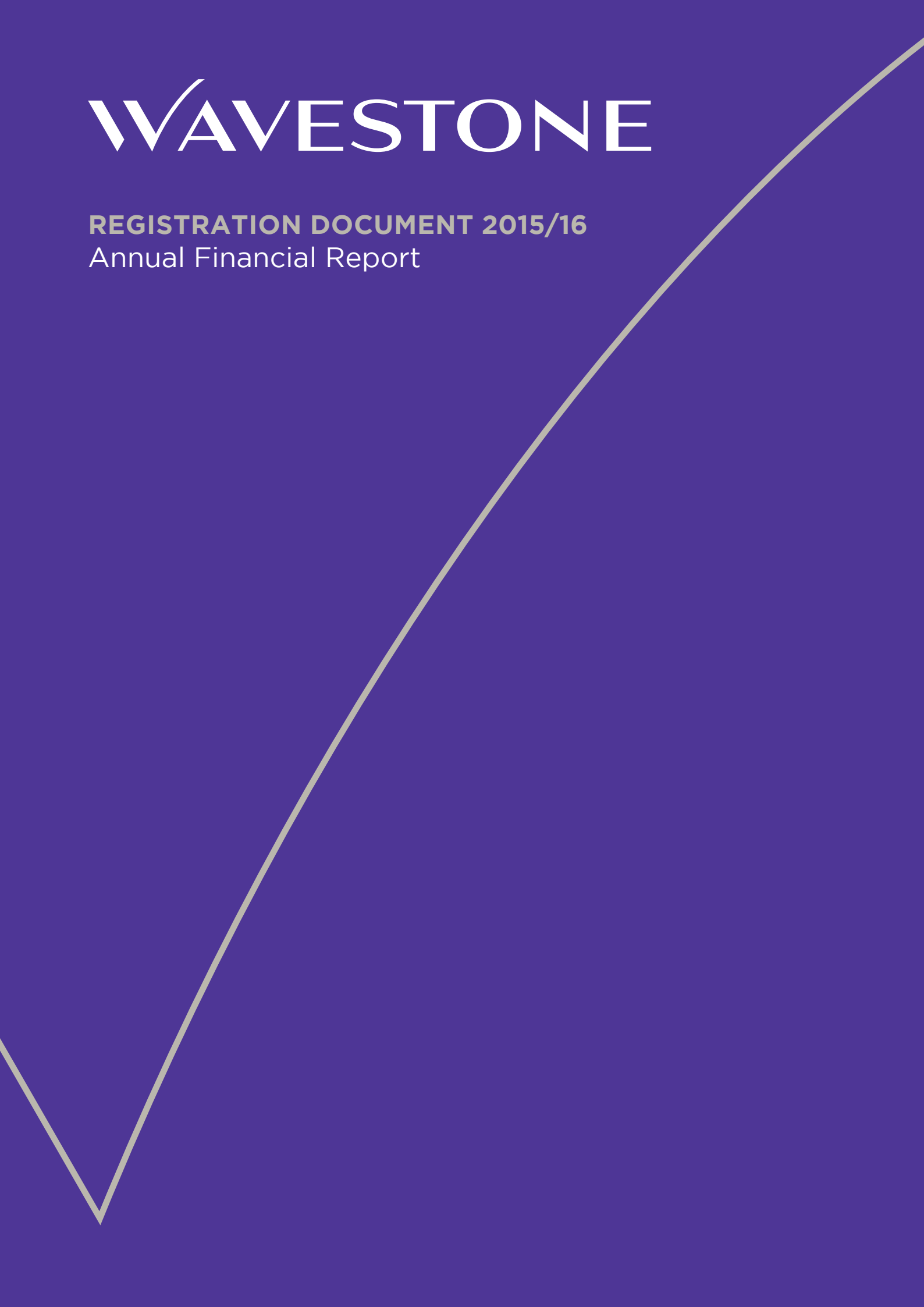


# WAVESTONE

**REGISTRATION DOCUMENT 2015/16**

Annual Financial Report





# REGISTRATION DOCUMENT

## 2015/16

### INCLUDING THE ANNUAL FINANCIAL REPORT

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The present Registration Document was filed with the French financial markets authority (AMF) on 09/26/16, in accordance with Article 212-13 of the AMF General Regulations. It may be used to support a financial transaction if accompanied by a prospectus approved by the AMF. This document was prepared by the issuer and engages the responsibility of its signatories.

This document presents Solucom's financial statements and reports on 03/31/16. For the record, the Annual General Shareholders' Meeting took place on 07/20/16 and adopted the proposition to change Solucom's social name to Wavestone.

Pursuant to Article 28 of European Commission Regulation (EC) n°809/2004, and Article 212-11 of the AMF General Regulations, the following information is included in the present Registration Document for reference purposes:

- The consolidated financial statements and the Statutory Auditors' Report on these consolidated financial statements for the fiscal year ended 03/31/15 as presented on pages 95 to 120 of the Registration Document filed with the AMF on 07/30/15 under number D.15-0814.
- The annual financial statements of the Solucom company (Wavestone's previous social name) and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 03/31/15 as presented on pages 121 to 236 of the Registration Document filed with the AMF on 07/30/15 under number D.15-0814.

This document was drawn up in accordance with recommendations specified in the AMF midcap company guide for compiling reference documents on 12/04/14 and updated on 04/13/15.

The document mentioned above is available on the website [www.wavestone.com](http://www.wavestone.com) and at Company headquarters.



**Pascal Imbert**  
CEO

**Michel Dancoisne**  
Chairman of the Supervisory Board

## NEW CONSULTANCY, NEW BRAND, HEADING TOWARDS NEW CHALLENGES

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MICHEL DANCOISNE AND  
PASCAL IMBERT TAKE A LOOK  
BACK ON A NEWS-PACKED  
YEAR AND ON BUILDING THE  
WAVESTONE CONSULTANCY

**The most significant event last year was undoubtedly the acquisition of the European activities of Kurt Salmon\*...**

**PI** : This was a strategic operation for the firm. As specialists in corporate transformation, Kurt Salmon's teams are a reference in the management consultancy market in Europe and have in-depth sector-specific expertise and advanced functional skills.

**MD** : The scope of acquisition represents around 750 employees based in France, Switzerland, Belgium, Luxembourg, Morocco and the US. This acquisition is in line with the objectives laid out in the Up 2020 strategic plan announced last year, focused on pursuing growth, enhancing our value offering to accompany our clients' most strategic projects and the extensive expansion of our international operations.

**The operation resulted in the recent change in the company's brand and legal name to Wavestone. Why was this?**

**PI** : Rather than integrate these new activities within Solucom, we decided to build an entirely new consulting firm by drawing on, and combining the savoir-faire and the teams of both firms within a perfectly integrated model.

In this new configuration we can offer a differentiating value proposition that is unique on the market while mobilizing all of the firms' teams in a common project.

Within the context of this in-depth transformation, the choice of the new brand, Wavestone embodies the birth of this new firm.

\* excluding Retail & Consumer Goods consulting activities outside France

*“The name Wavestone symbolizes our commitment to our clients: to be one with change, innovation and creativity, without ever losing sight of rigor, high standards and long term goals.”*



**2,500**  
EMPLOYEES



**4**  
CONTINENTS



**10**  
COUNTRIES

### Why the name, Wavestone? What is the new firm's value offering?

**PI** : This name symbolizes our commitment to our clients: to be one with change, innovation and creativity, without ever losing sight of rigor, high standards and long term goals.

We believe this association is key to ensuring the success of our corporate mission: to advise and steer our clients in making their most strategic and critical decisions for their future.

**MD** : Wavestone provides its clients extensive expertise in 18 areas of excellence and primarily those related to industries, since our key priority is to meet the challenges our clients face in their core activities. We also address the main cross-sector business functions, ranging from strategy, innovation and through to operations. In addition, we provide an unparalleled range of solutions in the fields of digitalization, technologies and cyber-security.

**PI** : Also, because transformations carried out by our clients often have an impact at all corporate levels, we guarantee our clients the ability to combine these areas of excellence in a seamless way that cuts through the silo-management approach.

### Within the context of your Up 2020 strategic plan, last year you set an ambitious growth objective in terms of size targeting revenues of €300m. One year on, this objective has already been reached...

**PI** : Yes, indeed. The new entity generated pro forma revenues of €326m in fiscal 2015/16, exceeding our 2020 sales target.

Nevertheless, other Up 2020 objectives have yet to be reached, notably concerning the development of our offering and the extensive international expansion of the firm which will enable us to better serve our clients' needs abroad.

These goals are among the top strategic priorities fixed by Wavestone for 2020 which we will be revealing in November 2016.

### What are your objectives for 2016/17?

**PI** : Our priority is, above all, to complete the construction of the new firm and the launch and positioning of our new brand. In addition, we will be looking to leverage our new potential, in terms of commercial wins, enhanced added value for our clients and operational performance optimization across the new firm.

**MD** : In a market environment that promises to be favorable next year, we are looking for consolidated revenues of €340m, implying growth of 45% on 2015/16, and a double-digit increase in EBIT.

# KEY DATA FOR 2015/16

## CONSOLIDATED BALANCE SHEET ON MARCH 31<sup>ST</sup> 2016

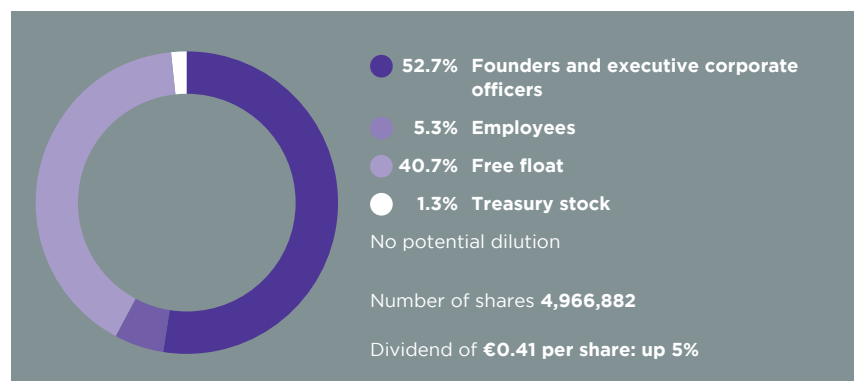


## SIMPLIFIED CONSOLIDATED INCOME SHEET

Consolidated figures at 03/31/16 (in M€)	2015/16	2014/15	Variation	2015/16 pro forma <sup>(1)</sup>
<b>Revenues</b>	<b>233.0</b>	163.1	+43%	326.2
<b>Operating income on ordinary activities</b>	<b>29.8</b>	21.1	+41%	34.5
<i>EBIT margin</i>	12.8%	13.0%	-	10.6
<b>Operating profit</b>	<b>23.1</b>	20.4	+13%	26.6
<b>Net income, group share</b>	<b>13.4</b>	12.6	+6%	14.3
<i>Net margin</i>	5.7%	7.7%	-	4.4%

(1) 03/31/16 pro forma information as if the Kurt Salmon acquisition (excluding retail & consumer goods business activities outside France) took place on 04/01/15

## BREAKDOWN OF SHARE CAPITAL ON APRIL 11 2016



## FINANCIAL CALENDAR

10/25/16	H1 2016/17 revenues
11/29/16	H1 2016/17 results
01/31/17	Q3 2016/17 revenues
04/27/17	FY 2016/17 revenues
05/31/17	FY 2016/17 results
07/19/17	Q1 2016/17 revenues
07/20/17	Annual General Meeting

## STOCK-MARKET DATA

<b>Share-price on 06/30/16</b> €68.00	Stock information Market: Euronext Paris ISIN code: FR0004036036 ICB: 9533 IT services Reuters: WAVE.PA Bloomberg: WAVE: FP
<b>Number of shares</b> 4,966,882	
<b>Market capitalization</b> €338m	Wavestone is listed on the Euronext Tech40 index, from the PEA-PME share-shavings plan, and was awarded the "Innovative company" label by the French public investment bank, BPI France.
<b>Company value (market capitalization on 06/30/16 + net debt on 03/31/16)</b> €397m	



### 3 QUESTIONS FOR... PATRICK HIRIGOYEN, CHIEF OPERATING OFFICER AND MEMBER OF THE MANAGEMENT BOARD

#### Consolidated revenues surged 43% in 2015/16. What were the reasons for this?

In terms of growth, 2015/16 was a remarkable year for Wavestone, which was able to ride the wave in a market context buoyed by sustained improvement.

Over the fiscal period, the firm marked up consolidated growth of 43%, largely exceeding our growth objectives, which were upgraded on numerous occasions throughout the fiscal year.

This dynamic growth performance was notably driven by the sharp increase in headcount, which totaled 2,511 employees at the end of the 2015/16 fiscal year versus 1,514 at 03/31/15. This growth is due the Group's ability to exceed its full-year recruitment targets, with 300 new employees joining this year and to the addition of staff members stemming from the different mergers operated during the period.

#### EBIT margin was high at 12.8% in 2015/16. What were the factors that underpinned this performance?

On the back of this strong growth performance and the Group's solid operating indicators, notably concerning average daily rate, we posted an EBIT margin of 12.8%. This result was well within our initial 11-13% EBIT forecast range for the period. Excluding the European

activities of Kurt Salmon\*, the firm posted a record EBIT of 13.9%.

#### The merger with Kurt Salmon's European activities has considerably changed the profile of the firm in 2016/17. In what way has this reshaped the company?

Indeed, the merger enabled us to change our corporate status. Regarding its competitors, the firm now distinguishes itself by the scope of its industrial, functional, and technological expertise.

This enables us to provide our clients with an offer that exists nowhere else on the market, drawing on the formidable potential created by combining our expertise. Wavestone's ambition is to partner its client from strategy to action; from the core drivers of our clients' businesses into technology.

With a work force of 2,500 employees operating over 4 continents, and pro-forma revenues of €326m, Wavestone ranks among the top independent consulting firms in Europe and is the market leader in France and we are willing to reinforce this position.

For fiscal 2016/17, we are now targeting consolidated revenues of €340m, implying an increase of 45% on 2015/16, and double-digit EBIT margin. In fiscal 2016/17, we will also be updating our strategic 2020 objectives.

€233M  
REVENUES

12.8%  
EBIT MARGIN

€0.41  
DPS

\* excluding Retail & Consumer Goods consulting activities outside France

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## ABOUT WAVESTONE AND ITS ACTIVITIES

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# WAVESTONE: A NEW MAJOR CONSULTANCY

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*“In a world where permanent evolution is the key to success, Wavestone’s mission is to enlighten and partner business leaders in their most critical decisions.”*

2016 saw the birth of a new major consultancy: Wavestone.

Formed from the merger of two established and reputed consulting firms, Wavestone capitalizes on several decades of expertise in two different yet complementary domains: the field of management consulting and that of digital & technological innovation.

This merger was underpinned by the firms’ common goal to form a consulting firm offering a unique and differentiating value proposition, perfectly in line with the most strategic challenges facing our clients in the digital age.

Three convictions have guided the construction of this new firm: innovation is no longer an option for companies but a vital factor in their everyday business management, defining relevant corporate strategies means taking account of high technological content and mastering related skills; companies seeking to implement change need a consulting firm which not only provides concepts, but also serves as a partner capable of transforming these into concrete actions.

And in a world where the ability to transform is the key to success, Wavestone’s mission is to enlighten and partner business leaders in making their most critical decisions by providing them with unique solutions on the market.

Wavestone boasts a portfolio of top-ranking clients, notably major institutions and players with leadership positions in their respective markets. With a workforce of some 2,500 employees operating across four continents, Wavestone can offer services simultaneously in France and abroad; a powerful position which ranks the firm among the major independent consulting firms in Europe and as market leader in France.



AMONG THE LEADING  
INDEPENDENT CONSULTANCIES IN EUROPE  
NUMBER 1 IN FRANCE



2,500 PROFESSIONALS  
ACROSS  
4 CONTINENTS



TIER ONE CLIENTS,  
LEADERS IN THEIR INDUSTRIES

Paris | London | New York | Hong Kong | Singapore\* | Dubai\* | Brussels | Luxembourg  
Geneva | Casablanca | Lyon | Marseille | Nantes

\* partnerships

# COMMITTED TO WORKING HAND-IN-HAND WITH OUR CLIENTS TO ENSURE THEIR SUCCESS

Wavestone boasts a large portfolio of clients comprising local companies, international groups with leading positions in their respective markets and public-sector players, etc. This sector diversity enables the firm to maintain a balanced distribution of revenues, ensures its resilience in times of economic fluctuation and allows the firm to capture growth in the most dynamic sectors.

To adapt to different types of markets, Wavestone has developed a sales growth model founded on client management.

To this end, each practice or bureau has a hybrid client management team comprising consultants (partners and senior managers) and sales representatives. They are tasked with ensuring that Wavestone’s value proposition is developed for, and adapted to the individual needs of all of its assigned clients.

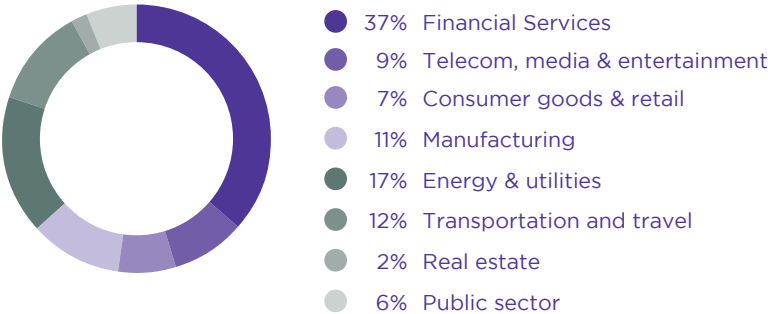
The objective of Wavestone’s client-management model is two-fold: on the one hand to underpin growth of Wavestone’s activities and revenues by putting the key focus on client portfolio development and drawing on all of the firm’s areas of excellence; and the other hand to forge close relationships with the firm’s major clients and develop actions carried out for them.

By promoting in-house synergies and client proximity, this sales growth model is designed to enhance the value of the services Wavestone provides its clients to meet their specific challenges.

### TOP 20 CLIENTS IN 2015/16

BNP PARIBAS	9%
EDF	7%
SOCIETE GENERALE	6%
SNCF	5%
ENGIE	5%
LA POSTE	5%
CREDIT AGRICOLE	5%
TOTAL	3%
BPCE	3%
ALSTOM	2%
BANQUE DE FRANCE	2%
CARREFOUR	2%
RENAULT	2%
FRANÇAISE DES JEUX	2%
THALES	1%
AXA	1%
AIR LIQUIDE	1%
CREDIT SUISSE	1%
ALLIANZ	1%
LVMH	1%

### BREAKDOWN OF REVENUE BY INDUSTRY IN 2015/16\*



<b>ANNUAL REVENUES 2015/16</b>	
FRANCE	90%
INTERNATIONAL	10%

\* Annual revenue including January-March 2016 revenue data of Kurt Salmon’s European activities (excluding retail & consumer goods outside France) extrapolated over 12 months

More examples of Wavestone’s engagements: [www.wavestone.com/en/capabilities/](http://www.wavestone.com/en/capabilities/)

# A CONSULTING OFFERING ALIGNED WITH OUR CLIENTS' MOST STRATEGIC CHALLENGES

Wavestone provides its clients extensive expertise in 18 areas of excellence at three different levels:

- / sector-specific excellence: solutions designed to address core business challenges in numerous sectors of activity
- / business-function excellence: enabling the firm to address major corporate functions, from strategy through to innovation and operations
- / technological excellence: allowing the firm to provide an unparalleled range of solutions in the fields of digitalization, technologies and cyber-security

In each area of excellence, Wavestone's services are all met with the same in-depth expertise. Because of the digital age, every corporate function is affected by our clients' transformations. Thus, the essence of its value proposition lies in the firm's ability to combine these skills seamlessly in multi-disciplinary teams cut through the silo-management approach.

UNIQUE ABILITY TO COMBINE SECTOR-SPECIFIC, BUSINESS-FUNCTION AND TECHNOLOGICAL EXPERTISE

## BUSINESS FUNCTIONS

Strategy  
Innovation management & funding  
Marketing, sales & customer experience  
People & change  
Finance & performance  
Operations & supply chain

## SECTORS


Financial services  
Telecom, media & entertainment  
Consumer goods & retail  
Manufacturing  
Energie & utilities  
Transportation & travel  
Real estate  
Public sector & International institutions

## TECHNOLOGIES

Digital & IS strategy  
Digital & emerging technologies  
IT & data architecture  
Cybersecurity & digital trust

## A CLOSER LOOK AT THE KEY IDEAS AND STAKES DRIVING OUR AREAS OF EXCELLENCE

On each of its areas of excellence, Wavestone brings a unique depth in its front line expertise to answer to the key preoccupation of its clients.



### SECTOR EXPERTISE

**Financial services:** C&IB: tomorrow's operating models / Account manager 3.0 in retail banking / 100% digital banking / Digital insurance / Implementing new financial norms & standards / Compliance

**Telecom, Media & Entertainment:** Creating customer-centric online media / The future of free and paid TV players / Beyond telecoms: towards vertical integration and diversification / Lean telecoms

**Consumer goods & retail:** Reconciling client & product marketing in retail, and converting them into revenues / Point of sale solutions 3.0 / Digitalization in the Luxury industry / Stock keeping unit optimization


**Manufacturing:** Connected vehicles / Digital pharmacy

**Energy & Utilities:** Transforming value proposition and organizing key energy & utilities players in the new energy era / Industrial IoT & 4.0 infrastructures / Creating value through data / Smart cities

**Transportation & Travel:** New mobilities and customer experience in the digital age / Railway stations & airports: new business models / Asset management and maintenance / Operation 4.0

**Real estate:** Real estate performance / Digital transformation of real estate players / Observatories to create value for real estate players with big data

**Public sector:** Data science strategy for improved public services / State reform enhancement through innovation / Police 3.0 / Smart cities



### BUSINESS FUNCTIONS

**Strategy:** Strategy definition / Strategic transformation execution / Post-merger integration, carve-out / Marketing and communication expenses effectiveness

**Innovation management and funding:** Research tax credit / Public funding / Innovation management

**Marketing, sales & customer experience:** Product and services marketing: the innovation process, from idea to go-to-market / Shaping differentiating and sustainable customer experience / Personalizing customer journeys with data / Sales and channel management

**People & Change:** Leveraging digital to accelerate HR transformation and managing the impact of digital on the workforce / Optimizing talent management / Managing the social impact of transformation programs / Positioning people topics to achieve successful transformation

**Finance & Performance:** Unlocking performance potential with an innovative approach / New generation shared service centers / Digital opportunities for empowering spend management / Support function performance monitoring

**Operations & Logistics:** Industry 4.0 and automated factories / Supply Chain Management



### TECHNOLOGICAL EXPERTISE

**Digital & IS Strategy:** Leveraging the business with an efficient Digital Strategy / Combining IT agility with IT efficiency / Building augmented digital IT on your legacy

**Digital & emerging technologies:** Digital Working / User experience / Internet of Things / Connectivity & Mobility

**IT & Data Architecture:** Modular and agile architecture, cloud and devops / Data analytics, machine learning & next generation platforms (IoT, Blockchain) / Applications, infrastructures & digital workplace transformation

**Cyber security & Digital Trust:** Cybersecurity strategy / Safe Digital Transformation/Digital compliance: privacy, critical infrastructure and sector regulations / Digital identity, fraud and trust services

## EXCLUSIVE DIFFERENTIATING ASSETS

In addition to its industry-specific, business-function and technological expertise, Wavestone has developed several differentiating assets enabling it to offer greater value to its clients.

Four of these in particular benefit from continuous investment:

### R&K CENTER

Provide the right information to enlighten your decisions

The Research & Knowledge Center (R&KC): dedicated in-house team of market analysts with access to a large data-base portfolio and international expert networks. This team analyses market data establishes benchmarks and thus clarifies our clients' decisions.



### CREADESK

Boost creativity and generate new ideas

Creadesk: in-house entity with a dedicated team and methodologies designed to stimulate creativity, generate innovative ideas and provide more Agile functioning methods for corporate missions.



### THE FAKTORY

Bring ideas to life

The Faktory: technical platform run by high-level developers and designers to enable the rapid testing and validation of concepts through prototype creation.



### MACHINE LEARNING & DATA LAB

Derive value from data

Machine Learning & Data Lab: comprising teams of data scientists specialized in data mining and analysis, since data exploitation is, and will continue to be, a major source of value creation for the Company's clients.





# WAVESTONE, A LEADING INDEPENDENT PLAYER IN THE EUROPEAN CONSULTING MARKET

## SUSTAINED GROWTH IN THE CONSULTING MARKET

The global consulting market experienced growth of about 4.3% in 2015. Sustained trends in global economic recovery were apparent in most countries and consumer segments of the consultancy sector with a strengthening in corporate investment and tighter risk management. Trading conditions in Europe also showed signs of improvement, although growth was slightly slower at around 3.8% (Source Global Research).

According to the UK market-research agency, Source Global Research, the major source of concern for the European majors in 2016 is related to digital transformation issues. Companies will also have to adapt to changes in their operating environment, notably at the regulatory level, and implement progressive growth plans.

As for the French market, representing the greater part of Wavestone's revenues, PAC estimates its value at around €5.4bn in 2015, growing 1.9% compared to 2014 and expects it to grow 2.6% in 2016.

## A PROMINENT POSITION IN A DIVERSIFIED COMPETITIVE ENVIRONMENT

With a workforce of 2,500 employees operating in several countries across 4 continents, Wavestone competes with four major types of rivals:

- / **consulting divisions of the "Big Four" international auditing majors:** EY, Deloitte, PwC, KPMG
- / **consulting divisions of major IT services players:** Accenture, Capgemini Consulting, etc.
- / **global independent management consultancies**, such as BearingPoint, Eurogroup, SIA Partners and PA Consulting, and **Strategy Consultant Firms** including Bain & Co., BCG, Roland Berger, Oliver Wyman, Arthur D. Little and OC&C, etc.
- / **niche players:** specialized in a specific sector, function or country (Argon, Altedia, Stanwell, Enton Consulting, Capco, Asset Alpha, Alsbridge, Carlyle & Gallager, Chappuis, Aecus, Efficio, Network Collective, etc.)

In this highly competitive landscape, Wavestone holds a privileged position notably on the French market, thanks to the combination of three major strengths:

- / an extensive range of functional, sector-specific and technological excellence which it can draw on to meet its clients' major digital transformation needs
- / in-depth expertise enabling the firm to deliver targeted, high-value consultancy solutions
- / large share of, and top-ranking position in, the market: With revenues circa €300m\*\* generated in France in 2015/16, **Wavestone ranks among the top consulting firms in Europe** and is the **leading independent consultancy in the French market**.

## INDEPENDENT MARKET RELATIONSHIPS

Wavestone participates actively in the ecosystem in which it evolves by cultivating relationships with all the major players in the market: innovative start-ups, think-tanks, professional associations, technology and solutions suppliers, facilities management providers.

These relationships are part of the firm's market and technology watch activities and ensure the firm's independence. Wavestone's extensive network of contacts and in-depth knowledge of its working environment enable the firm to position itself as a real catalyst within its own ecosystem.



**AMONG THE LEADING  
INDEPENDENT CONSULTANCIES  
IN EUROPE**

**NUMBER IN 1 IN FRANCE**

\* source Consultancy.uk  
\*\* pro-forma revenues

# HUMAN RESOURCES: BEING AN EMPLOYER OF CHOICE

---

Wavestone is committed to being, and remaining, an employer of choice on the consulting market.

This strategy is based on:

- / the recruitment of the finest talent, young graduates and experts
- / individual career-path management
- / offering employees long-term career-development prospects, with a view to letting them achieve their professional goals within the Company

Wavestone's Human Resources strategy is founded on the respect for the Company's values - exemplary conduct, audacity, passion and team spirit - and breaks down into two areas:

## RECRUITMENT: IDENTIFY AND ATTRACT THE BEST TALENT IN A HIGHLY COMPETITIVE MARKET

### Demanding selection criteria applied to high-profile candidates

Wavestone recruits candidates with diversified profiles and varying degrees of experience; people who are committed, with a strong entrepreneurial drive and a sense of team spirit. One notable characteristic of Wavestone's restructuring plan is the high percentage of young graduates hailing from the most prestigious engineering and management schools and universities in France that are hired every year.

### Recruitment; a key investment area for the firm

To identify and attract such talent, Wavestone has a dedicated recruitment team of 20 professionals. In addition, every year the firm calls on the services of more than 250 consultants of all levels of experience, to carry out job interviews and participate in school partnership events.

Moreover, the firm has implemented a solid sourcing strategy comprising a network of recruitment-agency partners, an annual candidate-referral campaign, as well as participating in recruitment events and implementing

a trainee recruitment and integration program on a pre-employment basis, etc. Wavestone has also adopted an active school partnership policy and formed close ties with around 30 prestigious schools and universities. Within this context, the firm works in close cooperation with faculty professors, training and careers departments and association networks.

### A recruitment process respectful to candidates

Wavestone commits to respecting the strict guidelines concerning transparency, equal opportunity and professionalism of recruitment methods. In 2017, Wavestone will participate in "Happy Candidates", a survey designed to evaluate the candidate experience.

## HUMAN RESOURCES: RETAINING EMPLOYEES AND DEVELOPING THE FIRM'S HUMAN POTENTIAL

Given the nature of Wavestone's consulting activity, Human Resources management and development are key priorities and success factors for the firm.

### Rapid and diversified career-development prospects

The rapid acquisition of employee skills is achieved thanks to the firm's three-fold strategy focused on:

- / the formalization of reference activities, which offers employees a long-term perspective of their professional development
- / enhanced training programs, combining the corporate university, external training solutions, monthly MOOC training courses, and an e-learning platform, currently in trial phase
- / a mobility solution offering employees the possibility of changing profession, field of expertise and even region

### A competitive pay policy

The firm's pay policy is communicated internally in a transparent manner and based on three fundamental

---

## HUMAN RESOURCES 2015/2016 LABELS AND CERTIFICATIONS



Wavestone awarded the 2016 HappyTrainees label for the quality of its trainee training courses



Great Place To Work® 2016



2016 Top Employers label awarded for the quality of the firm's Human Resources practices



Parentality Charter Signatory

principles: competitiveness (regular benchmarking of the pay policies of market players), equality and consistency among employees, and professionalism in the assessment of performance (common evaluation standards and collective decision-making process, in terms of assessment and pay increases).

**Well-being in the workplace**

Ensuring the quality of the working environment and a good work-life balance for its employees is an integral part of Wavestone's Human Resources strategy. The firm strives to ensure that its employees further their careers in a daily working environment which is pleasant and conducive to building trust. This is achieved by bringing the following levers into play:

- / **Corporate life paced to foster exchange and cohesion:** events organized to promote the exchange of ideas include induction seminars, team dinners, the corporate annual gala event, after-work drinks and weekly breakfast conferences, etc.
- / **Teleworking facility:** currently in its experimental stage, this working model promotes flexibility, facilitates organization, and enables employees exercising professions compatible with teleworking to work out of the office, three days a month.
- / **Specific measures for employees with children:** Company crèche, "Child Sick Days" policy, flexible working hours and teleworking possibilities during pregnancy, gradual return to work after maternity leave, etc. These measures, which currently concern 70% of Wavestone's operating scope, will be extended to all group employees.
- / **Action plan implemented to identify and prevent psychosocial risks.** HR teams, HSWCC members and in-house management teams are trained in how to recognize employees in distress.
- / **A range of employee services designed to promote employee work-life balance:** private sports club at the head office, concierge services, weekly deliveries of fresh fruit, etc.

/ **New office-layout concept** rolled out in 2015, combining innovation, team spirit and agility. Named «AIR», this office-layout project has significantly transformed the firm's Parisian headquarters which now have open-plan work areas fitted with window walls to ensure a constant flow of natural sunlight, a 360° panoramic view, uniform work posts for everyone, spaces adapted to suit different work situations, innovative equipment for all employees, and more comfortable and sustainable office premises, etc.

**Employee stakeholders involved in the corporate project**

A core aspect of Wavestone's corporate model is the firm's strong commitment to involving its employees in the development of the firm. To this end, the firm involves its teams with in-house projects related to knowledge management, relations with educational institutions, business development, recruitment, communications and solidarity projects such as PowerDay and the Corporate Foundation.

The merger between Solucom and of Kurt Salmon's European activities\*, finalized in January 2016, gave rise to an extensive corporate transformation program involving all of the companies' employees.

A series of collaborative workshops dedicated to building the new corporate brand and the Human Resources model was carried out at the firm's Parisian, regional and international sites, enabling employees to express and share their views.

This collective approach was implemented via the Yammer social network. Chat discussions, for example, enabled direct exchanges between employees and communication experts specialized in brand transformation.

\* excluding Retail & Consumer Goods outside France



**AIR: A PROJECT ECHOING THE FIRM'S AMBITIONS IN TERMS OF AGILITY, DIGITALIZATION AND INNOVATION**

For Fanny Rouhet and Latifa Boutourach from the HR Development Department, «The aim of the «AIR» project is to bring greater flexibility, comfort and creativity into our ways of working, and to provide more opportunities for employees to exchange ideas, etc.» Above all, this goal requires a closer working relationship between the firm's teams at all levels.

To encourage its teams to move freely within the office premises, Wavestone has installed special venues on every floor, such as the "IT Bar" and the «CreaPlace» creativity center, etc. New technologies are central to the project: digital signage wall screens, individual meeting room touch-screen booking system, multi-function printers and video-conferencing equipment in conference rooms, etc.

The project was conceived by the Majorelle interior-design agency for whom, «the AIR concept is at the forefront of interior design in the services sector. Everything has been thought out to reinvent the codes relating to life in the workspace and to set trends for the future».

© Mathieu Ducros / Opictures

# CORPORATE SOCIAL RESPONSIBILITY

## A DURABLE CSR APPROACH ROOTED IN THE FIRM'S STRATEGY

Wavestone's CSR strategy is designed to structure and develop the Company's sustainable development commitments in all areas of responsibility. These commitments are in line with the Company's ethical initiatives, its transparency issues and, more broadly, the Company's social, societal, environmental and economic performances.

This approach is designed to address Wavestone's three-fold challenge to:

- / conduct itself as a responsible business in its environment and sphere of influence
- / contribute to enhancing the quality of its relationships with stakeholders
- / ensure the compliance of the Company with applicable legal and regulatory obligations

## FOUR KEY COMMITMENTS TO STRUCTURE AND ORIENTATE THE FIRM'S CSR POLICY

Beyond its obligations to ensure compliance at the legislative level, Wavestone has structured its CSR strategy around responsible and professional practices and conduct to serve all of its stakeholders. The ultimate goal is to foster continuous improvement in terms of social, environmental, societal and economic responsibility.

Wavestone's CSR strategy is structured around four key areas of commitment.

- / To be a responsible and committed employer
- / To guarantee Wavestone stakeholders that we adhere to strict rules in terms of governance, transparency and ethics
- / To promote equal opportunity and the elimination of all forms of discrimination in the workplace
- / To reduce the company's carbon footprint

Chacun de ces engagements est décliné dans un plan d'actions.

## SOME CITIZENSHIP PROJECTS BACKED BY WAVESTONE

Wavestone's CSR approach mainly promotes equal opportunity and non-discrimination. The firm's commitment is focused on three specific areas: education, access to higher education, occupational integration.

### Corporate Foundation

The mission of the Corporate Foundation is to back and/or develop humanitarian projects, in France and abroad, to help underprivileged children and, in particular, combat child poverty and extreme deprivation.

Since its creation in 2009, the Foundation has backed more than 70 socio-educational projects, for the most part in Africa and Asia. In particular, the Foundation is involved in durable development projects. Every project monitored by the Company is sponsored by an employee of the firm.

### Villebon – Georges Charpak Institute

Since 2012, Wavestone has sponsored the Villebon – Georges Charpak training institute, a project with a social mission run jointly by the ParisTech Foundation, higher education bodies (prestigious schools and universities), and players from the socio-economic world. The aim of this innovative pedagogical project is to give everybody access to the highest levels of further education while guaranteeing their social, cultural and intellectual diversity... and reveal the scientific talents of the future.

Launched in September 2013, the Institute currently has three classes open and a total of around 120 students. Although the students have certain academic weaknesses and come from underprivileged backgrounds (70% receive grants or are disabled), they all show potential.

The educational model of the institute, which was awarded the Excellence in Innovative Education (IDEFI) label, is notably based on experimentation, and a cross-sector, team work approach, in project mode.

## CSR AWARDS AND LABELS



**GAIA INDEX:** In 2015, Wavestone was ranked number one in the category of companies with revenues of between €150m and €500m. The Gaia Index is an SRI index for mid-cap companies with the highest non-financial performances.



**ECOVADIS:** Wavestone received a Gold level rating from Ecovadis, an independent, non-financial rating agency specialized in assessing the CSR performances of corporate enterprises.



**FRENCH FEDERATION OF EMPLOYEE SHAREHOLDERS AND FORMER EMPLOYEES ASSOCIATIONS (FAS):** In 2015, Wavestone received the FAS employee shareholding prize in the SME and mid-tier Company category which rewards actions carried out by French companies in favor of their employees.



## 4 QUESTIONS FOR... ASSOCIATION ORPHELINS DU MONDE

EMMANUEL MORIN, PRESIDENT OF THE ASSOCIATION

### How did the Association come about?

It all began during the two-month summer break in 1995, when I took a group of 8 students on a trip to Lithuania to look after around thirty children and teenagers in an orphanage.

When we got back to France, we asked ourselves what we should do next; whether to leave it there and be satisfied with a collection of amazing memories of what was an exceptional experience, or whether to commit to helping the children. This is when we decided to form «Orphelins du Monde» so that we could fulfill our moral commitment to help the children and provide them with a better quality of aid. Over the past 20 years, we have carried out a host of missions like this in several countries around the world.

### What is the Association's mission and what type of projects do you develop?

In all of our missions, our two-fold objective is to:

- / back local development projects. Our association does not intervene as a substitute for other organizations, but accompanies projects led by local entities;
- / promote and enhance exchanges between emerging and developed countries by providing support teams eager to discover new environments and devote their time to helping children.

As part of this, and after having accompanied a group of Lithuanian orphans on a daily basis between 1995 and 2001, we have been working with a group of young orphans in Romania for six years.

We also offer assistance to single mothers, by providing housing and access to training leading to the possibility of work, and organize events in poor neighborhoods during the summer and for hospitalized children.

In addition, we have been backing the «Centre Humanitaire pour le Bien-être des Enfants Délaissés» orphanage in Togo since 2012.

### How did you find out about our Corporate Foundation?

One of our volunteers who was in charge of a mission to develop a partnership with the orphanage in Togo, responded to a call for projects launched by the Foundation, submitted a dossier and was accepted.

### In what way do you collaborate with Wavestone?

The project involved creating an ecological poultry farm in Togo to finance the orphanage through the sale of eggs.

As a sponsor, Wavestone lent support to the volunteers and the orphanage management team to carry out the project.

Within the context of this skills-mentorship program, Wavestone particularly encourages its consultants to volunteer and invest themselves in all areas of the project; professional insertion of students,

by participating in career-coaching workshops, and training, via trade conferences or Company visits, student selection and sponsoring. At present, more than thirty students from the Villebon Institute

are being sponsored by a team of Wavestone employees who help the students and advise them on putting together their professional projects. The firm has decided to renew this commitment for another three years.

### Powerday

Powerday is Wavestone's solidarity day during which employees are encouraged to volunteer their support to associations and foundations carrying out civil-society and environmental actions. Volunteers can participate in skills-mentorship or in-the-field activities.

Wavestone launched its first Powerday solidarity event on August 26th, 2016 at all company sites, both in France and abroad.

## ENGAGEMENTS RSE



**GLOBAL COMPACT:** As a signatory of the UN Global Compact since 2012, Wavestone is committed to supporting and promoting, within its sphere of influence, the 10 universal principles of the Global Compact, relating to human rights, working standards, the environment and the fight against corruption.  
FOR MORE INFORMATION, VISIT: [www.unglobalcompact.org](http://www.unglobalcompact.org)



**CORPORATE PARENTHOOD CHARTER:** As a signatory of the Charter since 2013, Wavestone is committed to promoting parenthood-related representation within the Company, to create a favorable environment for working mothers and fathers, and to respect the principle of non-discrimination throughout the professional development of parents in the workplace.  
FOR MORE INFORMATION, VISIT: [www.observatoire-equilibre.com](http://www.observatoire-equilibre.com)



**THE «ELLES BOUGENT» ASSOCIATION:** In 2015/16, Wavestone became a partner of «Elles Bougent», an association whose principle missions are to encourage women to pursue scientific and technological careers and to foster the exchange of experience and ideas on career-related subjects between students and engineers within student associations.  
FOR MORE INFORMATION, VISIT: [www.ellesbougent.com](http://www.ellesbougent.com)



# QUALITY: CLIENT SATISFACTION AT THE HEART OF OUR STRATEGY

Wavestone has defined and implemented a quality strategy that is applicable to all of its services and designed to guarantee client satisfaction.

This approach is based on a set of five principles laid down in the Company's Quality Charter (still evolving):

<b>1 QUALITY OF SERVICE</b>	All Wavestone services must meet the Company's quality criteria and provide solutions designed to satisfy clients' needs.
<b>2 PERMANENT DIALOGUE WITH CLIENTS</b>	Client relationships built on trust enable the permanent exchange of ideas on the services provided.
<b>3 TOTAL COMMITMENT</b>	No service can be terminated for any reason whatsoever until the client is completely satisfied.
<b>4 QUALITY-IMPAIRMENT MONITORING AND TREATMENT</b>	As soon as there is any indication of quality-impairment, an analysis should be carried out and if necessary, corrective actions taken until the issue has been completely resolved.
<b>5 MOBILIZATION OF THE ENTIRE FIRM</b>	Wavestone, and all of its employees, are committed to implement the above-mentioned principles.

In addition to these principles, the firm's quality approach is founded upon its:

#### Organizational structure:

- / A network of quality contacts responsible for identifying and monitoring client risk/alerts.
- / A committee representing all Company functions, which is responsible for the firm's quality policy, as well as its continuous assessment and improvement

#### Staff training and awareness campaigns:

- / On their first day at Wavestone, new employees are instructed in the firm's quality policy.
- / In addition to this initial awareness-raising session, consultants and client-account managers receive training throughout their professional development

within the Company, via compulsory training programs.

#### Resources:

- / Employees are supplied with a set of tools, a compendium of good practices and model documents to ensure that the quality of the services they are in charge of meets Company standards, and to provide them with operational solutions in case they encounter difficulties.

#### Quality-risk detection and management process:

- / This process involves all management bodies and is integrated into the Company's steering mechanism.

## WAVESTONE'S CUSTOMER SATISFACTION SURVEY

First survey carried out by the firm to measure the level of customer satisfaction regarding the services in its scope of intervention, excluding the Kurt Salmon's European activities\*. This survey was destined for all of our clients in 2015.

- / Survey response rate of 24.4%.
- / 85% of respondents are satisfied with the quality of services delivered by the firm out of which 12% consider expectations have been exceeded while 14% are partially satisfied.
- / The criteria considered the most important by our clients for services quality concerned the firm's «source of proposals and capacity to challenge established methods». 81% of participants are satisfied, or very satisfied, with Wavestone's ability in this domain.
- / 89% of respondents are satisfied, or very satisfied, with the level of the firm's commitment in missions carried out in 2015.
- / 88% of respondents are satisfied, or very satisfied, with the firm's investment and involvement.

\* excluding retail & consumer goods activities outside France

# CAPITALIZING ON AND DIFFUSING OUR SAVOIR-FAIRE: THE KEY TO EXCELLENCE

As a consultancy of choice, Wavestone has implemented a strategy to capitalize on its savoir-faire. The objective here is to build a set of solid commitments and develop a range of efficient methodologies underpinned by the skills and expertise shared throughout the Company.

## CULTURE OF EXCELLENCE AT THE HEART OF OUR STRATEGY

By building up its areas of excellence, Wavestone is looking to develop an extensive range of in-depth expertise that distinguishes it from the other players on the market. The aim of all of our teams is to offer clients the best level of expertise and savoir-faire on the market in all of these areas.

To this end, Company focus is placed on the following aspects: employee skills acquisition (via in-house and external training, the sharing of knowledge and feedback during dedicated events, as well as technological, sector-specific and cross-sector watch activities), capitalizing on savoir-faire and the development of methodologies and doctrines.

## DRAWING ON COLLECTIVE KNOWLEDGE TO ACHIEVE THIS GOAL

Collective knowledge is achieved by capitalizing on work carried out by consultants (studies and research, project approaches, deliverables, feedback and best practices, etc.), in

accordance with the rules governing business confidentiality of the missions concerned. This sharing of knowledge, at every stage of the employee's career path, is a key element which enables clients to benefit from the firm's expertise and allows employees to participate in creating the corporate vision, by exposing themselves to criticism from their peers.

Skills management is monitored and managed in a cross-functional manner within the Company.

Capitalizing on and distributing savoir-faire is underpinned by:

- / **A dedicated space:** to share studies and research (benchmarks, doctrines, etc.)
- / **Theme-based networks:** to pool employees with a common interest in a specific subject or sector of activity
- / **Watch tools:** alerts, RSS flows, newsletters, content curation tools, etc.
- / **In-house and external events:** to share knowledge and the firm's convictions on key subjects and methodologies
- / **In-house challenges:** such as the Wavestone Hackathon.

## COMMUNICATIONS POLICY DESIGNED TO SHARE THE FIRM'S CORPORATE VISION WITH THE MARKET

Wavestone has implemented a communications policy to share its

vision of, and thoughts on, its main areas of expertise with the market.

- / **Publications:** white papers and detailed surveys (which can be downloaded from [www.wavestone.com](http://www.wavestone.com).)
- / **Articles written by, and interviews with** Wavestone employees on current issues and market trends, published in the press (general and specialized) or on the firm's website [www.wavestone.com](http://www.wavestone.com) («Insights» page).

## MULTIPLE OPPORTUNITIES TO SHARE OUR VISION WITH THE MARKET

Wavestone regularly participates in national and international conferences on specific aspects of its different areas of excellence. In addition, the firm organizes breakfast-conferences, workshops, and other such events offering its clients the opportunity to meet with the firm's teams on a regular basis. In 2016, Wavestone also launched «Shake'Up», an initiative designed to forge strong ties with the start-up ecosystem. The objective here is two-fold: to promote the incubation of start-ups such as BeeKast, Yucca and Felix, by providing office space, skills support and coaching, etc., and to organize events that promote the exchange of ideas and sharing of best practices and which bring together start-ups, Company employees and clients.



## HACKATHON

Launched in spring 2016, the first Wavestone Hackathon was based on the theme of designing solutions to develop the activity of a player in the energy sector using the Internet of Things.

