

CONVENING NOTICE

ANNUAL SHAREHOLDERS' MEETING
WEDNESDAY 16 MAY 2018
AT 9:30 AM

#MADE
TOLAST



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

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Message from the Chairman - Chief Executive Officer

Clichy, April 25th, 2018

2017 was a challenging year, characterized by unprecedented levels of volatility. Our markets are changing rapidly in an increasingly competitive environment. Empowered by new technologies, consumers are more than ever looking for convenience and product customization.

As a long-term oriented company, we remain focused on our long-term growth potential while managing short-term headwinds. Since the beginning, our vision is to offer high-quality products, at the right price, for everyone, everywhere. We have strong values, and our people are the cornerstone of our philosophy "*Honor the Past, Invent the Future*".

Starting in May, my son Gonzalve and his teams will be in charge of inventing the BIC of the future.

Indeed, following the Annual General Meeting, the Board intends to nominate him Chief Executive Officer. He will be supported by Pierre Vareille, who will be appointed Chairman of the Board. Pierre is an experienced and respected professional who shares our vision and long-term view. He has a profound understanding of our company.

As for Gonzalve, he embodies the BIC values, our passion for products and our consumers. For the last 15 years, he has proven his commitment in various positions at BIC, demonstrating his strategic vision and operational skills. I, therefore, pass the baton with optimism, confident in the ability of our teams to manage current challenges, and confident in the future of our company.

Bruno Bich

Chairman of the Board of Directors and Chief Executive Officer

RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the Statutory Financial Statements of fiscal year 2017.
2. Approval of the Consolidated Financial Statements of fiscal year 2017.
3. Appropriation of Earnings and Settings of Dividends.
4. Determination of the amount of the Directors' fees.
5. Authorization to be given to the Board of Directors to undertake operations regarding the shares of the Company.
6. Renewal of John GLEN as Director of the Board.
7. Renewal of Marie-Henriette POINSOT as Director of the Board.
8. Renewal of SOCIÉTÉ M.B.D. as Director of the Board.
9. Renewal of Pierre VAREILLE as Director of the Board.
10. Appointment of Gonzalve BICH as a new Director of the Board.
11. Approval of the compensation elements and benefits of any type paid or granted for 2017 to Bruno BICH, Chairman of the Board of Directors and Chief Executive Officer.
12. Approval of the compensation elements and benefits of any type paid or granted for 2017 to Gonzalve BICH, Executive Vice-President.
13. Approval of the compensation elements and benefits of any type paid or granted for 2017 to James DIPIETRO, Executive Vice-President.
14. Approval of the compensation elements and benefits of any type paid or granted for 2017 to Marie-Aimée BICH-DUFOUR, Executive Vice-President.
15. Compensation policy applicable to the Chairman, Chief Executive Officer and Executive Vice-Presidents.

RESOLUTIONS WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

16. 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.
17. Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the capital, with preservation of Shareholders' preferential rights of subscription.
18. Delegation of authority to be given to the Board of Directors to increase the number of securities to be issued in the event of a share capital increase decided by the Board of Directors under resolution 17.
19. Delegation of authority to be given to the Board of Directors to decide to increase the share capital on one or several occasions by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted.
20. Delegation of authority to be given to the Board of Directors to proceed with one or several share capital increase(s) reserved for employees.
21. Cancellation of preferential rights of subscription in the event of a share capital increase(s) reserved for employees as described in resolution 20.
22. Authorization to be given to the Board of Directors to proceed with free grants of shares to corporate officers and employees of the Company and its subsidiaries.
23. Authorization to be given to the Board of Directors to grant options to subscribe for and/or purchase shares of the Company to officers and employees of the Company and its subsidiaries.
24. Modification of article 8 *bis* "threshold crossing".

WITHIN THE COMPETENCE OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

25. 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 14, 2018** 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.
- 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 26, 2018 until 3:00 pm (Paris time) on Tuesday May 15, 2018. You are asked to place your vote as early as possible to avoid any congestion of the site 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 to 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 *i.e.* on Monday May 14, 2018 at 00:00 (Paris time). 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 11, 2018**.

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 11, 2018.

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 11, 2018.

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 11, 2018.

2.5 WRITTEN QUESTIONS

You may send written questions to the Chairman of the Board of Directors at the registered office by registered letter with request for notice of receipt or by email at the address actionnaires@bicworld.com, no later than the 4th

working day preceding General Assembly, i.e. Wednesday, May 9, 2018. These questions must be accompanied by a certificate of ownership.

2.6 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 box(es) like this ☐, date and sign at the bottom of the form

A. ☐ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
 B. ☐ J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

SOCIÉTÉ BIC
 14 rue Jeanne d'Asnières
 92110 CLICHY
 Capital : 178 072 592.84€
 552 008 443 RCS NANTERRE

ASSEMBLEE GENERALE MIXTE
 le 16 mai 2018 à 9h30 au siège social
COMBINED SHAREHOLDER'S MEETING
 of May 16, 2018 at 9:30 a.m
 at the company's headquarters

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account
 Nominatif Registered
 Porteur Endorser
 Vote simple Single vote
 Vote double Double vote
 Nombre d'actions Number of shares
 Nombre de voix - Number of voting rights

☐ **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 ☐

☐ **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 president 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
 à la société / to the company 11/05/2018

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 2017

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

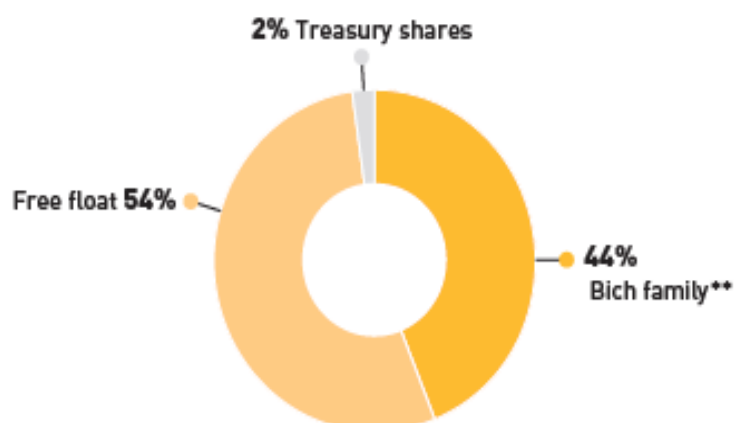
- 24 high performance factories (21 are located in developed countries according to the HDI indicator).
- 90% of net sales realized with products manufactured in our own factories*.

A HISTORICAL **SOCIALLY RESPONSIBLE** APPROACH

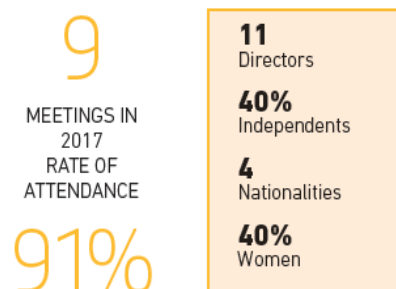
- A complete program for the training and development of its employees' skills and employability.
- A clear vision, a lasting philosophy and fundamental shared values: Ethics, Responsibility, Teamwork, Simplicity and Ingenuity.

Strong governance

SHAREHOLDING STRUCTURE



Board of Directors



* Excluding Cello Pens.

** Direct and indirect.

4. BIC IN 2017

4.1 GROUP IN 2017

2017 KEY EVENTS

June	Following the Asset and Share Purchase Agreement signed on June 6, 2017, BIC Graphic North America and Asian Sourcing operations were sold to H.I.G. Capital on June 30, 2017. Assets and Liabilities of BIC Graphic North America and Asian Sourcing have been accounted for in "Non-Current Assets Held For Sale" and "Discontinued Operations" since 31 December 2016, in accordance with IFRS 5.
October	BIC's Indian subsidiary BIC Cello (India), acquired land and building for the construction of a new writing instrument facility in Vapi (Gujarat state). Total investment in this project is estimated at around 28 million euros through December 2018 including the purchase of land and buildings for approximately 18 million euros in 2017. This investment will enhance the Group's manufacturing footprint in India and enable it to meet consumer demand more effectively in this rapidly-growing market. This new facility is expected to be operational by the end of 2018.

GROUP IN 2017 (BEFORE IFRS15 RESTATEMENT)

FY 2017 Net Sales were 2,020.3 million euros, down 0.3% as reported but up 0.5% at constant currency and up 1.4% on a comparative basis. The unfavorable impact of currency fluctuations (-0.8 points) was mainly due to the depreciation of the U.S. dollar against the euro. Europe and developing markets grew by 4.9% and 2.2%, respectively, while North America declined by 1.7% on a comparative basis.

FY 2017 Gross Profit margin came in at 51.9%, compared to 52.6% for 2016.

FY 2017 Normalized IFO was 400.9 million euros (*i.e.*, a Normalized IFO margin of 19.8%).

Income before tax for 2017 was 398.1 million euros, compared to 408.2 million euros in 2016.

Net income Group Share was 288.3 million euros, up 15.5% as reported.

The 2017 effective tax rate for continuing operations was 25.9% compared to 30.0% in 2016. The 2017 effective tax rate includes the favorable income related to the

invalidation of 3% additional French Corporate Income Tax on dividends, net of the French exceptional Corporate Income Tax contribution.

- Net Income From Continuing Operations was 295.1 million euros;
- Net Income From Discontinued Operations was a negative 6.7 million euros and included the net loss related to the disposal of BIC Graphic North America and Asian Sourcing.

FY 2017 EPS Group share was 6.20 euros, compared to 5.32 euros for the same period last year, up 16.5%. Normalized EPS Group share increased to 6.28 euros, compared to 6.24 euros.

CONDENSED PROFIT AND LOSS ACCOUNT

<i>(in million euros)</i>	2016	2017	As reported
Net sales	2,025.8	2,020.3	(0.3)%
Cost of goods	960.5	972.7	
Gross Profit	1,065.3	1,047.6	
Administrative & other operating expenses	661.9	671.4	
Income from operations	403.4	376.2	
Finance revenue/costs	4.8	21.8	
Income before tax	408.2	398.1	
Income tax expense	(122.7)	(103.0)	
Net Income From Continuing Operations	285.5	295.1	
Net Income From Discontinued Operations	(35.8)	(6.7)	
NET INCOME GROUP SHARE	249.7	288.3	
Earnings Per Share From Continuing Operations <i>(in euros)</i>	6.09	6.35	
Earnings Per Share From Discontinued Operations <i>(in euros)</i>	(0.77)	(0.15)	
Earnings per share Group share <i>(in euros)</i>	5.32	6.20	
Average number of shares outstanding (net of treasury shares)	46,898,827	46,475,249	

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

	2016 vs. 2015	2017 vs. 2016
• Change in cost of production ^(a)	+1.2	(0.3)
• Total Brand Support ^(b)	(0.7)	(0.2)
• <i>Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin</i>	(0.1)	(0.7)
• <i>Of which, advertising, consumer and trade support</i>	(0.6)	+0.5
• OPEX and other expenses	(0.9)	(0.3)
Total change in Normalized IFO margin excluding the special employee bonus	(0.4)	(0.8)
Special employee bonus	(0.4)	+0.4
• <i>Of which impact on Gross Profit</i>	(0.3)	+0.3
• <i>Of which impact on OPEX</i>	(0.1)	+0.1
Total change in Normalized IFO margin	(0.8)	(0.4)

(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.

NON-RECURRING ITEMS

(in million euros)	2016	2017
Income From Operations	403.4	376.2
IFO margin	19.9%	18.6%
Restructuring costs (related primarily to BIC Graphic Europe and developing markets operations in 2017)	+6.6	+24.7
Retiree Medical Adjustment in the U.S.	(0.9)	-
Normalized IFO	409.1	400.9
Normalized IFO margin	20.2%	19.8%
Special employee bonus	+8.8	-
Normalized IFO excluding the special employee bonus	417.9	400.9
Normalized IFO margin excluding the special employee bonus	20.6%	19.8%

2017 GROUP PERFORMANCE BY CATEGORY (OPERATING SEGMENTS)

BIC GROUP NET SALES AND INCOME FROM OPERATIONS (IFO) BY PRODUCT CATEGORY 2016-2017

(in million euros)	Stationery		Lighters		Shavers		Other Products	
	Net Sales	IFO	Net Sales	IFO	Net Sales	IFO	Net Sales	IFO
2016	780.3	67.9	696.4	275.3	467.0	68.6	82.1	(8.4)
2017	791.8	54.9	703.9	278.0	454.4	60.4	70.2	(17.0)

BIC GROUP IFO AND NORMALIZED(A) IFO BY PRODUCT CATEGORY 2016-2017

(in million euros)	Stationery		Lighters		Shavers		Other Products	
	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO
2016	70.1	67.9	277.3	275.3	69.6	68.6	(7.8)	(8.4)
2017	66.5	54.9	278.3	278.0	60.6	60.4	(4.4)	(17.0)

STATIONERY

Stationery full-year 2017 Net Sales increased by 1.5% (up 3.4% on a comparative basis). Full year 2017 volumes grew by 2.4%.

- **Developed markets:** Net Sales grew mid-single digit in Europe, fueled by a good Back-to-School season in both Western and Eastern Europe, the success of new products (the BIC® Gelocity Illusion erasable pen, BIC® 4-color 3+1 pen and the BIC® Intensity Writing felt pen) and targeted Brand Support, notably on the 4 Colors and BIC® Kids ranges. In a slightly declining market, North America's Net Sales were slightly up, driven by a strong Back-to-School season. Key growth drivers included successful new added-value product launches including BIC® Gelocity® Quick Dry gel and the BIC® Velocity® Max Mechanical Pencil.
- **Developing markets:** posted low-single digit growth. In Latin America, Net Sales increased low-single digit. We continued to support our growth across the region with impactful advertising campaigns, notably in the ball pen segment. During the Back-to-School season, we gained market share in Mexico across the entire range, thanks mostly to our core products. The Middle-East and Africa region delivered solid growth along with an outstanding performance in South Africa thanks to strong in-store visibility. In India, Cello Pens' Domestic Net Sales increased high-single digit driven by the increased focus on Champion brands (especially Butterflow™), New Product launches (Gel Tech range) and continued development of our visibility strategy ("Cello® seen, Cello® sold").

Full Year 2017 Stationery normalized IFO margin was 8.4% compared to 9.0% in 2016 (9.4% excluding the impact of the special employee bonus) due to higher brand support investment.

LIGHTERS

Full-year 2017 Net Sales of lighters grew by 1.1% (up 2.2% on a comparative basis). Full year 2017 volumes were up by 0.8%.

- **Developed markets:** In Europe, Net Sales increased mid-single digit, driven by both Western Europe and Eastern Europe (distribution gains). In North America, 2017 Net Sales grew low single digit in a slightly growing market. We continued to gain market share as a result of the constant development of our added value sleeve designs, increased distribution depth, and continuing consumer trust in our leading standards of product safety and quality.
- **Developing markets:** Full-year 2017 Net Sales declined slightly. Latin America posted low-single digit growth

driven by distribution gains in Mexico and despite customer inventory reductions in Brazil.

Full-year 2017 Normalized IFO margin for lighters was 39.5% compared to 39.8% in 2016 (40.2% excluding the impact of the special employee bonus) due to lower Gross Profit, lower brand support and higher operating expenses.

