.

Should the number of Directors appointed by the Shareholders' Meeting exceed 12, a second Director representing the Employees would be appointed in accordance with the provisions hereafter, within six months.

The number of members of the Board to be taken into consideration in determining the number of Directors representing employees is assessed at the date on which employee representatives are appointed to the Board. Neither Directors elected by employees pursuant to Article

L. 225-27 of the French Commercial Code, nor employee shareholder Directors appointed pursuant to Article L. 225-23 of the French Commercial Code will be taken into account in this calculation.

The Directors representing the employees are appointed by the Group E Committee.

In case of vacancy, for any reason whatever, of a seat of a Director representing the employees, the vacancy is filled in accordance with Article L. 225-34 of the French Commercial Code.

As an exception to the rule provided under Article 10 of these Articles of incorporation, regarding Directors appointed by the Shareholders' Meeting, the Directors representing the employees at the Board are not required to hold a minimum number of shares.

In the event the Company no longer falls under the scope of Article L. 225-27-1 of the French Commercial Code, the mandate of the Director(s) representing the employees at the Board terminates at the close of the meeting during which the Board acknowledges that the company no longer falls under the scope of the obligation."

9.3 ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

PROPOSED RESOLUTION 22 – AUTHORIZATION TO PERFORM FORMALITIES

Board of Directors' Report:

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

Proposed resolution 22 – Authorization to perform formalities

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

DOCUMENTATION REQUEST

regarding the Annual Shareholders' Meeting of 10 May 2017

Please return this request to: Société Générale Securities Services or bank or broker that manages your securities account

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 10 May 2017 listed in article R. 225-83 of the same code be sent to me.

In, on 2017

Signature

** According to article R. 225-88 paragraph 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.*

11. Map



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)

Notes



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SOCIÉTÉ BIC

Limited company. Share capital: 181,542,184.24 euros
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552 008 443 RCS NANTERRE



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