The aim here was to bring together the firm's practices around a common theme, by involving The Faktory, to enhance employee skills, and to enable the firm to improve its knowledge of how to organize this type of initiative so it could better serve its clients.

Around one hundred employees, split into about a dozen teams, were given 10 days to draw up usage scenarios, realize Proofs of Concept (to validate their project relevance and feasibility) and present their projects to a jury. The first prize went to the Follow Energy project which designed a smart street-lamp solution enabling a night-time stop-start road lighting system, equipped with passing-vehicle detection and speed-measuring systems.

# AN INTEGRATED ORGANIZATION DESIGNED TO SERVE A GLOBAL VALUE PROPOSITION

In July 2016, Wavestone adopted an integrated organization model combining the teams of Solucom and Kurt Salmon's European activities\*.

This operating model is designed to meet the following objectives:

- / To ensure the judicious implementation of Wavestone's value proposition
- / To facilitate cooperation between operational units and therefore enable the efficient delivery of multi-expertise and global missions for our international clients
- / To optimize synergy generation between units and guarantee a sustainably high level of operating performance

## NEW OPERATING MODEL

The key entity in the Wavestone operating model is the **practice** (and in some cases the **bureau**).

A practice comprises the teams which embody Wavestone's expertise in one of its areas of excellence within a specific geographic zone. If critical mass has not been reached in any given geographic zone, these teams are integrated into a bureau which groups several areas of excellence. In July 2016, Wavestone had 23 practices and bureaus.

In addition to building up skills in one or several areas of excellence, every practice and bureau is in charge of developing the sales of all Wavestone activities with the customers in their respective client portfolios: a process ensured by the firm's client managers.

To optimize synergy generation and enable the monitoring and efficient control of operations, practices and bureaus are grouped into **Domains**. These are privileged environments set up to stimulate inter-practice cooperation and notably ensure the development of practices and bureaus which have not yet attained critical mass or sufficient maturity in terms of international expansion, for example. In view of the firm's global operating model, the practices and bureaus each Domain are generally spread across several countries. In July 2016, Wavestone's 23 practices and bureaus were grouped into 5 Domains.

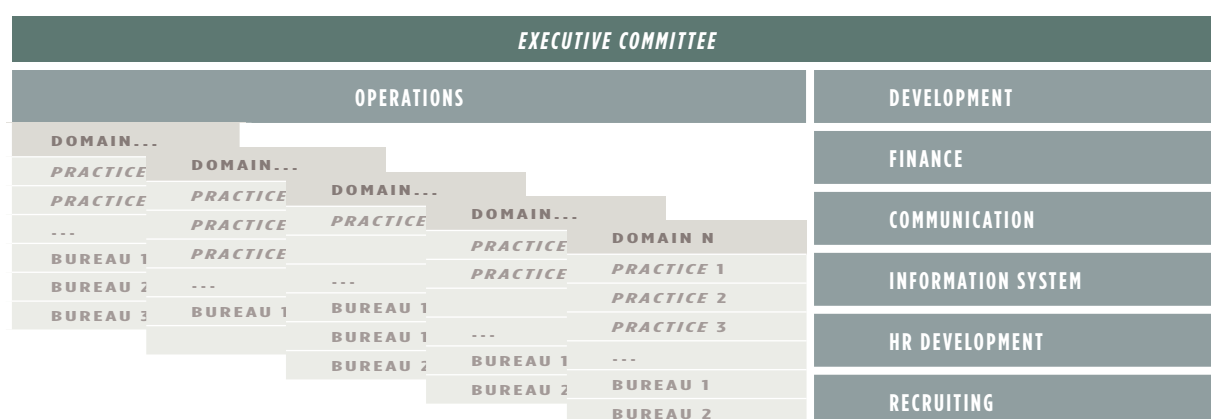
Wavestone has embodied the skills specific to each of its areas of excellence in a cross-sector manner by setting up **communities of experts** belonging to several practices and/or bureaus.

The teams in charge of the firm's assets either operate within certain practices or are centralized.

Finally, Wavestone has chosen to invest in the long term in exclusive assets destined to enhance its value proposition.

## CORPORATE-FUNCTION BODIES

Wavestone's support functions are responsible for monitoring not only investments carried out to generate future growth for the Company, but also risk management. These support functions are centralized and in some cases have designated representatives within the firm's Domains, practices and bureaus.



\* excluding retail & consumer goods retail activities outside France



## GOVERNANCE

In keeping with this principle, the governance of Wavestone is assured by collective bodies set up at all levels of the Company's organization. Practices and Domains are respectively monitored by practice and domain steering teams, headed up by practice and domain leaders.

The firm is monitored by an Executive Committee (ExCom); a large body headed up by General Management (comprising the members of the Management Board) and with representatives from the firm's departments

and practices etc. to ensure that all teams are aligned with the common goals of a unified corporate project. For the sake of efficiency, however, smaller steering committee meetings are held to deal with certain topics, such as the monitoring of operating performances and business development.

The members of the Executive Committee are:

**/ General management** (Members of the Management Board):

- Patrick Hirigoyen
- Pascal Imbert

**/ Operation-steering and domain leaders:**

- Eric Crabié
- Benoît Darde
- Bernard Desprez
- Patrick Hirigoyen
- Joël Nadjar
- Philippe Pestanes
- Bruno Valet

**/ Development:**

- Reza Maghsoudnia

**/ Business development:**

- Marc de Montgolfier
- Anne Régnier
- Stéphanie Thévenet

**/ Key transformation projects / global projects:**

- Laurent Bellefin
- Eric Tirlemont

**/ Finances:**

- Tiphonie Bordier
- Frédéric Goujon

**/ Operations** (practices and bureaus):

- Fabrice Albizzati
- Eric Baudin
- Claude Bodeau
- Julien Bonnay
- Philippe Burucoa
- Loïc Carpentier
- Guillaume Chassard
- Philippe Dajeau
- Frank Devillaire
- Guillaume Durand
- Frédéric Goux
- Frédéric Hertogs
- Eric Labruyère
- Frédéric Lelièvre
- Harry McDermott
- Philippe Menesplier
- Philippe Mirmand
- Damiano Nesi
- Mike Newlove
- Catherine Pilidjian
- Olivier Schmitt
- Laurent Stoupy
- Harold Syfrig

**/ HR Development:**

- Latifa Boutourach
- Fanny Rouhet

**/ Communication:**

- Vincent Chaudel
- Sarah Lamigeon

## LEGAL STRUCTURE AT 04/01/2016 OF SOLUCOM (WHICH CHANGED ITS LEGAL NAME TO WAVESTONE ON 07/20/2016)

At 04/01/2016, Solucom (whose legal name was changed to Wavestone on 07/20/2016) comprised the Solucom holding Company and 5 direct subsidiaries, namely:

- / SLM Consulting (fully owned)
- / Hudson & Yorke (fully owned)
- / Arthus Technologies (fully owned)
- / Solucom Belgique (fully owned)
- / Management Consulting Group France SAS (fully owned)

At 04/01/2016, Solucom also had indirect stakes in 7 subsidiaries:

- / Kurt Salmon Associés France SA: 100% held by Management Consulting Group France SAS
- / Kurt Salmon France SAS: 100% held by Kurt Salmon Associés France SA
- / K2S Management Inc (USA): 100% held by Kurt Salmon France SAS
- / Kurt Salmon Luxembourg SA: 100% held by Kurt Salmon France SAS

/ Kurt Salmon Belgium SA/NV: 100% held by Kurt Salmon France SAS

/ Kurt Salmon Morocco SARL: 100% held by Kurt Salmon France SAS

/ Kurt Salmon Switzerland SARL: 100% held by Kurt Salmon France SA

Note the creation on 07/15/2016 of K2S Asia, an indirect subsidiary of Solucom and 100% held by Kurt Salmon France SAS.

More details concerning the key income-statement data of each subsidiary at 03/31/2016 and the description of the asset transfer operations carried out in 2015/16 are given in the 2015/16 Management Board Report in Chapter 2 of the present Registration Document.

Within the firm, the parent Company holds most of the assets required to carry out its operations. Wavestone subsidiaries pay royalties to the parent Company for the right to use its assets (premises, technical resources). In addition, while subsidiaries may own some assets that are necessary to carry out their own operations, none of their assets are strategic for the Company.

Within the context of synergies set up between firm subsidiaries, several partnerships have been set up primarily to run joint operations involving several Wavestone companies. These joint operations involving several of the firm's companies are carried out by way of internal subcontracting agreements. The breakdown of the firm's internal invoicing for the fiscal year ended 03/31/2016 is given in the table below.

(in thousands of euros)		SUPPLIERS														
		Solucom	SLM Consulting	Arthus	Hudson & Yorke	Solucom Belgique	Audisoft Consultant	MCG France	KSA	KSF	K2S	KSLux	KSBe	KSMaroc	KSSw	
CLIENTS	Solucom		90	143	117	52	907	-	-	50	-	-	-	-	-	
	SLM Consulting	133		-	-	-	-	-	-	-	-	-	-	-	-	
	Arthus	97	-		-	-	-	-	-	-	-	-	-	-	-	
	Hudson & Yorke	29	-	13		-	-	-	-	-	-	-	-	-	-	
	Solucom Belgique	165	-	-	-		-	-	-	-	-	42	-	-	-	
	Audisoft Consultant	45	-	-	-	-		-	-	-	-	-	-	-	-	
	MCG France	-	-	-	-	-	-		-	-	-	-	-	-	-	
	KSA	-	-	-	-	-	-	-		480	-	-	-	-	-	-
	KSF	104	-	-	-	-	-	169	4 220		60	398	355	64	347	
	K2S	-	-	-	-	-	-	-	-	47		-	-	-	-	
	KSLux	-	-	-	-	-	-	-	-	155	-		207	-	566	
	KSBe	-	-	-	-	-	-	-	-	51	-	-		-	-	
	KSMaroc	-	-	-	-	-	-	-	-	1	-	-	-		-	
	KSSw	-	-	-	-	-	-	-	-	40	-	66	-	-		

For the record, the companies Financière FBC and Management Consulting Group France are not implicated in internal subcontracting activities.

Other internal billings concern the pooling of Group-wide resources: sharing of premises and technical resources, central cash management and the pooling of certain support functions.

## THE MANAGEMENT AND SUPERVISORY BOARDS

The members of the Management Board are:

- / **Pascal Imbert**, Chairman
- / **Patrick Hirigoyen**, Member

At 04/01/16, the Supervisory Board comprised five members:

- / **Michel Dancoisne**, Chairman of the Supervisory Board
- / **Marie-Ange Verdickt**, Member of the Supervisory Board
- / **Jean-François Perret**, Vice-Chairman of the Supervisory Board
- / **Rafaël Vivier**, Member of the Supervisory Board
- / **Nathalie Wright**, Member of the Supervisory Board
- / **Sarah Lamigeon**, Member of the Supervisory Board.

The biographies of the members of the Supervisory Board are given in Chapter 4 (“Corporate Governance”) of the Report of the Chairman of the Supervisory Board in the present document.

# INVESTMENT AND ASSET POLICY

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Because of the nature of Wavestone's activity, Company investment is limited to computer equipment, IT systems and the purchase of software licenses, as well as office furniture and fittings required to carry out day-to-day operations.

These transactions are either booked as investments, or financed via leasing contracts (hardware items paid for on a lease-purchase basis are acquired at the end of the lease period).

INVESTMENTS (in thousands of euros)	03/31/14	03/31/15	03/31/16
TANGIBLE AND INTANGIBLE ASSETS	1,938*	913**	9,148***

\* o/w €413k financed via leasing contracts

\*\* o/w €598k financed via leasing contracts

\*\*\* o/w €1,307k financed via leasing contracts

# WAVESTONE ON THE GLOBAL STAGE

Wavestone operates in 10 countries across 4 continents via its own subsidiaries and partnerships.



\* partnerships

**Head office:**

Tour Franklin  
100-101, terrasse Boieldieu  
92042 Paris La Défense Cedex  
France

**Wavestone fully-owned subsidiaries:**

- Belgium: Brussels
- The United States: New York
- France: Paris, Lyon, Marseille, Nantes
- Hong Kong

- Luxembourg
- Morocco: Casablanca
- The United Kingdom: London
- Switzerland: Geneva

All of Wavestone’s office premises and its subsidiaries are rented from independent owners.



# Management Report

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## Management Board Report to the 07/20/16 Combined Ordinary and Extraordinary General Meeting

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To the Shareholders,

We have convened this Combined Ordinary and Extraordinary General Meeting as required by law and our Company's Articles of Association.

The notice of Meeting and all documentation specified by the applicable regulations have been duly sent or made available to you, within the legal deadlines.

The purpose of this report is to present the situation of the Solucom Group which comprises the Solucom company<sup>(1)</sup> and its subsidiaries. The report includes the General Management Report together with:

- The "Management Board Report - *Corporate Social Responsibility Report*";
- The "Management Board Report - *Risk factors*";
- The "Management Board Report - *Additional notes*".

This report also constitutes the Management Report referred to in Article 222-3 of the General Regulations of the French Financial Markets Authority (AMF), which is an integral part of the annual financial statements as specified in Article L.451-1-2 of the French Financial and Monetary Code.

(1) As a rule, Solucom, the parent company of the Solucom consulting firm, is sometimes referred to as Solucom SA in this document.



# Management Board Report

## General Report

2

### 1. Key events and outlook

#### Full-year growth of 43%, of which 15% like-for-like

At end-March 2016, Solucom reported 43% growth in consolidated 2015/16 revenues to €233.0m.

This dynamic growth performance over the period enabled the Group to exceed its organic and total growth objectives raised during the year. On a like-for-like basis, full-year growth came out at 15%. Excluding Kurt Salmon's European activities\*, Solucom reported revenues of €200.2m, up 23% year-on-year.

This growth was accompanied by a sharp increase in headcount, which totaled 2,511 employees at the end of the fiscal year, compared with 1,514 at end-March 2015. This increase was due notably to the addition of 777 Kurt Salmon staff members and Solucom hirings carried out over the period. The Group significantly exceeded its recruitment objectives despite increasingly competitive market conditions in terms of Human Resources.

The staff turnover rate, excluding Kurt Salmon, remained low at 10%. At Kurt Salmon, the staff turnover rate over the three-month consolidation period came out at 19%, in line with previous years.

#### Favorable pricing trends

Despite a slight dip at the beginning of 2016, the consultant utilization rate (excluding Kurt Salmon) remained solid at 83% over the year, stable on full-year 2014/15 level.

Concerning the Kurt Salmon scope of activity, the consultant utilization rate over the three-month consolidation period, came under pressure at 69%. This reflects a certain decline in sales, exacerbated most likely by measures undertaken within the context of the merger with Solucom.

Excluding Kurt Salmon, prices continued to rise with the average daily rate coming out at €745, up 4% year-on-year and +2.5%, like-for-like. Kurt Salmon prices over the first three months of its consolidation also remained very solid with an average daily rate of €1,062.

At end-March 2016, the order book (excluding Kurt Salmon) stood at 3.4 months. While this reflects an improvement on end-December 2015, visibility remains limited.

For the record, at this stage, the Company is unable to communicate any information on its consolidated indicators, since the data of Solucom and Kurt Salmon are not comparable due to differences in their management regulations.

#### Profitability including Kurt Salmon at high end of forecast range

Operating income on ordinary activities came out at €29.8m in 2015/16, implying a year-on-year increase of 41%. As a result, EBIT over the period widened to 12.8%, at the high-end of the Group's forecast range. Excluding Kurt Salmon, full-year EBIT came out at 13.9%.

In 2015/16, Solucom booked operating expenses costs of €6.7m, the bulk of which incurred on the implementation of the merger with Kurt Salmon, as well as other merger operations and provisions booked for the Solucom Corporate Foundation skills-sponsorship program. Factoring in these elements, operating income came out at €23.1m, up 13% year-on-year.

Group share of net income rose 6% to €13.4m, implying a net margin of 5.7%.

#### Strong cash flow generation and net debt under control

Solucom generated net cash flow from operations of €15.5m in 2015/16 on the back of a 19% increase in gross cash flow.

The Kurt Salmon acquisition was financed exclusively in cash via a €95m bank loan.

At 03/31/16, the Company boasted a comfortable cash position of €39.8m. Net financial debt stood at €58.8m for equity of €85.0m at the end of the period.

At the General Shareholders' Meeting on 07/20/16, Solucom management will propose the distribution of a €0.41 per-share dividend relative to the 2015/16 fiscal year, up 5% on 2014/15.

#### Birth of a new consultancy player

The 2016/17 fiscal year got under way with the determination of both Solucom and Kurt Salmon to form a new consultancy firm with a distinctive value offering perfectly in line with the challenges facing the most strategic clients in the digital age. The creation of this new firm will be symbolized by the launch of a new brand to replace those of Solucom and Kurt Salmon.

\* Excluding the retail & consumer goods businesses.

With a staff of 2,500 employees operating across 4 continents, this new firm will rank as one of the major sector players in Europe and the leading independent consultancy firm in France.

The merger project implemented at the beginning of January and based on a collaborative approach, is now entering its decisive phases. The combined Solucom/Kurt Salmon management team is now in place. The framework of the new firm, notably concerning its value offering and business model, as well as the basic principles of its Human Resources policy, is now being finalized. The physical merging of the firms' teams will be completed in the coming weeks.

At the same time, commercial synergies are rapidly gaining momentum, with more than forty joint projects won, worth total revenues of more than €7m.

The launch of a new brand in H2 2016/17 will be the crowning achievement of these operations, and the new entity will be fully operational as of 10/01/16.

## 2. Group activity

### 2.1. Consolidated financial statements

At end-March 2016, the Group's consolidated financial statements comprised the financial statements of the Solucom parent company, SLM Consulting and Hudson & Yorke over 12 months, of Financière BFC and Audisoft Oxéa over 6 months, of Arthus Technologies over 9 months, of Solucom Belgium over 6 months, and of Management Consulting Group France and its subsidiaries (Kurt Salmon France, Kurt Salmon Associés, K2S Management Inc., Kurt Salmon Luxembourg, Kurt Salmon

### Outlook 2016/17

Solucom's key objective for 2016/17 is to ensure the success of the merger with Kurt Salmon.

The challenges in the next few months will be to keep operating performances under control and to minimize any disruptions stemming from the adoption of the new entity's business model.

The two-fold objective for the second semester will be to ensure the successful launch of the new brand and to capitalize on the value creation potential offered by the merger of the two companies.

At the financial level, the Group is targeting consolidated revenues of over €340m in 2016/17, implying consolidated growth of more than 45% (+4% proforma), and a double-digit EBIT margin.

The publication of 2016/17 interim results at end-November may serve as the occasion for the new entity to raise its 2020 strategic objectives.

Belgium, Kurt Salmon Switzerland and Kurt Salmon Morocco) over 3 months.

At end-March 2015, the Group's consolidated financial statements comprised the financial statements of the Solucom parent company, Lumens Consultants, Trend Consultants and SLM Consulting over 12 months, of Stance over 9 months, of Audisoft Oxéa over 5 months, of Alturia Consulting and Eveho over 3 months and of Hudson & Yorke over 1 month.

(in thousands of euros)	2015/16	2014/15*	% Change
Revenue	233,020	163,147	43%
EBIT	29,783	21,141	41%
Operating profit	23,100	20,428	13%
Net income, Group share	13,358	12,596	6%

\* Restated for the retrospective application of IFRIC 21.

At end 2015/16, consolidated revenues came out at €233,020k, implying a 43% increase on the 2014/15 level of €163,147k.

Operating income on ordinary activities stood at €29,783k (after employee profit-sharing), up 41% on the year-earlier level of €21,141k.

Factoring in other non-recurring operating income and charges, operating income rose 13% from the year-earlier level of €20,428k to €23,100k.

Other non-recurring operating charges break down as follows:

- €3,198k in acquisition costs;
- €2,075k in provisions booked for costs incurred on the early termination of the leasing contract pertaining to Kurt Salmon's offices in Neuilly and Nantes;
- €281k booked for tangible asset depreciation of Kurt Salmon's Neuilly premises related to the relocation of the firm's offices;
- €694k booked for tangible asset depreciation of Solucom's premises related to office remodeling work carried out to accommodate the Kurt Salmon Paris teams;
- €329k booked for amortization of certain Solucom intangible assets (software) related to the adaptation of the Activesys ERP (IT management-tool system) for deployment within Kurt Salmon;
- €100k in provisions for the Solucom Corporate Foundation.

Cost of net financial debt of €738k over the period comprised financial income of €19k and financial expenses of (€757k). This

compares with a cost of net financial debt of €165k in 2014/15. This sharp year-on-year increase stems from a banking facility in the amount of €95,000k contracted by the Group to finance the acquisition of the European activities of Kurt Salmon on 01/07/16.

Pre-tax income over the period rose 8% from the year-earlier level of €20,209k to €21,781k.

Tax on earnings in 2015/16 came out at €8,423k, versus the year-earlier level of €7,613k.

Net income for the period was €13,358k, up 6% on the year-earlier level of €12,596k.

Given the absence of minority interests, Group share of net income also rose 6% to €13,358k from €12,596k in 2014/15.

(in thousands of euros)	03/31/16	03/31/15*	% Change
Non-current assets	147,043	54,903	168%
o/w goodwill	130,397	47,998	172%
Current assets (excluding cash)	124,946	62,224	101%
Cash and cash equivalents	39,786	26,162	52%
Shareholders' equity	84,979	72,773	17%
Non-current liabilities	105,972	11,976	785%
o/w financial liabilities	93,294	3,213	2,804%
Current liabilities	120,824	58,539	106%
o/w financial liabilities	5,332	377	1,314%
<b>Total balance sheet</b>	<b>311,774</b>	<b>143,289</b>	<b>118%</b>

\* Restated for the retrospective application of IFRIC 21.

At the consolidated level, the Group boasted net cash of €84,979k at end-March 2016, up 17% on the end 2014/15 level of €72,773k.

Restated for bank borrowings (overdrafts and accrued interest due), net cash widened to €39,023k at end-March 2016, from €26,154k at end 2014/15.

Financial liabilities totaled €98,626k at end-March 2016, versus the year-earlier level of €3,590k. Excluding bank overdrafts, financial liabilities came out at €98,306k, of which €96,750k

in bank debt and miscellaneous financial debt, and €1,556k in borrowings attached to the restatement of leasing contracts. For the record, financial liabilities restated for bank overdrafts totaled €3,582k at end-March 2015.

Solucom posted net debt<sup>(1)</sup> of (€58,840k) at end-March 2016, versus a positive cash position of €22,572k in 2014/15.

(1) Gross cash less financial liabilities.

The elements underpinning growth in 2015/16 net cash are outlined in the table below.

(in thousands of euros)	03/31/16	03/31/15*
Gross cash flow <sup>(1)</sup>	17,316	14,517
Change in working capital requirements	- 1,850	39
Net cash flow from operating activities	15,466	14,556
Net cash flow from investments	-96,380	-6,886
Net cash flow from financing operations	94,277	-1,540
<b>Change in cash and cash equivalent</b>	<b>13,363</b>	<b>6,129</b>

(1) After cost of net financial debt and current tax expenses.

\* Restated for the retrospective application of IFRIC 21.

These mainly include:

- a gross cash flow margin of €17,316k plus a €1,850k increase in working capital requirement making for net cash flow from operations of €15,466k over the period;
- a dividend payout of €1,915k;
- investments amounting to €7,645k;
- the change in the level of financial asset investments totaling €218k over the period;
- cash outlays related to scope of consolidation changes in the amount of €88,520k.

Note that the Company does not make any recourse to factoring or discounting.

## 2.2. Corporate financial statements

At the parent-company level, Solucom reported revenues of €192,103k, up 26% from €152,910k in 2014/15.

Operating income before employee profit-sharing rose 16.3% year-on-year from €18,497k to €21,503k, making for an operating margin of 11.2%, versus 12.1% in 2014/15.

Operating income before employee profit-sharing advanced 17% year-on-year from €18,497k to €21,637k, making for an operating margin of 11.3%, versus 12.1% in 2014/15.

Financial income came out at €419k (vs. financial expenses of (€273k) incurred in 2014/15) of which €1,443k in income from equity holdings, €54k in interest received on cash investments and capital gains, (€502k) in bond-related interest and coupon payments, (€320k) in provisions booked for latent forex losses, and (€209k) in net forex losses.

Exceptional losses totaled (€1,254k) over the period, of which (€1,022k) in provisions booked for depreciation related to ERP adaptation, office fittings and layout, (€215k) corresponding to the value of treasury shares allocated definitively within the context of the Company's free-share plans, (€100k) in provisions for the Solucom Corporate Foundation and €213k in net capital gains generated on the liquidity contract. This compares with an exceptional loss of (€208k) reported in 2014/15.

Tax on earnings in 2015/16 came out at €4,637k, versus the year-earlier level of €3,954k.

Employee profit-sharing amounted to €2,514k in 2015/16, versus €1,993k in 2014/15.

In the light of the above, Group share of net income widened to €13,517k at end-March 2016, compared with the year-earlier level of €12,069k.

Shareholders' equity totaled €87,777k at end-March 2016, up on the year-earlier level of €76,028k.

Factoring in the bank loan of €95,649k and bond-related debt of €3,082k, net debt at end-March 2016 came out at (€70,082k) versus a net cash position of €21,116k at end-March 2015.

## 2.3. Trade payables

In accordance with the regulatory dispositions in force since 01/01/09, the year-end balances of trade receivables in 2014/15 and 2015/16 are presented in the table below.

These amounts are expressed in thousands of euros and exclusively concern the Solucom parent company.

(in thousands of euros)	< 30 days		30 - 60 days		Total	
	03/31/15	03/31/16	03/31/15	03/31/16	03/31/15	03/31/16
External suppliers	576	2,634	3,061	868	3,637	3,502
Internal suppliers to the firm	0	0	76	109	76	109
<b>Total</b>	<b>576</b>	<b>2,634</b>	<b>3,137</b>	<b>977</b>	<b>3,713</b>	<b>3,611</b>
<i>Supplier invoices not received</i>					3,329	5,468
<i>Supplier payables on the balance sheet</i>					7,043	9,079

At end-March 2016, accrued trade payables comprised payments due to external suppliers to the tune of €4,982k and to internal suppliers of €486k.

## 2.4. Legal developments in 2015/16

### 2.4.1. Acquisition of the assets of Hapsis

In accordance with the protocol dated 04/01/15, Solucom acquired a 100% stake in the assets of the Paris-based company, Hapsis.

Founded in 2002, Hapsis is an independent consulting firm with a staff of 30 consultants specialized in risk management and digital security. The firm's client portfolio comprises several key accounts, notably in the banking sector (Banque de France, BNP Paribas, BPCE and Société Générale) and other majors such as AXA and Safran.

This merger fits perfectly with Solucom's strategy to step up its expansion in cybersecurity consulting, a market which is in the full throes of growth with the multiplication of cyberattacks.

This acquisition was financed exclusively in cash.

The assets of Hapsis were consolidated in Solucom's accounts as of 04/01/15.

### 2.4.2. Acquisition of Swiss-based consulting firm Arthus Technologies

In accordance with the protocol dated 07/02/15, Solucom acquired a 100% stake in Arthus Technologies, a consulting firm based in Geneva. This operation was in line with Solucom's strategy to progressively extend its international reach.

Founded in 2002, Arthus Technologies is a consulting firm specialized in Information and Communication Technologies (ICT). The company provides tailored solutions, ranging from strategic sourcing through to transformation management, designed to accompany its clients' major international ICT projects.

With this acquisition Solucom has gained a foothold in an attractive market enabling it to enhance its offering for existing clients operating in Switzerland and gain access to new international accounts.

This acquisition was financed exclusively in cash.

Arthus Technologies was consolidated in Solucom's accounts over nine months in 2015/16 (i.e. as of 07/01/15).

### 2.4.3. Early dissolution without liquidation of Financière BFC, a 100%-owned subsidiary of Solucom, with transfer of assets to the Solucom parent company

The assets of Financière BFC, a subsidiary 100% owned by Solucom, were transferred to the holding company, upon decision made on 08/24/15 by the sole shareholder of the merged companies.

This asset transfer was carried out in accordance with the conditions laid down in Article 1844-5, paragraph 3 of the Civil Code for the purposes of simplifying and rationalizing the internal structure of the Solucom company.

The operation was finalized at the end of the creditor-opposition period fixed by law. As such, the assets and liabilities of Financière BFC were transferred to Solucom at the legal, accounting and social levels on 09/25/15, and at the fiscal level with retroactive effect to 04/01/15.

Financière BFC was removed from the Trade and Companies Register on 10/01/15.

### 2.4.4. Early dissolution without liquidation of Audisoft Oxéa, a 100%-owned subsidiary of Solucom, with transfer of assets to the Solucom parent company

The assets of Audisoft Oxéa, a subsidiary 100% owned by Financière BFC, and subsequently by Solucom after the transfer of the former's assets (see 2.4.3 above), were transferred to the holding company, upon decision made on 08/27/15 by the sole shareholder of the merged companies.

This asset transfer was carried out in accordance with the conditions laid down in Article 1844-5, paragraph 3 of the Civil Code for the purposes of simplifying and rationalizing the internal structure of the Solucom company.

The operation was finalized at the end of the creditor-opposition period fixed by law and after Financière BFC's assets had been transferred to Solucom. As such, the assets and liabilities of Audisoft Oxéa were transferred to Solucom at the legal, social and accounting levels on 09/30/15, and at the fiscal level with retroactive effect to 04/01/15.

Audisoft Oxéa was removed from the Trade and Companies Register on 10/01/15.

#### **2.4.5. Partnership with the ShiftIN Partners consulting firm in GCC**

On 09/22/15, Solucom and ShiftIN Partners, a consulting firm based in the GCC, entered into a partnership so that they could better meet the specific needs of their respective clients by leveraging synergies in terms of their complimentary geographic coverage and client approaches. This partnership optimizes the geographic fit of both parties while capitalizing on the significant similarities the companies share in terms of savoir-faire and client approach.

With offices in Abu Dhabi, Dubai and Riyadh, ShiftIN Partners is specialized in strategy and innovation consulting. The firm's client portfolio comprises major accounts (Emirates National Oil Company, National Bank of Abu Dhabi, SABIC, and the Government of UAE, etc.) operating in the Energy & Utilities, Transportation & Logistics, Financial Services and Government sectors.

Details related to the finalization of the agreement were reported in a press release published on the Solucom corporate Internet site [www.solucom.fr](http://www.solucom.fr), on 09/22/15.

#### **2.4.6. Creation of a Solucom subsidiary in Belgium**

On 10/05/15, as part of its international growth strategy Solucom created a 100%-owned Belgian subsidiary. This subsidiary is a public limited company under Belgian law whose legal name is Solucom SA and has a share capital of €62,000.

Its headquarters are located in Brussels (Belgium) and it is registered with the *Banque-Carrefour des Entreprises* under Company Registration Number 0639931071.

#### **2.4.7. Acquisition of Kurt Salmon's European activities**

On 01/07/16, Solucom acquired the European activities (excluding the retail & consumer goods businesses) of Kurt Salmon from Management Consulting Group PLC.

The scope of acquisition in question, included Kurt Salmon France, Switzerland, Belgium, Luxembourg and Morocco, as well as the firm's Financial Services and CIO Advisory practices in the United States. The retail & consumer goods activities outside of France, notably Kurt Salmon UK and Germany, were not included in the deal.

This operation involved the purchase by Solucom of a 100% capital stake in Management Consulting Group France, the holding company for the above-mentioned activities.

As a key management consulting firm in Europe, Kurt Salmon advises its clients on their major transformation issues, ranging from strategic scoping to implementation monitoring.

This merger is perfectly in line with the Group strategy.

The acquisition was paid for exclusively in cash on completion of the sale and financed, for the most part, via a banking facility, a part of which in the form of a bullet payment, and obtained under market conditions.

The acquisition scope was consolidated in Solucom's accounts over three months in 2015/16 (i.e. as of 01/01/16).

#### **2.4.8. Eligibility of Solucom shares for PEA-PME scheme**

For the record, Solucom set up a PEA-PME (a stock savings plan scheme designed to finance SME and mid-tier companies) in early March 2014 alongside the PEA equity savings plan already in place.

Companies with a staff of less than 5,000 employees, revenues of under €1.5bn and a balance sheet total not exceeding €2bn are eligible for the PEA-PME scheme. These eligibility-threshold criteria must be assessed on the basis that the Company could eventually become part of a Group.

In a press release published by the Group on 04/13/16, Solucom confirmed that it complied with all of the PEA-PME eligibility criteria in accordance with the French application decree no. 2014-283, dated 03/04/14.

Accordingly, Solucom shares remain eligible for incorporation into PEA-PME accounts which benefit from the same tax benefits offered by traditional PEA, share-based savings plans.

#### **2.4.9. Allocation of free shares**

For details on the allocation of free shares, see paragraph 4.2 below.

### **2.5. Post-closure events**

There were no major events subsequent to the closing of the 2015/16 fiscal year.

## 2.6. Subsidiaries and equity holdings

### Information on subsidiaries and equity holdings

12-month period ended 03/31/16 unless indicated otherwise.

(in thousands of euros)	Revenues	Real growth rate (%)	Operating income*	Operating margin (%)*
Audisoft Oxéa <sup>(1)</sup>	2,489	n/a	228	9.16%
Financière BFC <sup>(1)</sup>	-	n/a	(15)	n/a
SLM Consulting	678	6.00%	35	5.16%
Hudson & Yorke	3,738	n/a	36	0.97%
Arthus Technologies <sup>(2)</sup>	4,792	n/a	(202)	-4.22%
Solucom Belgium <sup>(3)</sup>	278	n/a	27	9.71%
Management Consulting Group France <sup>(4)</sup>	169	n/a	(18)	-10.65%
Kurt Salmon Associés <sup>(4)</sup>	4,220	n/a	(477)	-11.31%
Kurt Salmon France <sup>(4)</sup>	26,904	n/a	1,549	5.76%
K2S Management Inc. <sup>(4)</sup>	3,100	n/a	350	11.28%
Kurt Salmon Luxembourg <sup>(4)</sup>	4,004	n/a	169	4.22%
Kurt Salmon Belgium <sup>(4)</sup>	901	n/a	69	7.67%
Kurt Salmon Maroc <sup>(4)</sup>	95	n/a	(69)	-72.63%
Kurt Salmon Switzerland <sup>(4)</sup>	1,148	n/a	(1)	-0.11%

\*Excluding impact of any future free-share plans.

(1) At 03/31/16, Audisoft Oxéa and Financière BFC consolidated over six months from 04/01/15 to 09/25/15. Both of these companies were merged with Solucom by dissolution without liquidation on September 25<sup>th</sup> and 29<sup>th</sup>, 2015 with retroactive impact at the fiscal level to 04/01/15. Change relative to the previous year not applicable.

(2) 15-month fiscal period ended 03/31/16. Being the first year of integration, the year-on-year change is not applicable.

(3) 6-month fiscal period ended 03/31/16. Given that this company was founded in October 2015, the year-on-year change is not applicable.

(4) 3-month fiscal period ended 03/31/16. Given the company's integration into the Solucom scope of consolidation on 01/01/16, the year-on-year change is not applicable.

### Equity acquisitions and takeovers

Details concerning equity acquisitions and takeovers are given in paragraphs 2.4.1, 2.4.2 and 2.4.7 above.

The Company carries out R&D activities on a regular basis. Nevertheless, these activities are capitalized on an exceptional basis only.

Some of these are eligible for the French research tax credit.

### Cross or reciprocal shareholdings

None.

As such, in 2015/16 fiscal year, Solucom benefited from a research tax credit relative to 2015 in the amount of €1,281k.

### Disposal of equity holdings

None.

## 2.7. Research and Development activity

Solucom was awarded the "Innovative Company" label by the French public investment bank, BPIFrance: this qualification was renewed on 02/25/14 for a period of three years.

## 2.8. Debt and dividend policy

Being a growth company, Solucom reinvests the bulk of its profits in the Company to finance its development. Within the context of its dividend payout policy, Solucom's distributes 15% of the Group's share of net income to its shareholders. Nevertheless, the Company reserves the right to adjust this ratio to meet its financing needs, and in accordance with its cash generation capacity, as well as the practices in its sector of activity.

On 01/07/16, Solucom replaced its existing credit lines with a new loan of €120m, comprising a credit facility of €95m to finance the acquisition of Kurt Salmon's European activities, and two credit lines totaling €25m to finance the company's

working capital requirement and future external growth operations which had not been drawn down at 03/31/16. The firm also has access to a €3,000k bond loan, maturing in 2018.

As required by law, the following table lists the dividends paid out in the three previous fiscal years:

Fiscal year	Number of shares receiving dividends <sup>(1)</sup>	Dividend paid per share (DPS) <sup>(2)</sup>	Portion of dividend eligible for 40% deduction <sup>(3)</sup>
03/31/15	4,911,457	€0.39	100%
03/31/14	4,909,331	€0.33	100%
03/31/13	4,909,878	€0.32	100%

(1) Solucom treasury shares are not eligible to receive dividends.

(2) Before tax and social security deductions.

(3) The Company did not distribute any income eligible for deduction.

### 3. Administrative, management and supervisory bodies

#### 3.1. Management bodies

Solucom is a French public limited company (*Société Anonyme*) governed by a Management Board and a Supervisory Board.

The composition of the management bodies in the fiscal year ended 03/31/16 was as follows:

##### Management Board

- Mr. Pascal Imbert CEO
- Mr. Patrick Hirigoyen Member of the Management Board

##### Supervisory Board

###### Members of the Supervisory Board:

- Mr. Michel Dancoisne Chairman of the Supervisory Board
- Mr. Jean-François Perret Vice-Chairman of the Supervisory Board
- Ms. Marie-Ange Verdickt Member of the Supervisory Board
- Ms. Nathalie Wright Member of the Supervisory Board
- Ms. Sarah Lamigeon Member of the Supervisory Board
- Mr. Rafaël Vivier Member of the Supervisory Board



### 3.2. Mandates and functions of Solucom's company directors in 2015/16 fiscal year and during the last five years

Name	Dates of first appointment and mandate renewal	Mandate expiry date	Main function in the Company	Main function outside the Company	Other mandates and functions exercised in other companies	Other mandates and functions exercised in other companies in the last 5 years
Pascal Imbert	09/30/02 07/28/14 (taking effect as of 09/26/14)	09/26/20	CEO		Axway Director Solucom Belgium Director Kurt Salmon Associés France CEO Kurt Salmon Switzerland Manager - Chairman Kurt Salmon Belgium Director Kurt Salmon Morocco Manager K2S Management Inc. Chairman	Cosmosbay-Vectis Director MiddleNext Chairman
Patrick Hirigoyen	09/30/02 07/28/14 (taking effect as of 09/26/14)	09/26/20	Member of the Management Board		Solucom Executive Vice-Chairman and COO Kurt Salmon Associés France Director Kurt Salmon Belgium Director	Cosmosbay-Vectis Director Senior Executive Vice-Chairman, then Chairman and CEO as of 06/06/11
Michel Dancoisne	09/30/02 07/11/14 (Member of the Supervisory Board) Supervisory Board 07/28/14 (Chairman of the Supervisory Board)	AGM called to approve the financial statements for the fiscal year ending 03/31/18	Chairman of the Supervisory Board		Solucom Level III executive with expertise in financial policy, development and external growth	
Jean-François Perret	09/26/08 07/11/14 (Member of the Supervisory Board) Supervisory Board 07/28/14 (Vice-Chairman of the Supervisory Board)	AGM called to approve the financial statements for the fiscal year ending 03/31/18	Vice-Chairman of the Supervisory Board	CXP Group Vice-Chairman of the Supervisory Board	CVMP Conseil Manager BIZNET Member of the Board of Directors	Pierre Audoin Consultants Vice-Chairman of the Supervisory Board
Marie-Ange Verdickt	09/26/12	AGM called to approve the financial statements for the fiscal year ending 03/31/16	Member of the Supervisory Board	Independent consultant	ABC Arbitrage Director Caphorn Invest Member of the Supervisory Board Interparfums Director Bonduelle Member of the Supervisory Board	Financière de l'Échiquier Director Director of Research and SRI

Name	Dates of first appointment and mandate renewal	Mandate expiry date	Main function in the Company	Main function outside the Company	Other mandates and functions exercised in other companies	Other mandates and functions exercised in other companies in last 5 years
Nathalie Wright	07/11/14	AGM called to approve the financial statements for the fiscal year ending 03/31/18	Member of the Supervisory Board	<b>Microsoft France</b> Member of the Management Board Manager of the Public Sector France Division General Manager of Enterprise and Strategic Alliances		<b>Indexel</b> Member of the Board of Directors
Sarah Lamigeon	07/22/15	AGM called to approve the financial statements for the fiscal year ending 03/31/19	Member of the Supervisory Board		<b>Solucom</b> Director of Communications	<b>Solucom</b> Supervisory Board Censor until her resignation on 07/22/15
Rafaël Vivier	07/22/15	AGM called to approve the financial statements for the fiscal year ending 03/31/19	Member of the Supervisory Board	<b>Wit Associés</b> Founding partner <b>Consultor.fr</b> CEO		

All company directors confirmed that in the last five years they have not been:

- convicted of fraud;
- involved in bankruptcy, receivership or liquidation proceedings in which the company directors acting in their capacity as members of the administrative, management and supervisory bodies, were convicted;
- incriminated and/or subject to sanctions by an official public statutory or regulatory authority.

The company directors declared that, to the best of their knowledge, there are:

- no potential conflicts of interest between the Board members' duties and their private interests and/or other obligations;
- no family ties between any of the Company's company directors.

### 3.3. Executive and company director compensation

As required by law and the MiddleNext Corporate Governance Code to which Solucom adheres, the total amounts of compensation and benefits paid to the Company's company directors during the fiscal year ended 2015/16 are detailed below.

The following table details the compensation and benefits received by the company directors of the Solucom company and the companies in the Group.

This table presents the compensation and benefits due for, and the amount actually paid during the fiscal year. A portion of the compensation due for any given fiscal year is paid at the beginning of the following year.

		2015/16 Gross annual compensation				2014/15 Gross annual compensation			
(in euros)		Fixed	Variable	Attendance fees	Total	Fixed	Variable	Attendance fees	Total
<b>Management Board</b>									
Pascal Imbert	Due	165,264	75,587		<b>240,851</b>	161,508	60,699		<b>222,207</b>
	<i>Paid</i>	165,264	58,264		<b>223,528</b>	161,508	63,773		<b>225,281</b>
Patrick Hirigoyen	Due	162,053 <sup>(1)</sup>	68,629		<b>230,682</b>	150,154	54,983		<b>205,137</b>
	<i>Paid</i>	162,053 <sup>(1)</sup>	52,835		<b>214,888</b>	150,154	57,684		<b>207,838</b>
<b>Supervisory Board</b>									
Michel Dancoisne	Due	58,108			<b>58,108</b>	57,038			<b>57,038</b>
	<i>Paid</i>	58,108			<b>58,108</b>	57,038			<b>57,038</b>
Jean-Claude Malraison	Due			0	<b>0</b>			2,490	<b>2,490</b>
	<i>Paid</i>			0	<b>0</b>			11,490	<b>11,490</b>
Jacques Pansard	Due			0	<b>0</b>			2,490	<b>2,490</b>
	<i>Paid</i>			0	<b>0</b>			11,490	<b>11,490</b>
Jean-François Perret	Due			10,000	<b>10,000</b>			9,000	<b>9,000</b>
	<i>Paid</i>			9,000	<b>9,000</b>			9,000	<b>9,000</b>
Marie-Ange Verdickt	Due			10,000	<b>10,000</b>			9,000	<b>9,000</b>
	<i>Paid</i>			9,000	<b>9,000</b>			9,000	<b>9,000</b>
Nathalie Wright	Due			7,750	<b>7,750</b>			6,510	<b>6,510</b>
	<i>Paid</i>			6,510	<b>6,510</b>			0	<b>0</b>
Sarah Lamigeon	Due	66,932	23,304	6,350	<b>96,587</b>			0	<b>0</b>
	<i>Paid</i>	66,932	16,663	0	<b>83,595</b>			0	<b>0</b>
Rafaël Vivier	Due			6,940	<b>6,940</b>			0	<b>0</b>
	<i>Paid</i>			0	<b>0</b>			0	<b>0</b>

(1) Of which €8,394 on lieu of unused vacation days.

- Compensation adjustments between 2014/15 and 2015/16

Company director compensation was adjusted in 2015/16 to bring it in line with the pay policy applied to all the firm's employees.

- Fixed compensation

The fixed compensation component is determined by taking into account the level and difficulty of the officers' responsibilities, their experience in the function and their seniority in the Company, as well as trends in compensation policies applied by groups and companies with similar business activities.

- Variable compensation

For Mr. Pascal Imbert, C, the variable compensation component is based on the differences between the targets budgeted at

the beginning of the fiscal year and the corresponding results actually achieved over the period. This performance criterion applies to EBIT and Group share of net income measured on a like-for-like basis (i.e. excluding any scope of consolidation changes carried out during the period). The value of the performance-related variable component totaled €55,080 in 2015/16 (vs. €53,830 in 2014/15). The variable component can vary anywhere between 50% and 200% of this amount.

For Mr. Patrick Hirigoyen, member of the Management Board, the variable component is based on the differences between the targets budgeted at the beginning of the fiscal year and the corresponding results actually achieved over the period. This performance criterion applies to EBIT and Group share of net income measured on a like-for-like basis (i.e. excluding any scope of consolidation changes carried out during the period). The value of the performance-related variable component

totalled €50,010 in 2015/16 (vs. €48,760 in 2014/15). The variable component can vary anywhere between 50% and 200% of this amount.

- Other information

Note that, because Solucom is not controlled by another company, its executives and company directors do not receive compensation from any such company.

None of Solucom's executive directors and company directors received any compensation other than that listed in the summary table above. This includes compensation benefits referred to in Article L.225-102-1, paragraph 1 of the French Commercial Code (relating to controlled companies).

The Company has no policy for severance pay, arrival pay or deferred pay in respect of departure or change of functions for Solucom directors as defined under Article L.225-90-1 of the French Commercial Code.

In addition, company directors do not benefit from any form of supplementary retirement scheme as defined under Article L.225-79-1 of the French Commercial Code.

None of Solucom's executives or company directors receive any benefits in kind.

Mr. Patrick Hirigoyen received an initial amount of 3,368 Company shares within the context of the two free-share allocation plans dated 07/01/15 and 01/28/16.

Ms. Sarah Lamigeon received a definitive amount of 7,499 Company shares within the context of the 07/01/15 free-share allocation plan, and an initial amount of 736 Company shares related to the 01/28/16 plan.