SHAVERS

Full-year 2017 Net Sales of Shavers decreased by 2.7% (down 2.2% on a constant currency basis). Full-year 2017 volumes were up by 3.0%.

Developed markets: Europe's Net sales increased high-single digit, driven by Eastern Europe's performance (success of the BIC® Flex 3 Hybrid and Miss Soleil shavers). Available in France since March 2017 and in the UK since November 2017, the BIC® Shave Club (*i.e.*, BIC's online subscription offer for refillable shavers) performed well, supported by high levels of customer loyalty. In North America, Net Sales declined double-digits. At the end of December 2017⁽¹⁾, the total U.S. wet shave market decreased by 8.2%. With a 3.2% decline, the one-piece segment continued to be heavily disrupted with increased competitive activity, unprecedented levels of promotion, pricing pressure from major competitors and increased activity from Private labels. BIC's year-end one-piece segment market share was 26.7%, declining by 1.3 points when compared to December 2016. Following the BIC® Flex 5 Hybrid launch, we continued to gain market share in the high added-value one-piece 5-blade segment and consolidated our n°1 position with a 36.8% share of the Men's 5 blade one-piece market segment (up 8.7 points compared to last year).

Developing markets: FY 2017 Net Sales increased mid-single-digit. Despite increased competitive pressure in Mexico and Brazil, Latin America delivered mid-single-digit growth, supported by an enlarged distribution network across the whole region. In the Middle-East and Africa, Net Sales grew high-single digit, benefiting from the success of our single-blade and twin-blade products.

⁽¹⁾ Source: IRI total market YTD ending 31-DEC-2017 – in value terms.

Full-year 2017 Normalized IFO margin for Shavers was 13.3% compared to 14.9% in 2016 (15.4% excluding the impact of the special employee bonus) due to the decline of North American Net Sales and higher operating costs.

OTHER PRODUCTS

Full-year 2017 Net Sales of Other Products decreased by 14.5% (down 5.5% on a comparative basis). BIC Sport

registered a mid-single 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 2017 Normalized IFO for Other Products was a negative 4.4 million euros, compared to a negative 7.8 million euros in 2016.

2017 GROUP PERFORMANCE BY GEOGRAPHICAL AREA

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA

(in million euros)	2016	2017	As reported	Comparative basis
GROUP				
Net Sales	2,025.8	2,020.3	(0.3)%	+1.4%
Europe				
Net Sales	544.8	559.3	+2.7%	+4.9%
North America				
Net Sales	812.0	783.5	(3.5)%	(1.7)%
Developing markets				
Net Sales	668.9	677.4	+1.3%	+2.2%

EUROPE

The Europe region includes Western and Eastern Europe. In 2017, Net Sales in Europe reached 559.3 million euros, a year-on-year increase of 2.7% (+4.9% on a comparative basis).

Europe registered a good performance in 2017 across all consumer categories and all regions, especially in Eastern European countries.

- **In Stationery:** BIC delivered mid-single digit growth. The Back-to-School season was good both in Western and Eastern Europe, notably in France. Throughout the year, we initiated targeted Brand Support on the 4-Colors range (in the UK, Italy and Spain), on BIC® Kids in Eastern Europe (Russia, Ukraine, Romania, Turkey...). We also benefited from the success of New Products such as the BIC® Gelocity® Illusion erasable pen, BIC® 4-color 3+1 pen and the BIC® Intensity Writing felt pen.
- **In Lighters:** net sales posted mid-single digit growth. Western Europe's performance was mostly driven by France. Eastern European countries continued their good momentum on the back of distribution gains.
- **In Shavers:** growth was mainly driven by Eastern and Southern European countries. In Eastern Europe, performance was driven by the success of the BIC® Flex 3 Hybrid and Miss Soleil shavers, notably in Russia. We also implemented some TV campaigns on the Flex range, notably in Russia, Ukraine and Romania). In Southern Europe, we benefited from distribution gains notably in Greece, Spain and Portugal. BIC's online subscription offer for refillable shavers is available in France since March 2017 and in the UK since November 2017: the BIC® Shave Club performed well in 2017, supported by high levels of customer loyalty.

NORTH AMERICA

The North America region includes the U.S. and Canada. In 2017, Net Sales in North America reached 783.5 million euros, down 3.5% both as reported and down 1.7% on a comparative basis.

- **In Stationery:** Net Sales increased slightly. The market declined slightly except in Gel and BIC market share remains flat. However, we outperformed the market in core segments such as ball Pens, Mechanical Pencils, Highlighters and correction. We benefited from a strong back-to-school season, thanks to the success of new added-value product launches including BIC® Gelocity® Quick Dry gel and the BIC® Velocity® Max Mechanical Pencil.
- **In Lighters:** low-single digit growth was driven by market share gains. We continued to benefit from our continued emphasis on product safety and quality as well as the success of our added-value sleeve designs, like the new Holiday series. We expanded our communication on Facebook and Instagram to include engaging safety & quality messages.
- **In Shavers:** 2017 reflected another year of disruption. At the end of December 2017, the total U.S. wet shave market decreased by 8.2%⁽²⁾. With a 3.2% decline, the one-piece segment

⁽²⁾ Source: IRI total market YTD ending 31-DEC-2017 - in value terms

was impacted by increased competitive activity, unprecedented levels of promotion, pricing pressure from major competitors and increased activity from Private labels. BIC's year-end one-piece segment market share was 26.7%, declining by 1.3 points when compared to December 2016. In 2017, we launched the BIC® Flex 5 Hybrid for men, allowing us to gain market share in the high added-value one-piece 5-blade segment and consolidated our n°1 position with a 36.8% share of the Men's 5 blade one-piece market segment (up 8.7 points compared to last year).

DEVELOPING MARKETS

Developing markets include Latin America (Mexico, Central America, the Caribbean and South America), the Middle-East, Africa, Oceania and Asia. In 2017, Net Sales reached 677.4 million euros, up 1.3% (+2.2% on a comparative basis).

LATIN AMERICA

In Latin America, net sales delivered a low single-digit increase.

- **Stationery:** BIC continued to expand its market share notably in Mexico and Brazil during the back-to-school. The performance in this region was also supported by impactful advertising campaigns, like the TV and Digital Campaign for Cristal Fashion "Power of Colors" which created a halo effect across the ball pen segment.
- **Lighters:** the performance was driven by distribution gains in Mexico. Brazil continued to be impacted by customer inventory reductions.
- **Shavers:** 2017 was a year impacted by increased competitive pressure in Mexico and Brazil. However, in the region, BIC benefited from enlarged distribution network and the success of the launch of the BIC® Flex 3.

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 strong performance in the region, especially in Southern Africa. Southern Africa consolidated a good back-to-school performance thanks notably to strong in-store visibility and consumer involvement in the campaign "Buy a pen, Donate a pen". Eastern Africa delivered a good performance. In India, Cello Pens' Domestic Net Sales increased high-single digit driven by the increased focus on Champion brands (especially Butterflow™), New Product launches (Gel Tech range) and continued development of our visibility strategy ("Cello® seen, Cello® sold").

- **Lighters:** we continued to focus on our strategy, aimed at gaining distribution and improving in-store visibility, a "BIC seen is a BIC sold".
- **Shavers:** BIC delivered a good performance across all regions, benefiting from the success of our single-blade and twin-blade products as well as the expansion of the BIC® Flex range. In south Africa, we launched a new communication campaign on the BIC® Flex 5 shavers.

ASIA-PACIFIC

- **Stationery:** in Oceania, we benefited from distribution gains.
- **Lighters:** in Oceania, BIC extended its leadership position through distribution gains notably in the modern mass market.
- **Shavers:** BIC delivered a strong performance in Oceania.

4.2 FINANCIAL SITUATION AND CASH

At the end of 2017, the net cash position was 204.9 million euros, compared to 222.2 million euros as of December 31, 2016.

2017 Net Cash from operating activities totaled 380.6 million euros including +411.3 million euros in

Operating Cash Flow. The Net Cash position was also impacted by investments in CAPEX, dividend payments and share buy-backs as well as the proceeds from the sale of BIC Graphic North America and Sourcing Asia.

MAIN BALANCE SHEET ITEMS

<i>(in million euros)</i>	2016	2017
Shareholders' equity	1,792.6	1,703.9
Current borrowings and bank overdrafts	49.6	4.9
Non-current borrowings	1.4	0.2
Cash and cash equivalents – Assets	243.8	188.6
Other current financial assets and derivatives instruments	31.1	45.0
Net cash position	222.2	204.9
goodwill and intangible assets	372.7	350.6
TOTAL BALANCE SHEET	2,573.7	2,352.6

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

<i>(in million euros)</i>	2016	2017
Cash flow from operations	417.2	411.3
(Increase)/Decrease in net working capital	(62.8)	(9.5)
Other operating cash flows	(55.7)	(21.2)
Net cash from operating activities from continuing operations	276.2	374.5
Net Cash from operating activities from discontinued operations	22.5	6.1
Net cash from operating activities	298.7	380.6
Net Cash from investing activities from continuing operations	(127.2)	(108.4)
Net Cash from investing activities from discontinued operations	(5.3)	(3.4)
Net cash from investing activities	(132.5)	(111.8)
Net Cash from financing activities from continuing operations	(291.5)	(273.1)
Net Cash from financing activities from discontinued operations	(48.0)	(2.3)
Net cash from financing activities	(339.5)	(275.4)
Net increase/(decrease) in cash and cash equivalents	(173.2)	(6.6)
Closing cash and cash equivalents	217.4	187.0

4.3 SHAREHOLDERS' REMUNERATION

In 2017, Shareholders' Remuneration totaled 258,9 million euros:

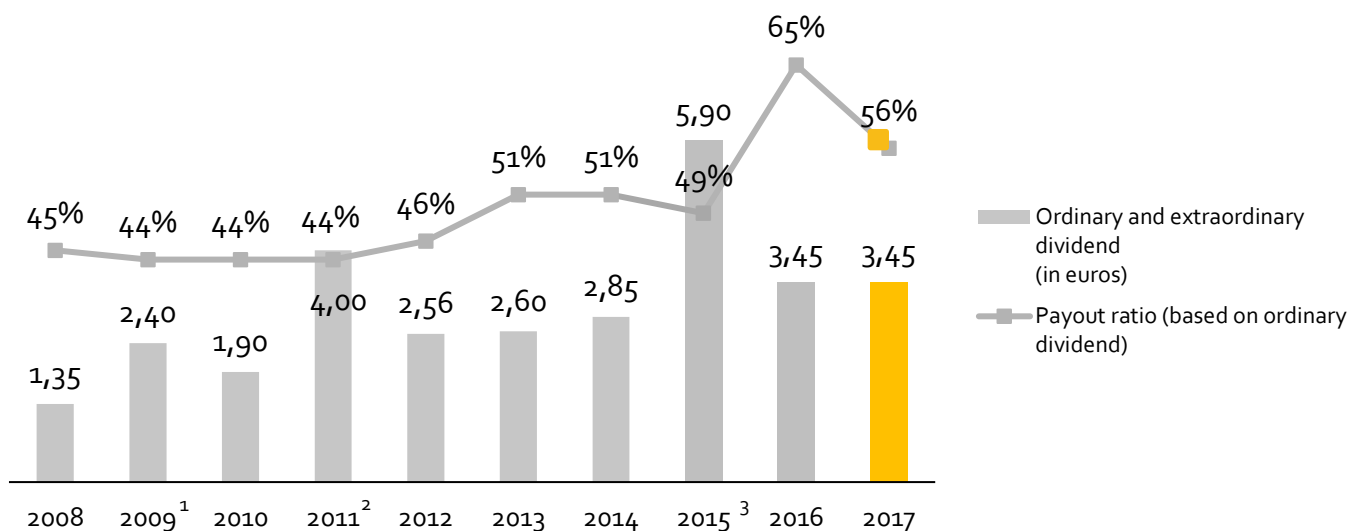
- 161.0 million euros related to the payment of dividend (2016 fiscal year); ordinary dividend of 3.45 euros paid in June 2017.
- 97.9 million euros related to the share buy-back program (995 854 shares bought at an average of 97.54 euros per share).

4.4 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.

The Board of Directors will propose 3.45 euros as an ordinary dividend per share, at the Annual Shareholders' Meeting on May 16, 2018. The pay-out ratio would be 56% in 2017, compared to 65% in 2016.

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.

4.5 PROSPECTS FOR 2018 AND STRATEGY

2018 OPERATIONAL OUTLOOK

GROUP

We expect 2018 Group Net Sales to increase between +1 and +3% on a comparative basis, with all categories contributing to the growth. Major factors affecting sales performance could include continued competitive pressures in Shaver, further inventory reductions from retailers, and continued softness in the Brazilian economy.

Gross Profit will be impacted by an increase in raw material costs, higher depreciation, while we will continue to invest in targeted Brand Support and Operating Expenses. 2018 Normalized Income from Operations will also be impacted by sales performance. Based on these factors we expect Normalized Income from Operations margin to be between 17% and 18%.

We expect CAPEX to be approximately 150 million euros.

RISKS AND OPPORTUNITIES

In brief, we foresee the major challenges for 2018 to be:

- continued economic uncertainty;
- the global geopolitical environment;
- continued foreign currency volatility;
- an expected increase in raw material costs versus prior years.

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.

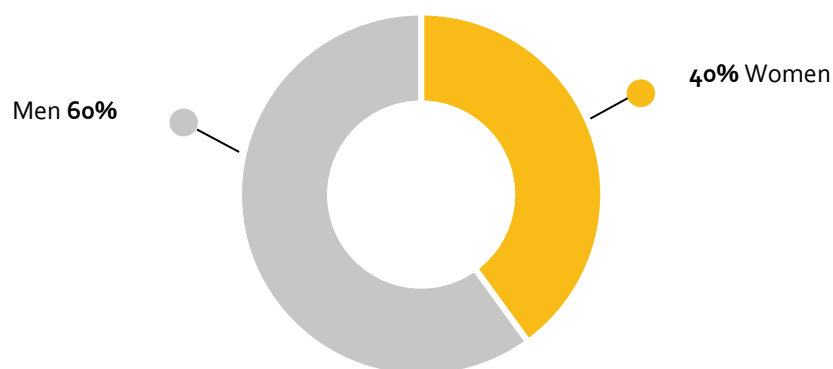
In 2018, our priority is to continue to drive sales growth through selected investments in R&D, brand support and CAPEX.

RECENT EVENTS

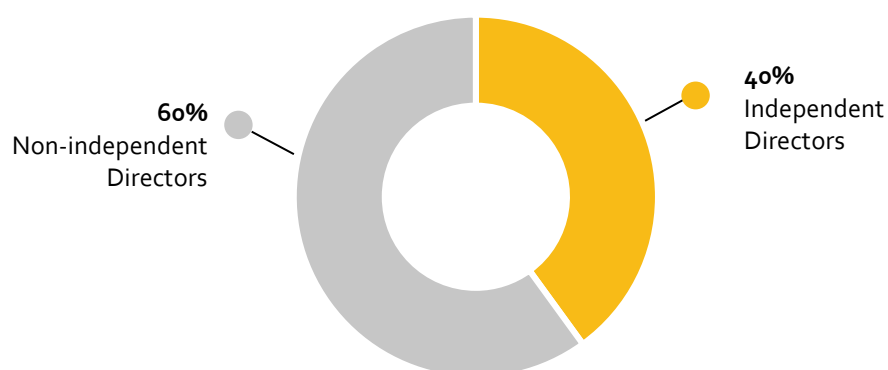
In order to drive commercial synergies and strengthen our business within the Asian markets, notably in China, we reorganized our operations in Asia Pacific and closed our Singapore office. In Latin America, BIC direct operations in Nicaragua were closed.