The following tables, prepared in accordance with AMF recommendations, give all the information required by regulations in force.

**Compensation, options and shares granted to executive company directors (table 1 of AMF recommendations)**

(in euros)	2015/16 Gross annual compensation Amount due	2014/15 Gross annual compensation Amount due
<b>Pascal Imbert, CEO</b>		
Compensation due for the financial year	240,851	222,207
Value of multi-year variable compensation granted during the year	n/a	n/a
Value of multi-year variable compensation granted during the year	n/a	n/a
Value of options granted during the year	n/a	n/a
<b>Total</b>	<b>240,851</b>	<b>222,207</b>
<b>Patrick Hirigoyen, Member of the Management Board</b>		
Compensation due for the financial year	230,682	205,137
Value of multi-year variable compensation granted during the year	n/a	n/a
Value of options granted during the year	128,286	n/a
<b>Total</b>	<b>358,968</b>	<b>205,137</b>

Compensation paid to each executive company director (table 2 of AMF recommendations)

(in euros)	2015/16 Gross annual compensation		2014/15 Gross annual compensation	
	Amount paid	Amount due	Amount paid	Amount due
<b>Pascal Imbert, CEO</b>				
Fixed compensation	165,264	165,264	161,508	161,508
Variable compensation	58,264	75,587	63,773	60,699
Multi-year variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a
<b>Total</b>	<b>223,528</b>	<b>240,851</b>	<b>225,281</b>	<b>222,207</b>
<b>Patrick Hirigoyen, Member of the Management Board</b>				
Fixed compensation	162,053	162,053	150,154	150,154
Variable compensation	52,835	68,629	57,684	54,983
Exceptional compensation	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a
<b>Total</b>	<b>214,888</b>	<b>230,682</b>	<b>207,838</b>	<b>205,137</b>

Attendance fees and other compensation received by non-executive company directors (table 3 of AMF recommendations)

	Amount paid in 2015/16 fiscal year	Amount paid in 2014/15 fiscal year
<b>Michel Dancoisne</b>		
Attendance fees	n/a	n/a
Other compensation	58,108	57,038
<b>Jean-Claude Malraison</b>		
Attendance fees	0	11,490
Other compensation	n/a	n/a
<b>Jacques Pansard</b>		
Attendance fees	0	11,490
Other compensation	n/a	n/a
<b>Jean-François Perret</b>		
Attendance fees	9,000	9,000
Other compensation	n/a	n/a
<b>Marie-Ange Verdickt</b>		
Attendance fees	9,000	9,000
Other compensation	n/a	n/a
<b>Nathalie Wright</b>		
Attendance fees	6,510	0
Other compensation	n/a	n/a
<b>Sarah Lamigeon</b>		
Attendance fees	0	0
Other compensation	83,595	n/a
<b>Rafaël Vivier</b>		
Attendance fees	0	0
Other compensation	n/a	n/a
<b>Total</b>	<b>166,213</b>	<b>98,018</b>

**Free shares attributed to Directors during the financial year (table 6 of AMF recommendations)**

Free shares authorized by the General Shareholders' Meeting to company directors in the fiscal year and allocated by the issuer and by all companies in the Group	Number and date of plan	Number of options attributed during the period	Value of shares according to the method adopted for the consolidated financial statements	Date vested	Date of transferability	Performance conditions
Sarah Lamigeon	OneFirm share plan 01/28/16	736	36,358	01/28/16	06/28/18	Yes
Patrick Hirigoyen	OneFirm share plan 01/28/16	736	36,358	01/28/16	06/28/18	Yes
	Director plan no. 10 07/01/15	2,632	91,928	07/01/15	07/01/18	Yes
<b>Total</b>		<b>4,104</b>	<b>164,644</b>			

**Record of free share allocations (table 7 of the AMF recommendations)**

Performance shares that became transferable during the period for company directors	Number and date of plan	Number of shares that became transferable during the period	Vesting conditions <sup>(1)</sup>
Sarah Lamigeon	Plan Dirigeants no. 7 07/02/12	7,499	1,499
<b>Total</b>		<b>7,499</b>	<b>1,499</b>

(1) amount of shares needed to benefit from the plan.

**Record of free share allocations (table 10 of the AMF recommendations)**

Free-share allocations

Information concerning free shares allocated	09/15/06 plan	10/15/10 plan	Director plan no. 7	Director plan no. 10	OneFirm share plan
Date of General Meeting	09/30/05	09/25/09	09/28/11	09/25/13	07/22/15
Date of Management Board meeting	09/15/06	10/15/10	07/02/12	07/01/15	01/28/16
Number of free shares granted o/w the number of shares attributed to:	27,840	45,540	7,499	13,160	111,136
Patrick Hirigoyen	9,280	7,590	0	2,632	736
Sarah Lamigeon	0	0	7,499	0	736
Vesting date of shares <sup>(1)</sup>	09/15/09	07/15/13	07/02/15	07/01/18	06/28/18
End of lock-in period	09/15/11	07/15/15	07/02/17	07/01/20	06/28/18
Number of shares vested at 03/31/16	27,840	37,950	7,499	0	0
Number of cancelled or forfeited shares	0	0	0	0	0
Number of shares available for subscription or allocation at 03/31/16	0	0	0	13,160	111,136

(1) The definitive granting of these free shares is subject to the beneficiary having a personal shareholding in the Company and fulfilling a set of performance-target criterion relative to the achievement of a consolidated EBIT target for each plan. Concerning the OneFirm Share plan, the definitive granting of free shares is subject to the beneficiary fulfilling a performance target based on consolidated EBIT.

## Non-accumulation of mandates (table 11 of the AMF recommendations)

Executive company directors	Employment contract		Supplementary pension scheme		Compensation or benefits due or liable to fall due owing to severance or change in function		Non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pascal Imbert CEO		X		X		X		X

In accordance with AMF recommendations, the following information is not applicable to Solucom for the 2015/16 fiscal year:

- subscription or purchase options granted during the year to executive directors by the issuer and by any company in the Group (table 4 of the AMF recommendations);
- subscription or purchase options exercised by executive directors (table 5 of AMF recommendations);

- record of past allocations of subscription or purchase options - information related to subscription and purchase options (table 8 of AMF recommendations);
- subscription or purchase options granted to the ten highest-paid employees or executive beneficiaries and options exercised by them (table 9 of the AMF recommendations).

### 3.4. Other information relative to executive directors and company directors

#### 3.4.1. Restrictions on executives, directors and company directors

Pursuant to Articles L.225-185 and L.225-97 II, paragraph 4 of the French Commercial Code, the Supervisory Board in its meeting on 06/18/07 decided to fix the proportion of registered shares that company directors of Solucom and the companies it controls are obliged to hold until termination of their functions at 25%, within the context of each plan implemented by Solucom in which these company directors would qualify as beneficiaries for exercising their mandates.

Note that this provision only applies to plans set up for the benefit of these company directors after the 12/30/06 Act went into effect.

#### 3.4.2. Transactions on Company shares by executive directors and their relatives

In accordance with legal and regulatory provisions in force, the following table lists the transactions carried out on Company shares by executive directors, senior managers, and persons closely related to them, during the past fiscal year.

Executive director	Date of transaction	Type of transaction	N° of shares	Transaction share price
Mr. Jean-François Perret	11/27/15	Sale	250 shares	€62.610
Mr. Patrick Hirigoyen	12/16/15	Sale	2,500 shares	€65.165

## 4. Share capital and shareholders

### 4.1. Information concerning share capital

#### 4.1.1. Breakdown of share capital

##### Breakdown of share capital and voting rights

The list of Solucom shareholders at 03/31/16 is given in the table below:

Shareholders	Shares	Capital (%)	Theoretical voting rights	% Of theoretical voting rights <sup>(1)</sup>	Exercisable voting rights	% Of exercisable voting rights <sup>(2)</sup>
<b>Executives and company directors</b>	<b>2,619,509</b>	<b>52.74%</b>	<b>5,229,398</b>	<b>67.72%</b>	<b>5,220,343</b>	<b>68.19%</b>
<i>Pascal Imbert</i>	1,447,284	29.14%	2,894,568	37.48%	2,894,568	37.81%
<i>Michel Dancoisne</i>	1,135,272	22.86%	2,270,344	29.40%	2,270,344	29.65%
<i>Patrick Hirigoyen</i>	26,148	0.53%	51,931	0.67%	51,931	0.68%
<i>Other</i>	10,805	0.22%	12,555	0.16%	3,500	0.05%
<b>Employees</b>	<b>261,009</b>	<b>5.25%</b>	<b>289,493</b>	<b>3.75%</b>	<b>289,493</b>	<b>3.78%</b>
<b>Treasury stock</b>	<b>66,617</b>	<b>1.34%</b>	<b>66,617</b>	<b>0.86%</b>	<b>0</b>	<b>0.00%</b>
<b>Free float</b>	<b>2,019,747</b>	<b>40.66%</b>	<b>2,137,009</b>	<b>27.67%</b>	<b>2,146,064</b>	<b>28.03%</b>
<b>Total</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>7,722,517</b>	<b>100.00%</b>	<b>7,655,900</b>	<b>100.00%</b>

(1) Pursuant to Article 11 of the Company's Articles of Association, double voting rights are granted to holders of fully paid-up shares registered in their name for at least two years. In addition, pursuant to Article 223-11 of the general regulations of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares including those without and without voting rights.

(2) In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights exercisable at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights but does not include those deprived of voting rights.

Total voting rights attached to registered shares: 5,631,143 (1) for 2,875,508 shares.

Total number of shares with voting rights: 4,966,882.

Total number of bearer shares with single voting rights: 4,966,882 - 2,875,508 = 2,091,374 (2).

Total number of theoretical voting rights (1) + (2) = 7,722,517.

Number of treasury shares = 66,617 (3).

Total number of exercisable voting rights (1) + (2) - (3) = 7,655,900.

A TPI analysis conducted on 04/11/16 revealed that approximately two-thirds of the shares making up the free float on that date were held by institutional funds and a third by private shareholders.

29% of Solucom's shares are held by Pascal Imbert, the CEO, and 23% by Michel Dancoisne, the Chairman of the Supervisory Board. Acting in concert, these shareholders jointly own 52% of the Company's capital.

To the best of the Company's knowledge, no other shareholder owns 5% or more of the Company's share capital and/or voting rights.

Patrick Hirigoyen is a member of the Management Board and Executive Vice-Chairman and COO, in charge of operations for the Solucom company.

Other executives and company directors include Jean-François Perret (Vice-chairman of the Supervisory Board) and Marie-Ange Verdickt, Nathalie Wright, Sarah Lamigeon and Rafaël Vivier (all members of the Supervisory Board).

Solucom is managed by its two founders. The Company endeavors to respect the strict principles of corporate governance and notably adopted a two-tier corporate-governance structure comprising a Management Board and a Supervisory Board which appoints independent directors to ensure it exercises a permanent control by ensuring the representation of all of the Company's shareholders. As such, every year the Supervisory Board reviews subjects such as strategic issues, annual action plans and budgets and Internal control procedures. The Supervisory Board also carries out a self-assessment survey to evaluate the functioning of the Board and reviews the independent-director status of its members.



Changes in the Company's shareholding structure over the last three years are detailed in the table below:

	04/11/16 <sup>(3)</sup>				03/31/15 <sup>(3)</sup>			04/08/14 <sup>(3)</sup>		
	Number of shares	Capital (%)	% Of theoretical voting rights	% Of exercisable voting rights	Number of shares	Capital (%)	% Of theoretical voting rights	Number of shares	Capital (%)	% Of theoretical voting rights
<b>Executives and company directors<sup>(1) (2)</sup></b>	<b>2,619,509</b>	<b>52.74%</b>	<b>67.72%</b>	<b>68.19%</b>	<b>2,613,118</b>	<b>52.61%</b>	<b>67.03%</b>	<b>2,621,944</b>	<b>52.79%</b>	<b>67.06%</b>
<i>P. Imbert</i>	1,447,284	29.14%	37.48%	37.81%	1,447,284	29.14%	37.20%	1,447,284	29.14%	37.09%
<i>M. Dancoisne</i>	1,135,272	22.86%	29.40%	29.66%	1,135,272	22.86%	29.17%	1,140,072	22.95%	29.21%
<i>P. Hirigoyen</i>	26,148	0.53%	0.67%	0.68%	28,562	0.58%	0.64%	30,180	0.61%	0.68%
<i>Other executive directors and company directors</i>	10,805	0.22%	0.16%	0.05%	2,000	0.04%	0.03%	4,408	0.09%	0.09%
<b>Employees<sup>(4)</sup></b>	<b>261,009</b>	<b>5.25%</b>	<b>3.75%</b>	<b>3.78%</b>	<b>243,910</b>	<b>4.91%</b>	<b>4.04%</b>	<b>260,321</b>	<b>5.24%</b>	<b>4.36%</b>
<b>Treasury stock</b>	<b>67,120</b>	<b>1.35%</b>	<b>0.87%</b>	<b>0.00%</b>	<b>75,336</b>	<b>1.52%</b>	<b>0.97%</b>	<b>62,937</b>	<b>1.27%</b>	<b>0.81%</b>
<b>Free float</b>	<b>2,019,244</b>	<b>40.65%</b>	<b>27.67%</b>	<b>28.03%</b>	<b>2,034,518</b>	<b>40.96%</b>	<b>27.96%</b>	<b>2,021,680</b>	<b>40.70%</b>	<b>27.78%</b>
<b>Total</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Solucom company directors.

(2) Messrs Dancoisne and Imbert acting in concert.

(3) Pursuant to Article 223-11 of the General Regulations of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares including those without voting rights. In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights exercisable at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights but does not include those without voting rights.

(4) Pursuant to Article 2009-16 modified on 12/17/13 of the General Regulations of the AMF, an employee subtotal was added as of 03/31/14. This employee subtotal was maintained during the fiscal year ended 03/31/16, in accordance with AMF position-recommendation no. 2014-14.

There was no material change in the Company's shareholder structure or material disposal of Company shares by shareholding directors during the 2015/16 fiscal year.

#### Threshold crossings

In a letter addressed to the AMF on 02/12/16, Messrs. Pascal Imbert and Michel Dancoisne declared that, acting in concert, they had broken through the 66% voting rights threshold and that, together, they owned 2,582,556 Solucom shares, representing 5,164,912 voting rights (equivalent to 66.87% of the total) and 52.00% of the Company's share capital. This breaks down as follows:

	Shares	Capital (%)	Voting rights	% Of voting rights
Pascal Imbert	1,447,284	29.14%	2,894,568	37.48%
Michel Dancoisne	1,135,272	22.86%	2,270,344	29.40%
<b>Total concert</b>	<b>2,582,556</b>	<b>52.00%</b>	<b>5,164,912</b>	<b>66.87%</b>

This threshold crossing stems from a reduction in the total number of the Company's voting rights.

#### Breakdown of share capital

There has been no change in the Company's share capital over the past five years. The last operation carried out on the share capital was the creation of 16,220 new shares on 05/26/09, subsequent to the exercise of stock options during fiscal year ended 03/31/09.

#### 4.1.2. Collective lock-up undertakings

During the past fiscal year, Solucom was not informed of any undertakings of this, or any other nature relating to Solucom securities.

For the record, three collective lock-up undertakings were concluded in December 2010 by certain Solucom shareholders (pursuant to Articles 787 B and 885 I Bis of the French General Tax Code). Solucom was duly notified of these undertakings, and reported the details of the operations in paragraph 10.3 of the Company's Management Report presented to the Combined Ordinary and Extraordinary General Meeting on 09/28/11. The terms of these collective lock-up undertakings are listed below:

*I - Within the context of a collective lock-up undertaking concluded on 12/16/10 in accordance with Article 787 B of the French General Tax Code, the shareholders concerned committed to conserving 1,192,010 Solucom shares, equivalent to 23.99% of the Company's capital and 29.13% of the voting rights attached to shares issued by the Company.*

*This collective undertaking was concluded by notarial deed for a period of two years from 12/16/10 until 12/16/12 and beyond, if extended or renewed.*

*II - Within the context of a collective lock-up undertaking concluded on 12/18/10 in accordance with Article 787 B of the French General Tax Code, the shareholders concerned committed to conserving 1,192,010 Solucom shares, equivalent to 23.99% of the Company's capital and 27.67% of the voting rights attached to shares issued by the Company.*

*This collective undertaking was concluded by notarial deed for a period of two years as of 12/20/10, the date of registration with the clearing house in the 16<sup>th</sup> district of Paris. Thereafter, it would be tacitly renewed for an undetermined period, unless notice of termination is given.*

*III - Within the context of a collective lock-up undertaking concluded on 12/18/10 in accordance with Article 885 I Bis of the French General Tax Code, the shareholders concerned made a commitment to conserve 1,312,010 Solucom shares, equivalent to 26.42% of the Company's capital and 29.13% of the voting rights attached to shares issued by the Company.*

*This collective undertaking was concluded by notarial deed for a period of two years as of 12/20/10, the date of registration with the clearing house in the 16<sup>th</sup> district of Paris. Thereafter, it would be tacitly renewed for an undetermined period, unless notice of termination is given.*

*Note that all of the three collective lock-up undertakings mentioned above were signed by the following members of the Supervisory and the Management Boards:*

- *Mr. Michel Dancoisne, Chairman of the Supervisory Board.*
- *Mr. Pascal Imbert, CEO.*

**All of the above-mentioned information was published by Solucom on the Group's website on [www.solucom.fr](http://www.solucom.fr), on 12/22/11."**

Please note that only two of the three collective lock-up undertakings (pursuant to Articles 787 B and 885 I Bis of the French General Tax Code) are still valid; namely undertakings nos. II and III, mentioned above. The collective lock-up undertaking no. I has not been extended or renewed since 12/16/12.

#### 4.1.3. Trends in the Solucom share-price performance

Over the 2015/16 fiscal period, the Solucom share price rose 55% from €43.10 at 04/01/15 to €66.80 at 03/31/16.

All share prices mentioned in this document are the prices at closing on the trading days in question.

#### 4.1.4. Treasury stock: share buy-back program

In compliance with the authorizations mentioned in paragraph 5.1.5 -"Share buy-back program" - of this report, Solucom bought back its own shares on the open market under the conditions laid down by law and within the context of the share buy-back program implemented by the Company. This program is described in full in the Registration Document filed on 07/30/15 with the French Financial Markets Authority under number D.15-0814 pursuant to Article 241-2 of the General Regulations of the AMF.

As required under Article L.225-211 of the French Commercial Code, all related elements and information at end-March 2016 are disclosed in the appendix to the Company's financial statements and summarized in paragraph 5.1.5: "Share buy-back program".

Solucom's treasury stock is limited to the shares bought back within the context of its buy-back program.

More details are given in Chapter 6 of the Registration Document published every year by the Group.

## 4.2. Employee shareholding

### Employee shareholding

In accordance with Article L.225-102 of the French Commercial Code, we hereby inform you that, at 03/31/16 the current and former employees of the Solucom company and/or of the companies it owns, as defined in Article L.225-180 of the French Commercial Code, owned 94,302 Solucom shares (equivalent to 1.9% of the share capital at that date) within the context of a Group Savings Plan (PEG) set up by the Group in the form of an equity saving fund.

### Staff incentives

No staff incentive agreements have been set up within the Group.

### Free allocations of shares

At end-March 2016, the Solucom group had several free share plans in process.

During the 2015/16 fiscal year, Solucom carried out the following free-share allotments:

#### Definitive granting of vested under the 07/01/13 plan: "Employee plan no. 8"

For the record, on 07/01/13, the Management Board exercised the authorization granted by the 09/28/11 Combined Ordinary Extraordinary General Meeting and implemented a plan to freely allocate existing or to be issued shares reserved for Solucom employees, in accordance with the option they had chosen within the context of the Group's employee savings scheme. This plan is referred to as "Employee plan no. 8"

This plan had a vesting period of twenty-four (24) months and expired on 07/01/15.

At its meeting convened on 07/31/15, the Management Board:

- decided that for the definitive granting of freely allocated shares, it would use existing treasury stock held within the context of the Company's buy-back program;
- verified the vesting conditions and criteria of each beneficiary;
- granted a total of 5,352 shares to 225 employees;
- conferred executive powers on its Chairman (or substitute Chairman) to conduct a final verification on 07/31/15 to ensure that the vesting conditions of each beneficiary had been respected.

#### Definitive granting of shares vested under the 07/02/12 plan: "Executive plan no. 7"

For the record, on 07/02/12, the Management Board exercised the authorization granted by the 09/28/11 Combined Ordinary and Extraordinary General Meeting and implemented a plan to freely allocate existing or to be issued shares within the context of the "Employee Plan no. 7".

This plan, with a vesting period of thirty-six (36) months, expired on 07/02/15.

At its meeting convened on 07/31/15, the Management Board:

- decided that for the definitive granting of freely allocated shares, it would use existing treasury stock held within the context of the Company's buy-back program;
- verified that the sole beneficiary of this plan had fulfilled all performance criteria requirements;
- granted a total of 7,499 shares to the Company's senior executive beneficiary.

#### Definitive allocation of free shares under the 07/01/15 plan: Executive plan no. 10

On 07/01/15, the Management Board partially exercised the authorization granted to it under resolution 16 by the 09/25/13 Combined Ordinary and Extraordinary General Meeting, and freely allocated 5 senior executive employees of the Company a maximum of 13,160 shares (2,632 shares per person), in accordance with the allotment criteria defined in the plan, and subject to their definitive allocation at the end of the vesting period set at 36 months running from 07/01/15.

More details concerning the information contained in these two paragraphs are given in the special report prepared by the Management Board pursuant to Article L.225-197-4 of the French Commercial Code.

#### Definitive allocation of free shares under the 07/01/15 plan: Employee plan no. 10

On 07/01/15, the Management Board partially exercised the authorization granted to it under resolution 16 by the 09/25/13 Combined Ordinary and Extraordinary General Meeting and implemented the free share allotment plan, "Employee plan no. 10", within the context of the Group's employee savings scheme. This plan is reserved for Solucom employees in accordance with the option they had chosen within the context of the Group's employee savings scheme.

Note that, at the initial allotment date, Solucom attributed 15,900 shares to 736 employee beneficiaries, subject to the definitive granting at the end of the vesting period, set at 24 months running from 07/01/15.

**Initial attribution of shares vested under the 07/22/15 plan: “OneFirm share plan”**

On 01/28/16, the Management Board partially exercised the authorizations granted to it under resolutions 8 and 16 by the 07/22/15 Combined Ordinary and Extraordinary General Meeting and implemented four free-share allotment plans; “OneFirm - France”; “OneFirm - International”; “OneFirm - Switzerland”; “OneFirm - Luxembourg”, in accordance with the allotment criteria defined in the plan, and subject to their definitive allocation on 06/29/18 with the exception of the OneFirm - Switzerland plan, which has two definitive attribution dates: 06/29/17 for the first tranche (corresponding to one third of the shares involved) and 06/29/18 for the second tranche.

**Principle of management non-interference in employee shareholder voting**

For the record, the Management Board upholds the principle of employee shareholding. Accordingly, several years ago, it set up an employee savings scheme promoting employee access to Company share capital.

Solucom also strives to ensure that, within the context of the employee savings scheme, employee votes remain truly independent of Management. As such, Solucom made the commitment that management representatives would not intervene in employee shareholder voting.

**4.3. Items likely to have an impact on the Company in the event of a public offering**

Pursuant to Article L.225-100-3 of the French Commercial Code, we draw your attention to the following points:

- the capital structure of Solucom, as well as the direct and indirect holdings of which the Company is aware and all related information are described in this report and the Registration Document filed with the AMF on 07/30/15 under number D.15-0814;
- to the Company’s knowledge, there are no shareholder pacts or any other agreements concluded between its shareholders other than the collective lock-up undertakings described in paragraph 4.1 above: “Information concerning share capital”;
- there are no securities with special controlling rights, with the exception of the double voting rights under Article 11-4 of the Articles of Association and in accordance with regulations;

- there are no statutory restrictions regarding the exercise of the right to vote or the transfer of shares;
- the voting rights attached to Solucom shares, within the context of the Group’s employee savings scheme mentioned in paragraph 4.2, are exercised by the Solucom mutual fund (Solucom Actions);
- the appointment and revoking of Management Board members are governed by applicable laws;
- current delegations related to the powers of the Management Board are described in paragraph 5.1.5 - “Share buy-back program” - of this report and in the capital-increase delegation table attached to this report;
- amendments to Solucom’s Articles of Association are made in accordance with legal and regulatory provisions;
- there is no agreement which entitles Management Board members to receive severance compensation upon termination of their functions.

**5. Proposals submitted by the Management Board to the 07/20/16 Combined Ordinary and Extraordinary General Meeting**

**5.1. Ordinary Annual General Meeting**

**5.1.1. Approval of the Consolidated and Company financial statements and allocation of net income**

**Company financial statements**

You are asked to approve Solucom’s annual financial statements, comprising the statement of financial position, the income statement, and the notes to the financial statements for the fiscal year ended 03/31/16 as presented to you and which show a net profit of €13,517,570.

You are asked to approve a dividend payout in the amount of €0.41 per share.

Based on the shareholder register at 03/31/16, 4,900,265 shares are eligible to receive this dividend.

This represents a total proposed dividend payment of €2,009,109, implying a payout ratio of 15% of the Group’s share of net profit.

The net profit for the fiscal year ended 03/31/16 would therefore be affected as follows:

Full-year earnings	€13,517,570
Retained earning	€11,508,461
<b>Total distributable earnings</b>	<b>€2,009,109</b>

The dividend will be paid in cash as of 07/29/16.

This dividend payout is eligible for tax relief of 40%, as specified in Article 158.3 2 of the French General Tax Code, for those shareholders who can benefit from it.

Note that dividends eligible for 40% tax relief are subject to social contributions which the Company withholds at the source.

If, at the time of payout, the number of Company treasury shares that are not eligible to receive dividends, has changed, the subsequent difference corresponding to the amount of dividends not paid, or to be paid because of this difference shall, depending on the case, be credited or charged to the "Retained earnings" account.

Details of dividends distributed by the Company in the past three fiscal years are given in paragraph 2.8 above.

In addition, pursuant to Article 223.4 of the French General Tax Code, non-deductible expenses as defined in Article 39-4 of this Code amounted to €33,574 making for a tax charge of €11,561.

A table presenting the Company's financial income over the last five fiscal years is attached to this report.

#### Consolidated financial statements

You are asked to approve the Group's consolidated financial statements for the fiscal year ended 03/31/16 as presented to you and which show a net consolidated profit of €13,358,075.

#### 5.1.2. Regulated agreements and commitments

Pursuant to Articles L.225.86, L.225-79-1 and L.225-90-1 of the French Commercial Code, the following points are worthy of note:

- 1/ No new agreements or commitments were authorized, agreed or signed during the fiscal year ended 03/31/16;
- 2/ The information relating to the previously approved agreement and which was still in effect during the fiscal year ended 03/31/16;
- 3/ The absence of previously signed agreements by the Company.

Note that, in accordance with Article L.225-88-1 of the French Commercial Code, the Supervisory Board is required to examine all regulated agreements and decide whether or not their authorization should be maintained.

Pursuant to Article R.225-57 of the French Commercial Code, your Statutory Auditors were duly advised of the agreement cited in paragraph 2 above and which they describe in their special report.

In addition, pursuant to Article L.225-102-1 of the French Commercial Code, no regulated agreements were authorized during the 2015/16 fiscal year either directly or between a third party individual and any member of the Management and Supervisory Boards or a shareholder with a capital stake of more than 10% in company, or, a subsidiary of the Group.

#### 5.1.3. Attendance fees

We propose you fix the global annual amount of attendance fees to be awarded to members of the Supervisory Board at €74,000 for the 2016/17 fiscal year and beyond until a new decision is taken by the General Meeting.

We draw to your attention the fact that the Supervisory Board has expressed the need to create an Audit Committee. Accordingly, to take into account the work overload and responsibilities this represents for the Board members concerned, we submit a proposal to increase the global annual amount of attendance fees from €50,000 to €74,000.

Note that, in accordance with market recommendations, the Supervisory Board has, until now, distributed attendance fees to its members on the basis of their level of assiduity at Board meetings. The Chairman of the Supervisory Board does not receive any attendance fees.

#### 5.1.4. Supervisory Board mandate renewal of Marie-Ange Verdickt

The Management Board requests that you renew the mandate of Ms. Marie-Ange Verdickt as member of the Supervisory Board, due to expire at the close of the Combined Ordinary and Exceptional Shareholder's Meeting on 07/20/16, for another period of four years until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/20.

The biography of Ms. Marie-Ange Verdickt is given below:

### Marie-Ange Verdickt



French  
53 years old  
**First appointed:** 09/26/12  
**Mandate renewal:** n/a  
**Mandate expiry:** 07/20/16 (AGM called to approve the financial statements for the fiscal year ending 03/31/16)

#### Main function

Solucom - Member of the Supervisory Board

#### Other mandates and functions

ABC Arbitrage - Director

Interparfums - Director

CapHorn Invest - Member of the Supervisory Board

Bonduelle - Member of the Supervisory Board

#### Other mandates exercised in other companies during the past five years

Financière de l'Échiquier - Director of Research and SRI

#### Professional experience

Born on 10/24/62, Marie-Ange Verdickt graduated from the *École Supérieure de Commerce de Bordeaux* and is a member of the French Society of Financial Analysts (SFAF). After starting out as an auditor at Deloitte-Touche in 1984, she became a management controller for the Wang computer group in 1987. She moved to Euronext in 1990 initially as a financial analyst before becoming head of financial analysis, working notably on IPO and financial transactions on listed companies. In 1998, she joined *Financière de l'Échiquier* as an equity fund manager specialised in French and European mid-cap stocks then became Director of Research and SRI (Socially Responsible Investment) in 2008. In addition, she participates in the Investment Committee of the *Fondation des Petits Frères des Pauvres*.

#### Number of Solucom shares held

At 03/31/16, Marie-Ange Verdickt held 1,000 Solucom shares.

We submit the renewal of Ms. Verdickt's for your approbation for the following reasons:

- her financial expertise and internal control, auditing and risk management skills;
- her extensive knowledge of Corporate Social Responsibility (CSR);

- her expertise in mid-caps, and her shared vision as shareholder, director and financial analyst.

The mandates and functions exercised by Ms. Verdickt in 2015/16 fiscal year and the 5 preceding years are detailed in paragraph 3.2 above.

The biographies of Solucom's other company directors are given in the report of the Chairman of the Supervisory Board on page 149 of the present Registration Document.

### 5.1.5. Share buy-back program

#### 2015 share buy-back program

The 07/22/15 Combined Ordinary and Extraordinary General Meeting authorized the Management Board under the 8<sup>th</sup> resolution to implement a new share buy-back program in accordance with the legal and regulatory provisions in force. This program succeeded the program authorized by the 07/11/14 Combined Ordinary and Extraordinary General Meeting.

In accordance with statutory requirements, we inform you that at 03/31/16 the key features pertaining to the two programs launched successively in 2015/16 were as follows:

- 96,411 treasury shares were purchased in 2015/16 fiscal year at a total acquisition cost of €5,566,937, implying an average purchase price of €57.74 per share;
- 92,279 treasury shares were sold in 2015/16 fiscal year at a total disposal price of €5,038,448, implying an average selling price of €54.60 per share;
- Trading charges totaled €2,129.5;
- 12,851 free shares were granted to employees over the period worth a total value of €214,936 measured at acquisition price, implying an average selling price of €16.73 per share;
- 66,617 shares were written to the balance sheet at 03/31/16 for a total market value of €4,450,016, calculated on the basis of the end-March 2016 closing price of €66.80; their nominal value was €0.10 per share;
- Treasury shares represented 1.34% of the Company's total share capital.

The information related to the objectives of this buy-back program is summarized in the table below:

	Total (market)	External growth	Shares granted to	Exercise of rights attached to securities
<b>Situation at 03/31/15</b>	<b>18,022</b>	<b>57,314</b>	<b>0</b>	<b>0</b>
Purchases	82,808	13,603	0	0
Sales	(92,279)	0	0	0
Reallocations	0	(12,851)	12,851	0
Redemptions	0	0	(12,851)	0
<b>Situation at 03/31/16</b>	<b>8,551</b>	<b>58,066</b>	<b>0</b>	<b>0</b>
Gross carrying value <sup>(1)</sup> (€)	557,974	2,135,608	0	0
% of share capital at 03/31/16	0.17%	1.17%	0.00%	0.00%

(1) The gross carrying value ("book value") of shares is calculated on the basis of acquisition cost.

### New share buy-back proposal

The Management Board requests you grant a new authorization in principle, based on the main conditions described below. The key features of the new program are as follows:

#### Objectives

- To stimulate the market for Solucom shares via a liquidity contract concluded with an independent investment services provider in accordance with the AMF ethical charter;
- To retain the purchased shares for use, at a later date, as payment or exchange in external growth operations;
- To allocate or, as the case may be, sell shares to employees and/or company directors of the Company or companies within the Group, in accordance with the conditions and formalities provided by law, notably in the case of profit-sharing and share-ownership plans, as well as the setting up of company and inter-company savings plans, and the implementation and coverage of all stock-option and free-share plans;
- To retain shares for exchange purposes in the event rights attached to securities giving access in any way to Company capital are exercised;
- To cancel all or some of the acquired shares for the purposes of reducing the capital, within the context of, and subject to, a valid authorization granted by the Extraordinary General Meeting;

- To implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share repurchase programs and, more generally, to carry out all operations conforming to the regulations in force with regard to these programs.

#### Limit

10% of the share capital, minus the amount of treasury shares already held, and reduced to 5% for shares acquired to be held for use at a later date as payment in exchange, merger, contributions and external-growth operations.

#### Financial terms of purchase

Maximum purchase price per share: €140.

#### Cancellation of shares

The 07/20/16 Combined Ordinary and Extraordinary General Meeting will be asked to approve an authorization granting the Management Board the power to reduce the share capital by cancelling treasury shares.

#### Period of validity

Valid as of the Combined Ordinary and Extraordinary Shareholders convened on 07/20/16 until the next Annual General Meeting called to approve the financial statements for fiscal year ending 03/31/17 and for up to a maximum of 18 months, it being understood that the 07/20/16 Combined Ordinary and Extraordinary General Meeting will be asked to cancel and replace the previous authorization and program, without interruption, by the new authorization.



#### Public offering

For the record, since the adoption of the Florange Law on 03/29/14 suppressing the neutrality duty of the Board during periods of public offers, Management can now make use of authorizations (notably of a financial nature) granted by General Meetings during periods of public offers.

Solucom has nonetheless confirmed its commitment to adhere to the principal of Management Board neutrality during such periods.

Accordingly, the proposed authorization concerning the share buy-back program to be granted by the 07/20/16 Combined Ordinary and Extraordinary Shareholders to the Management Board, will be suspended during periods of public offers. This new share buy-back program could not therefore be used by the Management Board during such periods.

Details of this share buy-back program are given in the 2015/16 Registration Document.

## 5.2. Extraordinary General Meeting

The following points are submitted for your approval within the context of the Extraordinary General Meeting:

- a) grant the Management Board the power to reduce the share capital by cancelling treasury shares;
- b) authorize the Management Board to freely allocate existing or to-be-issued shares to employees of the Company and/or companies belonging to the Group;
- c) modify the trade name of the Company and, consequently, Article 3 of the Articles of Association.

### 5.2.1. Authorization granted to the Management Board to reduce the share capital by cancelling treasury shares

As a result of the proposed cancellation of the 7<sup>th</sup> resolution, we ask you to grant the Management Board the power, with the right of sub-delegation under the conditions fixed by law and the Articles of Association, to reduce the share capital, on one or several occasions, by cancelling all quantities of treasury shares within the limits authorized by law.

Solucom may use treasury stock cancellation for the purposes of financing operations such as implementing an active capital management strategy or balance sheet optimization or as compensation for any share dilution resulting from an increase in capital.

The number of Company shares which may be cancelled will be subject to the ceiling indicated below. At the date of cancellation, the maximum number of shares cancelled by the Company during the twenty-four month period preceding the said cancellation date and including the number of shares to be cancelled on that date, is capped at 10% of the Company share capital on that date.

This authorization is being solicited for a period of eighteen months. Until now, no operation to reduce the share capital has been carried out.

### 5.2.2. Financial authorizations reserved for Company employees and company directors

It is proposed to the Combined Ordinary and Extraordinary General Meeting of 07/20/16 to delegate the Management Board the power to issue free shares to the employees of the Group and some of its executive directors under conditions different to those pertaining to the authorization set to expire in 2018.

The allocation of shares would be carried out under the terms of the new free share scheme applying to share attributions made as a result of a resolution of the General Assembly adopted after the publication of Law no. 2015-990 dated 08/06/15 (Macron Law) concerning growth in activity and equality of economic opportunity.

#### Authorization granting the Management Board the power to freely allocate existing and to-be-issued shares reserved for employees of the Company and some, or all, of the Group's companies (9<sup>th</sup> resolution)

You are asked to delegate the Management Board the power for a period of thirty-eight months to freely allocate, on one or several occasions, existing or to-be-issued shares, within the limit of 5% of the share capital of the company at the date of the Management Board's decision, to employees of the company or certain categories thereof as well as to employees linked to the Company under the conditions set out in Article L.225 -197-2 of the French Commercial Code.

In application of Article L.225-197-I of the French Commercial Code and which derives from the Macron Law, the granting of free shares to their beneficiaries may be definitive, on the condition they meet the other conditions fixed during their allocation, for all or part of the shares granted:

- either, at the end of a minimum two-year vesting period, in which case there is no minimum holding-period obligation;
- or, at the end of a minimum one-year vesting period, it being specified that, in this case, beneficiaries must hold



their shares for a minimum period of one year from their definitive allocation.

The Management Board proposes a minimum vesting period of one year and a minimum holding period of two years for shares from the date of their allocation with the right of the Management Board to reduce or suppress this holding period under condition that the vesting period shall be equal to at least two years.

**Authorization granting the Management Board the power to freely allocate existing and to-be-issued shares reserved for company directors of the Company and some or all of the Group's companies (10<sup>th</sup> resolution)**

In order to be in line with the recommendations of proxy advisors, you are asked, in a specific resolution, to authorize the Management Board for a period of thirty-eight months the power to freely grant, on one or more occasions, existing or to be issued shares capped at 0.5% of the Company's share capital on the day of the Management Board decision, to executive directors of the Company or companies linked to it under the conditions laid down in Article L.225-197-2 of the French Commercial Code.

The Management Board also proposes to adopt a minimum vesting period of one year and a minimum holding period of two years for shares dating from their definitive allocation, with the right for the Management Board to reduce or suppress this holding period on condition that the vesting period shall be at least equal to two years.

For the record, Solucom has pursued a free share allocation strategy for several years as part of its commitment to associate its employees and directors with the Company's development and success. Director share-allocation plans are subject to fulfilling a set of predefined performance conditions.

Note that, the Management Board partially used the previous delegation approved by the 07/22/15 Combined Ordinary and Extraordinary Shareholders for up to 0.07% of the share capital as described in paragraph 4.2 of the present report and within the context of the special report of the Management Board drawn up in accordance with Article L.225-197-4 of the French Commercial Code.

Solucom will pursue its strategy to involve its employees in the development of the Company.

The free allocation of shares which will be authorized under the 8<sup>th</sup> and 9<sup>th</sup> resolutions are designed to boost the motivation and strengthen the commitment of the Group's workforce, and reinforce their loyalty to the Company.

Approval of these resolutions would enable the Management Board to continue implementing its strategy to integrate its employees, executives and company directors in the development of the Company.

Furthermore, free shares attributed under the two resolutions submitted for your approval fall within the new free share plan applying to allocations made in accordance with a resolution adopted by the General Assembly after the publication of the Law no. 2015-990, dated 08/06/15 (Macron Law) concerning growth, activity and equality of economic opportunity.

**Limitation of the common ceiling for the authorizations granted to allocate or issue Company shares to employees, certain categories of employees as well as executive directors of the Company and companies linked to it. (11<sup>th</sup> resolution)**

For the record, the Combined Ordinary and Extraordinary General Meeting of 07/22/15 in its eighteenth resolution voted to cap all profit sharing and participation authorizations reserved for employees and/or executive directors of the Company and those of its group at 8% of the Company's share capital.

With a view to limiting the dilution of existing shareholders, while enabling the Management Board to take all steps to provide profit sharing and incentive schemes to employees and/or executive directors of the Company and those of the Group, you are asked to maintain the global ceiling of 8% of the Company's share capital for the following authorizations granted to the Management Board reserved for:

- i) employees adhering to the Company Savings Scheme, as decided by the Combined Ordinary and Extraordinary General Meeting of 07/22/15 in the 15<sup>th</sup> resolution, and
- ii) employees and company directors of the Company and its subsidiaries having at least the title of Director, as decided by the Combined Ordinary and Extraordinary General Meeting of 07/22/15 in the 17<sup>th</sup> resolution, and:
- iii) employees and/or certain categories of employees, corporate offices of the Company and/or its subsidiaries, as proposed in 9<sup>th</sup> and 10<sup>th</sup> resolutions.

This general ceiling is in line with the recommendations of the proxy advisers.

### **5.2.3. Proposal to modify the trade name of the Company and, consequently, Article 3 of the Articles of Association**

You will be asked to adopt a new name for the Company which for the moment remains confidential and will be revealed during the AGM of 07/20/16.

In effect, in order to capitalize on the complementarities between Kurt Salmon and Solucom and to facilitate the integration of the Kurt Salmon teams into the new entity made up of Solucom and Kurt Salmon, the Management Board has decided to associate the teams of both companies within an integrated business model with the aim of creating a new firm. The launch of this new company, which will become operational as of the summer of 2016, will be symbolized by the adoption of a new name to replace those of Kurt Salmon and Solucom.

If you approve the motion which will be proposed to you, we will ask you, in consequence, to modify the provisions of Article 3, "Trade name" of the Articles of Association.

### **5.2.4. Powers for formalities (13<sup>th</sup> resolution)**

Standard resolution granting the necessary powers to carry out all publication and legal formalities.

The Supervisory Board's opinion and comments on all of these subjects are given in the Supervisory Board Report.

The Management Board recommends you adopt the resolutions submitted for your approval at the Ordinary Shareholders' Meeting, followed immediately by the Extraordinary General Meeting.

## **6. Social report and Works Council observations**

### **6.1. Social report**

As required by law, Solucom drew up a social report, in accordance with the provisions of Article L.2323-74 of the French Labor Code, and which was reviewed by the Works Council on 05/27/16.

The social report and the Works Council observations are available for shareholder consultation. Certain elements in the social report pertaining to the Statutory Auditors' mission are reviewed in the Statutory Auditors report.

### **6.2. Works Council observations on the economic and social situation of the Company, in accordance with the provisions of Article L.2323-8 of the French Labor Code**

None.

**The Management Board**  
05/30/16

# Management Board Report

## Corporate Social Responsibility



This report describes Solucom's Corporate Social Responsibility (CSR) approach, strategy and actions. It forms an integral part of the Management Board Report and comprises five sections:

1. Presentation of the Company's general CSR strategy.
2. Information concerning Solucom's social, societal and environmental performances in accordance with Article 225 of the Grenelle II law no. 2010-788 dated 12/07/10 and its implementing decree.
3. Other CRS information (economic responsibility).
4. The methodology note regarding Solucom's 2015/16 non-financial reporting.
5. The independent auditor's certificate of presence and report on the Company's social, societal and environmental information.

Additional information concerning the Company's CSR information is presented in Chapter 1 of the present Registration Document, and the Corporate Social Responsibility page on the Company's website: [www.solucom.fr](http://www.solucom.fr).

2015/16 fiscal year is Solucom's fourth year of non-financial reporting, in accordance with the "Grenelle II" regulatory framework. Since 2013/14, Solucom's published CSR information has been verified by an external independent party. The present report traces the comparability of quantitative data over the past four years. Changes in the scope of consolidation are detailed at the end of the methodology note.

### 1. Solucom's general CSR approach and strategy

#### 1.1. General strategy

At the end of 2011, Solucom launched an initiative aimed at structuring and developing its sustainable development commitments. These include a set of concrete commitments in all areas of responsibility and are in line with ethical initiatives carried out by the Company, as well as transparency issues and, more broadly, Solucom's social, societal, environmental and economic performance.

Solucom's CSR approach is founded upon a three-fold objective to:

- conduct itself as a responsible business in its environment and sphere of influence;
- contribute towards enhancing the quality of its relationships with stakeholders;
- ensure the compliance of the Company with applicable legal and regulatory obligations.

To determine its CSR priorities, Solucom mapped out its sphere of influence and identified the stakeholders in the ecosystem that are impacted the most by its strategy: employees, candidates, clients and suppliers, shareholders and investors, environment and local authorities, associations.

#### 1.2. Commitments

Solucom has identified four areas of CSR commitment, each with its own hierarchy of prioritized actions:

1. To be a responsible and committed employer
2. To guarantee respect of strict rules in terms of governance, transparency & ethics
3. To promote equal opportunity and non-discrimination in the workplace
4. To reduce the firm's carbon footprint

These four commitments have been defined on the basis of the key goal set by Solucom in terms of CSR: to be a responsible business vis-à-vis its principal stakeholders.

Note that while commitments 1 and 2 serve to achieve this objective, they are also performance drivers for the Group.

Concerning the first commitment (social responsibility), the quality of Human Resources management is a key success factor for a consulting firm. Solucom's priority social responsibility objectives are largely in line with objectives established in the Group's HR strategy.

*More details are given in Chapter 1 of the Solucom Registration Document.*

Regarding the second commitment (economic responsibility), the goals prioritized for all actions carried out contribute towards strengthening client loyalty, as well as enhancing the appeal of the Company for candidates, shareholders and investors.

### CSR objectives by area of responsibility

Solucom's CSR strategy is focused on implementing these commitments and pursuing continuous improvement in the four related fields of responsibility.

- **Commitment no. 1** - To be a responsible and committed employer:
  - Guarantee employees the possibility of acquiring more skills and greater responsibilities;
  - Implement a competitive, transparent and fair pay policy and promote internal cohesion;
  - Provide a high-quality working environment;
  - Combat stress and suffering in the workplace;
  - Promote job security for staff members over 50 years old.
- **Commitment no. 2** - To guarantee compliance with strict rules in terms of governance, transparency and ethics:
  - Conduct consultancy activities with integrity, independence and transparency;
  - Guarantee candidates an exemplary and value-added recruitment process;
  - Develop lasting relationships with our suppliers based on a shared set of values (respect, integrity);
  - Provide our shareholders (including individuals), with regular and transparent information on a regular basis and promote dialogue.
- **Commitment no. 3** - To promote equal opportunity and non-discrimination in the workplace:
  - Foster the promotion of women to positions of responsibility;
  - Develop the level of qualification, and promote the professional integration of young disabled employees;
  - Promote the emergence of new graduate profiles.
- **Commitment no. 4** - To limit the Company's carbon footprint:
  - Improve the firm's waste management and recycling policy;
  - Reduce its carbon footprint;
  - Raise employee awareness to eco-gestures and responsible procurement practices.

### 1.3. Organization of Solucom's CSR approach

#### CSR implementation and steering

Solucom's CSR approach and strategy are defined and implemented by a multidisciplinary steering committee composed of the Chairman of the Management Board and the heads of the operational and support functions<sup>(1)</sup> which represent the Company's key challenges in terms of CSR.

This committee is in charge of defining Solucom's CSR strategy policy and monitoring the Company's social, societal, environmental and economic performances.

#### Operational organization

At the operational level, Solucom's CSR strategy is implemented by an HR representative who reports to the HR Department. The manager is in charge of coordinating the projects in the various fields concerned (social, societal, environmental, economic), as well as employee awareness actions, and the consolidation of non-financial reporting.

For every project, the manager has access to an internal support network of contacts in charge of specific issues within the Group's sites or regarding the services in question.

#### CSR strategy monitoring

Once a year, the Company's CSR strategy is presented to, and debated by the Supervisory Board.

### 1.4. Awards and CSR labels

In 2015/16, Solucom received several awards for measures carried out in terms of CSR.

- **Social responsibility:**
  - **Great Place To Work®** label awarded by the Great Place to Work France Institute. Based on an internal survey carried out with all Company employees and an assessment of its HR practices, this label recognizes companies which are good to work for. For its second participation, Solucom was ranked 3<sup>rd</sup> best Company to work for in France, out of a total of 73 French firms with more than 500 employees which received GPTW® 2016 recognition.
  - **Happy Trainees** label awarded by Meilleures-Entreprises.com. Based on an anonymous satisfaction questionnaire addressed to interns of companies being assessed, this independent label rewards firms for their excellence in how they welcome, accompany and monitor their trainees. Out of the 97 companies to receive Happy Trainee recognition in 2015, Solucom was ranked 15<sup>th</sup>.
  - **Top Employers France Certification** awarded by the Corporate Research Foundation Institute (CRF), an independent international organization which rewards companies for the quality of their HR practices. After auditing the various aspects of the Group's HR policy (training, talent management, pay policy, corporate culture, etc.), Solucom was assessed and appraised on the basis of a set of European HR best-practices benchmark criteria. For the fifth year running, Solucom received the Top Employer in France certification.

(1) Directors of HR Development, Practices, IT, Recruitment & Educational-Institution Relations, and Solucom Corporate Foundation Communications & Budget.

- **Economic responsibility and non-financial transparency:**
  - **Gaïa Index:** the SRI reference index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies according to their level of implication in terms of non-financial transparency and CSR performance. In 2015, Solucom was ranked number one in its category (firms with revenues of between €150m and €500m).
  - **Ecovadis:** an independent non-financial rating agency specialized in four aspects of CSR performance assessment (social, environmental, business ethics and responsible purchasing). In 2016, Solucom obtained a “gold level rating” from Ecovadis, with a mark of more than 62/100 pushing it into the top 5% of companies with the best Ecovadis marks.
  - **Employee shareholding prize:** organized by FAS (the French Federation of Employee Shareholders and Former Employees), the Employee shareholding prize rewards French companies with a dynamic employee shareholding policy. For its second participation, in 2015, Solucom received the Employee shareholding prize in the category of SME and mid-tier companies which reward actions initiated over the past 10 years in favor of their employees.
- **Societal responsibility:**
  - **ISO 27001 Certification** obtained in September 2014 for a period of 3 years for the Group’s Information security management system with respect to its security auditing and IT Systems digital investigation services.

### 1.5. CSR commitments

- **Global Compact:** In 2015, Solucom renewed its membership with the Global Compact and, as such, its commitment to align its operations and strategy with the ten universal principals applying to human rights, labor standards, the environment and the fight against corruption.
- **Corporate Parenthood Charter:** As a signatory of the Charter since 2013, Solucom has a three-fold commitment to promote parenthood-related representation within the company, create a working environment that is conducive to working mothers and fathers, and respect the principle of non-discrimination throughout the professional development of parents in the workplace.
- **The “Elles bougent” Association:** In 2015/16, Solucom became a partner of “Elles bougent”, an association whose main mission is to encourage women to pursue scientific and technological careers and to foster the exchange of experience and ideas on career-related subjects between students and engineers within student associations.

## 2. Information relative to Solucom’s social, societal and environmental performance, in accordance with the Grenelle II Law (Article 225)

### Forward

This section complies with the provisions in Articles L.225-102-1 and from R.225-104 to R.225-105-2 of the French Commercial Code relating to corporate transparency obligations regarding social, societal and environmental issues. The information presented below covers the 42 topics included in the decree of application dated 04/24/12.

*Details of the Company’s CSR reporting are given in section 4. In accordance with the methodological principals defined in 2012/13, non-financial reporting does not cover acquisitions carried during the fiscal year. As such, the companies Arthus Technologies and Kurt Salmon acquired respectively on 07/07/15 and 01/07/16 have been excluded from the 2015/16 consolidation scope. Solucom’s 2015/16 reporting scope therefore includes the Solucom parent company, as well as SLM Consulting, Hudson & Yorke, Audisoft-Oxéa (until 09/30/2015 when it was integrated into the Group), and Solucom Belgium created in October 2015 (1 employee). Note that Solucom acquired the assets of Hapsis on 04/01/2015.*

### 2.1. Social information

At the social level, Solucom is committed to being a responsible and engaged employer. This involves attaining the five key objectives mentioned above, which fall under the responsibility of the Director of HR development. To achieve these goals, Solucom has mobilized a considerable amount of resources, since the Company’s success essentially hinges on its ability to attract the best talents on the market, develop their potential, and retain them.

#### Organization of the HR Development department

Solucom’s HR Development Department is responsible for implementing the Company’s Human Resources strategy. This department comprises three divisions: the recruitment team, which is responsible for carrying out the firm’s recruitment strategy; decentralized Human Resources teams within each of the firm’s practices and the personnel management team, in charge of pay and administrative management operations.

*Solucom’s HR strategy is presented in Chapter 1 of the Company’s Registration Document.*

## 2.1.1. Employment

### 1) Total workforce

At 03/31/16, Solucom's total workforce stood at 1,716 employees, up 17.4% on the year-earlier level of 1,461 (excluding Audisoft Oxéa and Hudson & Yorke).

The Company's workforce at 03/31/2016 breaks down as follows:

- 64% of employees - under 30 years of age;
- 33% of employees - women;
- 92% of employees - based in the Paris region (Solucom's head office);
- 98% - permanent employment contracts;
- 3 job categories - consultants; sales teams; support functions.

### 2) Breakdown of workforce by gender, age, geographic region and job category

#### Breakdown by gender

(% of total workforce)	At 03/31/16	At 03/31/15	At 03/31/14
Men	66.6%	68.2%	69.0%
Women	33.4%	31.8%	31.0%
Consultants			
Men	70.7%	72.8%	73.3%
Women	29.3%	27.2%	26.7%

Within the context of its 2013-16 action plan for professional gender equality, the Company implemented measures to ensure the strict application of gender equality.

(For more details, see section 2.1.7 - "Equal opportunity" of the present report.)

#### Breakdown by age group

The average age of Solucom's workforce at 03/31/16 was 32.1 years, versus 32.4 years a year earlier. The following table gives a breakdown of the Company's workforce by age group over the last three fiscal years:

(% of total workforce)	At 03/31/16	At 03/31/15	At 03/31/14
18-25 years	15.3%	14.7%	13.7%
25-30 years	48.7%	46.7%	45.9%
30-50 years	30%	32.8%	34.7%
> 50 years	6%	5.8%	5.8%
o/w > 55 years	2.3%	2.4%	2.4%

### Average length of service

The average length of service at 03/31/16 for all job positions was **5.3 years**, in line with 03/31/15.

	2015/16	2014/15	2013/14
<b>Total Group</b>	<b>5.3 years</b>	<b>5.3 years</b>	<b>5.6 years</b>
Consultants	5.1 years	5.2 years	5.4 years

### Breakdown by geographic region

All of the Company's Parisian teams work at the Paris La Defense site. In addition, Solucom has 3 regional offices, namely: Rhône-Alpes (Lyon), PACA (Marseilles) and West (Nantes), as well as 4 offices abroad: in Casablanca (Morocco), London (UK), Brussels (Belgium) and Geneva (Switzerland). The Swiss office is not included in the scope of consolidation of the Group's 2015/16 CSR reporting since the Swiss company, Arthus Technologies, was acquired in July 2015.

(% of total workforce)	At 03/31/16	At 03/31/15	At 03/31/14
Paris region	91.8%	92.4%	91.8%
Regional offices	6.4%	7.0%	7.8%
International	1.9%	0.5%	0.4%

### Breakdown by job category

The breakdown by job category (consultant, sales, and support function staff) of the Company's workforce is given in the table below:

(% of total workforce)	At 03/31/16	At 03/31/15	At 03/31/14
Consultants	86.9%	86.7%	87.7%
Sales teams	3.7%	4.2%	4.1%
Support functions	9.4%	9.1%	8.2%

At 03/31/16, 12 employees, taken on under skills-acquisition and work-study contracts, joined the Group's support function team to work on consulting missions.

### 3) Hirings and departures

#### Recruitment policy

Solucom recruited more than 400 new employees in 2015/16. The firm's recruitment policy prioritizes young graduates (74% of hirings in 2015/16), recruited mainly from the most prestigious engineering and management schools and universities. In addition, as part of its pre-employment strategy, the Company takes on over a hundred trainees every year (in the form of sabbaticals, end-of-studies internships, apprenticeships and

work/study programs). For example, in 2015/16, 65% of the Company's end-of-studies trainees seeking employment received permanent employment contracts at the end of their

training period. Trainees undergo a recruitment process that is as demanding and selective as for all new employees, and benefit from the same integration and support program.

#### Details of staff hirings and departures (excluding internships)

Staff hirings and departures in 2015/16 and 2014/15 fiscal years are given in the tables below:

Recruitments	2015/16		2014/15	
	Number	%	Number	%
<b>Total external recruitment (excluding internal mobility transfers)</b>	<b>463<sup>(1)</sup></b>	<b>100%</b>	<b>351</b>	<b>100%</b>
<i>o/w permanent employment contracts</i>	436	94.2%	332	94.6%
<i>o/w temporary employment contracts:</i>	27	5.8%	19	5.4%
- <i>of which long term</i>	0		4	
- <i>o/w skills-acquisition and work-study contracts</i>	27		15	

(1) Of whose 38 collaborators stemming from repurchase of business Hapsis on 04/01/15.

Staff departures	2015/16		2014/15	
	Number	%	Number	%
<b>Departures (excluding internal mobility)</b>	<b>261</b>	<b>100%</b>	<b>217</b>	<b>100%</b>
<i>o/w resignations</i>	177	67.8%	156	71.9%
<i>o/w end of temporary contracts (work/study programmes and apprenticeships) and suspension of trial periods</i>	66	25.3%	49	22.6%
<i>o/w redundancies</i>	13	5.0%	10	4.6%
<i>o/w employment-contract termination by mutual consent</i>	1	0.4%	0	0.0%
<i>o/w retirement</i>	4	1.5%	2	

During the fiscal year, three temporary employees was employed within the Company.

#### Staff turnover rate

The staff turnover rate (the number of resignations divided by the total workforce at year end) remained stable over the fiscal year edging down from 10.7% (excluding Audisoft-Oxéa and Hudson & Yorke) to 10.3%. This rate is significantly lower than market standards and the normal range of the Company (12 -15%).

	2015/16	2014/15	2013/14
Staff turnover rate (%)	10.3%	10.7%	9.3%

#### 4) Compensation and salary trends

##### Pay policy

Solucom's pay policy is based on three principles:

- **Competitiveness:** in a competitive market, having a competitive pay policy is essential for the Group to attract and retain

the best talents. To sharpen its competitive edge, Solucom must constantly ensure that its pay policy is coherent with the market, notably via regular benchmarks (Syntec compensation reviews, management consulting) and reviews of a more specific nature carried out by a specialised HR consulting firm.

- **Fairness and cohesion:** salary increases based on individual performance; variable compensation components are based mainly on collective targets to encourage the achievement of results by promoting team spirit in line with Company values; transparent communication (internal and external) of pay policy and practices.
- **Professionalism of performance assessment:** pay increases are pegged to the level of individual performance. To ensure the quality of assessments, Solucom notably relies on common assessment standards and a collective decision-making process for assessing performance and pay rises.



## Payroll

(in thousands of euros)	2015/16	2014/15	% change
Solucom parent company	85,678	69,023	
Subsidiaries	3,621	7,039	
<b>Total Group</b>	<b>89,299 <sup>(1)</sup></b>	<b>76,062 <sup>(2)</sup></b>	<b>+17.4%</b>

(1) Excluding Arthus Technologies and Kurt Salmon.

(2) Excluding Audisoft-Oxéa, Financière BFC and Hudson & Yorke.

The decline in Group subsidiary headcount in 2015/16 stemmed from the mergers of Alturia, Eveho, Lumens, Trend and Stance with the Solucom parent company <sup>(1)</sup>.

## Employer social contributions

(in thousands of euros)	2015/16	2014/15
Solucom parent company	38,509	31,210
Subsidiaries	1,001	3,082
<b>Total Group</b>	<b>39,510 <sup>(1)</sup></b>	<b>34,292 <sup>(2)</sup></b>

(1) Excluding Arthus Technologies and Kurt Salmon.

(2) Excluding Audisoft-Oxéa, Financière BFC and Hudson & Yorke.

## 2.1.3. Social relations

### 1) Organization of social dialogue

At 04/01/2015, the Solucom group comprised the Solucom parent company and four subsidiaries: SLM Consulting, Hudson & Yorke, Audisoft-Oxéa and Financière BFC. The table below summarizes the employee-representative bodies in place at each Company, and, for the subsidiaries, the date of their merger with Solucom during the fiscal year.

Companies	Works Council (WC)	Staff Representatives (SR)	Sole Employee Representative Body (SERB) <sup>(2)</sup>	Date of merger with Solucom
Solucom SA	X	X		
Audisoft-Oxéa				09/30/15
Financière BFC <sup>(1)</sup>				09/26/15
SLM Consulting <sup>(1)</sup>				
Hudson & Yorke				

(1) Below the legal employee threshold.

(2) SERB refers to staff representatives and the works council.

In 2015/16, the Group Committee comprised the same two members appointed by the Labor Inspector in July 2014.

There are no union representatives in the Group.

Profit sharing calculated on the basis of the statutory formula totaled €2,542k in 2015/16 fiscal year, versus the year-earlier level of €1,993k.

## 2.1.2. Organization of work

### 1) Organization of working time

In line with the Syntec agreement, Solucom employees fall into one of three working-hour categories of which; level 1 - 37 hours/week, with **12 paid days off per year (RTTs)**; level 2 - a **maximum of 38.30 hours/week** and 218 days per year, including the "Solidarity day", and level 3 - a **fixed number of 218 days per year**, including the "Solidarity day".

### 2) Absenteeism

Sick leave accounted for the bulk of Solucom's absenteeism rate in 2015/16 which remained low at 1.6%. Maternity and paternity leave, as well as unpaid leave (including full-time parental leave) are not factored into the absenteeism rate calculation.

Social actions are managed by the Works Council. Most of the events organized are sports and cultural activities.

## Meetings between management and employee representatives held in 2015/16 (Solucom company scope)

	WC meetings	SR meetings	Joint WC and SR meetings	Group Committee meetings
Number of meetings	17	5	1	1

(1) Merger of Alturia and Eveho on 06/30/14.

Merger of Stance on 12/31/14.

Merger of Lumens and Trend on 03/31/15.



#### Examples of subjects on the agenda

- 2014/15 social report
- 2014/15 report on the three year gender-equality plan
- Corporate strategy
- Utilization of the CICE tax credit
- Project to refurbish the Tour Franklin offices (Solucom's registered office)
- Generation-contract diagnostics and action plan
- Solucom/Audiosoft-Oxéa merger project
- Acquisition projects: Arthus Technologies and Kurt Salmon
- Trial teleworking arrangement

## 2) Review of collective agreements signed

Agreements presented within Solucom, plus date of signature or presentation:

Addendum no. 7 to profit-sharing agreement	09/16/15
Professional gender-equality action plan	06/29/15 More details in section 2.1.7
Generation-contract action plan	11/10/15 More details in section 2.1.7
Implementation of trial teleworking arrangement	02/23/16

### 2.1.4. Health and safety

#### 1) Health and safety conditions in the workplace

##### Hygiene, Safety and Working Conditions Committee (HSWCC)

Solucom's Hygiene, Safety and working Conditions Committee held 4 ordinary meetings and 1 exceptional meeting in 2015/16.

The HSWCC is involved in professional risk and working condition enhancement measures. In accordance with Articles L.4611-8 and L.4612 of the French Labor Code, the Committee draws up an annual review of the actions carried out and implemented during the year.

#### Other health and safety actions

- First aid
- Road safety
- Office remodeling
- Ergonomics in the workplace and prevention of musculoskeletal disorders
- Prevention of musculoskeletal disorders

Since October 2013, an occupational nurse has been employed on a full-time basis at the Company's head office, working together with the occupational doctor.

#### 2) Occupational health and safety agreements

No occupational health and safety agreements have been signed by Solucom.

However, in February 2016, the Solucom WC and HSWCC voted in favor of implementing a trial teleworking arrangement for which a work group was formed comprising WC and HSWCC representatives and heads of the Group's HR teams.

### 3) Occupational accidents and illness

	2015/16	2014/15	2013/14
Number of occupational accidents	20	18	13
<i>o/w commuting accidents</i>	11	16	13
Number of occupational illness declarations	0	0	0
Rate and frequency of occupational accidents <sup>(1)</sup>	4.6	4.9	3.6
Severity rate of occupational accidents <sup>(2)</sup>	0.094	0.096	0.025

(1) Number of accidents with leave per 1 million hours worked.

(2) Number of days lost due to temporary incapacity caused by occupational accident per 1 thousand hours worked.

Out of 20 occupational accidents reported in 2015/16, 12 resulted in work stoppage for sick leave, making for a total of 204 days of absence over the period. The number of commuting accidents dropped significantly over the period, due to a reduction in motorbike accidents. The bulk of occupational accidents reported over the period were caused by falls outside of Solucom premises.

#### 2.1.5. Well-being in the workplace

Ensuring the quality of the working environment and a work-life balance for its employees is an integral part of Solucom's Human Resources strategy.

The Company strives to ensure that its employees can further their careers in a daily working environment that is pleasant to work in and conducive towards building trust.

#### 1) Working environment and work/life balance

- Solucom has implemented a new workplace lay-out concept for its offices ("Air" project) which provides employees a more pleasant, convivial and innovative working environment, is adapted to suit all working situations and fosters proximity between its teams at all levels. In 2015/16, 2 floors in the La Defense headquarters and the Nantes office were remodeled; the other floors at Group headquarters, as well as the Lyon office will be remodeled in 2016/17.

For more information, <http://www.solucom.fr/communiquer/metier/solucom-reinvente-ses-locaux-avec-le-concept-air/>

- Trial flexible teleworking arrangement (on a temporary or regular basis).
- Employee services: concierge services, private sports club at the Solucom head office, etc.
- Flexible vacations: no seniority limitations or mandatory holiday dates imposed (outside periods of high activity).
- Raising awareness to the planning of collective and regular meetings during office hours, notably between 9:30 am and 6:30 pm.
- Subrogation and continued payment of wages for employees on sick leave.

#### 2) Specific measures for expectant parents

- Corporate nursery (set up in 2008): 59 cots opened for the children of Solucom employees in 2015/16, within the Babilou network.
- Childcare leave: employees with one or more children aged 12 and under can take up to three days paid leave during the year.
- Flexible working hours during pregnancy: part-time working and/or telecommuting possibilities available as of the fifth month of pregnancy.
- Gradual return to work after maternity/paternity leave (4/5<sup>th</sup> time paid at 100%).
- Full pay maintained during maternity/paternity leave, irrespective of the employee's length of service within the Company.
- The Solucom Parenthood Guide for employee parents and future parents.
- A signatory of the Corporate Parenthood Charter since 2013.

#### 3) Communication and in-house actions

Solucom fosters close working relationships within its teams and encourages employees to participate in the corporate project and Company strategy, an approach which is central to the Group's corporate model.

- "Air" project workshop sessions: 2 workshops (40 participants) and 2 breakfast meetings.
- Workshops concerning the merger with Kurt Salmon (acquired in January 2016):
  - 2 Q&A workshops on the merger with Kurt Salmon (80 Salmon employees).
  - 19 "Brand Definition" workshops held in Paris as well as at the Group's regional and international offices (participation of 600 Solucom and Kurt Salmon employees in the creation of the new brand).
  - 5 "Career Path, evaluation and compensation policy" workshops held in Paris and Nantes (participation of 100 Solucom and Kurt Salmon employees).

- Employee exchanges and chats on in-house social network (Yammer) comprising more than 2,000 members:
  - December 2015 chat session on the announcement of the Kurt Salmon merger (260 members).
  - February 2016 “Brand Definition” chat session (570 members).
  - March 2016 “Career path, evaluation and compensation policy” chat session (220 members).
- Numerous opportunities for employees to meet and exchange ideas with colleagues: integration seminars, team meetings, practice forums and, in 2015, the annual convention held at the Olympia for the launch of the Up 2020 strategic plan.
- Social events organized throughout the year: free breakfast offered every Friday to Group employees, after-hour drinks, team dinner parties, the annual gala for all staff members and their partners...

**4) Prevention and treatment of psychosocial risks**

Management, HR and HSWCC members, receive systematic training in psychosocial risks to enable them to identify risk as soon as possible and implement action plans adapted to each situation.

Staff members have access to a dedicated space on Solucom’s intranet site providing information (name, role, etc.) on all of the Group’s RPS contacts. A call center has also been set up to provide support to employees in difficulty. Recourse to this service is kept strictly confidential.

Solucom’s in-house training institute also provides courses in staff work-load management.

In addition, Solucom has adopted a close-proximity staff management approach whereby groups of 10 to 15 employees are monitored by a team leader who, in turn, is backed by an HR contact delegated to the team. Within this framework, staff stress problems can be detected in advance.

A review of the psychosocial risks detected and monitored by the Solucom PSR in 2015/16 is given below.

	2015/16	2014/15
no. of employee support call-centre contacts	4	4
no. of PSR cases recorded (04/01/15 - 03/31/16)	37	40
Cases being processed	13	11
Cases considered closed	36	29

**5) Assessment of quality of life in the workplace**

To assess the quality of its working environment and in line with its continuous improvement strategy, Solucom participates in 2 annual surveys.

• **Great Place to Work®**

In November 2014, Solucom conducted its first internal employee satisfaction survey in association with the Great Place to Work France® (GPTW) Institute. By way of an anonymous satisfaction questionnaire, employees were able to give their views on the quality of life within the Company. The GPTW® survey assesses the company on five levels: credibility, respect, fairness, employee pride and conviviality.

After achieving a number 5 ranking in 2015, Solucom was awarded 3<sup>rd</sup> place in 2016.

- In November 2015, 78% of Group employees took part in the survey. 89% of respondents considered that Solucom is a **Great Place to Work®**.

• **Happy Trainees**

In September 2014, Solucom participated in its first Happy Trainees survey involving an anonymous satisfaction questionnaire addressed to all interns. This independent label assesses and rewards firms for their excellence in the way they welcome and accompany their trainees. In 2015 (the Group’s second year in competition), 97 out of 800 contending companies were awarded the Happy Trainees label. Solucom was ranked among the Top 15 in the category of companies with more than 100 interns.

**2.1.6. Integration and development of skills**

**1) Integration**

**New-employee induction seminar and training**

Within the context of the “Solucom Inside” recruitment program, Solucom organizes induction seminars across the Group three times a year. Company management and management teams are involved in the program which is designed to help new employees, particularly young graduates, discover the Company, find out more about their profession and develop their internal network.

All recruits follow at least four training sessions a year including this induction seminar.

### Sponsoring

New employees joining the Group are immediately taken under the wing of a sponsor who guides them through their first steps within the Company.

### Close employee management

Employees are closely monitored in small groups of around 15 and trainees receive personalized monitoring from a designated consultant, HR representative and team manager.

### Integration of newly acquired companies

Solucom's external growth strategy requires the regular integration of newly acquired companies. The integration process is piloted by a dedicated task force, comprising the Directors of the acquired company and members of the Solucom Executive Committee representing the different operational and support functions involved.

Acquisition integration is achieved via the rapid deployment of practices, as well as performance-monitoring and administrative-management tools. At the same time, particular attention is paid with regard to the role of Human Resources in three key areas, notably:

- Welcoming the acquired company into, and helping new staff members discover the Group, as well as internal communications;
- The gradual alignment of HR practices and discrepancy management;
- Progressive roll-out over 2 to 3 years of the Solucomway career-development program and the Group's pay policy.

Over the same time span, new acquisitions are required to integrate Solucom's organizational model and HR processes.

### 2) Skills development

Given the nature of the consulting business, employee development potential is a key priority for the Group. The rapid acquisition of skills and responsibility is a major challenge for Solucom particularly since the Company's HR model is founded on the intensive recruitment of young graduates (74% of new hirings in 2015/16). To this end, the Group has implemented additional measures, as described below.

#### The Solucomway core competency reference framework

The Solucomway profession-specific career development framework is a guide to the career-path possibilities open to Company employees. A detailed account of the capacities to be developed (in terms of *savoir-faire* and self-management

skills) is given at every stage of the career-path development process. For example, career paths in the consulting profession cover five professions: consultant, senior consultant, manager, senior manager and executive partner. Within this context, 121 employees were promoted to higher grades in 2015/16, compared with 84 in 2014/15.

### In-house training institute and external training programmes

To provide its employees with long-term support throughout the development of their careers, Solucom has set up its own training institute; the Solucom' university. This institute offers around twenty customized training modules designed to help employees develop the skills detailed in the Solucomway core-competence framework.

In-house training sessions are carried out on a cross functional basis involving all Company practices and functions. These sessions promote the exchange of feedback and Company values and offer employees another opportunity to develop their own internal networks.

In 2015/16, Solucom tried out several new training formats:

- a digital learning platform providing employees with short, 1 - 3 hours "*à la carte*" training modules.
- a My Mooc digital platform offering a pre-selection of Massive Open Online Courses (Moocs) on a variety of subjects.

Neither of these training modules was factored into the total number of training hours received by Group employees in 2015/16.

- a new training module in English combining digital learning and one-on-one courses designed to provide employees with the linguistic support necessary for the international expansion of the Group.

To meet its training needs in areas not covered by Solucom'university, the Group also makes recourse to external training solutions.

In the past, training data was calculated over the calendar year, in accordance with the provisions laid down in the French Training Report (FRA) 2483. Following the suppression of this vocational-training regulatory report in 2015, training data are now declared on a fiscal-year basis for enhanced transparency.

### ■ Total number of training hours and days <sup>(1)</sup>

(calendar-year data)	2015/16	Civil year 2014	Civil year 2013
Number of employees receiving at least one training course during the fiscal year	1,095	853	828
Percentage of employees receiving at least one training course during the fiscal year	63.8%	60%	67%
Number of training days given in the year	3,292	2,370	2,477
Number of training hours given in the year	23,048	16,587	17,344

(1) External and internal professional training programs provided by the firm's training institute.

### Missions, role-plays and coaching

For all Company employees, the professional missions they carry out also provide the opportunity for them to develop and enhance their individual skills. This on-the-job learning approach is an essential growth driver within the Group. For consultants, their individual goals concerning new-skills development are taken into account during the project staffing process (weekly assignment of consultants on missions).

All employees seeking to pursue executive career paths are accompanied by more experienced managers through a series of management role-play sessions over a period of six to eighteen months.

In addition, consultants are regularly encouraged to expand their field of activity by working on missions that take them beyond their normal field of experience (recruitment, communications, HR, management and finance, etc.). These missions can be carried out in tandem with their normal activities or on a full-time basis over a period of six to twelve months.

### ■ Breakdown of internal transfers by type

	2015/16		2014/15		2013/14	
Regional transfer	8	26.7%	8	3.3%	3	12.5%
Occupational transfer	10	33.3%	5	20.8%	9	37.5%
Inter-practice transfer	12	40%	11	45.8%	12	50.0%
<b>Total</b>	<b>30</b>	<b>100%</b>	<b>24</b>	<b>100%</b>	<b>24</b>	<b>100%</b>

### People reviews and annual staff performance assessments

Every year, the career-paths of Group employees are reviewed by the People Review Committee, comprising representatives from management and the HR Department contacts attached to the employee's specific practice. The current stage of development of the employees career-path plans are also reviewed together with their medium-term outlook and associated development plan. Within Solucom, structural decisions on employee career development (trends in professional advancement and pay) are made by collective bodies.

### Knowledge management

At Solucom, knowledge management is designed to enhance the collective knowledge of the firm and involve all of its employees in building the corporate vision of the Company. In this respect, initiatives are developed to foster consultant communication and exchange: knowledge-sharing venues, weekly decoding workshops, expert communities, etc.

### Internal mobility

Internal mobility is strongly encouraged by the Company as a means of diversifying and enhancing the individual career paths of its employees. All employees can apply for job vacancies advertised by Solucom within the context of the Group's annual recruitment plan. Solucom is committed to reviewing all job applications even when a position is not open. As in the case of external recruitment, internal mobility is a formalized process monitored by the Company's HR teams.

Moreover, annual performance reviews between employees and their managers are divided into 2 parts; the first session is dedicated to reviewing the employee's past-year performance, and the second to examining their medium-term (2-3 year) career development, and drawing up an appropriate plan to achieve these goals. The aim of all Company team managers is to help employees achieve their full potential. The annual performance review is a privileged moment of exchange and a training ground for all of the Company's new team managers.

### 2.1.7. Equal opportunity and treatment

The Company is deploying a number of equal-opportunity action plans, in accordance with its commitment to adhere strictly to the principles of ethics and fairness. Solucom's social and societal policy is consistent with its commitment to promote diversity and non-discrimination.

At the social level, the Group's working priorities are professional gender equality, integration and support for employees with disabilities, and job security for employees over 50.

#### 1) Gender equality

##### 2013-2016 gender-equality action plan

In line with the first set of initiatives implemented in previous years, Solucom drew up a three-year plan which went into effect in 2013/14 fiscal year.

The areas of action and associated objectives fixed for 2016 are detailed below:

**Recruitment:** to apply a strict gender non-discrimination policy to ensure that the number of woman consultants is proportionally in line with the number of female students in the Company's target schools.

**Professional promotion:** to move towards achieving a balance between the percentage of women in roles of responsibility (operational and top management) and their percentage of the total workforce.

**Compensation:** to maintain a strict equal pay policy for men and women.

**Balance between professional and family life:** to promote a healthy work/life balance for men and women, notably by implementing specific measures aimed at facilitating this balance for employees with children.

##### ■ Percentage of female employees in the Group <sup>(1)</sup>

	At 03/31/16	At 03/31/15	At 03/31/14
% of total workforce	33%	32%	31%
% of consultants	29%	27%	27%

(1) Excluding Arthus Technologies and Kurt Salmon.

##### Percentage of consultant recruitment by degree type

	2015/16	2014/15	2013/14
Management schools (%)	32%	31%	26%
Engineering schools (%)	53%	58%	67%
Universities (%)	15%	11%	7%

The increase in the number of woman as a percentage of total consultants (up from 27% in 2014/15 to 29% at the end of 2015/16 fiscal year) stemmed essentially from the increase in the number of recruits from management schools and universities with an equal number of women and men students. For example, woman consultant recruits as a percentage of total hirings rose from 29% in 2014/15 to 36% in 2015/16.

In addition, in February 2016, Solucom became a partner of "Elles bougent", an association which promotes professional gender diversity with the aim to encourage more women to pursue scientific and technological careers. For Solucom, the main goal of this partnership is to share best practices with other companies and networking. Women graduates from engineering schools seeking to exchange their points of view and share their career experience can become sponsors of the association.

More details concerning Solucom's 2013-2016 gender-equality action plan are given in the Company's comparative study report, on the "Corporate Social Responsibility" page on the Company website.

#### 2) Employment and integration of people with disabilities

Solucom is in the process of defining its policy to promote the employment and support for people with disabilities both at the social and societal levels:

- **Social** - Within the context of Solucom's HR policy, the following actions were carried out in 2015/16:
  - Appointment of 2 HR contacts specialized in disability issues to foster the development of Solucom's strategy in this domain.
  - Posting job ads and accessing CV-banks via online job boards, such as Jobekia and Agefiph.
  - Partnership with the school, *Grenoble École de Management*, to promote the "Management and Disabilities" certificate: 30 students are admitted to the course.
  - Participation in Handicafés<sup>®</sup>. Created in 2007 by ADAPT (association for the social and professional insertion of people with a disability), and integrated into student campuses by the FÉDÉEH (student federation for the promotion of education and employment for disabled

people), the Handicafé® forums provide a privileged meeting ground for disabled candidates and recruitment officers. In 2015/16, Solucom participated in 2 Handicafé® forums.

- Increased recourse to workers in the sheltered employment sector, in cooperation with ESAT (a vocational rehabilitation centre for the disabled). Jobs involve printing documents for in-house training courses, taking weekly orders for tray-meals and fruit baskets, collecting binned paper and recycling IT equipment (printers, ink cartridges, toners, etc.).
  - In-house campaigns to raise awareness particularly of HR teams and staff members involved in the recruitment process. Note that, Solucom has not opted to implement an internal disability declaration incentive policy.
  - An experimental training program for the Human Resources team. The course, “Ensuring the smooth integration of disabled employees”, was delivered by CED, a French communications agency promoting the recruitment of disabled people
- **Societal** – Solucom carried out several actions to promote equal opportunity and non-discrimination (see 2.3.2), notably: drawing up the Solucom Recruitment Charter, support for humanitarian projects (via the Solucom Foundation) and for citizen projects (via the Villebon Georges Charpak Institute), support for associations via skills-sponsorship and manual solidarity actions planned within the context of Powerday, the Group’s first global solidarity day event to be launched in August 2016.

All of the actions taken to promote projects for the disabled are long term. In addition to building on these initiatives, the priority in the next financial year will be to raise the awareness of HR teams, staff involved in recruitment and management to disability issues.

At 12/31/15, the Company had 7 employees with disabilities on the pay roll. Solucom contributed €498.7k to the Agefiph disability support fund in calendar year 2015.

### 3) Anti-discrimination policy

#### 2013/16 generation contract action plan

After consultation with the Group Committee, Solucom implemented a three-year generation contract action plan in 2013. The 2013-2016 action plan has enabled the Company to pursue the initiatives already being carried out, in terms of ensuring job security for employees over fifty (within the context of the 2010 over-50s employee agreement) and the integration of young graduates.

After carrying out an in-depth review<sup>(1)</sup> in conjunction with a group of staff representatives, several measures were proposed based on a set of three commitments and associated actions:

- **Commitments to ensure job security for the over fifties**
  - **Job security:** guarantee job security for at least 85% of employees aged 55 years and over.
  - **Career planning and skills development:** provided by the Over-50s Career Management Committee set up by the Company with support from HR contacts and management teams. Examples of proposed measures include end-of-career interviews for employees over 50, dedicated training and career management, etc.
  - **End-of-career support measures:** specific actions are implemented for employees reaching fifty to help them achieve their end-of-career goals and to capitalize on their acquired experience. Senior staff members may adapt these plans to suit their personal circumstances by taking advantage of a range of services, such as access to part-time work with full-time pension contributions paid, personal skills assessment and retirement counseling.

At 31/03/2016, employees aged 50 years and over accounted for 6% of the total workforce, stable on year-earlier levels. In addition, at end-March 2016, more than 39 employees in the Company were over 55 (equivalent to 2.3% of the total workforce), compared with 35 staff members, one year earlier.

- **Commitments to promote long-term employment for young staff members**
  - **Recruitment:** the firm’s objective is to recruit at least 70% of its permanent FTEs from candidates in the under-26 age bracket.
  - **Integration, training, monitoring, support and welcoming of trainees:** to enable the rapid integration of young recruits under the best possible conditions, Solucom has implemented a set of comprehensive training and integration procedures and mechanisms (mentoring, induction meetings, seminars, etc.) monitored by the firm’s HR teams (see 2.1.6).

For the companies involved in this review (Solucom SA and SLM Consulting) 74.3% of the new recruits in 2015/16 fiscal year were hired under permanent employment contracts and younger than 26 (excluding Hapsis).

(1) This review is relative to 2015/16 fiscal year and concerns the staff of the Solucom parent company and its subsidiary signatories of the generation-contract action plan, namely Solucom and SLM Consulting (Alturia, Eveho and Stance merged with the Solucom parent company in 2014/15).



• **Knowledge and skills transfer**

- **Key skills reference framework:** a formalized description of the skills required in the consultancy and sales professions is currently being drawn up for functional professions. These key skills are broken down for each stage of every career path.
- **Skills mapping:** annual meetings, staff-performance assessments, and job titles.
- **Skills and knowledge development** (see 2.1.6.).

For more details of the firm's anti-discrimination initiatives, see section 2.3.1 of the present report.

**2.1.8. Promote and respect the core conventions laid down by the International Labor Organization (ILO)**

**Eliminating discrimination relative to employment and the profession**

For more information about the firm's initiatives to combat discrimination in employment, see section 2.1.7.

**2.2. Environmental information**

Since Solucom's activities are purely intellectual, the Company's impact on the environment is limited. Nevertheless, since 2012/13, Solucom has been committed to the active monitoring and reduction of its environmental footprint.

To measure its main impact zones and identify its priority actions, the Company carried out two carbon audits (*Bilan Carbone®*) in 2012/13 and 2013/14. These revealed that Solucom's main environmental challenges were: business travel, the environmental footprint of Company premises, paper consumption and IT management. While reporting and actions carried out by the Company prioritize these points in particular, Solucom also focuses on other areas of study and improvement.

At the same time, the firm implemented an environmental reporting procedure in compliance with Articles 75 and 225 of the Grenelle II Law. This initiative made it possible to identify the key benchmarks and contacts to obtain data, implement an information feedback system, and provide the data necessary to produce key annual indicators.

**Details concerning Solucom's environmental reporting methodology**

While Solucom still uses the same environmental reporting methodology defined in 2012/13 certain regulatory reporting points that are not considered relevant to the Company's activities<sup>(1)</sup> have been excluded from the reporting scope.

The companies included in the Group's 2015/16 environmental reporting scope are Solucom, SLM Consulting, Hudson & Yorke and Audisoft-Oxéa (until 09/30/15, when it was integrated into the parent company). The subsidiaries, Solucom Belgium, Arthus Technologies and Kurt Salmon, which were not consolidated in 2015/16 fiscal year, have been excluded from the environmental reporting scope.

To simplify the reading of this section, the four entities included in the environmental reporting scope are grouped together under the collective name of "Solucom".

Solucom's employees are spread across six sites<sup>(2)</sup> :

Site	Workforce at 03/31/16	Breakdown (% of Solucom workforce)
Paris La Défense	1,575	91.8%
Lyon (Villeurbanne)	43	2.5%
Marseilles (Aubagne)	22	1.3%
Nantes	44	2.6%
Casablanca	7	0.4%
London	24	1.4%
<b>Total</b>	<b>1,715<sup>(1)</sup></b>	<b>100%</b>

(1) The difference in employee social/societal data stems from the integration of the sole employee at Solucom Belgium.

Data was collected from all six sites. Certain information that could not be gathered at the Lyon, Marseilles and Nantes sites was extrapolated from the Paris-site ratios. Moreover, when data pertaining to 2015/16 fiscal year were not readily available, total results were based on the 2015 civil year.

Paper and Travel data exclude the Hudson & Yorke site in London (1.4% of Solucom staff) which was not available.

To enable a better understanding of the information presented, the definitions and calculation methods of certain indicators are detailed in footnotes at the bottom of the page.

(1) See concordance table in the appendix (1).

(2) The interns hired in 2015/16 fiscal year (around 250-300) have been excluded from these ratios.



### 2.2.1. Global environmental policy

#### 1) Solucom organization concerning environmental issues

Until end-2011/12, Solucom's environmental actions were not carried out within the framework of a dedicated organizational structure, but on an individual, one-off basis. In 2012/13, the Company launched a structured environmental strategy within the context of its CSR policy and carried out an internal environmental audit to better identify the major environmental impacts of its activities and the priority actions to be taken. As a result, a first Carbon Footprint® audit was carried out in 2012/13.

In 2013/14, Solucom pursued its commitment to improve its environmental auditing efforts notably by including the regional offices in Lyon, Marseilles and Nantes into its reporting scope.

In 2014/15, still within the context of this continuous improvement approach, Solucom pursued the gradual roll-out of actions to limit its environmental impact (recycling end-of-service computer material) and promoting eco-responsible purchasing (raising awareness of main players and decision-makers in the Company, such as practices assistants, and in-house and external events organizers, etc.).

In 2015/16, Solucom maintained its commitment by integrating Audisoft-Oxéa, SLM Consulting (Casablanca) and Hudson & Yorke (London) into its reporting scope, and carried out a carbon audit (*Bilan Carbone*®).

#### 2) Employee environment training and information initiatives

Solucom raises staff awareness of environmental issues by briefing its employees on key environmental actions carried out relating to the implementation of new practices (using eco-label paper, eco-responsible printing module, etc.).

The results of the first carbon audit carried out in the first few years, together with the main lessons learnt from Solucom's environmental continuous improvement strategy were communicated to all staff members via the Company Intranet site.

#### 3) Solucom office remodeling and renovation

This year, Solucom inaugurated its new office-layout concept, "Air"<sup>(1)</sup>, on the 18<sup>th</sup> and 21<sup>st</sup> floors of the Tour Franklin and the Company offices in Nantes to introduce a new means of organization and make the working environment more agreeable for its employees. Several sustainable criteria were

taken into account in the office-renovation process, prompting the Company to implement the following initiatives:

- installation of "Cannibal" beverage-packaging recycling machines in rest areas;
- removal of individual rubbish baskets to encourage a reduction in paper waste;
- installation of occupancy sensors to limit electric lighting consumption;
- roll out of IT solutions (video-conferencing equipment in conference rooms) to limit staff travel.

This layout concept will be deployed in all offices across the Group.

### 2.2.2. Pollution and waste management

Waste generated by Solucom is mainly office waste and end-of-service IT equipment (computers and mobile phones). Electrical and electronic waste (WEEE), which accounts for less than 1% of the total waste generated by Solucom's activities, is recycled (either on-site or via external channels). Nevertheless, waste represents a major challenge for the Company. This type of equipment has a high ecological footprint throughout its entire life-span (use of water, metal and energy resources at all stages from product design through to recycling).

#### 1) Office waste

In 2015/16 fiscal year, Solucom collected some 49.3 tons of waste<sup>(2)</sup>, equivalent to roughly **28.7 kg per employee**. This breaks down as follows:

- Non-recycled waste: 39.6 metric tons of non-hazardous office waste<sup>(3)</sup>.
- Recycled waste:
  - 8.8 tons of paper waste were recycled by the association ANRH (Association for the Professional and Respectful Insertion and Reinsertion of Disabled People);
  - 0.9 tons of used ink cartridges from printers and photocopiers<sup>(4)</sup>. In Paris, all ink cartridges are collected by the company Netser and recycled by Clozloop, a company specialized in ink-cartridge recycling. In the Group's regional offices, ink cartridges are now recuperated by Ricoh services and in London by the building's own ink-cartridge recuperation service.

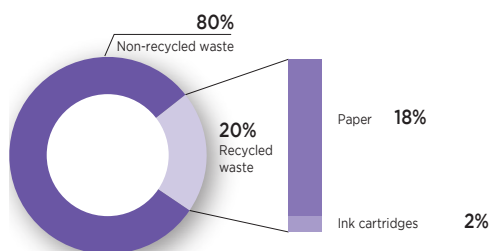
(1) For more information, visit: [www.solucom.fr/communiquemetier/solucom-reinvente-ses-locaux-avec-le-concept-air/](http://www.solucom.fr/communiquemetier/solucom-reinvente-ses-locaux-avec-le-concept-air/)

(2) Data includes amount of paper waste weighed at the Paris site (134 kg/day), estimations given by the heads of general services at the offices in Lyon, Marseilles and Nantes, and extrapolations of head-office ratios for the offices in Casablanca and London. Solucom has used the same methodology to estimate paper waste since 2012.

(3) Standard, non-hazardous office waste (paper, cardboard, packaging, office materials, etc.).

(4) Used ink cartridge collection is not carried out on a regular basis: 6 collections in 2015/16, vs. 3 in 2014/15.

■ Office waste - 2015/16 (tons/year)



(kg/employee)	2015/16	2014/15	2013/14	2012/13
Office waste	28.7	27.8	29.5	31.0

Since the first environmental report published in 2012/13, the average weight of waste generated per employee within the Company's CSR reporting scope has been reduced by around 7%. The 1 kg increase in the amount of waste generated per employee in 2015/16 stemmed from the removal of out-of-service furniture from the basement of the Tour Franklin (2,250 kg). Excluding this unusual waste load, the waste/employee ratio would have been **27.4 kg**, down on previous year levels.

The percentage of recycled waste continued to increase in 2015/16 (20%, versus 15% in 2012/13). For the record, within the context of the renovation of the Company's Tour Franklin headquarters, in 2015, Solucom installed beverage package recycling machines for cans, goblets, and plastic bottles. The waste-management company, Canibal installed 4 waste recycling machines (of which 2 on the 18<sup>th</sup> floor in September 2015, and 2 on the 21<sup>st</sup> floor in November 2015). In 2015/16<sup>(1)</sup>:

- Solucom collected a total of 33,721 beverage of packaging containers (of which 30,857 goblets) equivalent to 236 kg.
- Recycling economized 631 kg of CO<sub>2</sub>eq and produced 39,500 kWh.

## 2) Computer waste

To ensure the smooth running of its business, Solucom makes sure that its employees are equipped with the best high-tech IT equipment; a strategy which requires the regular replacement of IT equipment, especially desktop computers (4-year life-span).

In 2015/16, **274 machines** reached the end of their service life (mainly computers and mobile phones), making for about **383 kg in computer waste**. The difference in the number of machines trashed in 2012/13, 2014/15 and 2015/16 (300, 70, and 600, respectively) stems from the purchasing cycles of this type of equipment.

To prolong the life-span of IT equipment and in particular cell phones which have reached the end of their service period, staff members may buy these devices for their own personal use. Solucom also donates this kind of equipment to associations.