5. Governance

GENDER BALANCE ON THE BOARD OF DIRECTORS



PORTION OF INDEPENDENT DIRECTORS



In 2017, the Board of Directors met 9 times. The attendance rate was 91% ⁽¹⁾.

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

⁽¹⁾ In addition to the attendance rates detailed in the table in §3.1.1.2 of the 2017 registration document, this percentage takes into account the attendance of Frédéric Rostand at 75%.

5.1 DIRECTORS AND CORPORATE OFFICERS

**BRUNO BICH**CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

71 YEARS OLD

NATIONALITY: FRENCH/AMERICAN

Date of 1st appointment: AGM of June 2, 1986**Expiration date:** 2019 AGM**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares *i.e.* 27.25% of SOCIÉTÉ BIC share capital and 37.23% of the voting rights.**Main position:** Chairman of the Board of Directors and Chief Executive Officer of SOCIÉTÉ BIC.**Other current mandates or functions:** Chairman of the Board – BIC Cello (India) Private Ltd.^(a) – India, Chairman of the Board – BIC-Cello Exports Private Ltd.^(a) – India, Trustee – Harlem Academy – U.S.A.**PIERRE VAREILLE**

VICE-CHAIRMAN AND LEAD-DIRECTOR

60 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: AGM of May 14, 2009**Expiration date:** 2018 AGM**Number of shares held:** 3,000**Main position:** Co-President, Founder of "The Vareille Foundation" - Switzerland**Other current mandates or functions:** Director – Verallia – France, Director – Vectra – U.S.A., Director – Etex SA – Belgium (listed company), Director – Ferroglobe plc – United Kingdom (listed company)**ELIZABETH BASTONI**

INDEPENDENT DIRECTOR

52 YEARS OLD

NATIONALITY: AMERICAN

Date of 1st appointment: AGM of May 15, 2013**Expiration date:** 2019 AGM**Number of shares held:** 500**Main position:** President of Choukette, Inc. – U.S.A.**Other current mandates or functions:** Chairman, Compensation Committee – Jerônimo Martins – Portugal, President of Bastoni Consulting Group, LLC – U.S.A.**VINCENT BEDHOME**DIRECTOR REPRESENTING
THE EMPLOYEES

52 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: Board of Directors of December 13, 2017 (designated by the Group Works Council on November 9, 2017)**Expiration date:** December 13, 2020**Number of shares held:** 23**Main position:** Project Manager in the Stationery category – Conté**Other current mandates or functions:** None**FRANÇOIS BICH**

DIRECTOR

68 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: Board of Directors of September 30, 1977 ratified by the AGM of May 29, 1978**Expiration date:** 2020 AGM**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares *i.e.* 27.25% of SOCIÉTÉ BIC share capital and 37.23% of the voting rights.**Main position:** pensioner**Other current mandates or functions:** Chairman of the Supervisory Board – SOCIÉTÉ M.B.D. – France**MARIE-PAULINE CHANDON-MOËT,
MAIDEN NAME BICH**

DIRECTOR

51 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: AGM Meeting of May 28, 2003**Expiration date:** 2020 AGM**Number of shares held:** Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares *i.e.* 27.25% of SOCIÉTÉ BIC share capital and 37.23% of the voting rights.**Main position:** President – Château de Ferrand SAS - France**Other current mandates or functions:** Member of the Supervisory Board – SOCIÉTÉ M.B.D. – France^(a) BIC Group.



JOHN GLEN

INDEPENDENT DIRECTOR

58 YEARS OLD

NATIONALITY: BRITISH

Date of 1st appointment: Board of Directors of December 10, 2008, ratified by AGM of May 14, 2009

Expiration date: 2018 AGM

Number of shares held: 500

Main position: Chief Executive Officer of Buccleuch Group - United Kingdom

Other current mandates or functions: Member of the Board – The Three Stills company – United Kingdom



MARIO GUEVARA

DIRECTOR

58 YEARS OLD

NATIONALITY: MEXICAN/AMERICAN

Date of 1st appointment: AGM of May 22, 2001

Expiration date: 2019 AGM

Number of shares held: 6,870

Main position: Pensioner

Other current mandates or functions: None



CANDACE MATTHEWS

INDEPENDENT DIRECTOR

59 YEARS OLD

NATIONALITY: AMERICAN

Date of 1st appointment: AGM of May 10, 2017

Expiration date: 2020 AGM

Number of shares held: 100

Main position: Region President – The Americas – Amway – U.S.A.

Other current mandates or functions: Member of the Board – Fifth Third Bank, Western Michigan – U.S.A. (listed company)



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

DIRECTOR

57 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: AGM of May 21, 1997

Expiration date: 2018 AGM

Number of shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares *i.e.* 27.25% of SOCIÉTÉ BIC share capital and 37.23% of the voting rights.

Main position: Director of SOCIÉTÉ BIC

Other current mandates or functions: None



SOCI  T   M.B.D.

DIRECTOR
PERMANENT REPRESENTATIVE:
  DOUARD BICH

53 YEARS OLD

NATIONALITY: FRENCH

Date of 1st appointment: AGM of May 24, 2006

Expiration date: 2018 AGM

Number of shares held: 12,705,000 shares *i.e.* 27.25% of SOCI  T   BIC share capital and 37.23% of the voting rights (as of December 31, 2017)

Permanent representative:   douard BICH

Main position: Managing Director of SOCI  T   M.B.D.

Other current mandates or functions: Member of the Supervisory Board – Stockage Plus SAS. – France, Member of the Executive Board for Europe, the Middle East and Africa – The Wharton School – U.S.A., Managing Director – Platypus Capital SPRL – Belgium

GONZALVE BICH

EXECUTIVE VICE-PRESIDENT

39 YEARS OLD

NATIONALITY: FRENCH/AMERICAN

JAMES DIPIETRO

EXECUTIVE VICE-PRESIDENT

58 YEARS OLD

NATIONALITY: AMERICAN

Date of 1st appointment: Board of Directors of May 18, 2016 – effect: June 2nd, 2018

Expiration Date: October 2, 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 12,705,000 shares *i.e* 27.25 % of SOCIÉTÉ BIC share capital and 37.23 % of the voting rights.

Main position: Executive Vice-President of SOCIÉTÉ BIC, Chief Executive Officer of BIC Group

Other current mandates or functions: Director – BIC (Nantong) Plastic Products Co. Ltd.^(a) – China, Director – BIC Cello (India) Private Ltd.^(a) – India, Director – BIC-Cello Exports Private Ltd.^(a) – India, Director – BIC UK Ltd^(a) – United Kingdom, President of categories – BIC International Co.^(a) – U.S.A.

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

Expiration date: October 2, 2018

Number of shares held: 18,794

Main position: Executive Vice-President of SOCIÉTÉ BIC, Group Chief Financial Officer

Other current mandates or functions: Chief Executive Officer – BIC International Co.^(a) – U.S.A., Chairman, President and Treasurer – BIC Sport U.S.A. Inc.^(a) – U.S.A., President – SHF Pen Corporation^(a) – U.S.A., President – SHF Manufacturing Co. LLC^(a) – U.S.A., Chairman and Chief Executive Officer – BIC Corporation^(a) – U.S.A., President – Norwood Promotional Products LLC^(a) – U.S.A., President – Furtuna Holdings Co. Ltd.^(a) – British Virgin Islands

MARIE-AIMÉE BICH-DUFOUR

EXECUTIVE VICE-PRESIDENT

59 YEARS OLD

NATIONALITY: FRENCH

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

Expiration Date: October 2, 2018

Number of shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares *i.e* 27.25% of SOCIÉTÉ BIC share capital and 37.23% of the voting rights.

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

Other current mandates or functions: Director – BIC Australia Pty. Ltd.^(a) – Australia, Managing Director – BIC GmbH^(a) – Germany, Director – BIC Violex SA^(a) – Greece, Director – BIC India Pvt. Ltd.^(a) – India, Chairman of the Board – BIC (NZ) Ltd.^(a) – New Zealand, Director – BIC Portugal SA^(a) – Portugal, Director – BIC Holdings Southern Africa (Pty.) Ltd.^(a) – South Africa, Director – BIC Iberia SA^(a) – Spain, Director – BIC Malawi (Pty) Ltd.^(a) – Malawi, Representative of SOCIÉTÉ BIC on the Board – ANSA– France, Representative of SOCIÉTÉ BIC on the Board – METI– France

(a) BIC Group.

5.2 COMPOSITION OF THE BOARD OF DIRECTORS

Member of the Board	Main position	Date of 1 st appointment as Director	Expiration date	Duration of the mandate	Age	Independent	Committee	Attendance at Board Meetings	Attendance at Committee meetings
Bruno BICH Chairman and CEO	Chairman and CEO of SOCIÉTÉ BIC	1986	2019	32 years	71			100% (9/9 meetings)	-
Pierre VAREILLE Vice-President and Lead Director	Co-President, Founder of "The Vareille Foundation"	2009	2018	9 years	60	√	Audit Committee	89% (8/9 meetings)	100%
Elizabeth BASTONI	President of Choukette, Inc.	2013	2019	5 years	52	√	Comp. Committee (Chair), Nom., Gov. and CSR Committee (Chair)	89% (8/9 meetings)	100 %
Vincent BEDHOME Director representing the employees	Project manager (Conté)	2017	2020	1 year	52		Comp. Committee	100% (1/1 meeting)	100 %
François BICH	Pensioner	1977	2020	41 years	68			67% (6/9 meetings)	-
Marie-Pauline CHANDON-MOET	President of Château de Ferrand SAS	2003	2020	15 years	51			100% (9/9 meetings)	-
John GLEN	Chief Executive Officer of Buccleuch	2008	2018	10 years	58	√	Audit Committee (Chair)	100% (9/9 meetings)	100 %
Mario GUEVARA	Pensioner	2001	2019	17 years	58			100% (9/9 meetings)	-
Candace MATTHEWS	Region President – The Americas – Amway	2017	2020	1 year	59	√	Comp. Committee, Nom., Gov. and CSR Committee	80% (4/5 meetings)	100 %
M.B.D. (Edouard Bich)	Managing Director of SOCIÉTÉ M.B.D.	2006	2018	12 years	53		Audit Committee	100% (9/9 meetings)	100 %
Marie-Henriette POINSOT	Director of SOCIÉTÉ BIC	1997	2018	21 years	57		Comp. Committee, Nom., Gov. and CSR Committee	89% (8/9 meetings)	100 %

A more detailed presentation of the composition and activity of the Board of Directors and its Committees is presented in section 3.1. of the 2017 Registration Document.

5.3 EVOLUTION OF THE MANAGEMENT AND BOARD OF DIRECTORS FOLLOWING THE SHAREHOLDERS' MEETING

The Board of Directors held on February 13, 2018 acknowledged Bruno Bich's decision to resign as Chairman and Chief Executive Officer (due to the age limit defined in the Articles of Incorporation) as well as Director, effective as of the May 16, 2018 Annual Shareholders' Meeting. The Board proposes consequently the nomination of Gonzalve Bich as Board Member.

The Board of Directors following the Shareholders' Meeting of May 16, 2018 intends to

- separate the functions of Chairman and Chief Executive Officer;
- nominate Pierre Vareille, currently Vice-President and Lead Director, as Chairman of the Board⁽¹⁾;
- nominate Gonzalve Bich, currently Executive Vice-President and Chief Operating Officer, as Chief Executive Officer.

At the end of the management transition's period, the functions of Chairman and Chief Executive Officer will be dissociated. The dissociation will separate the role of Chairman and the one of Chief Executive Officer whom manages the Company, proposes the strategy, implements it, and reports to the Board of Directors.

John Glen, Marie-Henriette Poinot, SOCIÉTÉ M.B.D. and Pierre Vareille, whose mandates are up for renewal, are proposed for reelection for three years at the Shareholders' Meeting of May 16, 2018.

Subject to the approval of the Shareholders' Meeting, the Board will be composed as follows:

- Pierre Vareille – Chairman
- Elizabeth Bastoni – Director
- Vincent Bedhome – Director representing the employees
- François Bich – Director
- Gonzalve Bich – Chief Executive Officer - Director
- Marie-Pauline Chandon-Moët – Director
- John Glen – Director
- Mario Guevara – Director
- Candace Matthews – Director
- Marie-Henriette Poinot – Director
- M.B.D. (Edouard Bich) – Director

The proportion of Independent Directors (40%), as well as female Directors (40%), will remain unchanged.

⁽¹⁾ Subject to the renewal of his mandate by the Annual General Meeting of May 16, 2018.

6. Corporate Officers' compensation

6.1 COMPENSATION POLICY FOR THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS OF SOCIÉTÉ BIC FOR 2018

6.1.1. GENERAL PRINCIPLES GOVERNING COMPENSATION

In addition to the principles of the AFEP-MEDEF Corporate Governance Code, to which BIC refers, ((except those recommendations not applied as stated in section 3.1.1.2. e of the 2017 registration document), the compensation policy for Corporate Officers of SOCIÉTÉ BIC is based on the same principles applied to all BIC Group employees, namely:

PRESENTATION OF PRINCIPLES

INTERNAL EQUITY

Internal differentials between executives are justifiable; they must reflect the level of responsibilities, experience, performance, potential and market practices.

PAY FOR PERFORMANCE

Individual and collective performance of management teams play an important role in compensation at BIC Group. Increases in fixed compensation are set at the individual level. Compensation includes a significant variable part based on the achievement of individual and/or collective objectives that are critical to the 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 provisions of Article L. 225-100 (II paragraph 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 compensation set forth in the present report, and upon the recommendation of the Compensation Committee, the Board of Directors has applied a specific remuneration structure for the Chairman, Chief Executive Officer and Executive Vice-Presidents of SOCIÉTÉ BIC, with:

- a fixed compensation;
- variable compensation;
- a long-term incentive (performance shares);
- exceptional items;
- a supplementary pension plan;
- 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 positions of Chairman, Chief Executive Officer and Executive Vice-President of SOCIÉTÉ BIC reflects the responsibilities of the

Executive Corporate Officer, his/her experience and his/her skills.

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

ANNUAL VARIABLE COMPENSATION

The Chairman and CEO of SOCIÉTÉ BIC, Bruno Bich, received no variable compensation for 2017 and will not receive any for 2018.

The annual variable compensation for the Chief Executive Officer and the Executive Vice-Presidents of SOCIÉTÉ BIC is expressed as a percentage of the fixed compensation.