In August 2014, Solucom implemented a procedure for the systematic recycling of end-of-service computers at all sites, excluding London. Solucom engaged APR2<sup>(2)</sup> (a certified company which promotes the employment of disabled persons) for its WEEE treatment services. This company uses a clean process to eliminate toxic components and recycle recoverable materials. 975 kg of electronic equipment previously stored by Solucom was treated by APR2 in 2015. The London site recycles IT waste via le site [www.123recycleforfree.com](http://www.123recycleforfree.com).

## 3) Food waste (combat against food waste)

Article no. 2016-138 dated 02/11/16 and published in the Official Journal on 02/12/16, specifies that food waste be integrated into corporate environmental reports. Since the enforcement decree of this law had not yet been published at the time when the present report was being drafted, Solucom has not defined or implemented the indicators to be used. The relevance of this measure will be subject to discussion during the next fiscal year since the catering premises used by the Company are not directly managed by Solucom.

### 2.2.3. Sustainable use of resources

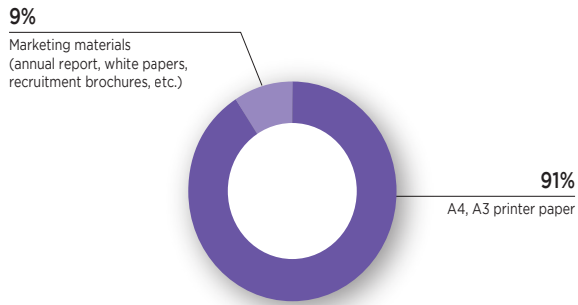
Since Solucom has no manufacturing activities, its use of resources is limited to office consumables and resources which are both used to operate its office premises.

(1) See the 2015/16 Solucom Annual Report.

(2) For more details concerning APR2 visit: [www.proreseaux.com](http://www.proreseaux.com)

1) Consumption of raw materials <sup>(1)</sup>

■ Paper consumption - 2015/16 (tons/year)



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). In 2015/16, Solucom consumed **14.7 tons of paper**, equivalent to **8.7 kg per employee**.

(kg/employee)	2015/16	2014/15	2013/14	2012/13
Paper consumption	8.7	9.6	10.1	12.7

This sustained reduction in the level of paper consumption per employee (**down 9%** between 2014/15 and 2015/16) is the result of employee awareness campaigns carried out by the Company.

For example, photocopier parameters are automatically set to “green print”, a black & white and recto-verso printing module installed in Company offices in August 2014. This function is integrated directly into Word and Power Point print settings to ensure that the parameters are automatically set. In addition, conference rooms are equipped with wall screens to project documents and avoid having to make print outs for each participant.

Note that Solucom is currently working on a new measure to reduce the number of paper print-outs, which should have a positive impact in the next fiscal year. This will involve the dematerialization of convocation notices and preparatory documents for General Meetings. Solucom has already asked holders of registered shares to forgo paper for electronic documents.

For the record, Solucom recycles all of its paper (section 2.2.2) and only uses PEFC and FSC certified paper (section 2.2.5).

(1) London site not included in this calculation (no data available).

2) Energy consumption

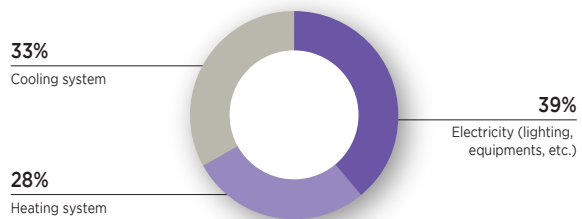
Solucom’s direct power consumption is related to its heating, air conditioning, ventilation, lighting and office equipment needs for its offices.

In 2015/16, the Group’s Final Power consumption (electricity, heating and cooling) was **2.9 GWh EP**, or **251 kWh EP/m<sup>2</sup>**, which, once converted into Primary Power (the power needed to produce this final power), is estimated at 4.96 GWh PP, or 420 kWh PP/m<sup>2</sup>. Solucom’s energy consumption has fallen by 24% since 2012:

(kWh/m <sup>2</sup> )	2015/16	2014/15	2013/14	2012/13
Final energy consumption	250.9	300.0	322.8	332.1

Solucom’s main office (comprising 92% of its workforce and 95% of its energy consumption) occupies approximately 10,345m<sup>2</sup> of the Tour Franklin (4 floors, of which 2 were renovated during the year and 2 half-floors) in the La Défense business district of Paris. This tower is connected to urban heating and cooling networks that provide heating and air conditioning for the offices. The energy consumption of this site breaks down as follows:

■ Final energie consumption - 2015/16 (kWh/year)



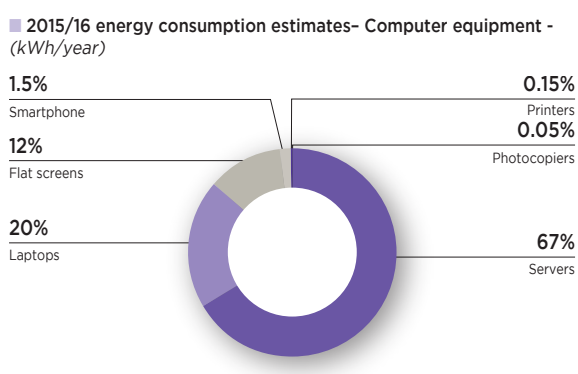
Energy consumption levels at Company headquarters in the Tour Franklin (La Défense) are high (267 kWh/m<sup>2</sup> at the top end of the office-building range in the Paris area). This is due to the building techniques used when the Tower was built in 1972.

Solucom’s renovated “Air” offices in Paris are equipped with occupancy and daylight sensor mats designed to control the lighting systems which turn off when the office has been unoccupied for 15 minutes. Other offices on the platform are lit between 8:00 am and 8:00 pm, Monday through Friday, to save energy. Switches are also installed to control lighting outside office hours.

### Focus on computer and telecommunications equipment

Solucom’s computer equipment consumes a considerable amount of electricity. In total, this is estimated <sup>(1)</sup> at **0.31 GWh per year**, based on the average number of working hours in use and average consumption data. Factoring in certain usages outside of Solucom premises<sup>(2)</sup>, total energy consumed by computers represented **25% of Solucom’s total electricity consumption in 2015/16**.

Solucom’s energy consumption breaks down as follows:



All Company laptops are EPEAT <sup>(3)</sup> labeled; 66% of total equipment carry the Silver label, and 34% the Gold. Among other things, this label guarantees a precautionary use of natural resources in the manufacturing of the products, as well as their recyclability and compliance with the Energy Star standard for energy consumption while in use. Labeling is now included in the selection criterion used by the Company in its procurement process.

### 3) Water consumption

The main source of water consumption at Solucom is used for sanitary purposes. Information related to the Group’s water consumption data given below notably concerns the domestic water supply used for sanitary and cleaning purposes, and by air conditioning systems. Solucom’s total annual water consumption<sup>(4)</sup> was around **12,581 m<sup>3</sup> in 2015/16, equivalent to 7.34 m<sup>3</sup> per employee (down 23% on 2012/13)<sup>(5)</sup>**.

(m <sup>3</sup> /employee)	2015/16	2014/15	2013/14	2012/13
Water consumption	7.34	7.09	9.40	9.52

All of Solucom’s offices are located outside water stress areas (with a water supply of less than 1,700m<sup>3</sup> per capita per year for all uses combined)<sup>(6)</sup>. As such, there is no need to study the pressure exerted by Solucom on local water resources.

#### 2.2.4. Climate change: greenhouse gas emissions <sup>(7)</sup>

##### 1) Summary table

The scope of this analysis is limited to four sources of emissions, namely:

- energy consumption of buildings
- refrigerant gas leaks in air conditioning systems<sup>(8)</sup>
- paper purchases
- business travel and commuting.

In 2015/16 fiscal year, Solucom’s greenhouse gas emissions created by these four sources amounted to 1,899 teq CO<sub>2</sub>, or 1.1 teq CO<sub>2</sub>teq per employee.

(1) Same methodology as in previous years: estimate based on the number of devices used by Solucom, the average device utilization rate and the average performance of this equipment in France (source: IDATE). Utilization rate estimates are based on the following assumptions: laptops, screens and mobile phones are used 1,760 hours a year on average and servers, 8,760 hours. The assumption used for photocopiers and printers is based on 10,000 copies per device per year.

(2) Estimated at 30% for laptops and cell phones.

(3) The Electronic Product Environmental Assessment Tool (EPEAT) label requires, among other things, the limited use of dangerous substances, guaranteed recycling and durability, low power consumption and low environmental impact packaging (<http://www.epeat.net/>).

(4) Water consumption at the Lyon, Marseilles, Nantes and London sites are extrapolated from that of the Paris site (ratio m<sup>3</sup>/employee).

(5) The year-on-year increase in this ratio is directly related to an increase in water consumption at the Tour Franklin over which we have no visibility.

(6) For more information on water stress areas, visit: [www.un.org/french/waterforlifedecade/scarcity.html](http://www.un.org/french/waterforlifedecade/scarcity.html)

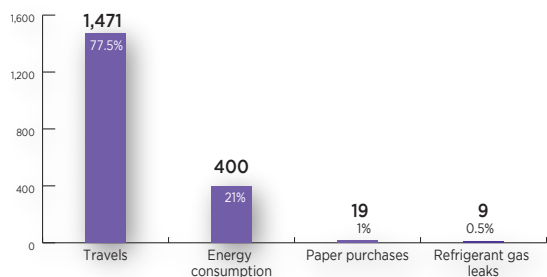
(7) The methodology used is in line with requirements specified in Article 75 of the Grenelle 2 Law. The emission sources taken into account are those required by Article 75 (scopes 1 and 2), as well as paper purchases and travel which have been identified as major emission sources with regard Solucom’s activity.

(8) The gas powered air conditioning systems at the sites in Lyon, Aubagne and Casablanca were not recharged in 2015/16. At the Paris site, 2 new auxiliary air conditioning systems using R410A gas with a total power of 64.2kW (autonomous water cooling systems) were installed in the server rooms. The former air conditioning systems (R 407c) were removed.

(tCO <sub>2</sub> eq/employee)	2015/16	2014/15	2013/14	2012/13
Greenhouse gas emissions	1.1	0.9	0.9	1.2

The Company's greenhouse gas emissions break down as follows:

**Greenhouse gas emissions (teq CO<sub>2</sub>) of defined scope**



**Focus on travel<sup>(1)</sup>**

Employee transport is the main source of Solucom's greenhouse gas emissions (77.5%). To gain a better understanding of these emissions, Solucom analyzed the volume and different means of transport used on business trips and in staff commuting.

**Business trips**

Business trips account for approximately 8m km travelled per year, all transport methods combined, or approximately 4,716 km travelled per year per employee<sup>(2)</sup>. This stems from the high level of mobility of Solucom employees, which is a characteristic feature of the consulting sector.

(km/year/employee)	2015/16	2014/15	2013/14	2012/13
Business trips	4,716	4,752	4,655	5,712

*NB: The methodology used to measure the number of rental car kilometers is the same as in 2014/15. To enhance reporting reliability, the number of real kilometers collected from Hertz (Solucom's main car-rental supplier) is now included in the number of car-rental business trip estimates.*

(1) Hudson & Yorke (which accounts for 1.4% of Solucom employees) is not included in the scope of analysis due to lack of available data.

(2) Data concerning journeys by train, plane and short-term car rental were supplied mainly by the Egencia Travel Agency, the SNCF and Hertz car hire. The methodology used was marginally modified: the calculation of air and train journeys include data issued by the Solucom Carbon Emissions Report (Egencia), journeys made in the framework of the use of BlueBiz points and, henceforth, the estimated data regarding the mileage indicated by expense claims, based on Egencia mileage. The data concerning journeys by public transport, taxis and private vehicles was obtained from the accounts department. The amounts collected (€) were converted into distances covered (km). This slight increase in the number of business trips between 2013/14 and 2014/15 was due partly to the change in the methodology used to collect car-rental travel data. Until last year, this data had been extrapolated from the accounting report of the Egencia travel agency. To enhance reporting reliability, the number of real kilometers collected from Hertz (Solucom's main car-rental supplier) is now included.

**Breakdown of business trips by type of transport in 2015/16:**

(km/year)	2015/16	2014/15	2013/14	2012/13
Plane	37%	18%	22%	22%
Rail	44%	51%	53%	54%
Public transport	9%	17%	19%	14%
Cars	10%	14%	6%	10%
o/w private cars	9.4%	11%	4%	8%
o/w rented cars	0.2%	1%	0.3%	0.2%
o/w taxis	1.4%	2%	1.7%	1.8%

Note that in 2015/16, there was a sharp increase in the number of private cars used for business trips (up 19 points on 2014/15). Solucom underwent a considerable change in terms of international expansion last year, notably via the partnerships with the Singapore-based company, Why innovation! (concluded in January 2015) and with ShiftIN in Dubai (in September 2015), which have boosted the number of business trips to these destinations. For the record, international expansion is one of the three objectives fixed by Solucom in the Up2020 strategic plan, announced in July 2015. As such, international business trips outside of Europe accounted for 39% of business flights in 2015, compared with 29% in 2014.

Solucom has adopted a two-pronged strategy to reduce the environmental impact of business trips within the context of its international expansion strategy, namely by:

**1. Limiting business trips by using audio and video-conferencing systems:** Solucom's meeting rooms are equipped with remote conferencing systems used mainly for in-house discussions between the firm's various sites.

**2. Choosing the least polluting transport options for short-distance trips:** Solucom employees are encouraged to use public transport for business trips in accordance with its current travel policy. Some examples of the measures put in place include:

- air travel is authorized only if the train would take more than three hours;
- Solucom pays 50% of the costs for public bike-rental schemes (Vélib, Vélov, Bicloo, etc);
- car rental is authorized only when there is no access to public transport.

## Commuting

Commuting to and from work<sup>(1)</sup> totals approximately 9.6m km per year, all modes of transport combined, or approximately 26 km per employee per day worked, which is slightly up on last year<sup>(2)</sup>.

Solucom employees are encouraged to use public transport for commuting. This can be broken down as follows:

### Breakdown of commuting by means of transport:

(% km )	2015/16	2014/15	2013/14	2012/13
Public transport	86%	86%	85%	81%
Private vehicles (cars & motorcycles)	14%	14%	15%	19%

## 2.2.5. Protection of biodiversity

None of Solucom's sites are situated in protected or high biodiversity areas. The Company's activities have no direct or significant impact on biodiversity. Solucom has a limited indirect impact through the amount of paper consumed in its activities. To minimize this impact, the firm mainly uses paper made from pulp from sustainably managed forests (**FSC or PEFC certified**) or **100% recycled paper**. Since 2012, this requirement has been incorporated into printing-services specifications, as well as printing paper purchases.

### Summary of Solucom's environmental performance indicators over the past 4 years:

Theme-based indicators	2015/16	2014/15	2013/14	2012/13	Unit	% change over 4 years
Office waste	28.7	27.8	29.5	31.0	kg/employee	- 7%
Final energy consumption	250.9	300.0	322.8	332.1	kWh/m <sup>2</sup>	-24%
Water consumption	7.34	7.09	9.40	9.52	m <sup>3</sup> /employee	-23%
Paper consumption	8.7	9.6	10.1	12.7	kg/employee	-31%
Greenhouse gas emissions (for the reporting scope)	1.1	0.9	0.9	1.2	tCO <sub>2</sub> eq/employee	-8%
Total distance travelled for business trips	4,716	4,752	4,655	5,712	km/employee	-17%
Business flights as a percentage of business trips	37%	18%	22%	22%	% of total km traveled	+15 points
Commuting by public transport	86%	86%	85%	81%	% of total km traveled	+5 points

(1) To calculate the distance travelled by employees using their own vehicles, the analysis is based on the postal codes declared by the beneficiaries of car or motorbike parking. The distance traveled by employees using public transport is calculated on the basis of the transport ticket declared (per zone).

(2) The method used to calculate average distances was modified for public transport in the greater Paris area. The creation of open-zone travel passes required us to downgrade our estimates. As such, our estimates are not as precise as in previous years.

## Environmental reporting appendix

### Table of concordance between Solucom data and Article 225 of Grenelle II

The following table shows the concordance between the information presented in this report and implementing decree no. 2012-557 dated 04/24/12 relative to the obligation concerning corporate, social and environmental transparency. Certain information highlighted in grey considered not relevant given Solucom's activities is not applicable to the Company. (See details in column "Actions taken by Solucom").

Decree 2012-557, Article 1- 2°	Action taken by Solucom	
<b>a) General Policy</b>	Organization of the Company to take into account environmental issues and, if necessary, address environmental assessment and certification initiatives	§ 2.2.1 1)
	Measures carried out to ensure employee access to environmental training and protection	§ 2.2.1 2)
	Measures employed to prevent environmental risks and pollution	Since Solucom's activities are not of a material nature they do not present any high environmental risk or cause major pollution (releases into air, water, soil, noise nuisance, soil use, etc.)
	The amount of provisions and guarantees for environmental risks, provided that such information is unlikely to cause any serious damage to the Company in an ongoing litigation	Solucom did not write any provisions or guarantees for environmental risk
<b>b) Pollution and waste management</b>	Measures taken to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment	Since Solucom's activities are not of a material nature they do not present any high environmental risk or cause major pollution (releases into air, water, soil, noise nuisance, soil use, etc.)
	Measures being carried out to prevent, recycle and eliminate waste	§ 2.2.2
	Management of noise pollution and any other kind of pollution specific to the Group's activity	Because Solucom's activities are not of a material nature they are not a source of major noise pollution
<b>c) Sustainable use of resources</b>	Water consumption and supply in accordance with local restrictions	§ 2.2.3 3)
	Consumption of raw materials and measures taken to optimize their use	§ 2.2.3 1)
	Energy consumption measures taken to improve energy efficiency, and recourse to renewable energy	§ 2.2.3 2)
	Land use	Solucom's activities are not of a material nature and, as such, do not present high environmental risk or cause major soil pollution. In addition, Solucom's premises are located in already urbanized areas
<b>d) Climate change</b>	Greenhouse gas emissions	§ 2.2.4
	Adaptation to the consequences of climate change	Since Solucom's activities are not of a material nature they are not directly impacted by the consequences of climate change
<b>e) Protection of biodiversity</b>	Measures taken to preserve and/or develop biodiversity	§ 2.2.5



## 2.3. Information concerning societal commitments

Solucom's approach with regard to its responsibility to society is to promote equal opportunity and non-discrimination. This commitment mainly concerns three areas of action: education, access to higher education, occupational integration and employment.

To this end, Solucom's societal responsibility strategy is based on the following initiatives: lending support to humanitarian and citizenship projects (Solucom Corporate Foundation, Villebon Institute); raising staff awareness to the challenges of sustainable development and their involvement in the firm's skills-sponsorship actions (Powerday); the gradual integration of social and environmental criteria into all of Solucom's activities.

### 2.3.1. Regional, economic and social impact of the Company's activities

Because the regional and economic impact of Solucom's activity is relatively limited, the Company has opted to focus primarily on initiatives linked to its social and civic footprint.

These initiatives are structured around the following challenges and areas of action: employment and occupational integration, access to higher education, the promotion of diversity and equality of opportunity.

For more details, see sections 2.3.2 and 3 (Economic responsibility).

### 2.3.2. Relations between persons or organizations with an interest in the Company's activities

#### 1) Actions taken with respect to employment and occupational integration

As a responsible employer Solucom pays particular attention to its social footprint.

For the record, at 03/31/16, Solucom's workforce (excluding the number of additional staff members stemming from companies acquired during the fiscal year), totaled 1,716 employees, for the most part comprising young executives (64% of employees under 30 years of age), working at Group sites in France (98%).

As a growth company, Solucom has been a net creator of jobs every year since its founding in 1990. In addition, the Group has always strived to provide job security for all of its employees. More than 400 employees were recruited in 2015/16, 94% of whom on a permanent contract basis. Moreover, every year the firm takes on over one hundred trainees (short-term internships,

sabbaticals, apprenticeships, end-of-study and work/study programs) on a pre-employment basis.

In 2015/16, more than 5,400 candidates from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, events, and spontaneous applications) took part in the Solucom recruitment process and were accepted for a first interview.

#### Solucom Candidate Recruitment Charter

In 2012/13, Solucom drew up a Recruitment Charter which was deployed internally to all persons involved in recruitment, and published externally. This Charter is in line with the firm's continuous improvement approach concerning the Company's recruitment processes and promotes the principles of transparency and respect which are central to Solucom's Human Resources strategy. The Charter, which can be consulted in full on the Company website, is based on 9 key recruitment commitments (transparency, equal opportunity, personalized candidate monitoring, professionalism of recruitment methods and confidentiality of information, etc.).

#### 2) Partnership and skills-sponsorship actions to promote equal opportunity

##### Solucom Corporate Foundation

The Solucom Corporate Foundation was created in 2009, and extended in 2014 for a period of 5 years, for the purposes of carrying out humanitarian actions in France and abroad by lending support to, or developing, actions aimed at combating child poverty and extreme deprivation.

The Foundation is focused on developing long-term development projects.

Since its creation in 2009, the Foundation has backed and financed more than 70 youth-work projects, for the most part in Africa and Asia. Every project monitored by Solucom is sponsored by an employee of the firm. At 03/31/2016, more than 30 consultants sponsored Solucom Foundation projects by maintaining contact with the association.

In 2015/16, 14 projects were financed; 2 of which were urgent projects in the Gaza Strip and Madagascar. In March 2016, the Foundation launched a call for projects out of which the Foundation's Board of Directors retained 9.

*The Foundation Charter and all previous-year activity reports are available on the Foundation's website: [www.fondation-solucom.fr](http://www.fondation-solucom.fr)*



### Villebon - Georges Charpak Institute

Since 2012, Solucom has sponsored the Villebon - Georges Charpak Training Institute, a project with a social mission run jointly by the ParisTech Foundation, higher education bodies (major schools and universities), and the socio-economic world.

The objective of the Villebon Institute's educational innovation pilot scheme is to offer universal access to the top levels of higher education and to long-term scientific studies, while guaranteeing the social, cultural and intellectual diversity of students. Awarded the Excellence in Innovative Education (IDEFI) label in 2012, the pedagogical approach deployed by the Institute is notably based on experimental, interdisciplinary and collective projects.

Launched in September 2013, the Institute currently has three classes open. Each class is limited to around forty students, who have certain academic weaknesses but show promise and either come from underprivileged backgrounds (70% on scholarships) or have some form of disability.

Within the context of this partnership, Solucom encourages its consultants to volunteer and invest themselves in the different areas of the project; professional insertion to help organize career-coaching workshops; training via trade conferences and company visits; student selection and sponsoring. More than thirty students from the Villebon Institute are currently being sponsored by a group of Solucom employees, who provide support and counseling in developing their professional projects.

Solucom has decided to renew this commitment for another three years.

For more information: [www.villebon-charpak.fr](http://www.villebon-charpak.fr)

### Powerday

Solucom and Kurt Salmon are organizing "Powerday", a global corporate solidarity day, for all of their employees on 08/26/16 at all Group sites in France and abroad.

Staff members wishing to volunteer can lend their support to the charitable association of their choice either by assisting in skills-based sponsorship programs or on manual projects. Powerday is sponsoring several associations committed to a variety of causes, such as people with disabilities, health issues, the environment, social and professional insertion, education and culture, as well as Solucom Foundation associations.

### Measures taken to help startups

Since March 2016, Solucom has been hosting 2 startups and lending them support to find clients among the large players the market. For Solucom, these partnerships are aimed at reinforcing the firm's culture of innovation.

At the end of 2015/16 fiscal year, Solucom launched "Shake'up", a new initiative designed to build a value-creation ecosystem for the Company, its clients and startups.

### 3) Relationships with higher education institutions

As part of its Human Resources strategy, Solucom has adopted a school policy based on close relationships with higher education establishments. For the record, the Company's recruitment objective is that more than 70% of new recruits are young graduates. The Company has thus forged long-term relationships with over 30 French schools and universities, in the Paris region and in the provinces.

The objective of this proactive partnership policy is to lend support to students in their personal and professional development. Personal, via the transmission of knowledge and savoir-faire inherent in consulting jobs (project management, client relationship management); and professional, by providing a variety of career coaching programs, as well as the constant integration of trainees into the Company's teams (more than a hundred trainees taken on every year). Some examples of on-campus actions carried out by the Company include: voluntary coaching and sponsoring ("Junior Enterprises", student unions and association forums), CV/cover-letter workshops, mock interviews, experience feedback and informal discussions with members of the Company's alumni.

At the pedagogical level, the firm also maintains strong relations with the careers services and faculty bodies of its target schools. In this respect, Solucom actively takes part, at multiple levels, in major events in the life of these establishments by participating on selection panels and in promotional event sponsoring, as well as chairing conferences and round-tables and taking part in course modules.

To support the development of the firm's partner schools and universities and to strengthen the measures already in place, Solucom has been developing a strategy since 2012/13 to step up the integration of work/study programs and apprenticeships among its employees, across all spheres of professional activity. To this end, in 2015/16, Solucom offered 27 young people skills-acquisition or work-study contracts (versus 15 in 2014/15).

#### 4) Raising awareness to IT Security issues

Via Hack Academy, Solucom is participating in the new communication campaign launched by CIGREF<sup>(1)</sup> in collaboration with key accounts to raise the awareness of the public to the importance of adopting good reflexes on the Internet. The objective of the Hack Academy is to use reality-TV codes to raise public awareness to cybersecurity issues. In a series of four videos on [hack-academy.fr](http://hack-academy.fr), young candidates reveal their talent for computer-hacking to a jury of Hack Academy professionals; the objective being to identify the hackers of the future. In a humoristic way, candidates address the main threats that cybernauts may be confronted with such as phishing, password cracking and Trojan horse viruses.

Defined in close cooperation with the national agency for information systems security (ANSSI) and *Préfet* Cyber, the project was presented to the media during the European Cyber Security month in September 2015, and nominated for the 2016 Webby Awards in the "Corporate Social Responsibility" category.

#### 2.3.3. Subcontracting and suppliers

##### Social and environmental issues taken into account in the firm's procurement policy

The implementation of a structured responsible procurement policy will be an area of focus for the firm over the next few years.

At present, sustainable development criteria - environmental, social and/or societal - are incorporated into certain specific procurement processes, but not deployed and formalized on a Group-wide scale. For example, regarding:

- Printing services and paper purchases (100% recycled or eco-labeled) (see 2.2.5);
- Computer equipment: all Company laptops are EPEAT<sup>(2)</sup> labeled (level gold or silver). Among other things, this label guarantees the limited use of dangerous substances, recyclability and sustainability, low power consumption, and low environmental impact packaging (see 2.2.3);
- Recourse to the protected sector and adapted for certain services, notably related to in-house and external event organization (catering, printing) (see section 2.1.7). In addition, since August 2014, Solucom has been outsourcing the recycling of its end-of-service IT equipment to a services company in the protected sector, a solution the Group will systematically use every year.

Moreover, within the context of Solucom's "Air" office layout concept, the Group:

- installed waste-sorting bins (for organic, cardboard and paper waste) to replace individual rubbish baskets;
- installed "Cannibal" beverage-packaging recycling machines (cans, goblets and plastic bottles);
- installed 100% LED lighting and 80% occupancy detection systems, and fitted water taps with presence detector sensors in office toilets;
- laid a false floor with an access ramp for people with reduced mobility;
- fitted out its offices with furniture, of which 90% were made in France.

In addition, as a signatory of the United Nations Global Compact since 2012 (see 2.3.4), Solucom is committed to meeting international ethics standards and, as part of its continuous improvement initiative, to pursuing efforts promoting social progress and economic development.

For the record, the bulk of Solucom's partners and suppliers are based in France and subject to French laws and obligations relating to human rights, and labor law and standards, etc.

#### Outsourcing

As part of its consulting services to large companies, Solucom may occasionally be called on to subcontract part of its services to other specialist firms, particularly when a specific skill out with its own field of expertise, is necessary to complete the project.

However, Solucom does not use staff made available under a subcontracting agreement.

#### 2.3.4. Fair trade practices

##### Actions taken to prevent corruption

Solucom is committed, and ensures that its employees are likewise committed, to the prevention of direct or indirect corruption, as well as to the rules governing competition and the confidentiality of information to which employees have access as part of their missions and activities in the firm.

To this end, and in accordance with its basic principles, Solucom has been a signatory of the United Nations Global Compact since the end of 2012, an engagement which officially binds the Company to honor its long-term commitment to pursue all actions in a responsible and transparent manner. Accordingly, Solucom supports and undertakes to promote

(1) CIGREF is an association of large French companies whose mission is to promote digital culture as a source of innovation and performance.

(2) Electronic Product Environmental Assessment Tool label.

the 10 principles of the Compact (human rights, labor rights, protection of the environment, anti-corruption measures) in its sphere of influence (clients, employees, shareholders, clients and suppliers, and civil society).

In 2015/16, the Company published its third “Communication on Progress” (COP) report for its stakeholders detailing the initiatives it has launched and the work it is doing related to the principles of the Compact.

#### Measures taken to promote consumer health and safety

Since Solucom provides corporate services, it is not concerned by consumer health and safety issues.

It should however be noted that the Group contributes towards raising awareness to the issue of cybersecurity (see 2.3.2.).

### 3. Other information related to Solucom’s corporate responsibility: economic responsibility

Solucom aims to conduct itself as a responsible player in its environment. As such, the firm guarantees all of its financial, economic, civic and social stakeholders its adherence to the principles of good governance, transparency and ethics.

#### Governance

Solucom has adopted a two-tier management structure comprising a Management Board and a Supervisory Board to ensure a clear separation between the Management and Control functions of the Company.

Solucom complies unreservedly with the MiddleNext Corporate Governance Code.

The Supervisory Board is composed of six members, of which four are independent. As Solucom is an equity-controlled company, this composition of the Supervisory Board ensures that the interests of minority shareholders are respected.

*For more details, see the “Report of the Chairman of the Supervisory Board on the manner in which the work of the Board was prepared and organized, and on Internal control and risk management procedures” in Chapter 4 of the Company’s Registration Document.*

#### Transparency

In addition to ensuring its compliance with regulatory obligations regarding financial communication, Solucom strives

to achieve a greater degree of transparency and ensure a frequent and regular communication flow, regardless of the economic context or the Company’s performance.

This approach is underpinned by Solucom’s decision to maintain its quarterly financial information reporting despite the suppression of this obligation on 12/31/14 with the publication of measures to transpose the revised transparency directive (2013/50/UE) included in the DDADUE Law bringing a number of provisions into line with European Union economic and financial law. Pursuant to AMF recommendations (DOC-2015-03), Solucom has chosen to adopt a clear and steady approach over the long term.

Moreover, the Company makes every effort to ensure and maintain solid communications with analysts, institutional investors and individual shareholders by systematically organizing six meetings for its French-speaking investors and two for its English-speaking investors every year. In addition, Solucom has created a club for its shareholders for the purposes of strengthening relations with individual investors and regularly participates in trade fairs.

#### Business ethics

Ethics are of the utmost importance to the Group which is committed to respecting the strictest ethical standards and to conducting its activities with the greatest integrity.

As such, in 2014/15, Solucom launched a business ethics project for the purposes of formalizing the Company’s ethical principles used to carry out its consulting activities. As a result of the risk identification and analysis work carried out on a variety of underlying subjects (corruption, anti-competitive practices, data security, etc.), the Company drew up and deployed the Solucom Charter with a view to raising the awareness of all of its staff members to ethical issues. A monitoring body will be responsible for ensuring that these commitments are respected at the Group level, advising employees and integrating the program in the Group’s continuous improvement strategy.

The purpose of this charter is to serve as a professional conduct guide for all staff members whatever their function and level of responsibility.

*More details about the measures implemented by Solucom to ensure the quality of services and the Group’s ethics are given in the section - “Quality” - in Chapter 1 of the Solucom Registration Document.*

## 4. Methodology note regarding Solucom's 2015/16 non-financial reporting

### 4.1. Scope of consolidation

- Unless stated otherwise, the social and societal information by default covers Solucom's entire consolidation scope, with the exception of new acquisitions finalized during the fiscal year which have not been integrated into the Group's non-financial reporting process. As such, Solucom's 2015/16 reporting scope does not include Arthus Technologies and Kurt Salmon, acquired respectively on 07/07/15 and 01/07/16.

Solucom's 2015/16 reporting scope therefore includes the Solucom parent company and its subsidiaries, SLM Consulting (Morocco), Hudson & Yorke (UK), and Audisoft-Oxéa (France) until 09/30/15 when it was integrated into the parent company, as well as Solucom Belgium, created in October 2015 (with 1 employee).

Note that Solucom SA acquired the assets of Hapsis on 04/01/15.

- A different methodology, detailed in the environmental report (see 2.2), is used for environmental data. The environmental reporting scope covers all entities within the Group's scope of consolidation in France, excluding any new acquisitions finalized during the fiscal year. This scope is no longer limited to France but now includes the subsidiaries, SLM Consulting (in Morocco), and Hudson & Yorke (in the UK). For data that is unavailable, data from the Paris office (which accounts for more than 92% of the workforce) is extrapolated to provide an estimate of the value of the environmental indicators for the reporting scope as a whole.
- All economic data is qualitative.

### 4.2. Reporting period

Most of the data provided in this report covers the 2015/16 fiscal year ended 03/31/16. In exceptional cases which are explicitly mentioned, the information covers the 2015 calendar year.

### 4.3. Non-financial data collection sources and methods

Solucom's non-financial data is collected and consolidated at the Company's head office. Data collection and consolidation is the responsibility of the Heads of Communication and HR Development, under the supervision of the Chief Financial Officer.

### Data collection and consolidation

#### • Social data

Given the nature of Solucom's consulting activity, the social aspect of sustainable development is a major issue and key priority for the Company.

Solucom's HR Development Department is responsible for defining and implementing the firm's human resources strategy. It draws partly on the support of decentralized human resource teams within the Company's practices, and partly on the recruitment division in charge of all recruitment actions.

Social reporting and the monitoring of associated indicators fall under the responsibility of a single dedicated contact within Solucom's HR Development Department who is in charge of data consolidation at the Group level.

#### • Environmental data

At the environmental level, Solucom has worked with the firm I Care & Consult since 2013. Solucom carried out its first carbon audit in fiscal year 2012/13, using the *Bilan Carbone*<sup>®</sup> approach developed by the French Environment and Energy Management Agency, ADEME. An environmental reporting procedure, in accordance with Articles 75 and 225 of Grenelle II, was also set up in 2012/13.

The processing and analysis of environmental data is supervised by I Care & Consult. Data collection is monitored by a contact within Solucom, in charge of gathering and consolidating all information from contributors identified in the departments concerned (IT, Pay, etc.).

#### • Societal data

Societal reporting is mainly qualitative. This is overseen by the Human Resources Development Department, working in tandem with the specific contributors in the various departments.

### Exclusions

In this report, Solucom publishes qualitative and quantitative data on all the social, environmental and societal themes required by the implementing decree of Article 225 of the Grenelle II Law.

Note however, that in accordance with the "comply or explain" rule provided by law, information considered not relevant and therefore not applicable to the Company because of its exclusively intellectual activity, is not included in this report.

These exclusions mainly concern environmental information (see appendix “Concordance Table: pursuant to decree 2012-557 of 04/24/12 Grenelle II”), and societal information on topics relating to consumer health and safety, as well as actions to promote human rights.

#### **4.4. Control methods**

##### **Internal control**

Data is initially assessed by the persons responsible for their collection.

Once data consolidation has been completed, data consistency checks are performed by the departments concerned. These checks include comparative analysis with data from previous years, and differences considered to be significant are systematically analyzed.

##### **External control**

Under the new regulatory provisions of the Grenelle II Law, its implementing decree, and the order of 05/13/13, Solucom commissioned the firm FinexFi, a designated independent third-party, to audit its social, environmental and societal information for fiscal year 2015/16. The subsequent audit report is presented below.

## **5. Independent auditor’s certificate of presence and report on the Company’s social, societal and environmental information**

See following page.



# Independent Third-Party Report

## Fiscal year ended 03/31/16

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To the Shareholders,

At the request of your Company, Solucom, and in our capacity as an independent third-party organisation accredited by the French National Accreditation Body, COFRAC under number 3-1081 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby present our report on the consolidated social, environmental and societal information provided in the Management Report prepared for the year ended 03/31/2016, pursuant to Article L.225-102-1 of the French Commercial Code.

### Responsibility of the Management Board

The Management Board is responsible for preparing a Management Report that includes the consolidated social, environmental and societal information as required under Article R.225-105-1 of the French Commercial Code (hereafter referred to as the "Information"), to be drawn up by the Company in accordance with the reporting criteria used (hereafter referred to as the "Reporting Framework"). This is available on request at Company headquarters and is summarized in the Methodological Note available on the Company's website.

### Independence and quality control

Our independence is defined by regulatory texts, the professional Code of Ethics and the provisions set forth in Article L.822-11 of the French Commercial Code. In addition, we have set up a quality control system comprising documented policies and procedures designed to ensure compliance with deontological rules, professional standards and applicable legal texts and regulations.

### Independent third-party responsibility

Based on our work, it is our role is to:

- verify that the required CSR Information is disclosed in the Management Report and that an explanation has been provided if any information has been omitted, in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of Completeness);
- provide limited assurance that the Information is fairly presented, in all material respects, in accordance with the Reporting Criteria adopted (Limited Assurance Report).

### Certificate of attendance

We have conducted this work in accordance with the professional standards applicable in France:

- We compared the CSR Information presented in the Management Report with the list provided in Article R.225-105-1 of the French Commercial Code.
- We verified that the information covers the consolidated scope, which includes the Solucom company and its subsidiaries, as defined under Article L.233-1 of the French Commercial Code, and the companies that it controls, as defined under Article L.233-3 of the French Commercial Code.
- In the case of any omission of certain consolidated information, we have verified that an explanation was provided in accordance with the provisions of Decree no.2012-557, dated 04/24/12.

On the basis of our work, we attest that the required Information has been disclosed in the Management Report.

### Reasoned opinion on the fairness of CSR information

#### Nature and scope of procedures

We carried out our work over a period of around six MDYs between 04/15/16 and 05/23/16.

All of our work was carried out in accordance with the standards applicable in France, the ISAE 3000 standard and the Order dated 05/13/13 determining the methods independent organisations conduct their missions.

We conducted five interviews with the persons responsible for the preparation of CSR Information obtained from the departments in charge of the process of gathering information and, where applicable, for Internal control and risk management procedures. Within this context our mission was to:

- Assess the appropriateness of the Reporting Framework as regards its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, where applicable, the sector's best practices;
- Verify the implementation in the Group of a process designed to collect, compile, process and check the CSR Information that reflects its completeness and consistency. We acquired an understanding of the Internal control and risk management procedures used to compile the CSR Information.

We identified the consolidated information to be tested and determined the nature and extent of these tests taking into consideration their importance with regard to the social, societal and environmental consequences of the Group's activities, its strategic sustainable-development priorities, and the best practices specific to the industry.

Concerning the CSR information that we considered to be most important at the level of the consolidating entity:

- We consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.);
- We implemented analytical procedures of the quantitative Information and verified, on the basis of surveys carried out, data calculation and consolidation;
- We implemented detailed tests using sampling techniques, to verify data calculation, reconciled data with supporting documentation, and verified their consistency with other information in the Management Report.

Regarding other consolidated CSR Information, we assessed their degree of fairness and consistency based on our knowledge of the Company.

Furthermore, in the event of a total or partial omission of certain information, we assessed the relevance of the explanations provided.

We conclude that the sampling methods and sample sizes we retained by exercising our professional judgment offer a limited level of assurance. A higher level of assurance would have required more extensive work.

Our work covered more than 50% of the consolidated value of the revenue indicators in both the social and the environmental reporting scopes.

Because of the use of sampling techniques, and other limitations inherent to all information and Internal control systems, the risk of failing to detect the presence of a material misstatement in the presentation of CSR Information cannot be completely ruled out.

#### Comments on CSR information

The bulk of qualitative social data was gathered from the Group's consolidated data base which is subject to intensive internal control.

#### Conclusion

Based on our work, we did not identify any material misstatements causing us to believe that the CSR Information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Reporting Framework.

Lyon, May 31<sup>st</sup>, 2016

FINEXFI  
Isabelle Lhoste  
Partner

# Management Board Report

## Risk factors

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Solucom has carried out a review of its risks and considers that it has no significant risks other than those presented below.

### 1. Market risks

#### Liquidity risk

The Company has carried out a specific review of its liquidity risk and believes it will be able to respect its debt repayments at maturity.

At 03/31/16, the Group had gross cash, net of overdrafts of €39.5m. Solucom's policy is to invest its surplus cash exclusively in risk-free money-market instruments which are booked as cash equivalents in the Company's consolidated financial statements. Solucom does not make recourse to factoring or discounting.

The Company also issued a bond in October 2012 via the *Micado* France 2018 mutual fund, in the amount of €3m which is redeemable in full on maturity.

On 01/07/16, Solucom contracted a new credit facility with its bankers in the amount of €120m, comprising:

- A €95.0m acquisition and refinancing loan to finance the purchase of Kurt Salmon;
- 40% of this loan to be reimbursed on maturity in January 2022;
- An undrawn €15.0m credit line to finance future external growth operations;
- An undrawn €10.0m credit line to finance working capital requirement, if necessary.

At end-March 2016, Solucom's financial liabilities comprised:

- €98.0m in bank loans and other financial debt excluding overdrafts, corresponding to the *Micado* bond in the amount of €3.0m and the bank loan contracted on 01/07/16 for €95.0m net of borrowing costs, booked in the consolidated financial statements as a deduction from the value of the loan;
- €1.6m attached to leasing contracts.

At end-March 2016, the Company posted net debt<sup>(1)</sup> of €58.8m.

With gross cash flow of €17.3m at 03/31/16, Solucom has ample means to cover its annual financing needs excluding acquisitions (in particular, changes in working capital requirements and short-term capital expenditure) as well as its bank loan and bond repayment commitments.

In addition, with available cash and credit facilities totaling €74.0m at 03/31/16, the firm has significant financial scope for maneuver.

Available cash mobilized at end-March 2016 breaks down as follows:

- €39.5m in cash (cash and cash equivalents in the form of marketable securities, net of overdrafts);
- €25.0m in open lines of credit (none of which have been drawn down to date);
- €9.5m in overdraft facilities.

(1) Gross cash less financial liabilities.



### Breakdown of the Company's financial debt

Number	Characteristics of contracted borrowings	Rate	Amount at 03/31/16	Maturity	Hedges
1	€3.0m bond over six years, redeemable at maturity, with interest paid on a 6-monthly basis	Fixed (5.50%)	€3m	10/02/18	n/a
2	€95m acquisition/refinancing loan in two tranches (A & B) repayable in 10 half-yearly payments over 5 years (TA of €57.0m) and at maturity in January 2022 (TB €38.0m)	Variable (3-month EURIBOR-Telerate plus a margin of between 1% and 2.15% depending on the tranche and leverage ratio)	€95m	Tranche A 01/20/21 Tranche B 01/20/22	0.05% interest rate guarantee over 3 three years covering the notional of the outstanding loan
	€15m external-growth credit line with a repayment schedule running to 2021		Unused	n/a	
	Revolving €10.0m credit line with a repayment schedule running to 2021		Unused	n/a	

With regard to the second bank loan mentioned above, the Company must respect a leverage ratio (net financial debt/consolidated EBITDA) calculated on a half-yearly basis and approved by the Company's Statutory Auditors.

#### Interest rate risk

Interest rate risk is managed by the Company's Finance Department in conjunction with its main banks. Company policy is, in principle, to hedge against any increase in future repayment flows by using derivatives underwritten by top-tier banks.

In 2015/16 fiscal year, the Company took out a forward rate agreement (FRA) with BNP Paribas for the bank loan contracted on 01/07/16. This FRA guarantees an interest rate of 0.05% over a period of 3 years, covering a notional equal to 80% of the outstanding loan.

Solucom has not set up any hedging contracts for the €10m and €15m credit-line components of the second loan. If the Company draws on these lines of credit, it will assess whether or not it is economically viable to set up a capped rate hedge.

The following table lists the maturities of the Group's assets and liabilities:

<b>At 03/31/2016</b>					
(in thousands of euros)	Rate	Total	< 1 year	1 - 5 years	> 5 years
Financial assets <sup>(1)</sup>	Fixed	39,786	39,786	0	0
	Variable	0	0	0	0
Financial liabilities <sup>(2)</sup>	Fixed	5,034	1,139	3,895	0
	Variable	93,592	4,193	51,535	37,864
<b>Net position before hedging</b>	<b>Fixed</b>	<b>34,752</b>	<b>38,647</b>	<b>(3,895)</b>	<b>0</b>
	<b>Variable</b>	<b>(93,592)</b>	<b>(4,193)</b>	<b>(51,535)</b>	<b>(37,864)</b>
Hedging instruments <sup>(3)</sup>	Fixed	0	0	0	0
	Variable	0	0	0	0
<b>Net position after hedging</b>	<b>Fixed</b>	<b>34,752</b>	<b>38,647</b>	<b>(3,895)</b>	<b>0</b>
	<b>Variable</b>	<b>(93,592)</b>	<b>(4,193)</b>	<b>(51,535)</b>	<b>(37,864)</b>

(1) Cash and cash equivalents.

(2) Bond at fixed rate (n°1), bank loan at variable rate (n°2).

(3) Hedging instrument (0.05% CAP) not exercised at 03/31/16.

The Company's sensitivity to a 1% swing in the short-term interest rate is estimated at €345k, either way.

This figure is calculated on the net position of debt maturing in less than a year, taking into account the fact that the maturity of all financial assets and liabilities making up this net position is one year.

Solucom's debt and cash positions are monitored by the Finance Department and subject to monthly reporting. For cash management purposes, the Finance Department uses cash management software which is connected directly to the data transmission systems of its partner banks.

### Exchange rate risk

For the most part, Solucom invoices its services to clients located in France or the euro zone.

The sales contributions from non euro-zone subsidiaries (SLM Consulting, KS Morocco, Hudson & Yorke, Arthus Technologies, KS Switzerland and K2S Management) represented 5% of consolidated revenues at end-March 2016.

During 2015/16 fiscal year, the firm took out exchange rate hedges to cover risk related to certain sales transacted in US and Singapore dollars (see notes to the consolidated financial statements, section 3.15).

Following the merger with Kurt Salmon in January 2016, the contribution from euro-zone subsidiaries rose sharply. The Company intends to set up an exchange-rate hedging policy so that it can anticipate and hedge against any forex risk.

### Equity risk

The only securities owned by the Company are Solucom treasury shares purchased within the context of the share buy-back program.

At end-March 2016, the Company owned 66,617 Solucom shares, representing a market value of €4,450k calculated on the basis of the 03/31/16 closing price of €66.80 per share.

The average cost price of all treasury shares in 2015/16 fiscal year was €40.43.

For the record, in the firm's IFRS consolidated financial statements, Solucom treasury shares are carried as a deduction from equity. Any fluctuation in their value does not have an impact on consolidated profit or loss.

In addition, for its cash-equivalent investment policy the Company only uses risk-free money market instruments.

As regards sensitivity, a 10% increase (or decrease) in the Solucom share price would boost (or reduce) shareholders' equity by €445k.

## 2. Legal risks

### Third-party liability risk

The firm is exposed to the risk of civil liability for injury to a third party during the course of its professional activities.

To ensure a service of quality, the firm has access to a set of methods and tools. In addition, project managers receive specific training enabling them to develop the most advanced skills in their respective fields of intervention. These project managers ensure strict compliance with the specifications approved by the client and the project steering committee in direct liaison with the client's operational contacts.

Nevertheless, the possibility of defects being identified when the Company carries out its missions cannot be ruled out. In addition, Solucom cannot guarantee that all contractual terms agreed with its clients, suppliers and partners will always be followed. Such defects or breaches of contractual terms could entail damages for which Solucom would be held liable.

Accordingly, to protect itself against this risk, the Company has taken out a professional civil liability insurance policy (see section 5 "Insurance and risk cover").

#### **Labor relations risk**

Given the nature of its activity, Solucom is exposed to the risk of employees lodging complaints that could lead to trade disputes. To protect itself against such risks, the Company is particularly diligent when it comes to defining internal procedures governed by labor legislation by enlisting the services of specialist external consultancy firms, and harmonizing its human resources practices across all the Group's companies.

All known disputes are reviewed when the financial statements are prepared and any provisions deemed necessary are written to cover the estimated risks.

The total amount of provisions written for disputes is given in note 16 of the appendix to the consolidated financial statements.

#### **Regulatory risk**

As a player in the management and IT systems consulting sector, the firm is subject to multiple, and constantly changing laws and regulations, a factor which exposes it to the risk of non-compliance with legislation in force.

Solucom has implemented procedures designed to ensure as far as possible that the Company complies with all regulatory and statutory provisions in force and meets all of its obligations, particularly with regard to labor laws.

### **3. Industrial and environmental risks**

As Solucom's activities are exclusively intellectual, its impact on the environment is limited. This is particularly the case for the use made of Solucom's assets which have a low impact on the environment.

For more details concerning Solucom's environmental responsibility, see the attached "Corporate Social Responsibility Report".

### **4. Operating risks**

The risks detailed below are relevant or significant for Solucom's activity.

#### **Risk related to the current economic context**

The increased frequency in, and possibly greater volatility of economic cycles can cast a certain degree of uncertainty on Solucom's activities. This could prompt clients to tighten their budgets and/or suspend projects, and, more generally lead to a drop in demand accompanied by an increase in competition.

In situations such as these, Solucom has always managed to take measures to minimize the impact of such difficulties. In 2012/13, in light of the market conditions, Solucom focused on strengthening its sales resources to mitigate the decline in client demand, and concentrated its sales efforts on sectors and clients with the strongest potential. In 2013/14, the Group pursued this strategy and redefined the internal organization of its teams to enhance commercial agility. Solucom notably implemented a system enabling it to regularly adapt its sales strategy to correspond with trends in client demand and trading forecasts. To date, these measures have proved effective, notably with revenue growth of 11% like-for-like posted in 2014/15, achieved against a backdrop of lackluster trading conditions, and of 15% in 2015/16, compared with a modest increase of 2% for the market. Nevertheless, Solucom cannot guarantee that it will be able to successfully deal with all of the adverse impacts of the economic crisis in the future.

#### **Client default risk**

Given that the bulk of Solucom's clients are large accounts, the risk of client default or bankruptcy is limited.

This risk, however, is greater when dealing with SMEs and clients outside the European Union (which account for less than 10% of revenues). In such cases, it is up to the management bodies of the entities concerned within the Group, in conjunction with the Finance Department, to do everything in their power to obtain reasonable assurance of payment.

Moreover, in 2013/14 the Company continued to reinforce its client monitoring system and the processes implemented to ensure the recovery of client receivables. This involved the production of several client-monitoring indicators and identifying all at-risk client receivables presented to the monthly steering committee. In addition, overdue trade receivables are reviewed on a quarterly basis by the Finance Department and General Management.

Accordingly, at end-March 2016, write-downs of client receivables represented less than 2.1% of gross client receivables (see note 14 of the 2015/16 consolidated financial statements).

#### **Client dependency risk**

At end-March 2016, the top five and top ten clients of the Company (Solucom and Kurt Salmon) accounted for 35% and 56%, respectively of consolidated revenues, which represents a significant concentration of the firm's revenue with its main clients.

It should be noted that the firm's client portfolio is diversified in terms of sector which minimizes the risk associated with Solucom's dependency on its main clients. At end-March 2016, the utilities sector accounted for 35% of Company (Solucom and Kurt Salmon) revenues; the banking and insurance sector for 34%; and services and distribution for 24%.

Despite sector diversity, however, it is worth noting that the loss of any one of Solucom's or Kurt Salmon's main clients could entail a significant loss in revenue for the Company.

#### **Seasonality risk**

The seasonal impact on Group revenues is limited to the concentration of holidays taken in certain months of the year, notably July, August and May. The holiday-concentration impact affects the first half of Solucom's fiscal year (April to September).

This phenomenon does not represent a major risk as its effect is relatively predictable (impact similar from year to year).

#### **Fixed-price contract risk**

Fixed-price contracts account for around 40% of the Group's annual revenues, excluding Kurt Salmon (43% in 2015/16).

Solucom has set up a rigorous system to monitor projects which are supported by the management processes used within the Group.

Every fixed-price project is split into separate batches with a project manager assigned to each batch. Project managers are responsible for managing the contracted services in their specific batch and monitoring the players involved.

Once a month, the project manager analyses the costs charged by everyone involved and draws up a new forecast for the services still to be delivered. This enables managers to keep an updated schedule of the rate of progress as well as a record of the amount of revenues generated over the month and any related budgeted day overruns.

These analyses are automatically communicated to management at the beginning of every month. In this way, any deterioration can be rapidly identified and corrective actions implemented.

In recent years, average budget overruns (excluding Kurt Salmon) have never exceeded 2% of the total number of production-team working days, excluding holidays. The average overrun in 2015/16 was in fact negative at 0.68%.

#### **Subcontracting risk**

Solucom makes limited recourse to subcontracting. Most key-account projects are managed directly by the Group, a strategy which enhances its ability to forge client loyalty.

Occasionally, however, client projects may call for specific skills that are out with Solucom's scope of expertise. In cases such as these, the Company is required to call on specialized Solucom services providers which have these complementary skills so that it can fully meet its clients' needs. When Solucom assumes the responsibility of delivering the services rendered by third-party services providers to its end client, a subcontracting agreement is drawn up between the two parties.

#### **Competition risk**

Solucom operates in a highly competitive market with a host of players at the local and international levels. Some of these are strongly positioned alongside the Group which makes for particularly fierce competition in terms of quality of service and price.

### Quality risk

The Company has implemented several measures and tools designed to ensure the quality of execution of the missions it carries out. In addition, project managers receive special training to develop the most advanced skills in their particular field of intervention. These project managers ensure strict compliance with the specifications approved by the client and the project steering committee in direct liaison with the client's operational contacts.

The firm has set up a system to monitor quality risk on a monthly basis so that it can identify and track suspected and actual incidents and carry out specific action plans.

Nevertheless, some services could prove more difficult to perform than initially estimated and/or certain factors might not have been clearly defined in the specifications. If they are not identified in time, problems such as these, together with major budget overruns on certain projects and the subsequent damages for which the Company may be held liable, could impair Solucom's reputation.

### Client and supplier contract risk

When signing contracts, Solucom is exposed to the possibility of disagreements resulting from failure to comply with confidentiality and/or contractual commitments. The firm has thus set up a client and supplier-contract review checklist, to ensure that all contractual clauses meet Group standards. In addition, the firm carries out campaigns on a regular basis to raise employee awareness to respecting confidentiality. The firm is also covered by professional civil responsibility insurance (see below for further details) and has recourse to a lawyer in the event of disputes.

### Information-system related risk

As a result of Solucom's expansion and development, the information system is becoming an increasingly important asset for the Company. This system is used to manage business and operations, produce financial statements, communicate internally and externally, and to consolidate, organize and manage the knowledge databases used by all the firm's employees.

An IT disaster recovery plan has been put in place to ensure that all of the essential services of the system can be restored promptly regardless of the cause. This plan is reviewed every

year. In 2015, the Information Systems (IS) team added a "total wipeout" scenario for the company headquarters' IT system. Risk tests, simulated under real conditions, are run periodically.

### Cybersecurity risk

Failure to respect the confidential nature of data is liable to have a significant impact on the clients concerned as well as the firm, since both parties are contractually committed to protect the information with which they are entrusted. In this respect, a major security incident involving client data could represent a substantial financial risk for Solucom and lead to the loss of the client.

A number of additional objectives are being carried out to safeguard Information Systems, notably: the protection of Solucom's *savoir-faire* and the image of the firm, compliance with legal issues and regulations, and the preservation of financial and strategic information.

Aware of the increasing amount of cyber threats, Solucom carried out an exhaustive IT systems security audit in 2015. Following the audit, IS security governance was overhauled: a chief of Information Systems was appointed; a security operational unit, which draws on the expertise of Solucom's Risk Management and Security practice created, and a steering committee comprising representatives from top management, set up. This reorganization was underpinned by:

- the skills of Solucom's incident-response teams in dealing with cybersecurity;
- regular IS security audit campaigns carried out by the Risk Management and Security practice teams to ensure compliance with: IS regulations (concerning confidential data management, for example), and contractual commitments with clients. It should be noted that these teams obtained PASSI certification (an IS security auditing services qualification delivered by the French Agency for Information Systems Security), as well as ISO 27001 accreditation for security audits and incident response.

Following the Solucom-Kurt Salmon merger, the Company is in the process of drafting a new security strategy, as well as a charter setting IS user guidelines in order to take account of all the risks and specificities of the firm's increased scope of business.

Despite these measures, and given the wide diversity and ever-changing nature of the risks involved, Solucom cannot rule out the possibility of falling victim to cybersecurity incidents.

### Risk related to Human Resources

Solucom's development inextricably depends on recruiting and retaining high-potential employees. The Company's recruitment strategy focuses on young graduates from the most prestigious schools and universities.

Recruitment is a major challenge for Solucom, given the structural competition for the recruits the firm seeks to attract.

To ensure the success of this key initiative, Solucom invests heavily in recruitment every year. As such, the Company exceeded its 2015/16 recruitment objective by more than 250 employees.

Staff turnover is another challenge for the Company given that the profiles of its experienced consultants are highly sought-after on the consultancy market. Solucom considers its normal turnover rate to be between 12% and 15%.

Managing staff turnover is the joint responsibility of management and the firm's Human Resources managers. The firm has implemented several measures designed to reduce turnover rates, and notably defined a long-term, career development program for all of its employees, and which can be adapted to suit each person's potential. A turnover monitoring system has also been implemented to identify risks of staff departure so that adequate measures may be taken to keep this to the minimum.

Solucom also incorporates, as far as possible, non-solicitation clauses in contracts signed with its clients, suppliers and partners and does everything it can to ensure that these clauses are not breached.

Solucom's staff turnover rate (including Hudson & Yorke and Arthus Technologies) rose from 10.3% in 2014/15 to 10.4% in 2015/16, which is still significantly below the Company's normal range. The Company is unable to communicate any information on its consolidated indicator, since the data of Solucom and Kurt Salmon are not comparable due to differences in management regulations. For information purposes, please note that the turnover rate of Kurt Salmon stood at 17.8% in 2015/16 fiscal year.

According to Solucom, the Group's merger with Kurt Salmon could generate a risk which would have a negative impact on staff turnover, a trend that could be exacerbated by the recovery in the job market. The firm will be paying close attention to the impact of these factors in 2016/17 fiscal year.

To guard against serious cases of employee suffering in the workplace, such as burn-out, excessive stress and serious harassment, the Company has set up a staff support service, "*Bien vivre à Solucom*" (Living a healthy professional life at Solucom) and implemented other in-house solutions to identify and monitor particularly vulnerable staff members, and train management in psychosocial risk prevention and treatment.

### Risks related to acquisitions

Solucom's external growth strategy involves the regular integration of newly acquired companies. The new-company integration process may take longer or turn out to be more difficult than anticipated, especially in terms of human resources, sales, information systems, and internal procedures.

For each acquisition, Solucom systematically strives to ensure that the management of the acquired company is included in the joint industrial project. This upstream approach facilitates the integration process and reduces the risk of key people leaving.

In addition, throughout the integration process, Solucom makes sure that:

- its management tools are rapidly deployed to the new entity so that the Company can obtain the most detailed picture of its operations as rapidly as possible;
- revenue synergies are implemented, notably by focusing on deploying the acquired company's *savoir-faire* to Solucom's existing clients;
- operating processes are standardized to enhance efficiency, and pooling possibilities identified to reduce costs;
- the teams of the acquired companies are integrated into the Group and adopt Solucom's values in their day-to-day activities;
- directors and key employees of the integrated companies are given executive positions within the Solucom group (ex: executive partner, business line manager, etc.).

### Risks related to strategic acquisitions

For Solucom, the acquisition of Kurt Salmon's European activities represents a new risk related to strategic operations.

In addition to the normal procedures carried out for all acquisitions, a number of special measures are implemented to control the additional risk linked to strategic acquisitions. In the case of Kurt Salmon, these measures involved:

- a significant amount of preparation carried out the target management team before the acquisition;
- close collaboration with the Supervisory Board during the pre-acquisition, decision-making process;
- the drafting of a merger program (launched immediately after the acquisition), with particular focus on change management and the management of risks related to this kind of merger (loss of key staff members, increase in the staff turnover of target teams, deterioration in performances of the target and/or Solucom).

The merger program is being managed by a dedicated team, headed up on a full-time basis, by an Associate Director of Solucom. The greatest part of the merger program should be completed within 9 months. However, certain aspects (joint ERP system, convergence of HR practices) will take longer. The program covers five main areas and around 20 activity streams. The teams of the new entity are closely involved in the process by participating via the corporate social network, Intranet, online chats, workshops and meetings.

Nevertheless, Solucom cannot guarantee complete control of the risks inherent in a merger of this kind in the consulting sector.

### Goodwill depreciation risk

At end-March 2016, goodwill impairment tests were carried out on Hudson & Yorke and Solucom.

These impairment tests confirmed the value of goodwill on the basis of generally accepted assumptions.

Sensitivity tests were also carried out, the results of which are disclosed in note 10 of the appendix to the consolidated financial statements.

These tests did not lead to any write-down of goodwill in the financial statements at end-March 2016.

Given the recent nature of Solucom's acquisitions of Arthus Technologies, as well as Management Consulting Group France and its subsidiaries, a full business evaluation update of these companies was not carried out at the end of the 2015/16 fiscal year. Since Arthus Technologies' performance at end-March 2016 fell short of expectations, an impairment test was carried out to question the evaluation of the company in Solucom's consolidated and annual financial statements. The outcome of the control was conclusive.

Solucom cannot, however, rule out the possibility that future business or operational difficulties would lead to the impairment of goodwill in the Company's balance sheet.

### Dependency on third-party software and software licenses

Dependency on third-party patents and licenses is limited.

## 5. Insurance and protection against risk

### General insurance policy

Solucom's general insurance policy is linked to the Group's strong resolve to prevent and protect itself against risks that could impact its activities.

Solucom's activity is purely intellectual and comprises consulting, counseling and technical expertise services delivered to major accounts. Accordingly, all Group subsidiaries are insured by top-tier insurance companies providing an appropriate level of coverage for their specific field of activity:

- operating loss and property damage;
- damage caused to clients or third parties during the course of carrying out contracted services;
- damages associated with job-related risks, notably accidents occurring during consultant business trips.

### Premiums and cover

Solucom has taken out insurance policies to cover:

- premises and equipment insurance;
- employee transport and repatriation insurance;
- civil and professional operating liability;
- third-party liability cover for executives and company directors.

There are no major risks that are not covered by an external or internal insurance.

The annual coverage ceilings are as follows:

Type of cover	Guaranteed amount
Operational third-party liability	
• personal injury	€30.0m per claim
• property damage / consequential intangible loss	€30.0m per claim
Third-party liability	
• property damage /consequential and non-consequential loss	€40.0m per year
Third-party liability cover for executives and company directors	€50.0m per year
Comprehensive office and equipment insurance	
• Office equipment	€2.9m per year
• IT equipment	€1.2m per year

The premiums per risk category paid by the Group in 2015/16 are as follows:

Type of cover	Premiums (in thousands of euros)
Third-party liability	286
Third-party liability of company directors	29
Comprehensive premises and equipment insurance	71
Transport insurance	57
Repatriation insurance	11
Death insurance	8



# Management Board Report

## Additional notes

2

### Company results and other items in the last five years:

(in thousands of euros)	03/31/12	03/31/13	03/31/14	03/31/15	03/31/16
<b>Capital at end of period</b>					
Share capital	497	497	497	497	497
Number of ordinary shares	4,966,882	4,966,882	4,966,882	4,966,882	4,966,882
<b>Operations and profit/loss</b>					
Revenue (excl. tax)	66,045	115,552	130,227	152,910	192,103
Profit/loss before tax, profit-sharing, depreciation, amortization and provisions	11,051	13,149	17,108	19,196	24,683
Income tax	417	362	3,740	3,954	4,637
Employee profit-sharing	591	1,596	1,830	1,993	2,514
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	8,906	10,708	10,841	12,069	13,518
Distributed earnings	1,066	1,555	1,620	1,908	2,009
<b>Earnings per share</b>					
Profit/loss after tax and profit-sharing, before depreciation, amortization and provisions	2.02	2.25	2.32	2.67	3.53
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	1.79	2.16	2.18	2.43	2.72
Distributed earnings	0.22	0.32	0.33	0.39	0.41
<b>Personnel</b>					
Average headcount	407	953	1,093	1,266	1,535
Total payroll	21,293	52,289	58,641	70,422	87,272
Amount paid in social welfare contributions	10,495	25,898	28,481	34,159	42,829

**Table of currently valid authorizations to increase Company share capital:**

Authorizations to increase Company share capital granted by the 07/22/15 Combined Ordinary and Extraordinary General Meeting

Resolution	Object	Duration	Maximum par value	Utilization
9	Issue of ordinary shares and financial securities giving access to the Company's share capital with shareholders' pre-emptive subscription rights (PSR) maintained	26 months	Marketable securities: €248,344.10 Debt securities: €40,000,000	None
10	Issue of ordinary shares and marketable securities giving access to the Company's share capital, without PSR maintained, by way of a public offering (priority rights for existing shareholders for the first five days)	26 months	Marketable securities offered to public: €99,337.64 Debt securities: €15,000,000	None
11	In the event of a capital increase authorized under resolutions 9 and 10 (with or without PSR) being oversubscribed, the power to increase the number of ordinary shares and/or marketable securities to be issued in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, at the same price as the initial issue and within thirty days of the end of the subscription period	26 months	15% of the initial issue subject to the ceiling specified in the resolution in question and within the limits of the ceilings fixed in resolution 13	None
12	Issue of ordinary shares and marketable securities giving access to share capital, without PSR maintained, for the purposes of remunerating contributions-in-kind granted to the Company and comprising shares or marketable securities giving access to third-party share capital when the specifications under Article L.225-148 of the French Commercial Code do not apply (situations other than IPO)	26 months	10% of the Company's share capital at 07/22/15 Debt securities: €15,000,000 Within the specific ceiling fixed under resolution 10 and the global ceiling fixed in resolution 13	None
13	Global ceiling for ordinary shares and marketable securities issued under resolutions no. 9 to 12	-	Marketable securities: €248,344.10 Debt securities: €40,000,000	None

Resolution	Object	Duration	Maximum par value	Utilization
14	Incorporation of reserves, profits, issue premiums and contributions by the creation of ordinary shares via the free allocation of shares, raising the nominal value of shares or a combination of both	26 months	€400,000  This ceiling is independent, autonomous and distinct from those fixed in resolutions 13 and 18	None
15	Issue of ordinary shares and marketable securities giving access to the Company's share capital, without PSR maintained, reserved for staff members who are subscribers to an employee savings scheme	26 months	5% of the share capital on the day that the authorization is used, it being understood that this amount is independent, autonomous and distinct from those fixed in resolutions 9 to 13 but will be deducted from the global ceiling fixed in the 18 <sup>th</sup> resolution	None
16	Free allocation of existing or to-be-issued shares reserved for employees and/or certain categories of employees, corporate offices of the Company and/or its subsidiaries	38 months	a) 1% of the Company's share capital on the date the Management Board's decision to allocate shares to the Company's company directors  b) 6% of the Company's share capital on the date the Management Board to allocate shares to the employees or company directors of the Company or companies in the Group  These ceilings are independent, autonomous and distinct from those fixed in resolutions 9 to 13 but will be deducted from the global ceiling fixed in the 18 <sup>th</sup> resolution	OneFirm Share Plan dated 01/28/16 : initial allocation of 89,792 shares corresponding to:  0.01% of the Company's share capital for company directors  1.79% of the Company's share capital for employees of the Company and its subsidiaries  Details of AGM delegations previously used are given in the corresponding Registration Documents and in Chapter 4, section 2 of the present Management Report

17	Resolution Object	Duration	Maximum par value	Utilization
17	Issue of marketable securities, without PSR maintained and giving access to capital, reserved for employees and company directors with Director status, of the Company and its subsidiaries	18 months	6% of the share capital on the day that the authorization is implemented, it being understood that this amount is independent, autonomous and distinct from those fixed in resolutions 9 to 13 but will be deducted from the global ceiling fixed in the 18 <sup>th</sup> resolution	None
18	Global ceiling for resolutions no. 15 to 17	-	8% of the Company's share capital on the date of allocation or issue	None

## Trends

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For a description of recent trends and the outlook for the Company, please refer to the Management Report – “General Report” in section 2 of the present document.

On July 19<sup>th</sup> 2016, the company published its Q1 2016/17 revenues (April 1<sup>st</sup> to June 30<sup>th</sup>). This consolidated revenues was of €88.4m, including a contribution of €33.2m from Kurt Salmon’s European activities\*. Overall, revenues rose by 90% over the three-month period, underpinned by a positive working-day impact of 5% (3 more business days compared with Q1 2015/16).

Please also note that at the Annual General Meeting held on Wednesday, 07/20/2016, Solucom shareholders voted to adopt Wavestone as the company’s new name.

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\* Excluding the retail and consumer goods businesses.



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## Consolidated financial statements

### at 03/31/16

#### Consolidated income statement

(in thousands of euros)	Note	03/31/16	03/31/15
<b>Revenue</b>	1	<b>233,020</b>	<b>163,147</b>
Cost of sales	2	9,665	4,257
Personnel expenses (including profit-sharing)	3 & 4	162,614	118,210
External expenses	5	25,533	15,703
Levies and taxes		4,396	2,846
Depreciation charges and provisions		971	1,070
Other current income and expenses		60	(80)
<b>EBIT</b>		<b>29,783</b>	<b>21,141</b>
Other operating income and expenses	6	(6,682)	(713)
<b>Operating profit</b>		<b>23,100</b>	<b>20,428</b>
Financial income	7	19	74
Gross cost of financial debt	7	757	238
<b>Net cost of financial debt</b>		<b>738</b>	<b>165</b>
Other financial income and expenses	7	(581)	(55)
<b>Pre-tax profit/loss</b>		<b>21,781</b>	<b>20,209</b>
Tax expenses	8	8,423	7,613
<b>Net income for the period</b>		<b>13,358</b>	<b>12,596</b>
Non controlling interests		-	-
<b>Net income, Group share</b>		<b>13,358</b>	<b>12,596</b>
Net earnings per share, Group share (in euros) <sup>(1) (2)</sup>	9	2.73	2.57
Net diluted earnings per share, Group share (in euros) <sup>(2)</sup>	9	2.73	2.57

(1) Weighted number of shares over the period.

(2) In accordance with IAS 33, net earnings per share at 03/31/15 have been restated retrospectively based on the number of shares at 03/31/16.

Note: 03/31/15 figures restated for the application of IFRIC Interpretation 21 "Levies charged by public authorities on entities that operate in a specific market" (see section 3.1).



## Consolidated balance sheet

(in thousands of euros)	Note	03/31/16	03/31/15
Goodwill	10	130,397	47,998
Intangible assets	11	659	998
Property, plant and equipment	11 & 12	7,584	1,896
Financial assets - > 1 year	13	1,030	935
Other non-current assets	13	7,373	3,075
<b>Non-current assets</b>		<b>147,043</b>	<b>54,903</b>
Trade receivables and related accounts	14	100,976	53,808
Other receivables	14	23,969	8,416
Cash and cash equivalents	14	39,786	26,162
<b>Current assets</b>		<b>164,732</b>	<b>88,386</b>
<b>Total assets</b>		<b>311,774</b>	<b>143,289</b>
Capital	15	497	497
Additional paid-in capital		11,218	11,218
Reserves and consolidated income		73,589	60,944
Group translation reserves		(325)	115
<b>Total shareholders' equity, Group share</b>		<b>84,979</b>	<b>72,773</b>
Non controlling interests		-	-
<b>Total shareholders' equity</b>		<b>84,979</b>	<b>72,773</b>
Long-term provisions	16	12,309	6,892
Financial liabilities - > 1 year	17	93,294	3,213
Other non-current liabilities	18	368	1,871
<b>Non-current liabilities</b>		<b>105,972</b>	<b>11,976</b>
Short-term provisions	16	9,139	1,696
Financial liabilities - < 1 year	17	5,332	377
Trade payables and related accounts	18	13,442	7,032
Tax and social security liabilities	18	77,360	41,123
Other current financial liabilities	18	15,551	8,311
<b>Current liabilities</b>		<b>120,824</b>	<b>58,539</b>
<b>Total liabilities</b>		<b>311,774</b>	<b>143,289</b>

Note: 03/31/15 figures restated for the application of IFRIC Interpretation 21 "Levies charged by public authorities on entities that operate in a specific market" (see section 3.1).

## Change in consolidated cash &amp; cash equivalents

(in thousands of euros)	03/31/16	03/31/15
<b>Consolidated net income</b>	<b>13,358</b>	<b>12,596</b>
Elimination of non-monetary elements		
Net depreciation charges and provisions	6,247	2,034
Gain (loss) on disposals, net of tax	49	(6)
Other calculated income and expenses	(2,338)	(106)
<b>Gross cash flow <sup>(1)</sup></b>	<b>17,316</b>	<b>14,517</b>
Change in working capital requirements	(1,850)	39
<b>Net cash flow from operating activities</b>	<b>15,466</b>	<b>14,556</b>
Acquisition of tangible and intangible assets	(7,645)	(983)
Asset disposals	2	40
Change in financial assets	(218)	(741)
Impact of changes in consolidation scope <sup>(2)</sup>	(88,520)	(5,201)
<b>Net cash flow from investments</b>	<b>(96,380)</b>	<b>(6,886)</b>
Dividends paid to shareholders of parent company	(1,915)	(1,620)
Dividends paid to consolidated non-controlling interests	-	-
Other cash flow from financing activities	96,192	80
<b>Net cash flow from financing activities</b>	<b>94,277</b>	<b>(1,540)</b>
<b>Change in net cash</b>	<b>13,363</b>	<b>6,129</b>
Impact of changes in exchange rates	(96)	10
Cash and equivalent at start of period	26,150	20,012
Cash and equivalent at end of period	39,417	26,150

(1) Gross cash flow is calculated after net cost of financial debt and after current tax expenses.

Tax expenses totaled €7,268k at 03/31/16, versus €8,645k at 03/31/15.

Net financial costs amounted to €255k in 2015/16, versus the year-earlier level of €202k.

(2) Impact of changes in consolidation scope corresponds to the acquisitions of Hapsis assets, the companies Arthus Technologies and Management Consulting Group France (the French holding company of Kurt Salmon's activities) and the earn-out payment for Trend Consultants.

Note: 03/31/15 figures restated for the application of IFRIC Interpretation 21 "Levies charged by public authorities on entities that operate in a specific market" (see section 3.1).

## Change in consolidated shareholders' equity

(in thousands of euros)	Capital	Premiums	Consolidated reserves	Profit for the year	Translation gain (loss)	Shareholders' equity
<b>Consolidated shareholders' equity at 03/31/14</b>	<b>497</b>	<b>11,218</b>	<b>41,220</b>	<b>10,946</b>	<b>(1)</b>	<b>63,880</b>
Restated retrospectively for IFRIC Interpretation 21	-	-	(139)	-	-	(139)
<b>Restated consolidated shareholders' equity at 03/31/14</b>	<b>497</b>	<b>11,218</b>	<b>41,080</b>	<b>10,946</b>	<b>(1)</b>	<b>63,740</b>
Consolidated profit for the year	-	-	-	12,592	1	12,593
Restated retrospectively for IFRIC Interpretation 21	-	-	-	4	-	4
Fair value adjustment of hedging instruments	-	-	(7)	-	-	(7)
IAS 19 actuarial gain (loss)	-	-	(1,436)	-	-	(1,436)
<b>Net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1,443)</b>	<b>12,596</b>	<b>1</b>	<b>11,154</b>
Appropriation of profit	-	-	10,946	(10,946)	-	-
Change in capital of the consolidating company	-	-	-	-	-	-
Distribution of the consolidating company	-	-	(1,620)	-	-	(1,620)
Treasury shares	-	-	(960)	-	-	(960)
Restatement of provision for free shares	-	-	345	-	-	345
Translation gain (loss)	-	-	-	-	115	115
<b>Consolidated shareholders' equity at 03/31/15</b>	<b>497</b>	<b>11,218</b>	<b>48,348</b>	<b>12,596</b>	<b>115</b>	<b>72,773</b>
Consolidated profit for the year	-	-	-	13,358	(4)	13,354
Fair value adjustment of hedging instruments	-	-	(58)	-	-	(58)
IAS 19 actuarial gain (loss)	-	-	377	-	-	377
<b>Net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>319</b>	<b>13,358</b>	<b>(4)</b>	<b>13,673</b>
Appropriation of profit	-	-	12,596	(12,596)	-	-
Change in capital of the consolidating company	-	-	-	-	-	-
Distribution of the consolidating company	-	-	(1,915)	-	-	(1,915)
Treasury shares	-	-	(315)	-	-	(315)
Restatement of provision for free shares	-	-	1,199	-	-	1,199
Translation gain (loss)	-	-	-	-	(436)	(436)
<b>Consolidated shareholders' equity at 03/31/16</b>	<b>497</b>	<b>11,218</b>	<b>60,231</b>	<b>13,358</b>	<b>(325)</b>	<b>84,979</b>

In 2014/15, Solucom distributed a dividend of €0.39 per share to parent company shareholders making for a total payout of €1,915k.

For the 2015/16 fiscal year, the proposed dividend of €0.41 per share is equivalent to a total payout of €2,009k.

Equity contains no taxable items. Cumulative deferred tax assets amounting to €924k relate to items booked under equity since the company was founded. These are generated by actuarial differences arising from the application of IAS 19 and changes in the fair value of hedging instruments.

## Statement of net comprehensive income

(in thousands of euros)	Note	03/31/16	03/31/15
<b>Net income</b>		<b>13,358</b>	<b>12,596</b>
Fair value adjustment of hedging instruments	19	(58)	(7)
IAS 19 actuarial gain (loss)	16	377	(1,436)
<b>Total recognized as equity</b>		<b>319</b>	<b>(1,443)</b>
<b>Net comprehensive income, Group share</b>		<b>13,677</b>	<b>11,153</b>

Note: 03/31/15 figures restated for the application of IFRIC Interpretation 21 "Levies charged by public authorities on entities that operate in a specific market" (see section 3.1).

# Notes

## to the consolidated financial statements

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## 1. Overview

Solucom is a public limited company (*Société Anonyme*) incorporated in France and subject to French laws and regulations governing commercial companies and notably the provisions of the French Commercial Code. Solucom's registered office and headquarters are located at Tour Franklin – 100/101 terrasse Boieldieu – 92042 Paris La Défense Cedex. The Company is listed on Euronext Paris, compartment B.

The consolidated full-year financial statements of the Solucom Group (comprising the Solucom parent company and its subsidiaries) were approved by the Management Board on 05/30/16. These financial statements will only be considered final once they have been approved by the General Shareholders' Meeting on 07/20/16.

All amounts presented in the notes are expressed in thousands of euros (€k).

## 2. Key events in 2015/16

### Acquisition of Hapsis assets

On 04/01/15, Solucom acquired a 100% stake in Hapsis.

Founded in 2002, Hapsis is an independent consulting firm with a staff of about thirty employees specialized in risk management and digital security. The company's client portfolio includes several key accounts, operating for the most part in the banking sector.

At 03/31/15, Hapsis reported full-year revenues of €4,300k and an operating profit.

This acquisition was financed exclusively in cash.

The assets of Hapsis were consolidated in Solucom's accounts as of 04/01/15.

### Acquisition of Arthus Technologies

On 07/02/15, Solucom acquired a 100% stake in Arthus Technologies, a company based in Switzerland.

Founded in 2002, Arthus Technologies is a consulting firm specialized in Information and Communication Technologies (ICT). The company provides tailored solutions, ranging from strategic sourcing through to transformation management, designed to accompany its clients' major international ICT projects.

At 12/31/14, Arthus Technologies reported revenues of €4,600k (CHF4,800k) for an operating margin in excess of 10%. The company has a staff of 17 employees.

This acquisition was financed exclusively in cash. Related goodwill is booked in the consolidated financial statements.

Arthus Technologies was consolidated in Solucom's accounts over nine months in 2015/16 (i.e. as of July 1<sup>st</sup>, 2015).

Arthus Technologies generated revenues of €4,792k (CHF5,135k) for an operating loss of (€216k) (CHF232k) over its 15-month fiscal period ended 03/31/16.

### Acquisition of Kurt Salmon's European activities (excluding the retail and consumer goods businesses)

On 01/07/16, Solucom acquired a 100% capital stake in Kurt Salmon's European activities (excluding the retail and consumer goods businesses) from the holding company Management Consulting Group France.

The scope of acquisition in question, hereinafter referred to as "the target business", comprises Kurt Salmon France, Switzerland, Belgium, Luxembourg and Morocco, as well as the Financial Services and CIO Advisory practices of Kurt Salmon in the United States. The consumer goods and retail consulting activities outside of France, notably Kurt Salmon UK and Germany, were not included in the deal.

Specialized in management consulting, Kurt Salmon advises its clients on major transformation issues, ranging from strategic scoping to implementation monitoring.

At the date of acquisition, the last set of financial statements registered by the target business concerned the 2014 financial period. At end 2014, the target business reported revenues of €120,000k, a proforma operating margin of around 8% and a staff of 750 employees.

This acquisition was paid for exclusively in cash and financed via a bank loan, the conditions of which are detailed below. Related goodwill is booked in the consolidated financial statements.

Kurt Salmon was consolidated in Solucom's accounts over three months in 2015/16 (i.e. as of 01/01/16).

The accounts do not allow for a measure of the profitability of the group of entities given the intragroup financial flows and the fact that the scope of consolidation did not include all of the entities in the historic scope.

The scope of consolidation of the acquired entities is referred to as "Kurt Salmon" in all of the notes to the consolidated financial statements.

### Trend Consultants earn-out payment

Following the acquisition of Trend Consultants on 01/10/14, and in accordance with the terms of the acquisition protocol, Solucom made an earn-out payment on the acquisition price of this company in 2015/16.

### Impact of business combinations

On a like-for-like and constant forex basis, Solucom generated revenues of €184,445k, operating income on ordinary activities of €28,107k, and Group share of net profit of €16,722k in fiscal year ended 03/31/16. This compares with €155,325k, €20,060k, and €12,332k, respectively, in fiscal year ended 03/31/15.

On a like-for-like and current forex basis, Solucom generated revenues of €184,456k, operating income on ordinary activities of €28,108k, and Group share of net profit of €16,722k in fiscal year ended 03/31/16. This compares with €155,325k, €20,060k, and €12,332k, respectively, in fiscal year ended 03/31/15.

Excluding Kurt Salmon, consolidated revenues totaled €200,202k, operating income on ordinary activities of €28,551k, and Group share of net profit of €16,821k in fiscal year ending 03/31/16.

Consolidated revenues totaled €233,020k, operating income on ordinary activities of €29,783k, and Group share of net profit of €13,358k in fiscal year ended 03/31/16.

### New footholds abroad

On 10/05/15, Solucom created Solucom Belgium, a management, organization and IT-systems consulting firm based in Brussels and with a share capital of €62k.

The company began activity in October 2015.

### Financing requirements

On 01/07/16, Solucom took out a bank loan with a ceiling of €120,000k from its syndicate of four banks (BNP Paribas, Crédit Lyonnais, Société Générale and Bred-Banque Populaire). The Group drew down €95,000k of the loan to finance the acquisition of Kurt Salmon which comprised a first tranche of €57,000k, repayable half-yearly until maturity in January 2021, and a second tranche in the form of a bullet loan of €38,000k repayable on maturity in 6 years. The governing interest rate is Euribor plus a margin of between 1.00% and 2.15% throughout the duration of the draw-down.

The Company also took out a forward rate agreement (FRA) to cover any increase in the interest rate attached to the loan.

Solucom cancelled all of its pre-existing credit lines but conserved the bond subscribed to by the *Micado France 2018* mutual fund.

### Asset transfers

The assets of Financière BFC, a subsidiary 100% owned by Solucom, were transferred to the holding company, upon a decision made on 08/24/15 by the sole shareholder of the merged companies. These asset transfers were effectively carried out on 09/25/15 at the close of the statutory period of opposition granted to creditors to lodge claims.

The assets of Audisoft Consultants, a subsidiary 100% owned by Solucom, were transferred to the holding company, upon decision made on 08/27/15 by the sole shareholder of the merged companies. These asset transfers were effectively carried out on 09/30/15 at the close of the statutory period of opposition granted to creditors to lodge claims.

Neither of these operations had an impact on the consolidated financial statements.

## 3. Accounting methods and principles

### 3.1. Consolidation principles

#### Reporting framework

Since 04/01/05, Solucom's consolidated financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) as adopted by the European Union and European directive no. 1606/2002 dated 07/19/02. These include the IFRS and IAS standards, as well as their interpretations which had been adopted by the EU at 03/31/16.

The accounting principles used to prepare Solucom's 2015/16 consolidated financial statements are the same as those applied by the Company to prepare its consolidated financial statements for fiscal year ended 03/31/15.

#### Changes in standards

The Group has applied the IFRS and IAS standards and IFRIC interpretations adopted by the European Union for annual reporting periods beginning on or after 04/01/15 (available on the European Commission website: [http://ec.europa.eu/internal\\_market/accounting/ias\\_fr.htm#adopted-commission](http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission)). The application of these standards and interpretations had no material impact on the measurement methods or presentation of the Company's financial statements.

### IFRS standards, IFRIC interpretations and amendments applied by the company as of 04/01/15

Standards, amendments and interpretations	Date adopted by the EU	Date implemented <sup>(1)</sup> : financial period beginning
IFRS 21: Levies	06/14/14	06/17/14
IFRS annual improvements (2011-2013)	12/19/14	01/01/15
Amendments to IAS 19 - Defined benefit plans: employee contributions	01/09/15	02/01/15
IFRS annual improvements (2010-2012)	01/09/15	02/01/15

(1) Date of EU application.

Only the application of IFRIC 21 had an impact on the Company's financial statements (see below).

### Accounting standards and interpretations that the Company will apply in the future

Solucom has chose not to apply the following standards and interpretations which have been published by the IASB but had not been adopted by the European Union at 03/31/16.

Standards, amendments and interpretations	Date published by IASB	Date implemented: financial period beginning
IFRS 9 - Financial instruments (Phase 1: "classification and measurement")	07/24/14	01/01/18
IFRS 15 - Revenue from contracts with customers	05/28/14	01/01/18
Amendments to IAS 28 and IFRS 10	09/11/14	undetermined
IFRS 16 - Leases	01/13/16	01/01/19
Amendments to IAS 12 - Income taxes: Recognition of deferred tax assets as unrealized losses	01/19/16	01/01/17
Amendments to IAS 7 - Presentation of financial statements - Disclosure initiative	01/29/16	01/01/17

The Group has chosen not to adopt the early application of the IASB standards and interpretations adopted by the European Union at 03/31/16 and which are mandatory for financial periods as of 01/01/16.

Standards, amendments and interpretations	Date adopted by the EU	Date implemented <sup>(1)</sup> : financial period beginning
Amendments to IFRS 11 - Joint arrangements: Accounting for acquisitions of interests in joint operations	11/25/15	01/01/16
Amendments to IAS 16 (tangible assets) and IAS 38 (intangible assets): Clarification of acceptable methods of depreciation and amortisation	12/03/15	01/01/16
IFRS annual improvements (2012-2014)	12/16/15	01/01/16
Amendments to IAS 1 - Presentation of financial statements - Disclosure initiative	12/19/15	01/01/16
Amendments to IAS 27 - Equity method used in separate financial statements	12/23/15	01/01/16

(1) Date of EU application.

The impact of draft standards and interpretations currently being reviewed by the IASB has not been taken into account in these consolidated financial statements and cannot reasonably be estimated at this time.

### Application of IFRIC 21

IFRIC Interpretation 21 “Levies” deals with the recognition of a liability to pay a levy by governments and is mandatory for all financial years as of 06/17/14.

The text specifies that:

- taxes can be recognized as an expense when the obligating event actually occurs,
- the liability should be booked sequentially only if the obligating event occurs over a period of time.

The taxes covered by the application of IFRIC 21, and which impact the Group’s 2015/16 financial statements, are the

company social solidarity contribution (imposed on revenues generated by French companies), property tax and office tax, for which the total amount due is recognized on January 1<sup>st</sup>, 2016.

The financial statements of the previous comparable periods have been restated to take into account the retrospective application of this interpretation.

The application of this interpretation had a limited impact on the Group’s financial statements, as reflected in the tables below:

#### Impacts on the 03/31/16 consolidated income statement:

	03/31/16 before IFRIC 21	IFRIC 21 impact	03/31/16 reported
Revenue	233,020		233,020
EBIT	29,764	19	29,783
Operating income	22,972	128	23,100
Net financial income /(loss)	(1,319)		(1,319)
Tax expenses	8,381	42	8,423
<b>Net income, Group share</b>	<b>13,272</b>	<b>86</b>	<b>13,358</b>

#### Impacts on the 03/31/15 consolidated income statement:

	03/31/15 reported	IFRIC 21 impact	03/31/15 restated
Revenue	163,147		163,147
EBIT	21,135	5	21,141
Operating income	20,422	5	20,428
Net financial income /(loss)	(219)		(219)
Tax expenses	7,611	2	7,613
<b>Net income, Group share</b>	<b>12,592</b>	<b>4</b>	<b>12,596</b>

#### Impacts on the 03/31/16 consolidated balance sheet:

	03/31/16 before IFRIC 21	IFRIC 21 impact	03/31/16 reported
Non-current assets	146,861	182	147,043
Current assets	164,742	(10)	164,732
<b>Total assets</b>	<b>311,602</b>	<b>172</b>	<b>311,774</b>
Shareholders’ equity	85,029	(50)	84,979
Non-current liabilities	105,972	-	105,972
Current liabilities	120,602	222	120,824
<b>Total liabilities</b>	<b>311,602</b>	<b>172</b>	<b>311,774</b>



**Impacts on the 03/31/15 consolidated balance sheet:**

	03/31/15 reported	IFRIC 21 impact	03/31/15 restated
Non-current assets	54,927	(25)	54,902
Current assets	88,390	(3)	88,386
<b>Total assets</b>	<b>143,317</b>	<b>(28)</b>	<b>143,289</b>
Shareholders' equity	72,909	(136)	72,773
Non-current liabilities	12,048	(72)	11,976
Current liabilities	58,360	179	58,539
<b>Total liabilities</b>	<b>143,317</b>	<b>(28)</b>	<b>143,289</b>

**Fiscal year comparability**

The financial statements for the period ended 03/31/16 are comparable to those for the period ended 03/31/15, except for changes made in the scope of consolidation.

**3.2. Consolidation methods**

Solucom is the consolidating company.

As such, the financial statements of the companies placed under its exclusive control are fully consolidated.

Solucom does not exert any significant influence or joint control over any company. Neither does it control, either directly or indirectly, any ad hoc entity.

If required, the financial statements of the consolidated companies are restated to ensure the uniform application of accounting rules and measurement.

The asset transfer operations described in section 2 "Key events during the fiscal year" had no impact on the consolidated financial statements.

The financial statements of the Company's consolidated subsidiaries were approved at 03/31/16. All of the companies in the scope of consolidation of the Kurt Salmon acquisition

close their accounts on 12/31/16. Accordingly, an individual report of their accounting situation was drawn up at 03/31/16 for each entity under the end-year fiscal conditions.

The consolidated financial statements include all of the Group's companies over twelve months, with the exceptions of:

- Financière BFC and Audisoft Consultants, whose assets were transferred to the parent company during the period and which were consolidated over 6 months;
- Solucom Belgium created in 2015 and consolidated over 6 months;
- The acquisitions of Arthus Technologies and the European activities of Kurt Salmon consolidated over 9 months and 3 months, respectively.

**3.3. Currency translation methods**

**Translation of financial statements denominated in foreign currencies**

The balance sheets of foreign companies are translated into euros at the prevailing exchange rate at the end of the period. The income and cash flow statements are converted at the average exchange rate for the period and the resulting translation differences recognized in shareholders' equity under "Translation adjustments" for the Group's share.

The closing and average exchange rates are listed in the table below (Currency / Euro):

	Closing exchange rate		Average exchange rate	
	03/31/16	03/31/15	03/31/16	03/31/15
Swiss Franc (CHF)	0.914829	n/a	0.919005	n/a
Pound Sterling (GBP)	1.263424	1.374948	1.359696	1.374476
Moroccan Dirham (MAD)	0.091124	0.093399	0.092382	0.090570
US Dollar (USD)	0.878349	n/a	0.903805	n/a

Source: Banque de France.

The average exchange rate is determined by calculating the average monthly closing prices over the period.

### Recognition of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros at the effective exchange rate on the transaction date, or at the guaranteed rate when covered by a currency hedge.