Position	Annual variable compensation as a percentage of the fixed compensation, if objectives are 100% achieved	Maximum annual variable compensation, as a percentage of the fixed compensation
Non-executive Chairman	0.0%	0.0%
Chief Executive Officer	85.0% - 125.0%	127.5% - 187.5%
Group Executive Vice-President and Chief Operating Officer	85.0%	127.5%
Group Executive Vice-President and Chief Financial Officer	75.0%	112.5%
Other Executive Vice-President	45.0% - 55.0%	67.5% - 82.5%

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 Receivable;

- 30%: Individual Objectives and overall performance.

The annual financial objectives are based on the annual budget approved by the Audit Committee. As a minimum, they are equivalent to the targets communicated externally.

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

No remuneration is paid if the percentage of achievement of the objective is inferior to 80%.

PERFORMANCE SHARE PLAN

Free 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 Committee, to put in place a policy of three-year performance-based free share grants.

The number of granted shares varies based on the level of responsibilities of each position. At most, each executive

may be allocated a number of shares as shown in the table below:

Position	Maximum
Chairman	-
Chief Executive Officer	27,000
Group Executive Vice-President and Chief Operating Officer	18,000
Group Executive Vice-President and Chief Financial Officer	12,000
Other Executive Vice-President	10,000

The total number of shares granted to the Corporate Officers will not exceed 0.4% of the share capital as of the date of the decision made by the Board of Directors to grant the shares.

Performance is assessed according to the achievement of two objectives:

- net sales growth at constant basis;
- 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 75% and 100%, 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 compensation in BIC shares and when the Executive Vice-Presidents own three years of base compensation 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 3.2.2.8. of the 2017 Registration Document.

BENEFITS IN KIND

In the course of their regular duties, the Chairman, Chief Executive Officer and Executive Vice-Presidents may benefit from a company car (for Executive Corporate Officers based in France)

or a car allowance (for Executive Corporate Officers based in the United States).

TERMINATION PAYMENT AND SIGN ON BONUS

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

However, the Board reserves the right to make provision for Sign-on payments, in consideration of the personal situation of the person concerned when externally recruited (change in status, termination of an employment contract)

6.2. RULES GOVERNING THE GRANTING OF THE VARIABLE ANNUAL PART (BONUS) FOR 2017

The Board of Directors set the annual fixed compensation of executives in respect of 2017 and the target annual variable part of their remuneration for 2017:

Corporate Officer	Annual Fixed Compensation in 2017 (in U.S. dollars) ^(*)	Target annual variable compensation in 2017 (corresponds to 100% achievement of the objectives)
Bruno Bich Chairman and Chief Executive Officer	204,000 euros	-
Gonzalve Bich Executive Vice-President	500,000 U.S. dollars (442,478 euros)	85% of the fixed part
James DiPietro Executive Vice-President	515,000 U.S. dollars (455,752 euros)	75% of the fixed part
Marie-Aimée Bich-Dufour Executive Vice-President	300,900 euros	45% of the fixed part

(*) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2017 (1 EUR = 1.1300 USD), see Note 3 in the consolidated financial statements.

BRUNO BICH'S COMPENSATION

FIXED PART

In 2017, the total fixed remuneration for Bruno Bich, Chairman and then Chief Executive Officer as from June 2016 was 204,000 euros.

ANNUAL VARIABLE PART

The Chairman and Chief Executive Officer, Bruno Bich, received no variable compensation for 2017.

Bruno Bich took on 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

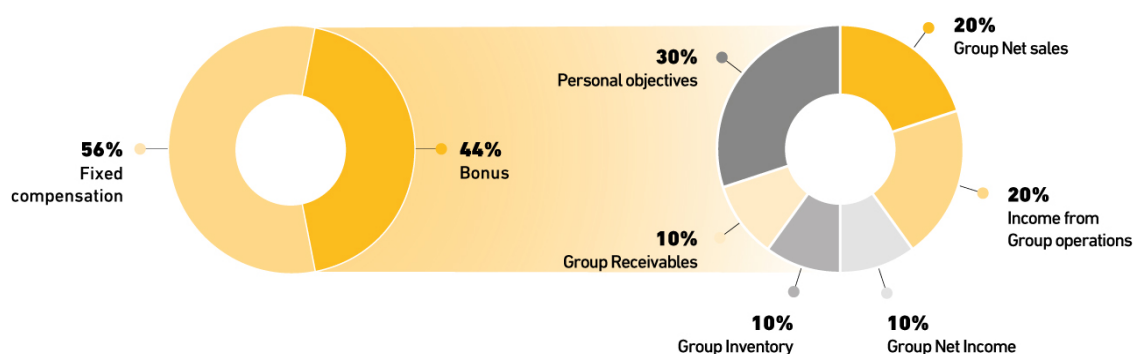
will end following the Shareholders' Meeting of May 16, 2018. This explains why Bruno Bich has no variable compensation in his package; he kept the same remuneration structure (fixed compensation only) he had been granted when he was in the role of Chairman only.

GONZALVE BICH'S COMPENSATION

FIXED PART

In 2017, the total fixed remuneration for Gonzalve Bich, Chief Executive Officer of BIC Group and Executive Vice-President, was 500,000 U.S. dollars.

ANNUAL VARIABLE PART IN 2017



BONUS – GONZALVE BICH

Criteria	Weight of criteria	2017 Bonus as a % of fixed compensation			Index of achievement of 2017 objectives	Actual 2017 bonus paid, as a % of the fixed compensation
		Minimum	Target (index 100)	Maximum		
Group Net Sales	20%	6.80%	17.00%	25.50%	94.5	14.45%
Group Income from Operations	20%	6.80%	17.00%	25.50%	95.5	14.79%
Group Net Income	10%	3.40%	8.50%	12.75%	104.9	9.78%
Group Inventory	10%	3.40%	8.50%	12.75%	97.7	7.99%
Group Receivables	10%	3.40%	8.50%	12.75%	93.8	6.97%
Personal Objectives and overall assessment: contribution to the implementation of a Group Long-Term Strategic Plan	30%	10.20%	25.50%	38.25%	100.0	25.50%
- Contribution to the implementation of a Group Long-Term Strategic Plan						
- Management of transversal projects						
- People management						
TOTAL	100%	34.00%	85.00%	127.50%		79.48%

At the end of 2017, individual and collective achievements for each bonus plan criteria were assessed.

The individual part represents 30% of the target bonus and represents a maximum of 38.25% of the fixed

compensation. For 2017, the individual part represents 32% of the bonus due.

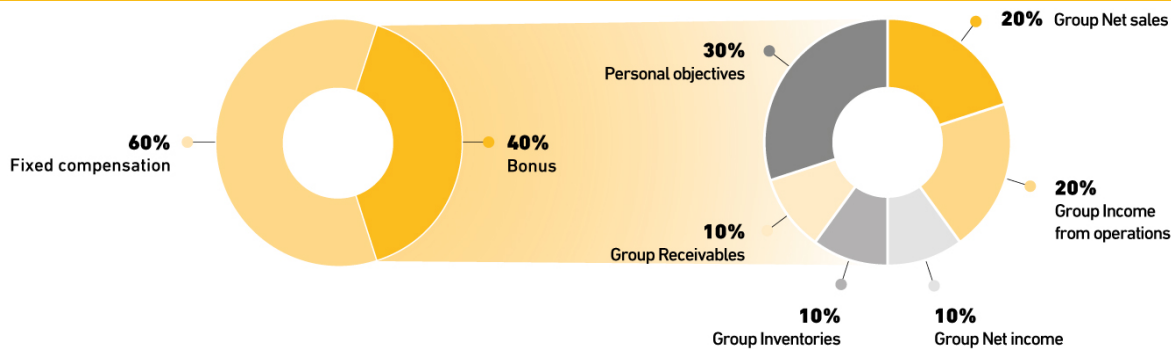
The Board of Directors has decided to pay Gonzalve Bich a bonus amounting to 397,400 U.S. dollars representing 79.48% of fixed compensation and 93.5% of the target bonus.

JAMES DIPIETRO'S COMPENSATION

FIXED PART

In 2017, the total fixed remuneration for James DiPietro, Group Chief Financial Officer and Executive Vice-President, was 515,000 U.S. dollars.

ANNUAL VARIABLE PART IN 2017



BONUS – JAMES DIPIETRO

Criteria	Weight of criteria	2017 Bonus as a % of fixed compensation			Index of achievement of 2017 objectives	Actual 2017 bonus paid, as a % of base compensation
		Minimum	Target (index 100)	Maximum		
Group Net sales	20%	6.00%	15.00%	22.50%	94.5	12.75%
Group Income from Operations	20%	6.00%	15.00%	22.50%	95.5	13.05%
Group Net Income	10%	3.00%	7.50%	11.25%	104.9	8.63%
Group Inventory	10%	3.00%	7.50%	11.25%	97.7	7.05%
Group Receivables	10%	3.00%	7.50%	11.25%	93.8	6.15%
Personal Objectives and overall assessment:	30%	9.00%	22.50%	33.75%	85.0	19.13%
- Contribution to the implementation of a Group long-term strategic plan						
- Group finance plan						
TOTAL	100%	30.00%	75.00%	112.50%		66.76%

At the end of the year 2017, individual and collective achievements on each criteria were assessed.

The individual part represents 30% of the target bonus and represents a maximum of 33.75% of fixed compensation.

For 2017, the individual part represents 28.7 % of the bonus due.

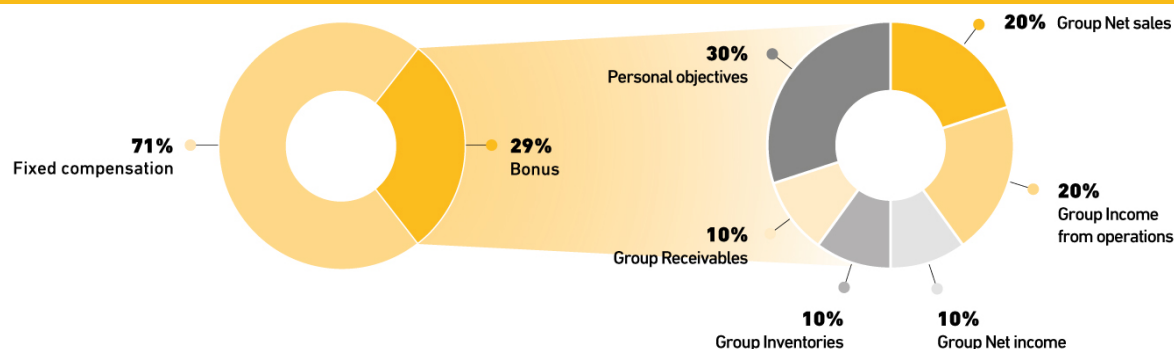
The Board of Directors has decided to pay James DiPietro a bonus amounting to 343,814 U.S. dollars representing 66.76% of fixed compensation and 89% of the target bonus.

MARIE-AIMÉE BICH-DUFOUR'S COMPENSATION

FIXED PART

In 2017, the total fixed remuneration for Marie-Aimée Bich-Dufour, Board of Directors' Secretary and Executive Vice-President, was 300,900 euros.

ANNUAL VARIABLE PART



BONUS – MARIE-AIMEE BICH-DUFOUR

Criteria	Weight of criteria	2016 Bonus as a % of base salary			Index of achievement of 2017 objectives	Actual 2017 bonus paid. as a % of base salary
		Minimum	Target (index 100)	Maximum		
Group Net sales	20%	3.60%	9.00%	13.50%	94.5	7.65%
Group Income from operations	20%	3.60%	9.00%	13.50%	95.5	7.83%
Group Net income	10%	1.80%	4.50%	6.75%	104.9	5.18%
Group Inventory	10%	1.80%	4.50%	6.75%	97.7	4.23%
Group Receivables	10%	1.80%	4.50%	6.75%	93.8	3.69%
Personal objectives and overall assessment: - Governance of the Board of Directors - Sustainable development program.	30%	5.40%	13.50%	20.25%	85.0	11.48%
TOTAL	100%	18.00%	45.00%	67.50%		40.06%

The individual part represents 30% of the target bonus and represents a maximum of 20.25% of the fixed compensation. For 2017, the individual part represents 28.7% of the bonus due.

The Board of Directors has decided to pay Marie-Aimée Bich-Dufour a bonus in respect of 2017 amounting to 120,541 euros, representing 40.06% of fixed compensation and 89% 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 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)	Plan 11 (2015- 16-17)	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	71.9	94.9
Cash Flow	85.5	88.2	98.6	99.7	110.1	103.1	98.9	105.8	98.9	98.6	100.6	98.9
Combined performance criteria (maximum 100)	85	77	97	100	100	96	88	97	100	98	86	93
Final acquisition as a percentage of the initial grant	70%	54%	94%	100%	100%	92%	76%	94%	100%	96%	72%	86%

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 compensation in BIC shares and when the Executive Vice-Presidents own three years of base compensation in BIC shares.

To the best of the Company's knowledge, no hedging instruments have been put in place by the five Corporate Officers mentioned in tables G and H below. Moreover, these Corporate Officers have made a formal commitment not to use hedging instruments.

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

The total number of shares granted is reported in Note 23 to the consolidated financial statements.

6 CORPORATE OFFICERS' COMPENSATION

PERFORMANCE SHARES AWARDED DURING THE FISCAL YEAR 2017 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
						1) Net sales growth 2) Cash flow from operations and change in inventory as a percentage of net sales
Gonzalve Bich	13 (Feb. 10, 2017)	8,000	872,400	Mar. 31, 2020	Mar. 31, 2020	as above
James DiPietro	13 (Feb. 10, 2017)	8,000	872,400	Mar. 31, 2020	Mar. 31, 2020	as above
Marie-Aimée Bich-Dufour	13 (Feb. 10, 2017)	3,250	354,413	Mar. 31, 2020	Mar. 31, 2020	as above

7. Financial statements

7.1 CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

<i>(in thousand euros)</i>	Dec. 31, 2016	Dec. 31, 2017
Net sales	2,025,771	2,020,251
Cost of goods	(960,442)	(972,669)
Gross profit*	1,065,329	1,047,582
Distribution costs	(285,954)	(291,599)
Administrative expenses	(211,932)	(211,474)
Other operating expenses	(158,933)	(147,304)
Other income	5,407	9,793
Other expenses	(10,525)	(30,773)
Income from operations	403,392	376,225
Income from cash and cash equivalents	8,856	9,419
Net finance income/(Net finance costs)	(4,057)	12,418
Income before tax	408,191	398,063
Income tax expense	(122,651)	(102,991)
Net income from consolidated entities	285,540	295,072
Net income from continuing operations	285,540	295,072
Net income from discontinued operations	(35,854)	(6,776)
Consolidated income of which:	249,686	288,295
Non-controlling interests	-	-
Net income Group share	249,686	288,295
Earnings per share Group share <i>(in euros)</i>	5.32	6.20
<i>Continuing operations</i>	6.09	6.35
<i>Discontinued operations</i>	(0.77)	(0.15)
Diluted earnings per share Group share <i>(in euros)</i> ^(a)	5.27	6.17
<i>Continuing operations</i>	6.03	6.31
<i>Discontinued operations</i>	(0.76)	(0.14)
Average number of shares outstanding net of treasury shares over the period	46,898,827	46,475,249

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

* Gross profit is the margin that the Group realizes after deducting its manufacturing costs