### 3.4. Use of estimates

The preparation of financial statements in accordance with IFRS standards entails making estimates and assumptions of the book value of certain items in the financial statements, notably with regard to:

- Duration of asset depreciation.
- Measurement of provisions and retirement commitments.
- Assumptions used for impairment testing.
- Fair value measurement of financial instruments.
- Estimates of accrued income and expenses.
- Measurement of share-based payments.
- Performance estimates retained for the calculation of subsidiary acquisition earn-out payments.
- Recognition of deferred tax assets.
- Recognition of revenue from fixed-price contracts.

Management reviews these estimates and assessments on a regular basis to take into account past experience and other factors deemed relevant which serve as the basis for it to make its assessments. Future results may differ significantly from forecasts given in this report should there be a change in assumptions or conditions.

### 3.5. Business combinations and goodwill

Each company in Solucom's scope of consolidation is treated as a single Cash Generating Unit (CGU).

Due to reorganization measures carried out at the operating and legislative (asset transfers) levels in past years and during the current fiscal period, initial amounts of goodwill attributed to each company acquired by, and merged into the Solucom parent company have since been consolidated and assigned to the merging structure. Individual goodwill monitoring of these subsidiaries is materially no longer possible given that the activities of the acquired companies have since been merged. In addition, note that the activities of the merged subsidiaries are identical.

Impairment tests are carried out on all of the Group's assets that are subject to goodwill at the close of each financial year, or more often if there are any signs of loss in value.

Goodwill impairment tests are conducted on the basis of the discounted future cash flow method whereby cash flows are determined on the basis of a 5-year period and a hypothetical growth rate to infinity thereafter. Cash flows derived from these estimates are then discounted to present value.

These tests are based on the following assumptions:

- A growth rate to infinity of 2%, a level deemed reasonable in light of past performances observed in the management and IT services consulting sector.
- A discount rate of 10% after tax determined by an independent appraiser. This rate factors in a 10-year long bond yield, a market risk premium, a beta coefficient observed by comparable listed companies (including Solucom) and a risk premium specific to the Company.

In addition, an analysis of the stock's sensitivity to the key assumptions used (growth rate to infinity and discount rate) serves as a means to verify the impact of likely changes in these assumptions.

### 3.6. Intangible assets and property, plant and equipment

All of Solucom's assets, with the exception of leased property, were purchased by the Company.

Software and tangible assets are measured at their acquisition cost, less total depreciation and impairment. Financial expenses are not capitalized and therefore booked as expenses over the period.

Identified asset components are recognized and depreciated separately.

Depreciation and amortization are calculated on the basis of the straight-line method without any deduction of residual value, applied over the estimated service life of the assets. The service life of major fixed assets is reviewed at the end of every fiscal period. The initial estimated service life is extended or reduced in accordance with the actual conditions of use.

In the case of leased acquisitions of large tangible assets, the value of the asset acquired is capitalized and depreciated using the method, and over the expected service life, described above. The corresponding debt is booked as a liability.

The depreciation periods generally applied are as follows:

- Software: 3 - 5 years
- Fixtures and fittings: 6 - 9 years
- Passenger vehicles: 4 years
- IT equipment: 3 - 4 years
- Office furniture: 9 years

### 3.7. Impairment and recoverable value of non-current assets

In certain circumstances, intangible and tangible fixed assets may be subject to impairment tests.

Assets with an indefinite service life (see note 3.5: "Goodwill"), are tested for impairment at least once a year and whenever there is evidence of loss of value.

### 3.8. Guarantees and deposits

In accordance with IAS 39 - "Financial Instruments", deposits and guarantees with maturities of more than 1 year and bearing no interest are discounted when their value is significant.

### 3.9. Non-current financial assets

Non-current financial assets include loans and receivables with maturities of more than 1 year valued at amortized cost. Financial asset acquisitions and disposals are recognized on the settlement date.

### 3.10. Receivables

Receivables are measured at their nominal value. A provision for impairment is constituted when the recoverable value is less than the carrying value.

### 3.11. Cash and cash equivalents

Cash and cash equivalents booked as balance-sheet assets comprise available cash, sight deposits, and cash equivalents.

Cash equivalents are marketable securities that meet IAS 7 criteria. These include short-term investments which are easily convertible into a known amount of cash and do not present any great risk of depreciation in value.

Marketable securities are initially recognized at acquisition cost, and then measured at fair value which, for listed securities, is the market price at the end of the reporting period. Any change in fair value is booked under financial income or expenses, as is net income and/or expenses from disposals.

### 3.12. Treasury stock

Solucom owns a certain amount of treasury stock acquired in the context of the share buyback program authorized by the General Shareholders' Meeting.

In accordance with IAS 32-39, treasury shares are deducted from consolidated shareholders' equity, regardless of the reason for their purchase and how they are recognized in the individual financial statements of the holding companies. In addition, proceeds from the sale of treasury shares as well as any provisions written for their impairment are also offset in equity.

### 3.13. Employee benefits

In accordance with IAS 19 "Employee benefits", commitments resulting from and costs related to defined benefit plans are measured by independent actuaries on the basis of the projected unit-credit method. Solucom's commitments are limited to the payment of end-of-career benefits to its employees in France and employer contributions within the context of the "second pillar" of the Swiss social protection system.

In addition, the Group's retirement and insurance benefit contributions in Belgium are limited to less than €1k.

Benefit contributions in France are based on the following assumptions:

- Application of Syntec collective bargaining agreement no. 3018
- Staff turnover rate: 15%
- TGHF 2015 mortality table with extension of age brackets to take into account longer life expectancy of younger generations
- Payroll tax rate: 45%
- Pay reviews: 2.00%
- Discount rate: 1.39%
- Retirement age: 65 years
- Voluntary departure.

Benefit contributions in Switzerland are based on the following assumptions:

- BVG 2015 GT mortality table
- Discount rate: 0.60%

Pursuant to IAS 19 "Employee Benefits" dated 06/16/11 applicable to reporting periods starting on or after 01/01/13, Solucom recognized all actuarial gains and losses directly under shareholders' equity at 03/31/16.

Certain benefits are also provided within the framework of defined contribution schemes. Contributions made to these schemes are expensed when incurred.

Solucom has no other long-term or end-of-contract severance obligations.

### 3.14. Borrowings and financial debt

Financial liabilities include restated equipment-leasing contracts, bonds, bank borrowings and overdrafts. Financial debt maturing in less than 1 year is recognized under current financial liabilities. Financial debt is booked at amortized cost using the effective interest rate method.

### 3.15. Financial instruments

Solucom has set up exchange rate hedges (cash flow hedges) to cover the risk to which certain export sales may be exposed. The gains generated by, and losses incurred on, the recognition of hedging instruments at fair value are booked under "Other comprehensive income" (OCI). Latent gains and losses are written to the income statement when the hedged position is closed.

The Company also took out a forward rate agreement (FRA) to cover any increase in the interest rate attached to the loan contracted to finance the Kurt Salmon acquisition.

### 3.16. Potential liabilities and assets

None.

### 3.17. Segment reporting

The Solucom Group specializes in a specific market segment: management and information systems consulting. Since all of these services are subject to the same risks and generate similar profitability rates, and given the fact that virtually all of Solucom's turnover is generated in France, Group revenues are not broken down by this business line.

### 3.18. Revenue recognition

Revenue is recognized according to the type of contract entered into with the client:

#### Time-based services contracts

Revenues generated on time-based services contracts are recognized as and when the service is rendered. Revenue is calculated on the basis of the contracted selling price multiplied by the number of billable hours spent. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work.

#### Fixed-price services contracts

Revenues generated on fixed-price services contracts are recognized as and when the various stages of the work are completed. These are calculated on the basis of the costs incurred and still to be incurred. A provision for loss on completion is written on a contract-per-contract basis when a contract is expected to make a loss. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work.

#### Subscription services

Revenue from subscription services is recognized on a prorata temporis basis over the term of the contract. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the prorata temporis terms of the contract.

### 3.19. R&D expenses

The Company carries out R&D activities on a regular basis. Some of these are eligible for the French research tax credit.

These R&D activities are capitalized as exceptional expenses (see note 11).

### 3.20. Deferred tax

Deferred tax is calculated by the Company for temporary differences between the carrying value of assets and liabilities, and their taxable value.

In accordance with IAS 12, tax assets are only recognized on a company-by-company basis when the estimated future profit is sufficient to cover these assets and when their maturity does not exceed 10 years.

Deferred tax assets and liabilities are measured at the expected tax rate for the fiscal year in which the asset will be realized or the liability settled.

Tax on items recognized directly as equity is booked under equity.

## 4. Proforma financial information

In 2015/16 fiscal year, Solucom acquired all of the shares of MCG France, which had a direct and indirect 100% interest in the consulting activities of Kurt Salmon in France, Belgium, Luxembourg, Switzerland and Morocco, as well as its Financial Services and CIO Advisory activities in the US.

In compliance with current legislation in force, we are required to disclose financial information on:

- The scope of the prospective and transparency directives, at the European and French levels, as specified in the 04/15/16 update of AMF Recommendation no. 2013-18.
- IFRS standards (IFRS 3).

It should be noted, that during the fiscal year, Solucom also acquired:

- The assets of Hapsis (2015/16 revenues of €5,021k) on 04/01/15, and,
- A 100% stake in Arthus Technologies (2015/16 revenues of €3,736k) on 07/02/15.

Since Hapsis was consolidated in Solucom's financial statements over 12 months as of the date of acquisition (first day of the 12-month fiscal period), no restatement or specific presentation is required.

Given that the Arthus Technologies transaction did not cause a significant change as defined by the Prospectus regulation, its integration in the proforma information is not likely to cast clearer light on any reading of the statements. In addition, it was difficult to reconstitute the company's financial aggregates according to Solucom's standard methods for the period prior to the consolidation (only one quarter) given the data available. As such, this company has not been restated retroactively to the first day of the fiscal year.

Accordingly, the proforma financial information below concerns the acquisition of the activities of Kurt Salmon.

#### 4.1. Features of the transaction

On 01/07/16, Solucom acquired a 100% capital stake in Kurt Salmon's European activities (excluding the retail and consumer goods businesses) from the holding company Management Consulting Group France.

The scope of acquisition in question, hereinafter referred to as "the target business", comprises Kurt Salmon France, Switzerland, Belgium, Luxembourg and Morocco as well as the Financial Services and CIO Advisory practices of Kurt Salmon in the United States. The consumer goods and retail consulting activities outside of France, notably Kurt Salmon UK and Germany, were not included in the deal.

Specialized in management consulting, Kurt Salmon advises its clients on major transformation issues, ranging from strategic scoping to implementation monitoring.

The acquisition was financed exclusively in cash for the most part, via a bank loan obtained under market conditions, part of which in the form of a bullet payment.

#### 4.2. Proforma information: presentation

##### Underlying assumptions

Consolidated proforma financial information, calculated and expressed in thousands of euros (€k), concerns the Solucom company and the entities of the Kurt Salmon acquired on 01/07/16.

The proforma financial information for the twelve-month period ended 03/31/16 was prepared on the assumption that the Group's acquisition of the entities of Kurt Salmon took place on 04/01/15 rather than on 04/01/16.

This proforma financial information is presented for information purposes only. Because of its purely hypothetical nature, it does not represent the financial situation of, or the actual results achieved by the acquired entities. Neither is it indicative of their future operating performances.

Only the proforma adjustments related directly to the acquisition and which have been estimated in a reliable way have been taken into account. Pro-forma financial information does not factor in any cost savings or other synergies that could result from the merger.

Given that the fiscal year of the acquired entities closes on December 31<sup>st</sup>, the proforma financial information was prepared on the basis of the following:

- The unaudited accounting position at 03/31/15 of the acquired entities, excluding the US activity (assets previously operated within a legal structure comprising several other activities). These accounting positions were prepared under full-year closing conditions for the requirements of the former shareholder's monthly reporting;
- The annual financial position of the acquired entities relative to the 12-month period ended 12/31/15, excluding the US activity. These annual financial positions have been audited, with the exception of Kurt Salmon Morocco, Kurt Salmon Switzerland which are not required by law to appoint a statutory auditor;
- Management results (unaudited information) relative to the US activity in 2015, it being noted that since this activity was the subject of a carve out operation, it had never been audited as a single entity, but as a division of a larger company;

- 03/31/16 accounting positions of all the acquired entities, subject to a limited review by their Statutory Auditors, or in the case of Kurt Salmon Morocco, Kurt Salmon Switzerland and K2S Management (which are not required by law to appoint a statutory auditor) by Solucom's Statutory Auditors;
- Audited consolidated accounts of the Solucom Group at 03/31/16.

### Conversion

The income statements of foreign subsidiaries are converted into euros at the average exchange rate for the period. The closing and average exchange rates are listed in the table below (Currency / Euro):

	Average exchange rate		
	03/31/15 3 months	12/31/15 12 months	03/31/16 3 months
Swiss Franc (CHF)	0.9504	0.9393	0.9094
Moroccan Dirham (MAD)	0.0928	0.0925	0.0923
US Dollar (USD)	0.9008	0.9053	0.9038

Source: Banque de France.

The average exchange rate is determined by calculating the average monthly closing prices over the period.

### Harmonization with the accounting principles and methods used by Solucom

There are certain differences between the accounting principles and methods used by Kurt Salmon's entities and those applied by the Solucom Group. Therefore, in the case of major discrepancies a harmonization of the accounting principles and methods was carried out.

Harmonization measures were carried out with regard to:

- The methods for calculating retirement provisions (notably concerning staff turnover assumptions):  
Changes in retirement provisions between 01/01/16 and 03/31/16, which were calculated on the basis of methods and assumptions, set out in section 3.13 of the current appendix and had an impact on the consolidated income statement of the Solucom Group at 03/31/16 are calculated over 12 months on a pro-rata basis.
- Harmonization of accounting methods for litigation provisions:  
Litigation provisions were measured on the basis of estimates, drawn up by legal advisers, of the most probable risk, in accordance with note 16 of the current appendix. Any disparity between these estimates and those previously produced by the Kurt Salmon entities were assigned to the period when the dispute was first provisioned.

- Harmonization of loss-on-completion provisions:  
Provisions for loss on completion booked at the date of entry into the Group's scope of consolidation are back-dated to when the expected loss was anticipated, accordance with section 3.18 of the current appendix.

### Adjustments or restatements to simulate the integration into the Solucom Group as of day 1 of the fiscal year

- Financing costs:  
Issue costs and interest on the loan taken out to finance the acquisition of the Kurt Salmon entities have been integrated on the basis that the debt was contracted on 04/01/15. The amounts written are calculated on the basis of pro-rata borrowing costs carried in Q1 2016. These expenses replace the costs previously booked by the Kurt Salmon entities;
- Neutralization of MCG group royalties:  
Royalties billed to the Kurt Salmon entities by their former parent company were cancelled and replaced by the estimated cost of services rendered by the Solucom Group (insurance, etc.);
- Offset of management costs of the sub-group (which no longer serves any purpose) and exit costs of the previous CEO.

### Standard consolidation adjustments

Standard consolidation adjustments having a significant impact were carried out in accordance with the accounting principles and methods presented in the present appendix:

- End-of-career indemnities for French employees.
- Provision for allocation of free shares booked under personnel costs.
- CVAE tax reclassified as income tax.

The 12-month tax charge related to proforma earnings (excluding CVAE provisioned in the historical financial

statements of the Kurt Salmon entities) was estimated by applying a surrogate tax rate (i.e. that used to assess deferred tax in the consolidated financial statements of the Solucom Group at 03/31/16) to proforma gross earnings.

### Impact related to Purchase Price Allocation

Given the fact that Purchase Price Allocation (PPA) had not been carried when this document was drafted, no potential consequences have been taken into account (such as the amortization of certain potentially depreciable intangible assets as part of a definitive assessment of goodwill).

### 4.3. Proforma financial information at 03/31/16

	03/31/16		Historic unadjusted data	Proforma adjustments	Financial information	
	Reported	<i>o/w</i> Solucom	<i>o/w</i> Kurt Salmon	Kurt Salmon	Proforma	
(in thousands of euros)	12 months	12 months	3 months	12 months	12 months	
Revenue	233,020	200,202	33,014	125,956	-	326,158
EBIT	29,783	27,812	1,971	1,274	5,459 (1)	34,545
Operating profit	23,100	23,485	(385)	(2,372)	5,459 (1)	26,572
Net income, Group share	13,358	14,089	(731)	(1,626)	1,849 (2)	14,312
(1) Detail of adjustments to current operating income:						
Withdraw all of royalties "MCG Group"					1,790	
Cost Solucom Group					(375)	
Payment and leaving cost of the former management					3,352	
Harmonization of valuation method for pension obligations					(235)	
Impact of revisited litigation provision estimate					(213)	
Reclassification of CVAE as corporate income tax					1,140	
<b>Total</b>					<b>5,459</b>	
(2) Detail of adjustments to Group share of net income						
Adjustments to current operating income					5,459	
Financing costs					(1,546)	
Reclassification of CVAE as corporate income tax					(1,140)	
Impact of adjustments on corporate income tax					(925)	
<b>Total</b>					<b>1,849</b>	

## 5. Scope of consolidation

Merger and acquisition changes in the Group's scope of consolidation are described in section 2, "Key events in the fiscal year".

Solucom's consolidated financial statements include the accounts of the following companies:

Companies	Head office	Company registration number	Legal form	Holding (%)	Nationality	Number of months consolidated
Solucom SA	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	37755024900041	Public Limited Company (SA)	Parent company	France	12
SLM Consulting	Résidence RIBH, angle Bir Anzarane et Caid Achar Casablanca - Morocco	266961	Limited Liability Company (SARL)	100%	Morocco	12
Financière BFC	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	49108698900036	Simplified joint stock company (SAS)	100%	France	6
Audisoft Consultants	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	41782318400045	Simplified joint stock company (SAS)	100%	France	6
Hudson & Yorke	Warnford Court 29 Throgmorton Street London, EC2N 2AT	5896422	Limited Company	100%	UK	12
Arthus Technologies	105, rue de Lyon 1203 Geneva	CHE-109688.302	Limited Liability Company (SARL)	100%	Switzerland	9
Solucom Belgium	Avenue Louise 523 1050 Ixelles, Brussels	0639931071	Public Limited Company (SA)	100%	Belgium	6
Management Consulting Group France	159, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine	49154119900023	Simplified joint stock company (SAS)	100%	France	3
Kurt Salmon Associés France	159, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine	44985762200053	Public Limited Company (SA)	100%	France	3
Kurt Salmon France	159, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine	43322484700064	Simplified joint stock company (SAS)	100%	France	3
K2S Management	650 Fifth Avenue New York, NY10019	5905389	Incorporated Company	100%	US	3
Kurt Salmon Luxembourg	41, zone d'activité Am Bann L-3372 Leudelange	B114630	Public Limited Company (SA)	100%	Luxembourg	3
Kurt Salmon Belgium	Square Stéphanie Avenue Louise 65 1050 Brussels	0879426546	SA/NV	100%	Belgium	3
Kurt Salmon Morocco	Immeuble Racine d'Anfa 157, boulevard d'Anfa 20100 Casablanca	219375	Limited Liability Company (SARL)	100%	Morocco	3
Kurt Salmon Switzerland	105, rue de Lyon 1203 Geneva	CH-1704000727-1	Limited Liability Company (SARL)	100%	Switzerland	3

All of these companies have been fully consolidated.



## 6. Notes relative to certain income-statement and balance-sheet items

### Note 1. Revenue

The bulk of Solucom's consolidated revenue is generated in France.

### Note 2. Purchases consumed

Purchases consumed are limited exclusively to the acquisition of subcontracted services.

### Note 3. Payroll expenses

Payroll expenses	03/31/16	03/31/15
Salaries and benefits	111,119	80,367
Social contributions	51,494	37,843
<b>Total</b>	<b>162,614</b>	<b>118,210</b>

Average FTE headcount	03/31/16	03/31/15
Engineers and managers	1,744	1,344
Employees	43	36
<b>Total</b>	<b>1,787</b>	<b>1,379</b>

### Note 4. Executive compensation

Executive compensation <sup>(1)</sup>	03/31/16	03/31/15
Compensation paid to Management Board members	438	433
Compensation paid to Supervisory Board members	166	98
<b>Total</b>	<b>605</b>	<b>531</b>

(1) Excluding mandatory profit-sharing.

### Note 5. External expenses

	03/31/16	03/31/15
Rent and other lease expenses	7,228	4,881
Professional fees	5,092	3,399
Travel, assignments	6,776	3,644
Other external expenses	6,437	3,780
<b>Total</b>	<b>25,533</b>	<b>15,703</b>

The bulk of other external expenses comprise non-stock equipment and supplies, maintenance and repair costs, postal and telecommunications expenses, as well as expenditure on advertising and training.

## Note 6. Non-recurring operating income and expenses

	03/31/16	03/31/15
Other	-	-
<b>Other operating income</b>	<b>-</b>	<b>-</b>
Securities trading charges	(3,198)	(663)
Other	(3,484)	(50)
<b>Other operating expenses</b>	<b>(6,682)</b>	<b>(713)</b>
<b>Total net</b>	<b>(6,682)</b>	<b>(713)</b>

Other operating expenses include costs incurred on office remodeling carried out at the Tour Franklin (Solucom) for €694k, the evacuation of the Neuilly offices (Kurt Salmon) for €2,356k as part of the plan to physically merge the teams of both companies at the La Défense headquarters, information

system depreciation in the amount of €329k and the Solucom Corporate Foundation skills-sponsorship program for €100k. This compares with other operating expenses of €50k at 03/31/15 related exclusively to the Solucom Corporate Foundation skills-sponsorship program.

## Note 7. Financial profit (loss)

	03/31/16	03/31/15
Net income from sale of cash equivalents	17	67
Interest on borrowings	(757)	(238)
Change in fair value of cash and equivalents	2	7
<b>Cost of net debt</b>	<b>(738)</b>	<b>(165)</b>
Other financial income and expenses	(581)	(55)
<b>Financial profit (loss)</b>	<b>(1,320)</b>	<b>(219)</b>

The bulk of borrowing costs is made up of interest of €453k on the bank loan contracted to finance the acquisition of Salmon and a €180k coupon on the *Micado* loan.

## Note 8. Tax charge

### Net impact of tax profit

	03/31/16	03/31/15
Current tax	8,779	7,595
Deferred tax	(356)	18
<b>Total</b>	<b>8,423</b>	<b>7,613</b>

In accordance with the French Accounting Board (CNC) circular of 01/14/10, Solucom opted to record the Company Added-Value Contribution (CVAE) tax levy as a tax on earnings as of 2010. CVAE booked under "tax expenses" totaled €2,500k.

### Origin of deferred tax

	Balance sheet		Income statement	
	03/31/16	03/31/15	03/31/16	03/31/15
Temporary timing differences on provisions	9,335	1,644	(885)	139
Consolidation entries	5,603	2,239	524	(120)
<b>Total deferred tax assets</b>	<b>14,938</b>	<b>3,884</b>	<b>(361)</b>	<b>19</b>
Temporary timing differences on provisions	6	2	(5)	-
Consolidation entries	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>(-)</b>
<b>Deferred tax charge</b>			<b>(356)</b>	<b>18</b>

At 03/31/16, deferred taxes falling due in more than one year totaled €6,798k. All deferred taxes generated by Group transactions carried out over the period have been recognized.

### Tax rationalization

The difference between the theoretical and the effective tax expense breaks down as follows:

	03/31/16	03/31/15
Consolidated net income	13,358	12,596
Tax expense (income)	8,423	7,613
IAS 12: CVAE and other	(2,464)	(2,068)
Tax credits	(2,896)	(2,565)
Profit before tax	16,421	15,576
Theoretical tax rate	33.33%	33.33%
<b>Theoretical tax expense (income)</b>	<b>5,473</b>	<b>5,191</b>
<b>Reconciliation:</b>		
Permanent differences	290	362
Activities taxed at a different rate	313	158
Tax credit	(118)	(167)
IAS 12: CVAE and other	2,464	2,068
<b>Effective tax expense (income)</b>	<b>8,423</b>	<b>7,613</b>

### Note 9. Earnings per share

	03/31/16	03/31/15
<b>Earnings per share</b>		
Net income, Group share	13,358	12,596
Weighted average number of shares outstanding <sup>(1)</sup>	4,900,265	4,900,265
<b>Net undiluted earnings per share, Group share</b>	<b>2.73</b>	<b>2.57</b>
Number of shares issued as at 31 March <sup>(1)</sup>	4,900,265	4,900,265
<b>Net diluted earnings per share, Group share</b>	<b>2.73</b>	<b>2.57</b>

(1) Treasury shares.

In accordance with IAS 33, net earnings per share at 03/31/15 have been restated retrospectively on the basis of the number of shares at 03/31/16.

**Note 10. Goodwill on the balance sheet**

	Net value at 03/31/15	Change in scope	Reduction in the fiscal year	Translation gains (losses)	Net value at 03/31/16
Solucom SA	40,789	2,398	-	-	43,187
Industrial activities of PEA Consulting	70	-	-	-	70
Audisoft Oxéa	2,398	(2,398)	-	-	-
Hudson & Yorke	4,741	-	(1,786)	(241)	2,714
Hapsis assets	-	1,943	-	-	1,943
Arthus Technologies	-	2,911	-	(113)	2,798
Kurt Salmon	-	79,864	-	(180)	79,685
<b>Total</b>	<b>47,998</b>	<b>84,719</b>	<b>(1,786)</b>	<b>(533)</b>	<b>130,397</b>

Given the delays in the Hudson & Yorke business-plan, Solucom will not be required to make the last earn-out payment on the acquisition of this company.

Solucom's consolidated financial statements have been adjusted to take this factor into account.

**Goodwill calculation of recently-consolidated acquisitions**

The goodwill of recent acquisitions integrated into the Group's scope of consolidation can be broken down as follows:

	Hapsis assets	Arthus Technologies	Kurt Salmon	Total
<b>Acquisition cost</b>				
Acquisition price	1,860	3,331	4,980	10,171
Price supplement	-	-	-	-
<b>Total I</b>	<b>1,860</b>	<b>3,331</b>	<b>4,980</b>	<b>10,171</b>

	Hapsis assets	Arthus Technologies	Kurt Salmon	Total
<b>Assets acquired at the acquisition date</b>				
Net assets	10	126	808	944
Non-current assets	44	125	3,888	4,056
Current assets	537	1,702	58,783	61,022
<b>Sub-total B</b>	<b>590</b>	<b>1,953</b>	<b>63,479</b>	<b>66,022</b>
<b>Liabilities acquired at the acquisition date</b>				
Non-current liabilities	127	605	4,708	5,440
Short-term provisions	-	-	6,054	6,054
Current liabilities	547	929	127,602	129,077
<b>Sub-total C</b>	<b>673</b>	<b>1,533</b>	<b>138,364</b>	<b>140,570</b>
<b>Total II - Net assets acquired (B-C)</b>	<b>(83)</b>	<b>420</b>	<b>(74,885)</b>	<b>(74,548)</b>

	Hapsis assets	Arthus Technologies	Kurt Salmon	Total
<b>Goodwill (I-II)</b>	<b>1,943</b>	<b>2,911</b>	<b>79,864</b>	<b>84,719</b>

Given the fact that Purchase Price Allocation (PPA) had not been carried when this document being drafted, no potential consequents have been taken into account (such as the amortization of certain intangible assets within the context of a definitive assessment of goodwill).

**Impairment tests**

Given the recent nature of Solucom’s acquisitions of Arthus Technology and Kurt Salmon (consolidated over 9 months and 3 months, respectively, at 03/31/16), no goodwill impairment tests were performed on these companies.

Since Arthus Technologies’ performance at 03/31/06 fell short

of expectations, a control was carried out to find out whether the delays in the company’s business plan called into question the evaluation of the company in Solucom’s consolidated financial statements. The outcome of the control was conclusive. In light of this delay, no earn-out was provisioned for Arthus Technologies.

The impairment tests carried out on goodwill relating to the Solucom parent company and Hudson & Yorke confirmed the value of their goodwill based on the nominal assumptions retained.

Sensitivity tests were also carried out, the results of which are given in the table below:

	Solucom SA	Hudson & Yorke
Difference between value in use and carrying value	> 80,000	> 2,600
Theoretical impairment of a 1 point reduction in growth to infinity (a)	-	-
Theoretical impairment of a 1 point increase in the discount rate (b)	-	-
Theoretical impairment of (a) + (b)	-	-

On the basis of these tests of sensitivity, Management considers it reasonably unlikely that any change in the key assumptions used would require the need for impairment recognition.

As such, the goodwill impairment and sensitivity tests carried out confirmed no loss in value.

**Note 11. Intangible assets and property, plant and equipment**

Gross value	03/31/15	Change in scope	Increase	Decrease	Translation gains (losses)	03/31/16
Software	3,199	5,589	507	-	-	9,295
Intangible assets in progress	151	-	144	(275)	-	20
<b>Total intangible assets</b>	<b>3,350</b>	<b>5,589</b>	<b>651</b>	<b>(275)</b>	<b>-</b>	<b>9,315</b>
Other tangible assets	5,594	3,366	5,538	(752)	(11)	13,735
Other lease assets	3,307	350	1,412	(88)	(7)	4,974
Tangible assets under construction	-	-	3,464	(3,210)	-	254
<b>Total tangible assets</b>	<b>8,901</b>	<b>3,716</b>	<b>10,414</b>	<b>(4,050)</b>	<b>(18)</b>	<b>18,963</b>

Depreciation	03/31/15	Change in scope	Increase	Decrease	Translation gains (losses)	03/31/16
Software	2,266	5,587	403	-	-	8,256
<b>Total intangible assets</b>	<b>2,266</b>	<b>5,587</b>	<b>403</b>	<b>-</b>	<b>-</b>	<b>8,256</b>
Other tangible assets	4,251	2,788	744	(712)	(7)	7,064
Other lease assets	2,717	108	533	(42)	(3)	3,313
<b>Total tangible assets</b>	<b>6,968</b>	<b>2,895</b>	<b>1,277</b>	<b>(754)</b>	<b>(9)</b>	<b>10,377</b>

	03/31/15	Change in scope	Increase	Decrease	Translation gains (losses)	03/31/16
<b>Depreciation</b>						
Software	86	-	329	(15)	-	400
<b>Total intangible assets</b>	<b>86</b>	<b>-</b>	<b>329</b>	<b>(15)</b>	<b>-</b>	<b>400</b>
Other tangible assets	36	-	975	(9)	-	1,003
Other lease assets	-	-	-	-	-	-
<b>Total tangible assets</b>	<b>36</b>	<b>-</b>	<b>975</b>	<b>(9)</b>	<b>-</b>	<b>1,003</b>
<b>Total intangible assets</b>	<b>998</b>	<b>2</b>	<b>(81)</b>	<b>(260)</b>	<b>-</b>	<b>659</b>
<b>Total tangible assets</b>	<b>1,896</b>	<b>820</b>	<b>8,163</b>	<b>(3,287)</b>	<b>(9)</b>	<b>7,584</b>

None of Solucom's intangible assets are subject to ownership restrictions.

The only tangible assets that are subject to ownership restriction are those funded by a leasing contract.

Software expenses include commercial software purchases, as well as development expenses activated to develop the management system used by the company (Activesys), in the amount of €275k.

Changes in "Payables to suppliers of fixed assets" came out €145k at 03/31/16, compared with €(311)k at 03/31/15.

## Note 12. Leasing

### Net asset value by asset class

Asset class	03/31/16	03/31/15
Vehicles	270	-
Office and computer equipment	1,391	590
<b>Total</b>	<b>1,661</b>	<b>590</b>

### Impact on income statement

Income statement	03/31/16	03/31/15
Recognized depreciation	(533)	(400)
Financial expenses	(17)	(14)
Amount of royalties restated for the fiscal year	549	417
<b>Total</b>	<b>(1)</b>	<b>3</b>

**Royalties**

<b>Royalties</b>	<b>03/31/16</b>	<b>03/31/15</b>
Original value of goods	4,974	3,307
Royalties paid:		
- in previous years	2,798	2,361
- during the fiscal year	549	417
<b>Total</b>	<b>3,347</b>	<b>2,778</b>
<b>Royalties outstanding:</b>		
< 1 year	625	330
1 ≥ 5 years	926	271
> 5 years	-	-
<b>Total royalties</b>	<b>1,551</b>	<b>601</b>
<i>of which future financial expenses</i>	36	10
Residual value at end of contract	71	9

**Note 13. Other assets**

Financial assets are comprised exclusively of deposits and guarantees.

Other non-current assets consist mainly of deferred tax assets in the amount of €6,798k (€2,433k at 03/31/15).

**Note 14. Current assets**

<b>Trade receivables and related accounts</b>	<b>03/31/15</b>	<b>Change in scope</b>	<b>Change</b>	<b>Translation gains (losses)</b>	<b>03/31/16</b>
<b>Gross value</b>	<b>53,905</b>	<b>43,719</b>	<b>5,680</b>	<b>(193)</b>	<b>103,112</b>
<b>Impairment</b>	<b>(98)</b>	<b>(2,016)</b>	<b>(27)</b>	<b>5</b>	<b>(2,135)</b>
<b>Net book value</b>	<b>53,808</b>	<b>41,703</b>	<b>5,653</b>	<b>(188)</b>	<b>100,976</b>

Solucom analyzes trade receivables and recognizes impairment on a case-by-case basis taking into account the customer's specific situation and delays in payments. Overall, no impairment was recognized over the period.

<b>Other receivables</b>	<b>03/31/15</b>	<b>Change in scope</b>	<b>Change</b>	<b>Translation gains (losses)</b>	<b>03/31/16</b>
Advances and downpayment	601	46	(399)	-	248
Tax receivables	5,638	9,819	886	(29)	16,314
Other debtors	764	1,907	1,797	(2)	4,466
Prepaid expenses	1,476	1,396	88	(4)	2,955
<b>Gross value</b>	<b>8,480</b>	<b>13,168</b>	<b>2,372</b>	<b>(36)</b>	<b>23,984</b>
Impairment of other receivables	(64)	-	49	-	(15)
<b>Impairment</b>	<b>(64)</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>(15)</b>
<b>Net book value</b>	<b>8,416</b>	<b>13,168</b>	<b>2,421</b>	<b>(36)</b>	<b>23,969</b>

Cash and cash equivalents	03/31/15	Change in scope	Change	Translation gains (losses)	03/31/16
Money-market mutual funds (SICAVs) - Cash equivalents	11,246	-	4,392	-	15,637
Cash and equivalents	14,917	7,709	1,619	(96)	24,149
<b>Gross value</b>	<b>26,162</b>	<b>7,709</b>	<b>6,011</b>	<b>(96)</b>	<b>39,786</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>	<b>26,162</b>	<b>7,709</b>	<b>6,011</b>	<b>(96)</b>	<b>39,786</b>

The historical cost value of the Group's monetary mutual funds (SICAVs) was €15,631k at 03/31/16 (€11,242k at 03/31/15).

#### Note 15. Capital

At 03/31/16, the capital of the Solucom parent company comprised 4,966,882 fully paid-up shares at €0.10 per unit.

At the same date, the Company owned 66,617 Solucom shares.

In addition, pursuant to the authorization granted to it by the General Shareholders' Meeting, the Board of Directors decided, at its meeting on 07/01/15, to freely allocate existing and/or to-be-issued shares to the Company's executive officers. The definitive granting of these free shares is subject to the beneficiary having a personal shareholding in the Company and fulfilling a set of performance-target criterion relative to the achievement of a consolidated EBIT target for each plan. Regarding the OneFirm Share Plan and the Executive Officer

plan (free allocation of Company shares to partners of the new entity in January 2016), the definitive granting of free shares is subject to achieving a set performance criteria based on consolidated EBIT.

In addition, at that same meeting, the Solucom Management Board decided to freely allocate existing and/or to-be-issued shares to staff members or certain categories of employees of the Company and the Group, within the context of the Employee Savings Scheme set up by the Company.

Recognition of the respective rights awarded within the context of these plans and previous plans previously attributed, for which a specific provision was written, had an impact on group equity in the financial statements at 03/31/16.

#### Note 16. Provisions

The bulk of provisions relate to end-of-career indemnities which are measured by an independent actuary, as well as trade disputes, the value of which are based on estimates of the most probable risk drawn up by legal counsel, and if applicable, provisions for client default risks.

	03/31/15	Change in scope	Increase	Reversal		Translation gains (losses)	03/31/16
				Used	Unused		
Provision for retirement packages	6,892	5,368	914	(251)	(590)	(23)	12,309
<b>Total long-term provisions</b>	<b>6,892</b>	<b>5,368</b>	<b>914</b>	<b>(251)</b>	<b>(590)</b>	<b>(23)</b>	<b>12,309</b>
Provision for risks	1,696	6,059	2,784	(1,134)	(276)	-	9,129
Provision for contingencies	-	-	9	-	-	-	9
<b>Total short-term provisions</b>	<b>1,696</b>	<b>6,059</b>	<b>2,794</b>	<b>(1,134)</b>	<b>(276)</b>	<b>-</b>	<b>9,139</b>
<b>Total provisions</b>	<b>8,588</b>	<b>11,426</b>	<b>3,707</b>	<b>(1,385)</b>	<b>(866)</b>	<b>(23)</b>	<b>21,448</b>



Changes in the amount of provisions impacted operating income on ordinary activities and operating profit to the tune of €28k and (€2,075k), respectively.

Actuarial gains and losses related to end-of-career benefits are recognized directly under shareholders' equity. An actuarial gain of €590k reported at 03/31/16, stemmed essentially from changes in assumptions (discount rate, staff turnover rate, etc.).

This had a negative impact on shareholder's equity, net of deferred taxes, of (€1,436k) at 03/31/15 and of €377k at 03/31/16.

The net carrying costs of €633k break down as follows:

- Cost of services carried out: €808k;
- Interest expenses for the year: €106k;
- Services providers: €(251)k.

## Note 17. Financial liabilities and net debt

	03/31/15	Change in scope	Change	Translation gains (losses)	03/31/16
<b>Debt &gt; 5 years</b>	-	-	<b>37,864</b>	-	<b>37,864</b>
Loan	-	-	-	-	-
Bank borrowings	-	-	37,864	-	37,864
<b>Debt 1 ≥ 5 years</b>	<b>3,213</b>	<b>72</b>	<b>52,147</b>	<b>(3)</b>	<b>55,430</b>
Loan	2,949	-	14	-	2,964
Bank borrowings	-	-	51,535	-	51,535
Financial debt (leases)	264	72	598	(3)	931
<b>Total non-current financial liabilities</b>	<b>3,213</b>	<b>72</b>	<b>90,011</b>	<b>(3)</b>	<b>93,294</b>
Bank borrowings <sup>(1)</sup>	(40)	52,000	(48,085)	-	3,876
Other borrowings and financial debt	-	6,498	(6,148)	(282)	68
Financial debt (leases)	322	71	234	(1)	625
Bank overdrafts	8	21	335	-	364
Accrued interest outstanding	87	599	(287)	-	399
<b>Total current financial liabilities (&lt; 1 year)</b>	<b>377</b>	<b>59,189</b>	<b>(53,951)</b>	-	<b>5,332</b>
<b>Total financial liabilities excluding bank overdrafts</b>	<b>3,582</b>	<b>59,240</b>	<b>35,726</b>	<b>(3)</b>	<b>98,262</b>
<b>Total financial liabilities</b>	<b>3,590</b>	<b>59,261</b>	<b>36,061</b>	<b>(3)</b>	<b>98,626</b>

(1) At opening, issuance fees for a line of credit of originally €16,000k. Solucom relinquished this line of credit on 01/07/16.

## Breakdown of financial liabilities by interest rate

Rate	03/31/15		03/31/16	
	Fixed	Variable	Fixed	Variable
Non-current financial liabilities	3,213	-	3,895	89,399
Current financial liabilities	417	(40)	1,139	4,193
<b>Total financial liabilities</b>	<b>3,630</b>	<b>(40)</b>	<b>5,034</b>	<b>93,592</b>

Assets pledged as collateral against these borrowings are described in note 20 below.

The Group did not default on any of its debt repayment obligations during the period.

The characteristics of the bond subscribed to by the *Micado France 2018* mutual fund are as follows:

- Nominal: €3,000k;
- Rate: 5.5%;
- Maturity: 10/02/18;
- Date of issue: 10/30/12.

Characteristics of the Acquisition/Refinancing loan:

- Nominal: €95,000k;
- Rate: variable (Euribor + margin);
- Maturity: 01/20/22;
- Date of issue: 01/07/16.

## Change in net cash/debt position

	03/31/15	Change in scope	Change	Translation gains (losses)	03/31/16
<b>Cash and cash equivalents</b>					
Cash equivalents at historic value	11,242	-	4,390	-	15,632
Cash	14,917	7,709	1,619	(96)	24,149
Bank overdrafts	(8)	(21)	(335)	-	(364)
<b>Total cash net of overdrafts</b>	<b>26,150</b>	<b>7,688</b>	<b>5,675</b>	<b>(96)</b>	<b>39,417</b>
Fair value adjustment of cash and cash equivalents	4	-	2	-	6
<b>Consolidated cash</b>	<b>26,154</b>	<b>7,688</b>	<b>5,677</b>	<b>(96)</b>	<b>39,423</b>
<b>Financial liabilities excluding bank overdrafts</b>	<b>3,582</b>	<b>59,240</b>	<b>35,726</b>	<b>(3)</b>	<b>98,262</b>
<b>Net cash/financial debt</b>	<b>22,572</b>	<b>(51,552)</b>	<b>(30,050)</b>	<b>(94)</b>	<b>(58,840)</b>

## Note 18. Other liabilities

	03/31/15	Change in scope	Change	Translation gains (losses)	03/31/16
<b>Other non-current liabilities</b>					
Tax and social security liabilities	84	-	75	-	159
<i>o/w tax liabilities</i>	84	-	75	-	159
Other debt	1,787	-	(1,578)	-	209
<b>Total</b>	<b>1,871</b>	<b>-</b>	<b>(1,503)</b>	<b>-</b>	<b>368</b>
<b>Current liabilities</b>					
Trade payables and related accounts	7,032	4,680	1,765	(35)	13,442
Tax and social security liabilities	41,123	39,808	(3,452)	(119)	77,360
<i>o/w tax liabilities</i>	14,252	7,263	1,394	(37)	22,872
<i>o/w social-security liabilities</i>	26,871	32,545	(4,846)	(81)	54,489
Other current financial liabilities	8,311	10,447	(3,108)	(98)	15,551
<i>o/w suppliers of assets</i>	274	1,870	(1,934)	-	209
<i>o/w other debt</i>	4,874	2,762	(364)	(93)	7,180
<i>o/w prepaid income</i>	3,163	5,814	(810)	(6)	8,162
<b>Total</b>	<b>56,466</b>	<b>54,935</b>	<b>(4,795)</b>	<b>(253)</b>	<b>106,353</b>
<b>Total other liabilities</b>	<b>58,337</b>	<b>54,935</b>	<b>(6,297)</b>	<b>(253)</b>	<b>106,721</b>

## Note 19. Financial instruments

Solucom's financial-instrument portfolio is made up of:

- Holdings in SICAV money-market funds, all of which are indexed to the EONIA interest rate, and thus free of risk;
- Futures contracts of less than six-months and, as such, not subject to early-exit penalties;
- Treasury stock;
- Currency futures contracts;
- An interest rate hedge (FRA).

### Classification and fair value measurement of financial instruments

	Category of instrument					Fair value			
	Derivatives designated as hedging instruments	Assets at fair value	Loans and receivables	Financial liabilities at amortized cost	Balance sheet net value	Level 1	Level 2	Level 3	Fair value
						Price quoted on an active market	Internal model with observable parameters	Internal model with non-observable parameters	
<b>At 03/31/16</b>									
Available-for-sale equity shares	-	-	-	-	-	-	-	-	-
Loans and financial claims	-	-	1,189	-	1,189	-	1,189	-	1,189
Derivative instrument assets	113	-	-	-	113	-	113	-	113
Current accounts	-	-	-	-	-	-	-	-	-
Cash equivalents	-	15,637	-	-	15,637	15,637	-	-	15,637
Liquid assets	-	24,149	-	-	24,149	24,149	-	-	24,149
<b>Total assets</b>	<b>113</b>	<b>39,786</b>	<b>1,189</b>	<b>-</b>	<b>41,089</b>	<b>39,786</b>	<b>1,302</b>	<b>-</b>	<b>41,089</b>
Loans	-	-	-	3,046	3,046	-	3,046	-	3,046
Bank loans	-	-	-	93,592	93,592	-	93,592	-	93,592
Financial debt (including leases)	-	-	-	1,625	1,625	-	1,625	-	1,625
Bank loans and overdrafts	-	-	-	364	364	364	-	-	364
Derivative instrument liabilities	-	-	-	-	-	-	-	-	-
Current account with financial institutions	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,626</b>	<b>98,626</b>	<b>364</b>	<b>98,262</b>	<b>-</b>	<b>98,626</b>

At 03/31/15	Category of instrument				Fair value				
	Derivatives designated as hedging instruments	Assets at fair value	Loans and receivables	Financial liabilities at amortized cost	Balance sheet net value	Level 1	Level 2	Level 3	Fair value
						Price quoted on an active market	Internal model with observable parameters	Internal model with non-observable parameters	
Available-for-sale equity shares	-	-	-	-	-	-	-	-	-
Loans and financial claims	-	-	933	-	933	-	933	-	933
Derivative instrument assets	-	-	-	-	-	-	-	-	-
Current accounts	-	-	-	-	-	-	-	-	-
Cash equivalents	-	11,246	-	-	11,246	11,246	-	-	11,246
Liquid assets	-	14,917	-	-	14,917	14,917	-	-	14,917
<b>Total assets</b>	-	<b>26,162</b>	<b>933</b>	-	<b>27,095</b>	<b>26,162</b>	<b>933</b>	-	<b>27,095</b>
Loans	-	-	-	3,031	3,031	-	3,031	-	3,031
Bank loans	-	-	-	(35)	(35)	-	(35)	-	(35)
Financial debt (including leases)	-	-	-	586	586	-	586	-	586
Bank loans and overdrafts	-	-	-	8	8	8	-	-	8
Derivative instrument liabilities	57	-	-	-	57	-	57	-	57
Current account with financial institutions	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>57</b>	-	-	<b>3,590</b>	<b>3,647</b>	<b>8</b>	<b>3,639</b>	-	<b>3,647</b>

## Note 20. Off balance sheet commitments

	Total amount at 03/31/16	< 1 year	< 1 year 1 ≥ 5 years	> 5 years
<b>Commitments given</b>				
Guarantees and sureties	1,876	1,816	-	60
Pledges	90,645	-	15,000	75,645
Finance lease agreements	16,555	3,494	10,047	3,014
<b>Total</b>	<b>109,076</b>	<b>5,311</b>	<b>25,047</b>	<b>78,719</b>
<b>Commitments received</b>				
Guarantees and sureties	1,119	1,119	-	-
Undrawn credit lines <sup>(1)</sup>	25,183	-	10,000	15,183
Liability guarantees <sup>(1)</sup>	21,009	1,800	16,074	3,135
Financial instruments	406	406	-	-
<b>Total</b>	<b>47,717</b>	<b>3,325</b>	<b>26,074</b>	<b>18,318</b>

(1) Of which €1,535k in bank guarantees, €442k held in an escrow account and an insurance policy (Kurt Salmon transaction) in the amount of €15,000k.