BALANCE SHEET

ASSETS (in thousand euros)	Dec. 31, 2016	Dec. 31, 2017
Property, plant and equipment	564,420	631,083
Investment properties	2,088	1,788
Goodwill	297,304	276,851
Intangible assets	75,447	73,780
Other non-current assets	29,472	44,840
Deferred tax assets	174,669	140,637
Derivative instruments	33	38
Non-current assets	1,143,433	1,169,017
Inventories	468,142	428,977
Income tax advance payments	30,823	32,254
Trade and other receivables	483,099	476,745
Other current assets	20,584	11,952
Derivative instruments	1,702	23,620
Other current financial assets	29,439	21,395
Cash and cash equivalents	243,762	188,626
Current assets	1,277,551	1,183,569
Assets held for sale	152,697	-
TOTAL ASSETS	2,573,680	2,352,586
EQUITY AND LIABILITIES (in thousand euros)	Dec. 31, 2016	Dec. 31, 2017
Share capital	178,333	175,141
Accumulated profits	1,614,282	1,528,780
Shareholders' equity Group share	1,792,615	1,703,921
Non-controlling interests	-	-
Shareholders' equity	1,792,615	1,703,921
Non-current borrowings	1,452	215
Other non-current liabilities	1,178	1,112
Employee benefits obligation	205,455	174,139
Provisions	35,560	42,171
Deferred tax liabilities	51,358	48,593
Derivative instruments	4,234	104
Non-current liabilities	299,239	266,334
Trade and other payables	118,676	125,539
Current borrowings	49,578	4,866
Current tax due	13,596	10,774
Other current liabilities	232,111	238,932
Derivative instruments	15,591	2,220
Current liabilities	429,553	382,331
Liabilities held for sale	52,273	-
TOTAL EQUITY AND LIABILITIES	2,573,680	2,352,586

7.2 STATUTORY FINANCIAL STATEMENTS

INCOME STATEMENT

<i>(In thousand euros)</i>	Dec. 31, 2016	Dec. 31, 2017
Net sales	675,728	715,515
Reversal of depreciation, amortization and provisions, transfer of charges	9,737	7,313
Other income	101,806	100,511
Total operating income	787,271	823,339
Purchases of goods and changes in inventories	(408,210)	(426,835)
Purchases of raw materials, other supplies and changes in inventories	(20,884)	(25,680)
Other external purchases and charges	(183,355)	(187,752)
Taxes, levies and similar payments	(4,607)	(4,738)
Payroll costs	(4,440)	(2,866)
Depreciation, amortization and provisions	(19,579)	(9,979)
Other expenses	(247)	(5,530)
Total operating expenses	(641,322)	(663,380)
NET OPERATING INCOME	145,949	159,959
NET FINANCIAL INCOME	27,566	628,887
NON-RECURRING INCOME AND EXPENSES	(5,030)	14,330
Income tax expense	(49,850)	(55,051)
NET INCOME	118,635	748,125

BALANCE SHEET

ASSETS

(in thousand euros)	Dec. 31, 2016	Dec. 31, 2017		
	Net	Gross	Deprec., amort. and provisions	Net
Research and development expenses	-	1,745	(1,745)	-
Patents and similar rights	20,088	63,524	(40,734)	22,790
Intangible assets	20,088	65,269	(42,479)	22,790
Land	1,345	1,345	-	1,345
Buildings	2,421	16,407	(14,302)	2,105
Industrial fixtures and equipment	1,244	12,723	(10,957)	1,766
Other property, plant and equipment	3,571	6,401	(2,919)	3,482
Fixed assets under construction	1,883	584	(51)	533
Property, plant and equipment	10,464	37,460	(28,229)	9,231
Equity Investments	862,184	1,286,072	(49,560)	1,236,512
Other long-term investments	72,554	66,852	-	66,852
Long-term investments	934,738	1,352,924	(49,560)	1,303,364
Non-current assets	965,290	1,455,653	(120,268)	1,335,385
Raw materials and supplies	1,495	1,424	-	1,424
Work-in-process goods	-	387	(387)	-
Goods	37,425	38,114	(1,629)	36,485
Inventories	38,920	39,925	(2,016)	37,909
Advances and prepayments	2,393	2,503	-	2,503
Trade receivables and related accounts	129,251	138,011	(9,170)	128,841
Other receivables	192,318	223,228	(7,079)	216,149
Short-term financial investments	38,944	4,409	-	4,409
Cash and cash equivalents	11,332	38,847	-	38,847
Prepaid expenses	1,022	576	-	576
Unrealized losses from foreign exchange	128	530	-	530
Current assets	414,308	448,029	(18,265)	429,764
TOTAL ASSETS	1,379,598	1,903,682	(138,533)	1,765,149

EQUITY AND LIABILITIES

<i>(in thousand euros)</i>	Dec.31, 2016	Dec.31, 2017
Share capital	181,649	178,126
Share issue premiums, merger contributions	136,435	140,069
Legal reserve	22,410	22,410
General reserve	180,408	180,447
Retained earnings	250,564	114,781
Net income for the year	118,635	748,125
Shareholders' equity	890,101	1,383,958
Provisions for contingencies and losses	35,318	33,273
Provisions for contingencies and losses	35,318	33,273
Bank borrowings (Bank overdraft)	45,914	774
Other borrowings	291,291	233,213
Financial liabilities	337,205	233,987
Trade payables and related accounts	96,916	100,330
Tax and employee-related liabilities	7,700	8,111
Other liabilities	10,619	4,415
Deferred income	13	1
Operating liabilities	115,248	112,857
Unrealized gains from foreign exchange	1,726	1,074
Liabilities	454,179	347,918
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,379,598	1,765,149

7.3 FIVE-YEAR FINANCIAL SUMMARY FOR SOCIÉTÉ BIC

<i>(in euros)</i>	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017
1 – Shareholders' equity at year-end					
Share capital	181,976,098	183,213,854	183,139,039	181,649,411	178,126,244
Number of shares outstanding	47,637,722	47,961,742	47,942,157	47,552,202	46,629,907
Number of bonds convertible into shares	-	-	-	-	-
2 – Net results					
Net sales	591,748,483	611,424,057	661,573,108	675,728,517	715,515,323
Net profit before tax, deprec., amort. and provisions	227,503,156	249,664,309	280,814,295	154,721,960	782,139,238
Income tax	29,267,191	53,444,920	55,985,737	49,849,725	55,051,438
Net profit after tax, deprec., amort. and provisions	185,282,676	195,350,462	210,665,506	118,634,879	748,125,345
Dividend distribution ^(a)	119,959,980	134,247,645	278,271,488	161,060,428	158,177,021
3 – Income from operations, per share data					
Net profit after tax, but before deprec., amort. and provisions	4.16	4.09	4.69	2.21	15.59
Net profit after tax, deprec., amort. and provisions	3.89	4.07	4.39	2.49	16.04
Dividend per share	2.60	2.85	5.90	3.45	3.45
4 – Payroll					
Non-salaried staff	3	3	3	2	2
Total payroll	1,325,148	1,440,406	1,502,331	811,476	636,303
Social welfare benefits (social security, social work)	1,190,885	794,168	983,317	3,628,184	2,229,864

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

8. Authorizations of capital increase at the closing of the 2017 fiscal year

SOCIÉTÉ BIC has, as at December 31, 2017, 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 (in million euros)	Shares: 50 Complex capital securities: 650
Date	May 18, 2016 (resolutions 15 and 16)
Term	26 months
Expiration date	July 17, 2018
Use in 2017	No
The issuance price of new ordinary shares and/or complex capital 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 law and regulations in force.	
Issuance price	

(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, PROFITS, PREMIUMS OR OTHER^(b)

Maximum amount	Total maximum amount of reserves, profits and/or premiums or other sums that may 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 2017	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 2017	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 average share price on the Paris Stock Exchange, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange before the day the options are granted	

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

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

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

The text of these delegations is available on the website www.bicworld.com/en/investors/shareholders/AGM.

9. Board of Directors' report and draft resolutions

9.1 ORDINARY SHAREHOLDERS' MEETING

DRAFT 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 statutory and consolidated financial statements of the fiscal year ending December 31, 2017.

The third resolution aims at allocating the 2017 net income and set the dividend.

We propose the distribution of a total dividend of 158,177,021.40 euros corresponding to a dividend per share of 3.45 euros. The dividend will be paid as from May 30, 2018. If the number of shares carrying rights to the dividend is not 45,848,412, 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.

The gross amount of the dividend is subject to social charges amounting to 17.2%, plus a lump-sum levy at a single rate of 12.8% for the income tax of natural persons resident of France (art. 117 quater and 200-A of the French Tax Code). In the event of a taxpayer's overall option for the progressive income tax scale, this dividend will be eligible for the 40% tax allowance (art. 158-3 and 243 bis of the French Tax Code).

We remind you the amount of 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):

- 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);
- 3.45 euros in respect of fiscal year 2016.

Draft resolution 1 – Approval of the Statutory Financial Statements of Fiscal Year 2017

The Shareholders, after having considered the reports of the Board of Directors and the Statutory Auditors and having heard the additional explanations given during the meeting, approve the statutory financial statements of the fiscal year ending December 31, 2017. They also approve all transactions presented in these statutory financial statements or summarized in these reports.

Draft resolution 2 – Approval of the Consolidated Financial Statements of Fiscal Year 2017

The Shareholders, after having considered the reports 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, 2017. They also approve all transactions presented in these consolidated financial statements or summarized in these reports.

Draft 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, 2017 of 748,125,345.37 euros and decide to allocate this amount in the following manner (*in euros*):

<i>Net income for 2017</i>	748,125,345.37
To add:	
Retained earnings from previous year	114,781,289.36
Total distributable income	862,906,634.73
Appropriation of earnings:	
Works of art special reserve	53,637.28
Dividends (excluding treasury shares)	158,177,021.40
Retained earnings	704,675,976.05
Total equal to distributable income	862,906,634.73

The amount of the dividends for the fiscal year ending December 31, 2017 will be 158,177,021.40 euros corresponding to a dividend per share of 3.45 euros. It will be paid as from May 30, 2018. If the number of shares carrying rights to the dividend is not 45,848,412, 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.

The gross amount of the dividend is subject to social charges amounting to 17.2%, plus a lump-sum levy at a single rate of 12.8% for the income tax of natural persons resident of France (art. 117 quater and 200-A of the French Tax Code). In the event of a taxpayer's overall option for the progressive income tax scale, this dividend will be eligible for the 40% tax allowance (art. 158-3 and 243 bis of the French Tax Code).

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)
2014	47,308,363	2.85	2.85
2015	46,956,216	5.90 ^(b)	5.90
2016	46,679,869	3.45	3.45

(a) French Tax Code (CGI).

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

DRAFT 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 2018 at 500,000 euros (compared to 502,400 euros for fiscal year 2017).

Draft 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 2018 at 500,000 euros.

DRAFT 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 1.4 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 700 million euros. The shares would be bought back to be kept and subsequently remitted as payment or exchange within the scope of a merger, demerger or contribution operation.

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

SHARE BUYBACK PROGRAM – OPERATIONS REALIZED IN 2017:

Operation	Number of shares	% capital	Nominal value (in euros)	Average sale/purchase price (in euros)
Share buyback (excl. liquidity agreement) ^(a)	995,854	2.14	3,804,162.58	97.54
Liquidity agreement ^(a) :				
▪ Share buyback	491,298	1.05	1,876,758.36	106.35
▪ Sale of shares	484,558	1.04	1,851,011.56	106.38
Shares transferred under free share plans	93,265	0.20	356,272.30	64.74
Canceled shares	995,854	2.14	3,804,162.28	97.54
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buy-back transactions disclosed above amounted to 442,949.41 euros.

During the last 24 months, the Board of Directors cancelled 1,447,193 shares, representing 3.10% of the share capital as of December 31, 2017. For further information, please refer to section 6.4. page 260 of the 2017 registration document.

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

The Ordinary Shareholders' Meeting, 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 No. 596/2014 of the European Parliament and of the Council of April 16, 2014, and after considering the report of the Board of Directors, authorizes 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 1.4 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 provisions 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 for the securities of the Company through an investment services 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 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 and incentive 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 the share capital accordingly, within the limit of 10% of the capital existing on the cancellation date, per period of 24 months,

- 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 700 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, using 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 that 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 Ordinary Shareholders' Meeting decides that the maximum purchase price per share, excluding costs, should not exceed that of the last independent transaction or, if it is higher, that of the highest current independent offer on the market where the purchase is made.

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

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

9 BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 10, 2017 (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 management report to the Annual Ordinary Shareholders' Meeting, of the operations realized pursuant to this authorization. The Shareholders' Meeting confers all powers on 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 Regulation 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 Regulation 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.

DRAFT RESOLUTIONS 6 TO 9 –**RENEWAL OF JOHN GLEN, MARIE-HENRIETTE POINSOT, SOCIÉTÉ M.B.D. AND PIERRE VAREILLE AS DIRECTORS OF THE BOARD****Board of Directors' Report:**

It is proposed to the Shareholders to renew John Glen, Marie-Henriette Poinso, SOCIÉTÉ M.B.D. and Pierre Vareille as Directors for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2021 upon the approval of the financial statements of the fiscal year ending 2020.

JOHN GLEN

58 years old

Nationality:
British

Number of BIC shares held:
500

Director**Basis of the appointment**

Article L. 225-18 of the French Commercial Code

Independent Director

Yes

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

Member of a committee

- Chairman of the Audit Committee

Professional address

The Buccleuch Group
27 Silvermills Court
Henderson Place Lane
Edinburgh EH3 5DG - United Kingdom

Main position

- Chief Executive Officer of Buccleuch Group – United Kingdom

Other current mandates or functions

- Member of the Board – The Three Stills Company – United Kingdom

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

- Director – Thames River Property Investment Trust – United Kingdom (listed company)

Biography

John Glen, Scottish, is Chief Executive Officer of Buccleuch, the holding company of a family owned group that operates in industry and agro-businesses.

He has previously held various positions at Unilever and was Group Finance Director at Air Liquide (listed company) from 2000 until September 2008 and Vice-Chairman of the Supervisory Board at EFRAG (European Financial Reporting Advisory Group) for four years. He is a member of the Chartered Institute of Certified Accountants and graduated with a Master's degree in Accounting and Economics from the University of Edinburgh.

MARIE-HENRIETTE POINSOT (MAIDEN NAME: BICH)



57 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, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares, i.e. 27.25% of SOCIÉTÉ BIC share capital and 37.23% 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 21, 1997

Expiration date

Annual Shareholders' Meeting in 2018 for fiscal year 2017

Member of a committee

- Compensation Committee
- Nominations, Governance and CSR Committee

Professional address

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

Main position

- Director of SOCIÉTÉ BIC

Other current mandates or functions

None

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

- Director of Strategic Planning – Options SAS – France
- Member of Strategic Planning Committee – Options SAS – France

Biography

Marie-Henriette Poinsoot was Director of Strategic Planning and Member of the Strategic Planning Committee of the Options Group (France) from 2006 to 2013.
She previously worked for nine years in the BIC Group, where she held different positions including that of Deputy Administrative Director of SOCIÉTÉ BIC.

SOCIÉTÉ M.B.D.

**Number of BIC shares held:**

12,705,000 shares,
i.e. 27.25% of SOCIÉTÉ BIC
share capital and 37.23%
of the voting rights
(as of December 31, 2017)

Director**Type of legal entity**

Partnership limited by shares (*société en commandite par actions*)

Registration

389,818,832 – Register of Trade and Companies of Nanterre (France)

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 24, 2006

Expiration date

Annual Shareholders' Meeting in 2018, for fiscal year 2017

Member of a committee

- Audit Committee

Address

1 place Paul Verlaine
92100 Boulogne-Billancourt – France

Permanent representative

Édouard BICH

53 years old

Nationality: French

Édouard Bich spent eight years in the Finance Department of Procter & Gamble and holds an MBA in Finance from Wharton University (U.S.A.).

Professional address

SOCIÉTÉ M.B.D.
1 place Paul Verlaine
92100 Boulogne-Billancourt – France

Main position

Managing Director of SOCIÉTÉ M.B.D.

Other current mandates or functions

- Member of the Supervisory Board – Stockage Plus SAS. – France
- Member of the Executive Board for Europe, the Middle East and Africa – The Wharton School – U.S.A.
- Managing Director – Platypus Capital SPRL – Belgium

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

- Member of the Supervisory Board – Digital Fashion Group SAS – France

Holds BIC shares directly and indirectly (through SOCIÉTÉ M.B.D.).

Other current mandates or functions

None

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

None

PIERRE VAREILLE



60 years old

Nationality:
French

Number of BIC shares held:
3,000

Vice-President and Lead Director

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

Yes

Date of 1st appointment

Annual Shareholders' Meeting of May 14, 2009

Expiration date

Annual Shareholders' Meeting in 2018, for fiscal year 2017

Member of a committee

- Audit Committee

Professional address

Bernos Advisors
Schwerzelrain 2
6315 Oberaegeri – Switzerland

Main position

- Co-President, Founder of "The Vareille Foundation" - Switzerland

Other current mandates or functions

- Director – Verallia – France
- Director – Vectra – U.S.A.
- Director – Etex SA – Belgium (listed company).
- Director – Ferroglobe plc – United Kingdom (listed company)

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

- Chief Executive Officer – Constellium NV – Netherlands
- Chairman of the Board of Directors – Constellium Switzerland AG – Switzerland
- President – Constellium France Holdco – France
- Chairman – Association des Centraliens – France

Biography

Pierre Vareille has been an Independent Director for SOCIÉTÉ BIC since 2009 and Vice-President and Lead Director since 2016.

He started his career in 1982 with Vallourec, holding various positions in manufacturing, financial control, sales and strategy. After having held general management positions at GFI Aerospace, Faurecia and Péchiney, he was from 2004 to 2008 Chief Executive of the English automotive equipment manufacturer Wagon PLC. From 2008 to 2011 he served as Chairman and CEO of FCI, and from 2012 to 2016 as Chief Executive Officer of Constellium.

Pierre Vareille graduated from the *École Centrale de Paris*, and is an alumnus of the *Institut d'Études Politiques de Paris* as well as the Sorbonne University (Economy and Finance) and the *Institut de Contrôle de Gestion*.

Draft resolution 6 – Renewal of John GLEN as Director of the Board

The Shareholders' Meeting decides to renew, for a period of three fiscal years, the mandate of John Glen as Director of the Board.

The term of the mandate of John Glen will thus expire at the end of the Shareholders' Meeting called to vote in 2021 upon the approval of the financial statements for the fiscal year ending December 31, 2020.

Draft resolution 7 – Renewal of Marie-Henriette POINSOT as Director of the Board

The Shareholders' Meeting decides to renew, for a period of three fiscal years, the mandate of Marie-Henriette Poinot as Director of the Board.

The term of the mandate of Marie-Henriette Poinot will thus expire at the end of the Shareholders' Meeting called to vote in 2021 upon the approval of the financial statements for the fiscal year ending December 31, 2020.

Draft resolution 8– Renewal of Renewal of SOCIÉTÉ M.B.D. as Director of the Board

The Shareholders' Meeting decides to renew, for a period of three fiscal years, the mandate of SOCIÉTÉ M.B.D. as Director of the Board.

The term of the mandate of SOCIÉTÉ M.B.D. will thus expire at the end of the Shareholders' Meeting called to vote in 2021 upon the approval of the financial statements for the fiscal year ending December 31, 2020.

Draft resolution 9– Renewal of Renewal of Renewal of Pierre VAREILLE as Director of the Board

The Shareholders' Meeting decides to renew, for a period of three fiscal years, the mandate of Pierre Vareille as Director of the Board.

The term of the mandate of Pierre Vareille will thus expire at the end of the Shareholders' Meeting called to vote in 2021 upon the approval of the financial statements for the fiscal year ending December 31, 2020.

DRAFT RESOLUTION 10 – APPOINTMENT OF GONZALVE BICH AS A NEW DIRECTOR OF THE BOARD**Board of Directors' Report:**

The Shareholders are invited to appoint as new Director, Gonzalve Bich, replacing Bruno Bich, resigning, for the remaining period of his office, *i.e.* until the 2019 Shareholders' Meeting called to approve the financial statements of the fiscal year 2018.

GONZALVE BICH

39 years old

Nationality:
French/American

Number of BIC shares held:
Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2017, SOCIÉTÉ M.B.D. held 12,705,000 shares, *i.e.* 27.25% of SOCIÉTÉ BIC share capital and 37.23% of the voting rights

Executive Vice-President**Date of 1st appointment**

Board of Directors of May 18, 2016 – effect: June 2, 2016

Expiration date

October 2, 2018

Professional address

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

Main position

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

Other current mandates or functions

- Director – BIC (Nantong) Plastic Products Co. Ltd. (a) – China
- Director – BIC Cello (India) Private Ltd. (a) – India
- Director – BIC-Cello Exports Private Ltd. (a) – India
- Director – BIC UK Ltd (a) – United Kingdom
- President of categories – BIC International Co. (a) – U.S.A.

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

None

Biography

Gonzalve Bich is Chief Operating Officer (COO), responsible for the BIC Group Consumer Products business, Human Resources and Information Technology since January 2017.

He currently serves as Executive Vice-President of SOCIÉTÉ BIC and has done so since June 2016. Gonzalve Bich joined BIC Asia in 2003, where he developed the regional business for four years. He moved on to serve as Group People Development Director before joining the Shaver category as Group Shaver Marketing Director. From 2008 to 2012, he led the Northern European business. In 2012, he was named Deputy General Manager, responsible for Middle East, Africa, Oceania and Asia Pacific. He was promoted to General Manager, Developing Markets (including Latin America) in July 2013 and took the responsibility for BIC Consumer business Categories operations in spring 2016, while leading the completion of the acquisition of Cello Pens (India's #1 stationery brand). Gonzalve Bich holds a Bachelor of Arts in History from Harvard University.

(a) BIC Group.

9 BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS

Draft resolution 10 – Appointment of Gonzalve Bich as a new Director of the Board

The Shareholders' Meeting decides to appoint Gonzalve Bich as a new Director of the Board, replacing Bruno Bich, resigning, for the remaining period of his office, *i.e.* until the 2019 Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2018.

DRAFT RESOLUTION 11 TO 14 –

APPROVAL OF THE COMPENSATION ELEMENTS AND BENEFITS OF ANY TYPE PAID OR GRANTED FOR 2017 TO THE CHAIRMAN OF THE BOARD, THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE VICE-PRESIDENTS

Board of Directors' Report:

In accordance with the provisions of paragraph II of Article L. 225-100 of the French Commercial Code, the table below presents the compensation elements and benefits of any type paid or granted to Bruno Bich, Gonzalve Bich, James DiPietro and Marie-Aimée Bich-Dufour for the fiscal year 2017. These elements are described in more detail in the 2017 registration document (see section 3.2. *Corporate Officers' Compensation of the 2017 registration document*).

BRUNO BICH, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Compensation elements and benefits of any type paid or granted for 2017	Amounts or accounting valuation submitted for approval	Presentation
Fixed compensation	204,000 EUR	+2.0% <i>versus</i> 2016
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 for 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.

GONZALVE BICH, EXECUTIVE VICE-PRESIDENT

Compensation elements and benefits of any type paid or granted for 2017	Amounts or accounting valuation submitted for approval ^(a)	Presentation
Fixed compensation	500,000 USD (442,478 EUR)	+33.3% <i>versus</i> 2016
Annual variable compensation whose payment requires a positive <i>ex post</i> vote of the Shareholders' Meeting, under the new provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code	397,400 USD (351,681 EUR). The annual bonus equals 79.48% of fixed compensation, and represents 93.5% of the target bonus.	<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 85% of fixed compensation. The maximum bonus is 127.50% of fixed compensation, equivalent to 150% of target bonus.</p> <p>The qualitative part of the bonus cannot exceed 38.25% of the fixed compensation.</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	8,000 performance shares granted in 2017 and subject to performance conditions. Accounting valuation: 872,400 EUR. With regard to performance share plans, Gonzalve Bich received gross remuneration of 18,632 USD (16,488 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period.	<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 by nature (<i>growth versus value</i>). The grant represents 0.02% of the share capital.</p> <p>Shareholders' Meeting authorization date: May 18, 2016. Board of Directors' Meeting grant date: May 18, 2016.</p>
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	81,655 USD (72,261 EUR)	<ul style="list-style-type: none"> • Car allowance: 14,400 USD (12,743 EUR) • Company contributions to Company U.S. savings plan • 401K: 8,100 USD (7,168 EUR) • Executive Compensation Plan; 20,000 USD (17,699 EUR) • Other: 39,155 USD (34,651 EUR)
Sign-on bonus	N/A	Absence
Termination payment	N/A	No clause providing for a termination payment
Non-competition benefits	N/A	No non-competition clause

Supplementary pension plan	No payment is due in respect of the fiscal year ended	<p>Gonzalve Bich participates in the BIC CORPORATION Restoration Plan, a supplementary pension plan in the U.S.A., which has existed since 2006 and which benefits selected Company executives whose compensation taken into account in the U.S. Qualified Pension Plan is restricted by regulations.</p> <ul style="list-style-type: none"> • The plan benefit is subject to having been a participant in the plan for at least five years • Method for determining the pensionable compensation: <ul style="list-style-type: none"> • The pensionable compensation is the average remuneration which is based on the highest three consecutive years within the last 10 years. • Rate of acquisition of rights: <ul style="list-style-type: none"> • This plan provides for a single life annuity, payable at normal retirement age (65) equal to 1.1% of the Social Security ceiling plus 1.5% of average pay in excess of the Social Security ceiling, 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. The plan includes 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 in the plan. Full vesting in the U.S. Qualified Plan occurs at 5 years of service. • In addition, the Plan provides early retirement benefits for beneficiaries prior to age 65 (or age 62 if they retire at or after age 55 with 10 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: <ul style="list-style-type: none"> • Not applicable. • Method of funding: <ul style="list-style-type: none"> • The Restoration Plan is unfunded. The U.S. Qualified Pension Plan is funded through a trust. • Other expenses paid by the Company: <ul style="list-style-type: none"> • BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan. <p>At December 31, 2017, Gonzalve Bich had accrued a pension benefit equivalent to 21.13% of the average remuneration of the last three years of service out of his 14.9 years of service (<i>i.e.</i>, for information, an annual pension equal to 128,195 U.S. dollars payable at age 65 (inclusive of the U.S. Qualified Pension Plan benefit), assuming he had stopped his activity on December 31, 2017. He has elected to receive his Restoration Plan benefit as a lump sum.</p>
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(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2017 (1 euro = 1.1300 U.S. dollars).

JAMES DIPIETRO, EXECUTIVE VICE-PRESIDENT

Compensation elements and benefits of any type paid or granted for 2017	Amounts or accounting valuation submitted for approval ^(a)	Presentation
Fixed compensation	515,000 USD [455,752 EUR]	+4,4% <i>versus</i> 2016
Annual variable compensation whose payment requires a positive <i>ex post</i> vote of the Shareholders' Meeting, under the new provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code	343,814 USD [304,260 EUR] The annual bonus equals 66.76% of fixed compensation, and represents 89% of the target bonus.	<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%); • account receivable (10%); • individual qualitative objectives (30%). <p>Target bonus is 75% of fixed compensation. The maximum bonus is 112.5% of fixed compensation, equivalent to 150% of target bonus.</p> <p>The qualitative part of the bonus cannot exceed 33.75% of the fixed compensation.</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	8,000 performance shares granted in 2017. Accounting valuation: 872,400 EUR. With regard to performance share plans, James DiPietro received gross remuneration of 74,606 USD (66,023 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period.	<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 by nature (<i>growth versus value</i>). The grant represents 0.02% 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	N/A
Valuation of any benefits-in-kind	79,351 USD [70,222 EUR]	<ul style="list-style-type: none"> • Car allowance: 13,800 USD [12,212 EUR]; • Company contributions to Company U.S. savings plan 401K: 8,100 USD [7,168 EUR], • Executive Compensation Plan; 20,000 USD [17,699 EUR] • Other: 37,451 USD [33,143 EUR]
Sign-on bonus	N/A	Absence
Termination payment	N/A	No clause providing for a termination payment
Non-competition benefits	N/A	No non-competition clause

Supplementary pension plan	No payment is due in respect of the fiscal year ended.	<p>James DiPietro participates in the BIC CORPORATION Supplementary Executive Retirement Plan, a supplementary pension plan in the U.S. that has existed since 1970 and which benefits the main executives of BIC Corporation.</p> <ul style="list-style-type: none"> • The plan benefit is subject to having been a participant in the plan for at least five years. • Method for determining the pensionable compensation: <ul style="list-style-type: none"> • The pensionable compensation is the average remuneration (base + bonus) of the best three years of the last five years of service. • Rate of acquisition of rights: <ul style="list-style-type: none"> • This plan provides, by year of seniority, an annual pension equal to 2.5% of the average pensionable compensation 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 in accordance with IAS 19. • Maximum payments: <ul style="list-style-type: none"> • Maximum of 50% (i.e., 20 years of service), including the pension granted to the U.S. Qualified Pension Plan. • Method of funding: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • BIC pays the cost of administration, accounting valuations under IAS 19 and actuarial valuations for the U.S. Qualified Pension Plan. <p>As of December 31, 2017, James DiPietro had accrued a pension benefit equivalent to 48.96% of the average remuneration of the last three years of service out of his 19.5 years of service (i.e., for information, an annual pension equal to 399,096 U.S. dollars (including the benefit from the U.S. Qualified Pension Plan) as a single life annuity payable at age 57 (inclusive of the U.S. Qualified Pension Plan benefit), assuming he had stopped his activity on December 31, 2017). He has elected to receive his Supplementary Executive Retirement Plan benefit as a lump sum.</p>
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(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2017 (1 euro = 1.1300 U.S. dollars)

MARIE-AIMÉE BICH-DUFOUR, EXECUTIVE VICE-PRESIDENT

Compensation elements and benefits of any type paid or granted for 2017	Amounts or accounting valuation submitted for approval	Presentation
Fixed compensation	300,900 EUR	+2,0% <i>versus</i> 2016
Annual variable compensation whose payment requires a positive <i>ex post</i> vote of the Shareholders' Meeting, under the new provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code	The annual bonus equals 40.06% of fixed compensation, and represents 89% of the target bonus and amounts to 120,541 EUR.	<p>The bonus is calculated on the basis of six 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 45% of fixed compensation. The maximum bonus is 67.5% of fixed compensation, equivalent to 150% of the target bonus.</p> <p>The qualitative part of the bonus cannot exceed 20.25% of the fixed compensation.</p>
Deferred variable compensation	N/A	The principle of this compensation has not been provided for.
Multi-year variable compensation	N/A	The principle of this compensation has not been provided for.
Exceptional compensation	N/A	Absence
Stock options, performance shares and any other element of long-term compensation	3,250 performance shares granted in 2017. Accounting valuation: 354,413 EUR.	<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 by nature (growth <i>versus</i> value). 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 for a termination payment
Non-competition benefits	N/A	No non-competition clause

Supplementary pension plan	No payment is due in respect of the fiscal year ended.	<p>Marie-Aimée Bich-Dufour benefits from the Supplementary Executive Retirement Plan (governed by Article L. 137-11 of the French Social Security Code) for BIC Group executives in France:</p> <ul style="list-style-type: none"> • Condition for pension benefit eligibility: <ul style="list-style-type: none"> • 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 provisions of Article L. 137-11 of the French Social Security Code). • Method for determining the pensionable compensation: <ul style="list-style-type: none"> • The pensionable compensation is the average remuneration of the last three years of service; • To determine the pensionable compensation, only gross annual base and annual bonus are included, all other direct or indirect payments are excluded. • Rate of pension rights acquisition: <ul style="list-style-type: none"> • The supplementary pension is equal to 1.25% of the average compensation per year of membership of the plan, with a maximum of 25% (<i>i.e.</i> 20 years). • On May 18, 2016, Société BIC's Board of Directors decided to freeze the acquisition rights of Marie-Aimée Bich-Dufour in this plan during her new mandate. • The commitments arising from this plan are provisioned by SOCIÉTÉ BIC in accordance with IAS 19. • Maximum Payments: <ul style="list-style-type: none"> • The consolidation of all pension rights (mandatory and supplementary) cannot exceed 50% of the last annual compensation. This ceiling is verified at the date of retirement. • Method of funding: <ul style="list-style-type: none"> • The employer funds the entirety of the rights through contributions to an insurance contract. • Other expenses paid by the Company: <ul style="list-style-type: none"> • The employer pays the Fillon tax, which is 24% of the contributions to the insurance contract. <p>On December 31, 2017, the supplementary pension which has been determined based on seniority in the Plan and on her compensation as of May 18, 2016, amounts to 107,318 EUR (for information purposes).</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>
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Draft resolution 11 – Approval of the compensation elements and benefits of any type paid or granted for 2017 to Bruno BICH, Chairman of the Board of Directors and Chief Executive Officer

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2017 to Bruno BICH, Chairman of the Board of Directors and Chief Executive Officer, as described in the Board of Directors' Report and in the 2017 registration document (*see section 3.2. Corporate Officers' Compensation of the 2017 registration document*).

Draft resolution 12 – Approval the compensation elements and benefits of any type paid or granted for 2017 to Gonzalve BICH, Executive Vice-President

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2017 to Gonzalve BICH, Executive Vice-President, as described in the Board of Directors' Report and in the 2017 registration document (*see section 3.2. Corporate Officers' Compensation of the 2017 registration document*).

Draft resolution 13 – Approval of the compensation elements and benefits of any type paid or granted for 2017 to James DiPIETRO, Executive Vice-President

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2017 to James DiPIETRO, Executive Vice-President, as described in the Board of Directors' Report and in the 2017 registration document (*see section 3.2. Corporate Officers' Compensation of the 2017 registration document*).

Draft resolution 14 – Approval of the compensation elements and benefits of any type paid or granted for 2017 to Marie-Aimée BICH-DUFOUR, Executive Vice-President

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2017 to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for the fiscal year ended December 31, 2017, as described in the Board of Directors' Report and in the 2017 registration document (*see section 3.2. Corporate Officers' Compensation of the 2017 registration document*).

DRAFT RESOLUTION 15 –**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 Code, the Board of Directors submits for the approval of the Shareholders' Meeting the principle and criteria applicable to the determination, distribution and allocation of the fixed, variable and exceptional elements of the total compensation and benefits of any type attributable, in respect of their mandate, to the Chairman, Chief Executive Officer and Executive Vice-Presidents, for 2018 and comprising 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 Committee are presented in the Corporate Governance report as provided for by Article L. 225-37 of the French Commercial Code and laid down in section 3.1. of the 2017 registration document.

In application of Article L. 225-100 of the French Commercial Code, amounts resulting from the implementation of these principles and criteria will be submitted for the approval of the Shareholders' Meeting ruling in 2019 on financial statements closed on December 31, 2018 (*ex post* vote).

Draft resolution 15 – Compensation policy of the President, Chief Executive Officer and Executive Vice-Presidents

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings and having reviewed the report provided for by Article L. 225-37 of the French Commercial

Code, approves the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional items comprising the total compensation and benefits of any type presented in the aforementioned report and attributable, in respect of their mandate, to the Chairman, Chief Executive Officer and Executive Vice-Presidents.

9.2 EXTRAORDINARY SHAREHOLDERS' MEETING

DRAFT RESOLUTION 16 –

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

Board of Directors' Report:

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

- cancel, within the limit of 10% of the share capital per period of 24 months, all or part of the shares held in the framework of the share buyback program 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.

Draft resolution 16 – 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 Extraordinary Shareholders' Meeting, 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, authorizes 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 authorized by the fifth resolution above, within the limit of 10% of the share capital existing on the date of the Shareholders' Meeting, per period of 24 months;

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

The 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 for a period of 18 months starting from the date of this Shareholders' Meeting and replaces that given by the Shareholders' Meeting held on May 10, 2017 (Resolution 20).

DRAFT RESOLUTION 17 –**DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING NEW ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO THE SHARE CAPITAL, WITH PRESERVATION OF SHAREHOLDERS' PREFERENTIAL RIGHTS OF SUBSCRIPTION****Board of Directors' Report:**

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

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

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

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

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

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

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

This delegation of authority would be given for a period of 26 months starting from the date of this Shareholders' Meeting and would replace the delegation given to the Board of Directors at the Shareholders' Meeting of May 18, 2016 (Resolution 15).

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

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

Draft resolution 17 – Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the capital, with preservation of Shareholders' preferential rights of subscription

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

- one or several increases of the share capital, by cash

contribution and issuing new ordinary shares of the Company; and/or

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

The Extraordinary Shareholders' Meeting decides that the total nominal amount of issuances likely to be realized shall not exceed:

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

it being specified that to these amounts, shall be added, if necessary, the additional nominal amount of shares to be

9 BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS

issued in order to preserve, in accordance with the law, the rights of the bearers of already issued investment securities giving right to shares.

Consequently, the Extraordinary Shareholders' Meeting delegates authority to the Board of Directors to, notably, and without this list being exhaustive:

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

- take all measures to ensure, if necessary, the preservation of the rights of holders of already issued Complex Capital Securities giving right to the allocation of share capital, in accordance with the rules and regulations in force and notably the provisions of Articles L. 228-98 to L. 228-102 of the French Commercial Code;
- take all measures to proceed with the appointment of a representative of stock owners for each category of Complex Capital Securities issued;
- delegate to the Chief Executive Officer or, in accordance with the latter, to one or several Executive Vice-President(s), the authority to decide on the realization of the share capital increase(s) and/or the issuance of Complex Capital Securities, as well as the authority to suspend it, under the conditions and according to the methods set by the Board of Directors.

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

The Extraordinary Shareholders' Meeting decides that if the subscriptions have not been taken up in full by shareholders exercising their pre-emptive rights as described above, the Board may take one or more of the following courses of action, in the order of its choice: (i) freely allocate all or some of the unsubscribed securities among the investors of its choice, (ii) offer the unsubscribed securities for subscription by the public and/or (iii) limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up.

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

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

The Shareholders' Meeting takes note that this delegation replaces any previous delegation having the same purpose, and notably, the delegation given to the Board of Directors at the Combined Shareholders' Meeting of May 18, 2016 (Resolution 15).

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

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

DRAFT RESOLUTION 18 –**DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF A SHARE CAPITAL INCREASE DECIDED BY THE BOARD OF DIRECTORS UNDER RESOLUTION 17****Board of Directors' Report:**

We propose that you authorize the Board of Directors, in the event that the Board proceeds with a capital increase in accordance with the delegation given under resolution 17 above, to increase, where appropriate, the number of securities to be issued, within the limit of 15% of the initial issuance.

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

Draft resolution 18 – Delegation of authority to be given to the Board of Directors to increase the number of securities to be issued in the event of a share capital increase decided by the Board of Directors under resolution 17

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

- delegates authority to the Board of Directors – including the power to sub-delegate to the Chief Executive Officer or, in agreement with the latter, to one or several Executive Vice-President(s) – to decide, for each issue of shares decided in accordance with resolution 17 above, to increase the number of

securities to be issued under the limits and conditions provided by Article R. 225-118 of the French Commercial Code (*i.e.* within thirty days of the close of the subscription period), within the limit of 15% of the initial issue and at the same price as the price of the initial issue. This delegation of authority is subject to compliance with the global ceilings set in resolution 17 above;

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

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

9 BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS

DRAFT RESOLUTION 19 –

DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO DECIDE TO INCREASE THE SHARE CAPITAL ON ONE OR SEVERAL OCCASIONS BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS OR OTHER SUMS OF MONEY WHOSE CAPITALIZATION SHALL BE ACCEPTED

Board of Directors' Report:

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

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

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

This delegation would cancel any other previous delegation having the same purpose, and notably the delegation of authority given to the Board of Directors at the Shareholders' Meeting of May 18, 2016 (resolution 17).

Draft resolution 19 – Delegation of authority to be given to the Board of Directors to decide to increase the share capital on one or several occasions by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted

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

- to delegate to the Board of Directors, for a period of 26 months, the authority to decide a share capital increase, on one or several occasions, in the proportions and at the times the Board shall deem necessary, by incorporation of all or part of the reserves, profits and/or premiums or other sums whose capitalization shall be legally or statutorily possible, and by attribution of new free shares of the Company and/or by increase of the nominal value of the existing shares of the Company;
- that the maximum nominal amount of the share capital increase(s) likely to be decided by the Board of Directors or by the Chief Executive Officer (or Executive Vice-President) and realized by virtue of this delegation, cannot be higher than the global maximum amount of reserves, profits and/or premiums or other sums that may be incorporated into the share capital and which will exist at the time of the decision to increase the share capital of the Company, not taking

into account the amount that may be necessary to preserve, in accordance with the law, the rights of bearers of already issued securities giving access to the shares of the Company.

Consequently, the Extraordinary Shareholders' Meeting delegates to the Board of Directors the authority, notably, and without this list being exhaustive, to:

- determine the amount and nature of sums to be incorporated in the Company's share capital;
- set the number of the Company's new shares to be issued and which shall be freely allocated and/or the amount of existing shares whose nominal value shall be increased;
- determine the date, possibly retroactively, from which the Company's new shares shall be entitled to dividends or that at which the increase in the nominal value of the Company's existing shares shall be effective;
- decide, if necessary, that the rights resulting in fractions of shares are not negotiable or assignable and that the corresponding shares shall be sold, the proceeds from such sale being allocated to owners of rights under the conditions and within the time periods provided for by the regulations in force;
- deduct from one or several items of the available reserves the sums necessary to bring the legal reserve amount to one-tenth of the Company's share capital after each share capital increase;

- take all measures to ensure the proper implementation of each share capital increase and to acknowledge the realization of each share capital increase, proceed to the modification of the articles of incorporation accordingly and carry out all relevant legal formalities;
- take all measures to allow holders of securities giving access to the capital, to obtain new shares of the Company;
- delegate to the Chief Executive Officer or in agreement with the latter, to one or several Executive Vice-President(s), the authority to decide on the realization of the capital increase(s), as well as to postpone such issue, under the conditions and in accordance with the methods set by the Board of Directors.

The Shareholders' Meeting takes note that this delegation shall cancel any other previous delegation having the same purpose, and notably the delegation of authority given to the Board of Directors by the Shareholders' Meeting of May 18, 2016 (resolution 17).

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

DRAFT RESOLUTION 20 – DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO PROCEED WITH ONE OR SEVERAL SHARE CAPITAL INCREASE(S) RESERVED FOR EMPLOYEES

Board of Directors' Report:

We request that you delegate to the Board of Directors the authority to increase the share capital, on one or several occasions, for the benefit of employees of the Company and/or of its related companies (possibly represented by a mutual fund (FCPE) to be created and/or subscribers to an employee savings scheme to be created, at the Board of Directors' choice).

This delegation would be valid for 26 months.

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

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

Draft resolution 20 – Delegation of authority to be given to the Board of Directors to proceed with one or several share capital increase(s) reserved for employees

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

- to delegate to the Board of Directors, for a period of 26 months, the authority to increase the share capital, on one or several occasions, for the benefit of employees of the Company and/or of its related French or foreign companies within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (possibly represented by a mutual fund (FCPE) to be created and/or subscribers to an employee savings scheme to be created, at the Board of Directors' choice), under the conditions referred to in Article L. 225-138-1 of the French
- Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code, of an amount representing a maximum of 3% of the share capital on this day, by issuing new shares of the Company giving their owners the same rights as those of the old shares;
- that the price of shares to be issued shall be determined by the Board of Directors, in accordance with Article L. 3332-19 of the French Labor Code;
- that the Board of Directors, in application of Article L. 3332-21 of the French Labour Code, may grant free shares to the above plan participants – corresponding either to new shares paid up by capitalizing reserves, profit or additional paid-in capital or to existing shares – in respect of (i) the employer's matching contribution to the employee stock ownership plan that may be payable in application of the plan rules, and/or (ii) the discount, provided that their pecuniary value – corresponding to the subscription price – does not result in the ceilings provided for in Articles L.3332-11 and L.3332-19 of the French Labour Code being

exceeded;

- to give all rights to the Board of Directors, with the power to subdelegate, in order:
 - to implement this delegation, decide and possibly realize the share capital increase in accordance with this resolution, set the final amount of said share capital increase(s), determine their dates and modalities, set the issue price of the new shares, determine the opening and closing dates of the subscription period, determine the date of possession of the new shares, determine the method of payment of their subscriptions, establish the list of beneficiaries and the number of shares to be attributed to each of them,
 - to charge the fees, costs and expenses arising from the share issues against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level,
 - allow for any necessary adjustments to be made in compliance with the applicable laws and regulations, on the basis to be decided by the Board of Directors,

- in the case of new shares issued in respect of free share grants to be made, decide the amounts to be transferred from reserves, profit or additional paid-in capital to the capital account to pay up the shares and the account from which said amounts are to be deducted,
- prepare the supplementary report describing the final conditions of the operation as provided for by Articles L. 225-129-5 and L. 225-138 of the French Commercial Code,
- put in place, if the Board deems it necessary, an employee savings scheme to be created, which shall be financed voluntarily through payments by employees and possibly by contributions made by the Company, if it so decides,
- more generally, set the modalities and conditions of operations that shall be realized by virtue of this authorization, take note of the final realization of the share capital increase(s), proceed with the modification of the articles of incorporation accordingly, take all measures and execute acts and carry out all necessary formalities.

The Extraordinary Shareholders' Meeting takes note of the fact that this delegation of authority cancels any other previous delegation having the same purpose and notably, the delegation of authority given to the Board of Directors by the Combined Shareholders' Meeting of May 18, 2016 (resolution 18).

DRAFT RESOLUTION 21 –

CANCELLATION OF PREFERENTIAL RIGHTS OF SUBSCRIPTION IN THE EVENT OF A SHARE CAPITAL INCREASE(S) RESERVED FOR EMPLOYEES AS DESCRIBED IN RESOLUTION 20

Board of Directors' Report:

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

We remind you that, in accordance with Article L. 225-138 I of the French Commercial Code, the supplementary report to be established by the Board of Directors, if the Board makes use of the delegation mentioned in resolution 20, would be certified by the Statutory Auditors.

Draft resolution 21 – Cancellation of preferential rights of subscription in the event of a share capital increase(s) reserved for employees as described in resolution 20

The Extraordinary Shareholders' Meeting, after having considered the Board of Directors' Report and the Statutory Auditors' report, decides to cancel, in accordance with the

provisions of Article L. 225-138 of the French Commercial Code, the Shareholders' preferential rights of subscription to shares that shall be issued within the scope of the share capital increase(s) which shall be decided in accordance with the previous resolution and to reserve the issuance to employees of the Company and/or of companies that are related to it, having, on the date of the opening of the

subscriptions, at least three months' service (and who are not on a prior notice period), possibly to be grouped in a mutual fund (FCPE) to be created and/or subscribers to an employee savings scheme to be created, such plan to be

financed voluntarily by employees and possibly by contributions from the Company, should the Board of Directors so decide.

DRAFT RESOLUTION 22 – AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO PROCEED WITH FREE GRANTS OF SHARES TO CORPORATE OFFICERS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES

Board of Directors' Report:

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

- of 4% of the share capital over 38 months (duration of the present authorization), including a maximum of 0.4% granted to the Corporate Officers; and
- of the global cumulative ceiling (with the stock options granted under resolution 23) of 6% of the share capital.

This authorization would allow managers and key executives to continue to be more closely associated with changes in the share price, in the same way as the Shareholders.

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

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

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

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

The Corporate Officers to whom performance shares are granted will make the formal commitment not to use hedging instruments.

The Board of Directors would determine the period after which the grant of shares would become final (vesting period) and possibly a minimum share retention period by the beneficiaries. The vesting period would be at least three years.

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

This authorization would entail the waiver by the Shareholders of their preferential rights of subscription to the shares issued under the capital increase, as and when the shares are granted.

This authorization would be given for a period of 38 months and would replace the authorization given at the Shareholders' Meeting of May 18, 2016 (Resolution 20).

9 BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS

Draft resolution 22 – Authorization to be given to the Board of Directors to proceed with free grants of shares to corporate officers and employees of the Company and its subsidiaries

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

- authorizes the Board of Directors to proceed, on one or several occasions, with the free grants of shares of the Company, either existing or to be issued, for the benefit of the employees, or certain of them, certain categories of them and/or Corporate Officers of SOCIÉTÉ BIC and of its related companies within the meaning of Article L. 225-197-2 of the French Commercial Code;
- decides that the Board of Directors will determine the identity of the beneficiaries of the free grants of shares, the conditions and, if necessary, the criteria for the grant of shares, it being specified that the free grant of shares to Corporate Officers and to members of the Leadership Team must be subject to performance conditions;
- decides that:
 - the total number of free shares granted under this authorization will not exceed 4% of the share capital as of the date of the decision made by the Board of Directors to grant the shares, including a maximum of 0.4% granted to the Corporate Officers,
 - the total number of free shares granted under this authorization will not exceed the global cumulative ceiling (with the stock options granted under resolution 23 below) of 6% of the share capital as of the date of the decision made by the Board of Directors to grant the shares.
- decides that the grant of shares to the beneficiaries will be definitive at the end of a vesting period to be determined by the Board of Directors. This period shall not be less than three years. The Board of Directors may also set a period during which the beneficiaries shall retain the shares;
- decides that, in the case of invalidity of a beneficiary corresponding to the second or third categories as provided in Article L. 341-4 of the French Social Security Code, the shares will be definitely granted before the expiration of the remaining vesting period. The said shares will be freely transferable as from their delivery;
- takes note that the present authorization automatically includes, in favor of the beneficiaries, waiver by the

Shareholders of their preferential rights of subscription to the shares issued in accordance with this resolution, the share capital increase being definitely completed with the sole fact of the definitive grant of the shares to the beneficiaries;

- delegates authority to the Board of Directors, with faculty of delegation in accordance with the legal and statutory conditions, to implement the present authorization, under the above-mentioned conditions and within the limits provided by the rules and regulations in force, and notably:
 - to prepare the list of grantees and the number of shares granted to each one,
 - decide whether the performance share rights will be exercisable for existing or new shares and to change this decision before the definitive grant date, where applicable,
 - set the terms and conditions of the grants,
 - allow for the temporary suspension of the performance share rights in accordance with the applicable laws and regulations,
 - to proceed, if necessary, during the vesting period, with adjustments to the number of shares granted in the case of operations on the Company's share capital in order to preserve the rights of beneficiaries,
 - to determine, where appropriate, the terms and conditions of the issuance that could be realized by virtue of this authorization, the date from which the new shares shall bear dividends,
 - when new shares are issued as a result of this authorization, (i) increase the Company's capital by capitalizing reserves, retained earnings or additional paid-in capital, (ii) decide on the amount and types of items to be capitalized for the purpose of paying up the shares, (iii) charge, if it deems appropriate, the share issuance costs against the related premiums, (iv) deduct from the premiums the amount necessary to increase the legal reserve to 10% of the new capital after each issue, (v) place on record the capital increase(s), and (vi) amend the articles of incorporation to reflect the new capital,
 - and, generally, to carry out all formalities necessary for the issuance, the listing and the financial service of the shares issued by virtue of this resolution, and to do all that is useful and necessary within the scope of the laws and regulations in force to carry out this delegation.

This authorization is given for a period of 38 months starting from the date of this Shareholders' Meeting and replaces, from this date, the authorization given by the Shareholders' Meeting of May 18, 2016 (Resolution 20).

DRAFT RESOLUTION 23 –**AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO GRANT OPTIONS TO SUBSCRIBE FOR AND/OR PURCHASE SHARES OF THE COMPANY TO OFFICERS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES****Board of Directors' Report:**

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

- 2% of the share capital over 38 months (duration of the present authorization), including a maximum of 0.8% granted to the Corporate Officers; and
- the global cumulative ceiling (with the free shares granted under resolution 22) of 6% of the share capital.

This authorization would allow managers and key executives to continue to be more closely associated with changes in the share price, in the same way as Shareholders.

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

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

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

This authorization would include the waiver by the Shareholders of their preferential rights of subscription to the shares issued under the capital increase, as and when the options are exercised.

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

This authorization would be given for a period of 38 months and would replace the authorization given at the Shareholders' Meeting of May 18, 2016 (Resolution 21).

Draft resolution 23 – Authorization to be given to the Board of Directors to grant options to subscribe for and/or purchase shares of the Company to officers and employees of the Company and its subsidiaries

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

- authorizes the Board of Directors, to grant, on one or more occasions, to employees, certain of them, certain categories of them and/or Executive Corporate Officers of SOCIÉTÉ BIC and of its related companies in accordance with Article L. 225-180 of the French Commercial Code, options to subscribe for new shares of the Company (resulting from a capital increase) or to purchase existing shares of the Company resulting from the buy-back of shares under the conditions provided for by law;
- decides that the Board of Directors will determine the identity of the beneficiaries of the options to subscribe for and/or purchase shares, the conditions and, if necessary, the criteria for the grant of options, it being specified that options may only be granted to Executive Corporate Officers and to members of the Leadership Team subject to performance conditions;
- decides that the Board of Directors will determine the duration or periods of exercise of the options granted, it being specified that the duration of the options may not exceed a ten-year period, as from their date of attribution;
- decides that:
 - the total number of options granted under this authorization will not give right to subscribe or purchase a number of shares higher than 2% of the share capital as of the date of the decision made by the Board of Directors to grant the options, including a maximum of 0.8% granted to the

Corporate Officers,

- the total number of the options allocated under this authorization and still to be exercised will not give right to subscribe more than the global cumulative limit (with the free shares granted under resolution 22) of 6% of the share capital as of the date of the decision made by the Board of Directors to grant the options;
- decides that:
 - with regard to stock subscription options: the subscription price will be determined on the day the options are granted by the Board of Directors, and cannot be lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions preceding the day the subscription options are granted,
 - in the event of the grant of stock purchase options: the purchase price of the shares by the beneficiaries will be determined on the day the options are granted by the Board of Directors, and may not be either lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange preceding the day the stock purchase options are granted, or lower than the average purchase price of the shares held by the Company in accordance with Articles L. 225-208 and/or L. 225-209 of the French Commercial Code,
- decides that no stock subscription or purchase options can be granted:
 - less than twenty sessions of the Paris Stock Exchange following the date on which the shares are traded ex-dividend, or following a capital increase,
 - within ten sessions preceding the date on which the financial consolidated statements or, failing that, the statutory financial statements, are made public,
 - during the period between, on the one hand, the date on which the social bodies of the Company are informed of information which, if it were made public, could have a significant impact on the price of the shares of the Company and, on the other

hand, the later date ten sessions of the Paris Stock Exchange from when this information is made public ;

- acknowledges that the present authorization automatically entails, in favor of the beneficiaries, the waiver by the Shareholders of their preferential rights of subscription to the shares that will progressively be issued as the options are exercised under this resolution;
- delegates the authority to the Board of Directors, with the possibility to further delegate under the legal and regulatory rules applicable, to determine the other conditions and details of allocation of the options and of their exercise, and, notably, to:
 - determine the conditions under which the price and the number of shares could be adjusted, in particular in the cases provided under Articles R. 225-137 to R. 225-142 of the French Commercial Code,
 - proceed with any deduction from the reserves and/or premiums of the Company in order to realize the share capital increase(s) resulting from the definitive grant of shares to be issued,
 - provide the ability to temporarily suspend the exercise of options, during a three month period at the most, in the event of realization of financial transactions implying the exercise of a right attached to the shares,
 - at its sole discretion, and if it deems it appropriate, charge the expenses of the capital increases to the amount of the premiums related to these increases and deduct from this amount the sums necessary to carry the statutory reserve to one-tenth of the new capital after each increase,
 - perform or have performed all acts and formalities resulting from the implementation of this authorization, amend the articles of incorporation and, in general, do whatever is necessary to carry out this delegation.

This authorization is given to the Board of Directors for 38 months starting from this Shareholders' Meeting. It replaces, from this date and for the amount, where appropriate, of any unused portion, the authorization given by the Shareholders' Meeting of May 18, 2016 (Resolution 21).

DRAFT RESOLUTION 24 –**MODIFICATION OF ARTICLE 8 BIS "THRESHOLD CROSSING" OF THE ARTICLES OF INCORPORATION****Board of Directors' Report:**

For a better understanding of our Shareholder base, it is proposed to amend Article 8 *bis* "threshold crossing" of the Articles of Incorporation in order to lower the disclosure thresholds and to reduce the period of time in which they must be disclosed to the Company: all Shareholders will be required to declare to the Company the crossing, up or down, of the 1% threshold (previously 2%) and of any additional 0.5% (previously at 1%), of shares and/or voting rights, held directly or indirectly, within five trading days (previously: fifteen days) from the date on which the threshold is crossed.

Failure to properly declare this shall, upon the request of one or several Shareholders holding at least 2% of the capital and/or of the voting rights of the Company, result in the shares exceeding the above-mentioned thresholds that ought to have been declared, being deprived of voting rights.

Draft resolution 24 – Modification of article 8 bis "threshold crossing"

The Shareholders, deliberating under the conditions of quorum and majority required by the Extraordinary Shareholders' Meetings, decides to amend article 8 *bis* of the Articles of Incorporation as follows:

<i>(former wording)</i>	<i>(new wording)</i>
Article 8 bis : Crossing Thresholds	Article 8 bis: Crossing Thresholds
Any individual or legal entity, acting alone and/or in concert, coming into possession, in any manner whatsoever within the meaning of Articles L. 233-9 and L. 233-10 of the French Commercial Code, of a number of securities representing a fraction of the capital and/or voting rights equal to or higher than 2% and, starting from this threshold, equal to any multiple of 1%, must communicate to the Company the total number of shares, voting rights and securities giving future access to the capital (and voting rights potentially attached to these securities), that this individual or legal entity holds, alone and/or in concert, directly and/or indirectly. The information shall be sent by registered letter with acknowledgement of receipt within fifteen days following the date the threshold has been crossed.	In addition to the disclosure thresholds provided for in the applicable laws and regulations, any individual or legal entity, acting alone and/or in concert, coming into possession, directly or indirectly, in any manner whatsoever within the meaning of Articles L. 233-7 et. seq. of the French Commercial Code, of a number of securities representing a fraction of the capital equal to or higher than 1% of the capital and/or voting rights must communicate to the Company the total number of shares, voting rights and securities giving future access to the capital (and voting rights potentially attached to these securities), that this individual or legal entity holds, alone and/or in concert, directly and/or indirectly. The information shall be sent by registered letter with acknowledgement of receipt within five (5) trading days of the date on which the threshold is crossed. Once a Shareholder's interest exceeds the above-mentioned 1% threshold, said Shareholder must notify the Company each time an additional threshold of 0.5% of the capital or voting rights is crossed, even when such notification is not required under the disclosure obligations provided for in the applicable laws and regulations.
This obligation applies under the same conditions and within the same deadline, when the holding in the share capital falls below the foregoing threshold.	This obligation applies under the same conditions and within the same deadline, when the holding in the share capital falls below the foregoing threshold.
Upon request, recorded in the minutes of the Shareholders' Meeting, of one or several Shareholders holding at least 2% of the capital and/or voting rights of the Company, the Shareholder who has not carried out the declarations provided for in the present article is deprived of the voting rights attached to the shares exceeding the fraction of the capital that has not been declared, at any Shareholders' Meeting held until the expiry of a two-year period following the date at which such disclosure is properly made.	Upon request, recorded in the minutes of the Shareholders' Meeting, of one or several Shareholders holding at least 2% of the capital and/or of the voting rights of the Company, the Shareholder who has not carried out the declarations provided for in the present article is deprived of the voting rights attached to the shares exceeding the fraction of the capital that has not been declared. Withdrawal of voting rights will apply to any Shareholders' Meeting held until the expiry of a two-year period following the date at which such disclosure is properly made.

9.3 ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

PROPOSED RESOLUTION 25 – AUTHORIZATION TO PERFORM FORMALITIES

Board of Directors' Report:

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

Proposed resolution 25 – 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 all required legal formalities.

10. Document request form

DOCUMENTATION REQUEST

regarding the Annual Shareholders' Meeting of 16 May 2018

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 16 May 2018 listed in article R. 225-83 of the same code be sent to me.

In, on 2018

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)



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SOCIÉTÉ BIC

Limited company. Share capital: 178,072,592.84 euros

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