Pledges amounting to €90,645k concern MCG France shares, intra-group debt held by MCG France and its subsidiaries and receivables arising from the exercise of liability guarantees. These assets were put up to cover the €95,000k bank loan and credit lines of €25,000k granted by the Group's pool of bankers. These commitments mature in 2022.

Solucom's liability guarantees arose from its acquisitions carried out during the 2013/14, 2014/15 and 2015/16 fiscal years.

	<b>Total amount at 03/31/15</b>	<b>&lt; 1 year</b>	<b>&lt; 1 year 1 ≥ 5 years</b>	<b>&gt; 5 years</b>
<b>Commitments given</b>				
Guarantees and sureties	27	27	-	-
Pledges	18,400	-	18,400	-
Finance lease agreements	11,627	3,473	8,154	-
<b>Total</b>	<b>30,053</b>	<b>3,499</b>	<b>26,554</b>	<b>-</b>
<b>Commitments received</b>				
Guarantees and sureties	74	74	-	-
Undrawn credit lines	9,600	-	9,600	-
Liability guarantees <sup>(1)</sup>	7,087	1,500	2,175	3,412
Financial instruments	418	418	-	-
<b>Total</b>	<b>17,179</b>	<b>1,992</b>	<b>11,775</b>	<b>3,412</b>

(1) Of which €1,965k in bank guarantees, €481k held in an escrow account.

### Note 21. Related-party transactions

Solucom did not carry out any material transactions with any third parties which could be considered "related parties" as defined in IAS 24.9.

### Note 22. Post-closure events

#### Dividend payout

Solucom will submit the proposal of a total dividend payout of €2,009k (equivalent to €0.41 per share) for shareholder approval at the Annual General Meeting called to approve the Company's financial statements for the fiscal year ended 03/31/16.

**Note 23. Statutory Auditor fees**

	Mazars / SLG Expertise <sup>(1)</sup>					Deloitte & Associés			
	Amount Mazars 15/16	Amount Mazars 14/15	Amount SLG 14/15	% 15/16	% 14/15	Amount 15/16	Amount 14/15	% 15/16	% 14/15
<b>Audit</b>									
Statutory auditor, certification, review of separate and consolidated financial statements									
> <i>Issuer</i>	87	76	4	68%	100%	113	104	79%	103%
> <i>Fully consolidated subsidiaries</i> <sup>(2)</sup>	41	-	-	32%	0%	30	-3	21%	-3%
Other work and services directly related to the duties of the Statutory Auditor									
> <i>Issuer</i>	-	-	-	0%	0%	-	-	0%	0%
> <i>Fully consolidated subsidiaries</i>	-	-	-	0%	0%	-	-	0%	0%
<b>Subtotal</b>	<b>128</b>	<b>76</b>	<b>4</b>	<b>100%</b>	<b>100%</b>	<b>143</b>	<b>101</b>	<b>100%</b>	<b>100%</b>
Other services rendered via the networks to fully consolidated subsidiaries									
> <i>Legal, tax, corporate</i>	-	-	-	0%	0%	-	-	0%	0%
> <i>Other</i>	-	-	-	0%	0%	-	-	0%	0%
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Total</b>	<b>128</b>	<b>76</b>	<b>4</b>	<b>100%</b>	<b>100%</b>	<b>143</b>	<b>101</b>	<b>100%</b>	<b>100%</b>

(1) By decision of the Annual General Assembly on 07/11/14, Mazars was appointed Statutory Auditors of the Solucom company to replace SLG Expertise.

(2) Deloitte & Associés was appointed Statutory Auditors of Alturia Consulting as of fiscal year ended 2013/14 but the assets of Alturia Consulting were transferred to the Solucom company on 06/30/14.

At the end of 2015/16 fiscal year, the financial statements of Hudson & Yorke were not audited by virtue of the exemption provided for under Article 479a of the 2006 Companies Act related to group subsidiaries.

**Note 24. Risks**

Details of the Group's risks are presented in the Management Board Report under the section "Risk Factors".

# Statutory Auditors' Report

## on the consolidated financial statements - For the year ended 03/31/16

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.*

*This report also includes information relating to the specific verification of information given in the Group's management report.*

*This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

3

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 03/31/16, on:

- the audit of the accompanying consolidated financial statements of Solucom;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

### 1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 03/31/16 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### 2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- As mentioned in paragraph 3.4 - "Use of Estimates" of Section 3 - "Accounting methods and principles" - of the notes of the consolidated financial statements, the preparation

of the financial statements requires the use of estimates and assumptions which, because of their uncertain nature, could turn out to differ from future reality. These estimates and assumptions primarily serve for the calculation of provisions and preparation of business plans used to carry out impairment tests on intangible assets and goodwill as well as for the recognition of deferred tax assets on tax loss carry forwards.

Our work involved reviewing the available documentation and assessing the relevance of these assumptions, as well as verifying that the assessments adopted were reasonable and that the notes of the consolidated financial statements were appropriate.

- Your Company booked net goodwill of €130,397k under assets on the balance sheet, as described in note 10 in the notes to the consolidated financial statements - "Goodwill on the balance sheet assets".

Your Company compared the net carrying value of goodwill against its recoverable value, measured in accordance with the method described in paragraph 3.5 - "Business combinations and goodwill" - of Section 3 - "Accounting methods and principles" of the notes of the consolidated financial statements.

We have reviewed the methods used to implement impairment tests, assessed the activity forecasts and assumptions used and verified that the notes to the consolidated financial statements provide an appropriate disclosure. Our work enabled us to assess the consistency of estimates based on the assumptions adopted.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### 3. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, May 31<sup>st</sup>, 2016  
The Statutory Auditors  
*French original signed by*

**Deloitte & Associés**  
Dominique Laurent

**Mazars**  
Paul-Armel Junne

## Company financial statements at 03/31/16

### Solucom income statement

(in thousands of euros)	03/31/16	03/31/15
<b>Revenue</b>	<b>192,103</b>	<b>152,910</b>
Operating subsidies	4	9
Reversals on provisions, impairment and transfer of expenses	1,185	959
Other operating income	788	1,020
<b>Total operating income</b>	<b>194,079</b>	<b>154,898</b>
Cost of sales	7,995	8,858
Personnel expenses	130,102	104,580
Total operating expenses	25,372	16,856
Levies and taxes	5,464	4,118
Depreciation allowances, impairment and provisions	3,643	1,989
<b>Total operating expenses</b>	<b>172,575</b>	<b>136,401</b>
<b>Operating profit</b>	<b>21,503</b>	<b>18,497</b>
Financial income	1,560	355
Financial expenses	1,141	629
<b>Financial profit (loss)</b>	<b>419</b>	<b>(273)</b>
<b>Profit from continuing operations</b>	<b>21,922</b>	<b>18,224</b>
Non-recurring profit (loss)	(1,254)	(208)
<b>Company profit</b>	<b>20,668</b>	<b>18,016</b>
Equity interests	2,514	1,993
Income tax	4,637	3,954
<b>Net income</b>	<b>13,518</b>	<b>12,069</b>



## Solucom balance sheet

### Assets

(in thousands of euros)	Gross	Depreciation/ Impairment	03/31/16 Net	03/31/15 Net
Intangible assets	67,544	22,810	44,734	41,109
Tangible assets	10,481	4,870	5,611	1,285
Financial assets	96,967	59	96,908	10,637
<b>Fixed assets</b>	<b>174,992</b>	<b>27,739</b>	<b>147,253</b>	<b>53,032</b>
Trade receivables and related accounts	59,654	31	59,623	51,293
Other receivables and accruals	18,341	15	18,326	9,672
Trading securities	15,632	-	15,632	11,242
Cash and cash equivalents	13,018	-	13,018	12,963
<b>Current assets</b>	<b>106,644</b>	<b>45</b>	<b>106,599</b>	<b>85,169</b>
<b>Total assets</b>	<b>281,636</b>	<b>27,784</b>	<b>253,852</b>	<b>138,201</b>

### Liabilities

(in thousands of euros)	03/31/16	03/31/15
Capital	497	497
Additional paid-in capital	11,365	11,218
Reserves and retained earnings	62,398	52,244
Profit	13,518	12,069
<b>Shareholders' equity</b>	<b>87,777</b>	<b>76,028</b>
<b>Provisions</b>	<b>4,894</b>	<b>2,632</b>
Loans	3,082	3,082
Bank borrowings	95,649	7
Trade payables and related accounts	8,870	6,769
Other debt and accruals	53,580	49,683
<b>Debt</b>	<b>161,181</b>	<b>59,541</b>
<b>Total liabilities</b>	<b>253,852</b>	<b>138,201</b>



# Notes

## to the Company financial statements

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## 1. Overview

Solucom's annual financial statements for the 2015/16 fiscal year cover the 12-month period from 04/01/15 to 03/31/16.

The annual financial statements were approved by the Management Board on 05/30/16.

The financial statements are presented in thousands of euros (€k).

The following notes and tables are an integral part of the annual financial statements.

## 2. Key event in the fiscal year

### Acquisition of Hapsis assets

On 04/01/15, Solucom acquired a 100% stake in Hapsis.

Founded in 2002, Hapsis is an independent consulting firm with a staff of around thirty employees specialized in risk management and digital security. The company's client portfolio includes several key accounts, operating for the most part in the banking sector.

At 03/31/15, Hapsis reported full-year revenues of €4,300k and an operating profit.

This acquisition was financed exclusively in cash.

### Acquisition of Arthus Technologies

On 07/02/15, Solucom acquired a 100% stake in Arthus Technologies, a company based in Switzerland.

Founded in 2002, Arthus Technologies is a consulting firm specialized in Information and Communication Technologies (ICT). The company provides tailored solutions, ranging from strategic sourcing through to transformation management, designed to accompany its clients' major international ICT projects.

At 12/31/14, Arthus Technologies reported revenues of €4,600k (CHF4,800k) for an operating margin in excess of 10%. The company has a staff of 17 employees.

This acquisition was financed exclusively in cash.

### Acquisition of Kurt Salmon's European activities (excluding the retail and consumer goods businesses)

On 01/07/16, Solucom acquired a 100% capital stake in Kurt Salmon's European activities (excluding the retail and consumer goods businesses) from the holding company Management Consulting Group France.

The scope of acquisition in question, hereinafter referred to as "the target business", comprises Kurt Salmon France, Switzerland, Belgium, Luxembourg and Morocco, as well as the Financial Services and CIO Advisory practices of Kurt Salmon in the United States. The consumer goods and retail consulting activities outside of France, notably Kurt Salmon UK and Germany, were not included in the deal.

Specialized in management consulting, Kurt Salmon advises its clients on major transformation issues, ranging from strategic scoping to implementation monitoring.

At the date of acquisition, the last set of financial statements registered by the target business concerned the 2014 financial period. At end-2014, the target business reported revenues of €120,000k, a proforma operating margin of around 8% and had a staff of 750 employees.

This acquisition was paid for exclusively in cash and financed for the most part via a bank loan, the conditions of which are detailed below.

### Trend Consultants earn-out payment

Following the acquisition of Trend Consultants on 01/10/14 and in accordance with the terms of the acquisition protocol, Solucom made an earn-out payment on the acquisition price of this company in 2015/16.

### New footholds abroad

On 10/05/15, Solucom created Solucom Belgium a management, organization and IT-systems consulting firm based in Brussels and with a share capital of €62k.

The company began activity in October 2015.

### Financing requirements

On 01/07/16, Solucom took out a bank loan with a ceiling of €120,000k from its syndicate of four banks (BNP Paribas, Crédit Lyonnais, Société Générale and Bred-Banque Populaire). The Group drew down €95,000k of the loan to finance the acquisition of Kurt Salmon which comprised a first tranche of €57,000k, repayable half-yearly until maturity in January 2021, and a second tranche in the form of a bullet loan of €38,000k repayable on maturity in 6 years. The governing interest rate is Euribor plus a margin of between 1.00% and 2.15% throughout the duration of the draw-down.

The Company also took out a forward rate agreement (FRA) to cover any increase in the interest rate attached to the loan.

Solucom cancelled all of its pre-existing credit lines but conserved the bond subscribed to by the *Micado France 2018* mutual fund.

#### Asset transfers

The assets of Financière BFC, a subsidiary 100% owned by Solucom, were transferred to the holding company, upon decision made on 08/24/15 by the sole shareholder of the merged companies. These asset transfers were effectively carried out on 09/25/15 at the close of the statutory period of opposition granted to creditors to lodge claims.

The assets of Audisoft Consultants, a subsidiary 100% owned by Solucom, were transferred to the holding company, upon decision made on 08/27/15 by the sole shareholder of the merged companies. These asset transfers were effectively carried out on 09/30/15 at the close of the statutory period of opposition granted to creditors to lodge claims.

### 3. Rules and accounting methods

#### 3.1. Accounting framework

The financial statements for the fiscal year ended 03/31/16 were prepared in accordance with regulation 2014-03 and subsequent recommendations of the ANC (*Autorité des Normes Comptables*), the French accounting standards board.

#### 3.2. Intangible and tangible assets

Intangible assets are measured at acquisition cost (purchase price plus ancillary expenses, excluding fixed-asset acquisition costs).

Tangible assets (property, plant and equipment) are measured either at acquisition cost (purchase price plus ancillary expenses, excluding fixed-asset acquisition costs) or at production cost.

The depreciation periods generally applied are as follows:

- Software: 3 - 5 years;
- Fixtures and fittings: 6 - 9 years;
- IT equipment: 3 years;
- Office furniture: 9 years.

Depreciation is calculated using the straight-line method.

#### Goodwill

Goodwill valuation is monitored over time. In the event of long-term impairment, a provision is written for loss in value.

This item also includes technical merger losses (*mali technique*), which represent the negative goodwill (or “badwill”) between the net asset received from the subsidiary transferring all of its assets, and the book value of the investment.

Due to the legal and operational restructuring of Solucom's solutions division (practices) carried out in recent years, goodwill and badwill can only be monitored globally and grouped as a single accounting entry.

#### 3.3. Investments and other equity interests and marketable securities

Gross value equals the acquisition cost excluding ancillary expenses. When the inventory value is less than the gross value, depreciation is booked for the amount of the difference.

#### Equity investments

Equity investments are carried at their historic cost in the balance sheet. At the end of the fiscal year, these are written-down to their value-in-use if this is lower. This is measured using a set of criteria, such as the equity share of the company concerned, its profitability, cash flows and future prospects.

Securities acquisition costs are not capitalized.

#### Treasury stock

Treasury shares are classified as equity instruments and used for:

- External growth operations, as payment, or for exchange purposes to finance acquisitions;
- Liquidity transactions (liquidity contracts);
- Free share allocation programmes.

#### 3.4. Receivables

Receivables are measured at their nominal value. Impairment is recognized when their recoverable value is less than their carrying value.

#### 3.5. Bond redemption premiums

None.

#### 3.6. Foreign currency transactions

Transactions denominated in foreign currencies are converted into euros at the effective exchange rate on the transaction date, or at the guaranteed rate when covered by a currency hedge.

### 3.7. Retirement benefits

Commitments resulting from defined benefit plans are measured on the basis of the projected unit-credit method by independent actuaries.

These benefits are not recognized, but are mentioned under off-balance sheet commitments.

Retirement benefits are based on the following assumptions:

- Application of the collective bargaining agreement applicable to consulting firms (Syntec no. 3018)
- Consultant turnover rate: 15%
- TGFH 2005 mortality table
- Pay reviews: 2%
- Payroll tax rate: 45%
- Discount rate: 1.39%
- Retirement age: 65 years
- Voluntary departure.

### 3.8. Regulated provisions

None.

### 3.9. Recognition of revenue and partially completed transactions at the end of the fiscal year

Revenue and profit are determined using the percentage-of completion method.

Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work.

An additional provision for risk may be written for loss on completion.

### 3.10. Change in method

There was no change in the measurement methods used during the fiscal year.

## 4. Notes relative to certain income-statement and balance-sheet items

### Note 1. Breakdown of revenue

Solucom specializes in a specific market segment: that of management and information systems consulting. Since all of these services are subject to the same risks and generate

similar profitability rates, Company revenues are not broken down by business line.

The bulk of Solucom's revenue is generated in France.

### Note 2. Average workforce

	Full-time staff	Back-up staff
Managers	1,499	-
Employees, technicians and supervisors	36	1
<b>Total</b>	<b>1,535</b>	<b>1</b>

The average workforce is calculated in terms of Full Time Equivalent (FTE) numbers.

The Competitiveness and Employment Tax Credit (CICE) is recognized as and when the corresponding compensation is expensed. Given the reliability and probability conditions required to obtain the CICE, this tax credit has not been taken into account for long-term deferred compensation.

The CICE tax credit is recognized as a deduction applied to personnel expenses.

The recognition of CICE in the income statement led to a reduction in personnel costs of €1,183k over the period:

- CICE impact on compensation paid between April and December 2015: €826k.
- CICE impact on compensation paid during the first quarter of 2016: €356k.

In keeping with the legislature's objectives, Solucom used the CICE tax credit to step up efforts carried out by the Company at the commercial level (business engineers and pre-sale

expenses) so that it could pursue its expansion and recruit new personnel despite the unfavorable economic environment.

### Note 3. Compensation paid to management and supervisory bodies

	Compensation paid <sup>(1)</sup>
Management Board	438
Supervisory Board	166
<b>Total</b>	<b>605</b>

(1) Excluding mandatory profit-sharing.

The members of the above-mentioned management bodies are not entitled to any pensions or similar benefits for exercising their functions.

No loans or advances were granted by the firm's companies to the members of the Management Board and Supervisory Board.

### Note 4. Non-recurring expenses and income

	Value
<b>Non-recurring expenses</b>	
Shortfall on treasury share buybacks	296
Other non-recurring expenses	2,495
<b>Total</b>	<b>2,791</b>
<b>Non-recurring income</b>	
Gains on treasury share buybacks	293
Other non-recurring income	1,244
<b>Total</b>	<b>1,537</b>

The bulk of exceptional income and expenses is related to computer-hardware leaseback operations concerning IT material and Tour Franklin office remodeling costs.

### Note 5. Breakdown of taxes

	Profit before tax	Tax	Profit after tax
Current tax, after profit-sharing	19,409	(6,705)	12,704
Non-recurring			
- of which short-term	(1,254)	351	(903)
- of which long-term	-	-	-
Tax credits		1,717	1,717
<b>Net income</b>			<b>13,518</b>

Tax credits mainly concern the research tax credit for 2015 in the amount of €1,281k.

**Note 6. Goodwill**

	<b>Value Gross</b>	<b>Value net</b>
<b>Items received in contribution / merger</b>		
Goodwill	61,958	42,216
<b>Total</b>	<b>61,958</b>	<b>42,216</b>
<b>Items acquired</b>		
Goodwill	1,860	1,860

In general, goodwill is subject to an impairment test conducted on the basis of the discounted future cash flow method. The

impairment test carried out confirmed no impairment over the period.

**Note 7. Fixed assets**

	<b>Gross value at start of period</b>	<b>Increase</b>		<b>Decrease</b>	<b>Gross value at end of period</b>
		<b>Mergers / contributions</b>	<b>Acquisitions</b>		
<b>Intangible assets</b>					
Goodwill	50,304	11,654	1,860	-	63,818
Licenses and software	3,114	85	507	-	3,706
Intangible assets in progress	151	-	144	275	20
<b>Total</b>	<b>53,570</b>	<b>11,739</b>	<b>2,511</b>	<b>275</b>	<b>67,544</b>
<b>Property, plant and equipment</b>					
Fixtures and fittings	2,833	44	4,554	597	6,833
Vehicles	9	-	-	-	9
Office and computer equipment, furniture	2,379	252	907	155	3,384
Tangible assets under construction	-	-	3,464	3,210	254
<b>Total</b>	<b>5,221</b>	<b>296</b>	<b>8,925</b>	<b>3,962</b>	<b>10,481</b>
<b>Financial assets</b>					
Other investments	7,354	(598)	9,832	1,758	14,831
Receivables from controlled entities	31	-	78,346	-	78,377
Other equity securities	2,380	2	5,567	5,253	2,696
Loans and other financial assets	918	38	150	43	1,063
<b>Total</b>	<b>10,683</b>	<b>(558)</b>	<b>93,895</b>	<b>7,054</b>	<b>96,967</b>
<b>Total fixed assets</b>	<b>69,474</b>	<b>11,477</b>	<b>105,331</b>	<b>11,291</b>	<b>174,992</b>

The gross values of goodwill is detailed in note 6.

Software expenses include commercial software purchases, as well as development expenses in the amount of €275k activated to develop the management system used by the company (Activesys).

Reductions in current fixed assets mainly correspond to the activation of the corresponding assets.

**Note 8. Depreciation**

	Value at start of period	Increase		Decrease	Value at end of period
		Mergers / contributions	Provisions	Write-backs	
<b>Intangible assets</b>					
Goodwill	3,174	-	-	-	3,174
Licenses and software	2,181	85	401	-	2,667
<b>Total</b>	<b>5,355</b>	<b>85</b>	<b>401</b>	<b>-</b>	<b>5,841</b>
<b>Property, plant and equipment</b>					
Fixtures and fittings	1,924	19	451	560	1,833
Vehicles	9	-	-	-	9
Office and computer equipment, furniture	1,997	246	214	152	2,306
<b>Total</b>	<b>3,931</b>	<b>265</b>	<b>665</b>	<b>712</b>	<b>4,148</b>
<b>Total depreciation</b>	<b>9,286</b>	<b>350</b>	<b>1,066</b>	<b>712</b>	<b>9,990</b>

All fixed assets are depreciated using the straight-line method.

**Note 9. Treasury stock**

	Number of shares				
	At start of fiscal year	Purchased during fiscal year	Sold during fiscal year	Transferred during fiscal year <sup>(1)</sup>	At end of fiscal year
Treasury shares	75,336	96,411	92,279	12,851	66,617

(1) Including 12,851 free shares.

The gross value of treasury stock held at 03/31/16 totaled €2,694k. This breaks down into treasury shares held for:

- External growth: €2,136k;
- Liquidity transactions: €558k;
- Free share allocation: €0k.

The net value of treasury stock at 03/31/16 totaled €2,694k.



## Note 10. Statement of maturities of trade receivables and payables

Receivables	Gross value	< 1 year	> 1 year
<b>Of fixed assets</b>			
Other financial assets	79,440	106	79,334
<b>Of current assets</b>			
Trade receivables and related accounts	59,654	59,654	-
Social security receivables	313	313	-
Tax receivables	5,650	5,178	472
Company and associates	7,578	1,762	5,816
Other debtors	2,119	2,119	-
Prepaid expenses	2,106	2,106	-
<b>Total</b>	<b>156,860</b>	<b>71,238</b>	<b>85,622</b>

Debt	Gross value	< 1 year	1 ≥ 5 years	> 5 years
Bond-related debt <sup>(1)</sup>	3,082	82	3,000	-
Bank borrowing S ≤ 1 year when contracted <sup>(1)</sup>	332	332	-	-
Bank borrowing S > 1 year when contracted <sup>(1)</sup>	95,317	4,592	52,725	38,000
Other borrowings and financial debt <sup>(1)</sup>	-	-	-	-
Trade payables and related accounts	8,870	8,870	-	-
Social security debt	28,219	28,219	-	-
Tax liabilities	16,799	16,626	173	-
Debt on assets and related accounts	209	209	-	-
Company and associates	-	-	-	-
Other debt	4,680	4,680	-	-
Deferred income	3,672	3,672	-	-
<b>Total</b>	<b>161,181</b>	<b>67,283</b>	<b>55,898</b>	<b>38,000</b>

(1) Of which borrowings contracted during the period: €95,000k.  
Of which borrowings repaid during the period: €0k.  
Borrowings guaranteed by real collateral (see note on financial commitments).

**Note 11. Items concerning associate companies**

	<u>Amount concerning companies</u>	
	<u>related</u>	<u>in which the Company has a participating interest</u>
<b>Items from sundry balance sheet entries</b>		
Equity interests	14,831	-
Receivables from controlled entities	78,346	-
Trade receivables and related accounts	1,182	-
Other receivables	7,578	-
Cash and cash equivalents	-	-
Trade payables and related accounts	596	-
Other debt	7	-
<b>Financial income</b>		
Income from equity interests	1,146	-
Income from other financial assets	297	-
Other financial income	18	-
<b>Financial expenses</b>		
Net interest	-	-
Other financial expenses	-	-

**Note 12. Receivables**

<b>Receivables included in the following balance sheet items</b>	<b>03/31/16</b>	<b>03/31/15</b>
Trade receivables and related accounts	17,595	16,583
Other receivables	1,047	767
Cash and cash equivalents	4	4
<b>Total</b>	<b>18,647</b>	<b>17,354</b>

**Note 13. Payables**

<b>Payables included in the following balance sheet items</b>	<b>03/31/16</b>	<b>03/31/15</b>
Loans	82	82
Bank borrowings and debt	361	7
Trade payables and related accounts	5,461	3,329
Tax and social security liabilities	24,930	21,706
Other debt	4,399	3,944
<b>Total</b>	<b>35,234</b>	<b>29,067</b>

**Note 14. Deferred income and prepaid expenses**

Deferred income totaling €3,673k relates solely to pre-paid operating income and deferred expenses of €2,106k exclusively to operating expenses.

**Note 15. Measurement differences of marketable securities**

Marketable securities booked as balance-sheet assets are exclusively made up of mutual funds (SICAVs). A comparison of the inventory value and entry reveals a latent capital gain of €6k.

**Note 16. Breakdown of share capital**

Ordinary shares	Number of shares	Nominal value (in euros)	Share capital (in euros)
At 03/31/15	4,966,882	0.10	496,688.20
At 03/31/16	4,966,882	0.10	496,688.20

There were no stock option plans in place at 03/31/16.

**Note 17. Change in shareholders' equity**

	Capital Share	Premiums	Reserves and retained earnings	Profit for the year	Total
<b>At 03/31/15</b>	<b>497</b>	<b>11,218</b>	<b>52,244</b>	<b>12,069</b>	<b>76,028</b>
Retained earnings	-	-	10,162	(10,162)	-
Dividends	-	-	(8)	(1,908)	(1,915)
Merger gains	-	147	-	-	147
Profit for the year	-	-	-	13,518	13,518
<b>At 03/31/16</b>	<b>497</b>	<b>11,365</b>	<b>62,398</b>	<b>13,518</b>	<b>87,777</b>

## Note 18. Provisions and impairment

	Value at start of period	Increase		Decrease Write-backs	Value at end of period
		Mergers / contributions	Provisions		
<b>Regulated provisions</b>	-	-	-	-	-
<b>Provisions <sup>(1)</sup></b>					
Disputes	1,360	211	416	231	1,756
Fines and penalties	18	-	-	-	18
Other provisions <sup>(2)</sup>	1,254	-	2,506	640	3,121
<b>Total</b>	<b>2,632</b>	<b>211</b>	<b>2,922</b>	<b>871</b>	<b>4,894</b>
<b>Depreciation</b>					
Intangible assets	7,105	9,550	329	15	16,969
Property, plant and equipment	5	28	694	5	721
Equity investments	-	-	-	-	-
Other financial assets	46	33	-	20	59
Trade receivables	31	37	20	57	31
Other depreciation	45	18	4	53	15
<b>Total</b>	<b>7,232</b>	<b>9,665</b>	<b>1,047</b>	<b>150</b>	<b>17,794</b>
<b>Total</b>	<b>9,864</b>	<b>9,876</b>	<b>3,969</b>	<b>1,021</b>	<b>22,689</b>
Of which appropriations and write-backs					
- operating			2,577	890	
- financial			353	33	
- non-recurring			1,039	99	

(1) Write-back of €701k provisions for risks and liabilities.

(2) Mainly concerning a provision for free share allocation.

**Note 19. Increases and decreases in the deferred tax base**

<b>Increase in future tax debt</b>	<b>Value (basic)</b>
Regulated provisions	-
Other	353
<b>Total</b>	<b>353</b>
<b>Relief on future tax liabilities</b>	<b>Value (basic)</b>
<b>Provisions not deductible in the year recognized</b>	
Employee shareholding	2,542
Social welfare contributions	78
<b>Other</b>	
Subsidiary acquisition costs	3,201
Provisions for risks and charges	381
Impairment of receivables	41
Unrealized gains on marketable securities	6
<b>Total</b>	<b>6,248</b>
Deferred losses	385,580
Long-term capital losses	-

**Note 20. Leases**

	Value when set up	Theoretical depreciation charge		Net value theoretical	Royalties	
		Fiscal year	Cumulative		Fiscal year	Cumulative
Office and computer equipment	1,991	405	600	1,391	413	615
	Royalties outstanding			Total	Residual purchase price	Effective value in fiscal year
	< 1 year	1 ≥ 5 yrs	> 5 yrs			
Office and computer equipment	555	852	-	1,406	20	415

The information in the above table corresponds to ongoing leases at the end of the period.

**Note 21. Off-balance sheet commitments**

	Total value	< 1 year	1 ≥ 5 years	> 5 years
<b>Commitments given</b>				
Guarantees and sureties	108	108	-	-
Pledges <sup>(1)</sup>	90,645	-	15,000	75,645
Pension commitments	6,530	-	-	6,530
Lease commitments	1,426	557	869	-
Finance lease agreements <sup>(2)</sup>	14,529	2,984	8,847	2,698
<b>Total</b>	<b>113,238</b>	<b>3,649</b>	<b>24,716</b>	<b>84,873</b>
<b>Commitments received</b>				
Guarantees and sureties	1,019	1,019	-	-
Undrawn credit lines	25,000	-	10,000	15,000
Liability guarantees <sup>(3)</sup>	21,009	1,800	16,074	3,135
Financial instruments	504	406	99	-
<b>Total</b>	<b>47,533</b>	<b>3,225</b>	<b>26,173</b>	<b>18,135</b>

(1) Pledges relate to collateral put up to cover the bank loan and opening of lines of credit set up with the Company's banks. These commitments, which mature in 2022, concern MGC France shares, intra-group debt held by MGC France and its subsidiaries and any receivables arising from the exercise of liability guarantees.

(2) Outstanding future commitments relate to rental contracts. The duration of leases taken into account is the shortest possible period to the expiry of the various lease contracts.

(3) Solucom's liability guarantees arose from its acquisitions carried out during the 2013/14, 2014/15 and 2015/16 fiscal years. These consisted of €1,535k in bank guarantees, an escrow account of €442k and an insurance policy (taken out for the Kurt Salmon transaction) worth €15,000k.

**Note 22. Information on subsidiaries and equity interests**

	Holding (%)	Capital	Other Shareholders' equity	Profit reported at end of the fiscal year
<b>Subsidiaries</b>				
<b>SLM Consulting</b>	100	46	20	21
Résidence RIBH Angle Bir Anzarane et Caid Achar Casablanca, Morocco				
<b>Hudson &amp; Yorke</b>	100	1	937	10
Warnford Court 29 Throgmorton Street EC2N 2AT, London, UK				
<b>Arthus Technologies</b>	100	27	645	(65)
105, rue de Lyon 1203 Geneva				
<b>Solucom Belgium</b>	100	62	17	17
Square Stéphanie Avenue Louise 523 1050 Ixelles, Belgium				
<b>Management Consulting Group France</b>	100	39,423	(22,594)	(358)
159, avenue Charles de Gaulle 92200 Neuilly-sur-Seine, France				
<b>Equity interests</b>				
None				

Comprehensive information	Gross value of shares	Net value of shares	Advances <sup>(1)</sup> loans & current accounts	Dividends paid
<b>Subsidiaries</b>				
French	6,439	6,439	73,886	-
Foreign	8,392	8,392	474	1,146
<b>Equity interests</b>				
None				

(1) Including advances to subsidiaries within the context of the Company's centralised cash-management strategy.

### Note 23. Related-party transactions

Type of transaction	Transaction amount	Name of related party	Type of relationship
Expertise in financial policy, development and external growth	25	Michel Dancoisne	Chairman of the Supervisory Board

### Note 24. Post-closure events

#### Dividend payout

Solucom will submit the proposal of a total dividend payout of €2,009k (equivalent to €0.41 per share) for shareholder approval at the Annual General Meeting called to approve the Company's financial statements for the fiscal year ended 03/31/16.

## Statutory Auditors' Report

### on the annual financial statements - For the year ended 03/31/16

*This is a free translation into English of the statutory auditors' report on the financial statements issued in French and is provided solely for the convenience of English speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.*

*This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

- In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 03/31/16 on:
- the audit of the accompanying financial statements of Solucom;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

#### 1. Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 03/31/16 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### 2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Paragraph 3.2 of Section 3 "Accounting methods and principles", in the notes to the financial statements, details the rules and accounting methods relating to the recognition and measurement of goodwill. For our assessment of the accounting rules and principles used by your Company, we verified that the measurement methods mentioned above and that the disclosures in the notes to the financial statements were appropriate and correctly applied.

- Equity investments booked as assets on the balance sheet are measured in accordance with the methods described in paragraph 3.3 of Section 3 "Accounting methods and principles" - in the notes to the financial statements. Our work involved assessing the criteria used to estimate the book value of these securities and, when required, the provisions for equity holding depreciation. Our work enabled us to assess the consistency of estimates based on the assumptions adopted.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

#### 3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Board report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris La Défense, May 31<sup>st</sup>, 2016

The Statutory Auditors  
*French original signed by*

**Deloitte & Associés**  
Dominique Laurent

**Mazars**  
Paul-Armel Junne



## Statutory Auditors' Report

### on regulated agreements and commitments

### Shareholders' Meeting held to approve the financial statements for the year ending 03/03/16

*This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

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To the Shareholders,

In our capacity as your company's statutory auditors, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, the principal terms and conditions, as well as the reasons justifying the interest for the Company, of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to article R.225-58 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Where applicable, it is also our responsibility to provide shareholders with the information required by article L.225-88-1 of the French Commercial Code (*Code de commerce*) in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

#### Agreements and commitments submitted to the approval of the Shareholders' Meeting

##### Agreements and commitments authorized during the last year

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L.225-86 of the French Commercial Code (*Code de commerce*).

#### Agreements and commitments previously approved by the Shareholders' Meeting

##### Regulated agreements and commitments authorized in previous financial years and which remained in force in 2015/16

In accordance with article R.225-57 of the French Commercial Code (*Code de commerce*), we have been informed of the following agreements and commitments approved in prior years and which remained current during the last year.

##### Employment contract with Mr. Michel Dancoisne, Chairman of the Supervisory Board

Solucom signed a permanent employment contract with Mr. Michel Dancoisne for the provision of expert financial, development and external growth consulting services on the basis of 10 hours a week.

This agreement, authorized by your Supervisory Board on 09/30/02, went into effect as of 10/01/02.

In return for these services, Mr. Michel Dancoisne received a gross monthly compensation of €1,900 over 13 months, with expenses paid upon presentation of receipts.

In the fiscal year ended 03/31/16, Mr. Michel Dancoisne received a gross remuneration of €24,700.

Neuilly-sur-Seine and Paris La Défense, May 31<sup>st</sup>, 2016

The Statutory Auditors  
*French original signed by*

**Deloitte & Associés**  
Dominique Laurent

**Mazars**  
Paul-Armel Junne



## Corporate governance

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## Report of the Chairman of the Supervisory Board on the manner in which the work of the Board was prepared and organized, and on Internal control and risk management procedures

To the Shareholders,

In accordance with Article L.225-68 of the French Commercial Code, as Chairman of the Supervisory Board, I have the honor of presenting you this report on the manner in which the work of the Board was prepared and organized, and on the Internal control and risk management procedures put in place by your Company. This report was approved by the Supervisory Board at its meeting of 05/30/16.

This report is a vehicle enabling the Board to report on its supervisory mission to the Company shareholders.

The Statutory Auditors of your Company will disclose, in a separate report attached to their report on the annual financial statements, their observations on the Internal control procedures relating to the preparation and processing of accounting and financial information, as well as their certification that the present report contains the additional information required pursuant to Article L.225-68 of the French Commercial Code.

### 1. Conditions governing the preparation and organization of the work carried out by the Supervisory Board

#### 1.1. General organization and composition of the management and control bodies

As a reminder, Solucom adopted a two-tier corporate-governance structure comprising a Management Board and a Supervisory Board on 09/30/02. The Board of Directors, that submitted this change in corporate governance for shareholder approval at the General Meeting, considered it was in the best interests of Solucom to separate the Company's management and its control functions. Past experience showed that a dual-board structure (comprising a Management Board and a Supervisory Board) was, by far, the best way to achieve this.

The separation of the Company's management and control functions, together with the appointment of independent members to sit on the Supervisory Board, also underscored Solucom's resolve to comply with best corporate-governance practices.

#### Members of the Supervisory Board

The members of the Supervisory Board include:

- Michel Dancoisne: Chairman;
- Jean-François Perret: Vice-Chairman;
- Marie-Ange Verdickt: Member;
- Nathalie Wright: Member;

- Sarah Lamigeon: Member;
- Rafaël Vivier: Member.

Ms. Sarah Lamigeon and Mr. Rafaël Vivier were appointed members of the Supervisory Board by the General Shareholders' Meeting on 07/22/15.

The members of the Supervisory Board were chosen for their multidisciplinary skills and expertise, as attested to by their biographies presented below.

#### Biographies of the members of the Supervisory Board

##### Michel Dancoisne



Born on 03/13/47, Michel Dancoisne graduated from the *Institut Supérieur d'Électronique du Nord*, France (Higher Institute for Electronics) and obtained an Executive MBA from the HEC business school. In 1971, he joined Télésystèmes, a subsidiary of France Telecom, as a technical and sales engineer then went on, in 1974, to become a sales engineer at CII-Honeywell Bull. In 1979, he participated in the creation of the Questel (database server) business at Télésystèmes, initially in charge of commercial operations and then went on to head up general management. In 1985, he became Director of the Networks Division and a member of the Télésystèmes Executive Committee. In 1990, he co-founded Solucom, which he co-chaired until his appointment as Chairman of the Supervisory Board in 2002.

##### Jean-François Perret



Born on 06/05/42, Jean-François Perret graduated from the Higher National School for Electronics, Computer Science, Telecommunications, Mathematics and Mechanics of Toulouse (*École Nationale Supérieure d'Électronique, Électrotechnique, Informatique, Hydraulique et Télécommunications* - ENSEEIHT) and from the Business Administration Institute (IAE) in Paris. In 1967, he joined SAT (*Société Anonyme de Télécommunications*) as a Design Engineer then went on two years later to become a business engineer at ELECMA (the electronics division of SNECMA).

In 1970, he was appointed head of Information Technology Development attached to the Prime Minister's office and participated in a research group carrying out studies related to the emergence of the software industry and strategic planning aimed at creating a European information technology industry (UNIDATA). In 1974, he became Director of Economic and

Financial Affairs of the Department of Electronic and Information Technology Industries (DIELI) at the Ministry of Industry.

In 1977, he joined Pierre Audoin Consultants (PAC) where he pursued his career as Deputy CEO, then CEO and ultimately Chairman of the Management Board. During his term of office, he helped establish PAC as a recognized leader in the consulting sector, as well as the strategic and marketing research segments of the software and IT services markets. He also played a key role in PAC's international development and in the June 2014 merger of PAC and CXP. Jean-François Perret is currently Vice-Chairman of the Supervisory Board of the CXP Group and manager of CVMP Conseil. He is also very active in the engineering community and chairs the Industrial Data Committees at IESF (French Association of Engineers and Scientists), as well as the G9+ Institute think tank, and is Vice-Chairman of the ENSEEIHT association of engineers.

**Marie-Ange Verdickt**



Born on 10/24/62, Marie-Ange Verdickt graduated from the *École Supérieure de Commerce de Bordeaux* and is a member of the French Society of Financial Analysts (SFAF). After starting out as an auditor at Deloitte-Touche in 1984, she became a management controller for the Wang computer group in 1987. She moved to Euronext in 1990 initially as a financial analyst before becoming head of financial analysis, working notably on IPO and financial transactions on listed companies. In 1998, she joined *Financière de l'Échiquier* as an equity fund manager specialized in French and European mid-cap stocks then became Director of Research and SRI (Socially Responsible Investment) in 2008. She currently serves as a Director on the Boards of Directors of ABC Arbitrage and Interparfums, and is a member of the Supervisory Boards of the CapHorn Invest private equity fund and the group, Bonduelle. In addition, she participates in the Investment Committee of the *Fondation des Petits Frères des Pauvres*.

**Nathalie Wright**



Born on 08/11/64, Nathalie Wright graduated from the European Institute of Business Administration (INSEAD) and the Paris Institute of Business Administration and holds a Masters in Economics from *Université Paris II*. She began her professional career in 1987 at Digital Equipment France where she became head of management control in 1993. In 1995, she joined Newbridge Networks and became a member of the Executive Committee.

From 1999 to 2004, she worked at MCI (Worldcom) where she worked her way up to the position of Country Leader in charge of French sales. In 2004, she moved to Easynet France, and then to AT&T where she served as Vice-President for French, Southern European and Middle Eastern operations between 2005 and 2009. In 2009, she joined Microsoft France where she became a member of the Executive Committee. Since 2011, she has been Director of the Public Sector Division (France) and General Manager of the Large Enterprises and Alliances Division of Microsoft France. Ms. Wright also runs the "diversity" pilot program at Microsoft France, which notably promotes career enhancement and prospects for woman. She is also a member of the Board of Directors of Indexel and a *Chevalier de la Légion d'Honneur*.

**Sarah Lamigeon**



Born on 05/08/72, Sarah Lamigeon holds a degree in Economic Sciences and a Masters degree in European Studies from the College of Europe in Belgium. She began her professional career in 1997 as a Project Manager for the Erasmus Technical Assistance Office at the European Commission in Brussels. In 2000, she moved to Bath (UK) to join the communications department of Future PLC, a media group listed on the London Stock Exchange. A year later, she joined Solucom to develop the Company's communications strategy and has been Director of Communications and a member of Solucom's Executive Committee since 2011. As Director of Communications, she is responsible for developing Solucom's image and reputation. In addition, Ms. Lamigeon and her teams are in charge of Solucom's financial reporting as well as recruitment and internal communications.

**Rafaël Vivier**



Born on 08/27/75, Rafaël Vivier graduated from the EDHEC business school and is an HEC-certified coach. Mr. Vivier began his career in 1999 working as a consulting partner for the consulting agency, Michael Page in Paris. In 2001, he moved to the strategic consulting firm, Achats Masai, to take up the position of consultant and then Manager. In 2006, he joined the Roland Berger agency as a Manager specialized in management consulting. In 2008, after gaining experience on the Management Board of Adecco France, he founded and has since become partner in Wit Associés, a Human Resources consulting firm specialized in working environments for high-potential profiles, mainly in the professional services sector and for large listed groups. In

addition, in 2011, he set up and became the CEO of *consultor.fr*, an on-line media network specialized in strategy consulting. This site offers visitors free access to prestigious counseling and is financed via communication partnerships.

### Mandates and functions exercised by the Supervisory Board

Details of the functions exercised by the members of the Supervisory Board, together with the dates of their appointment and mandate renewal, are given in the Management Board report delivered to the General Meeting.

### Term of office

Supervisory Board members are appointed for a term of four years.

The results of this analysis are given in the table below:

MiddleNext independence criteria	Not an employee or a Company director (either past or present)	Not a major client, supplier or banker	Not a reference shareholder	No family ties with another Company director or reference shareholder	Not a former auditor
Michel Dancoisne	O	X	O	X	X
Jean-François Perret	X	X	X	X	X
Marie-Ange Verdickt	X	X	X	X	X
Nathalie Wright	X	X	X	X	X
Sarah Lamigeon	O	X	X	X	X
Rafaël Vivier	X	X	X	X	X

O: Independence criterion not respected  
X: Independence criterion respected

The Supervisory Board concluded that four of its six members (equivalent to two-thirds of its members) can be considered independent, namely: Jean-François Perret, Marie-Ange Verdickt, Nathalie Wright and Rafaël Vivier.

### Balanced gender representation on the Supervisory Board

The Supervisory Board currently comprises three women and three men. This corresponds to 50/50 gender representation on the Board, in line with statutory obligations specifying that both genders must represent at least 20% each of the Board members at all General Meetings held after 01/01/14.

### Director obligation to hold Solucom shares

Supervisory Board members are legally obliged to own at least 500 registered Solucom shares each, which must be acquired within the twelve-month period from the date they take up their functions.

### Independent members of the Supervisory Board

At the meeting convened on 03/07/16, the Supervisory Board reviewed the independence of all of its members on the basis of the criteria defined by the MiddleNext Governance Code for small and mid caps published in December 2009. The director-independence qualification criteria given in this Code stipulate the absence of any significant financial, contractual or family relationships likely to impair the independence of board members' judgment.

### Members of the Management Board

The members of the Management Board include:

- Pascal Imbert: CEO;
- Patrick Hirigoyen: Member.

### Biographies of the members of the Management Board

#### Pascal Imbert

Born on 08/12/58, Pascal Imbert is a graduate of the *École Polytechnique* and the *Télécom ParisTech* (the Paris Institute of Science and Technology).

He began his career with the computer services company *Télé systèmes* in 1980, where he worked on a variety of projects related to the launch of the *Télétel* service in France, before taking on managerial responsibilities. In 1988, he joined *Cirel Systems*, a manufacturer of telecoms products, where he

became Deputy CEO and developed a new generation of telecommunications products.

In 1990, he co-founded Solucom with Michel Dancoisne, with whom he oversaw the development of the Company for a period of 12 years. In 2002, he became Chairman of the Company's Management Board and Michel Dancoisne, the Chairman of the Supervisory Board.

From May 2010 to June 2014, Pascal Imbert served as Chairman of MiddleNext, the French association representing listed midcaps, and has been a Director of the company Axway since April 2011.

#### **Patrick Hirigoyen**

Born on 08/06/63, Patrick Hirigoyen holds an engineering degree from the *École Nationale Supérieure des Télécoms de Bretagne* (Higher National School of Telecommunications) and has extensive experience in the field of computer services. He began his career working as a business engineer with INFI, software and computing services company specialized in new technologies. He joined Solucom in 1993 where, as Director of Sales, he developed the sales division before being appointed Chief Operating Officer and member of the Management Board in September 2002.

#### **Mandates and functions exercised by the members of the Management Board**

Details of the mandates and functions exercised by the members of the Management Board are given in the Management Board report delivered to the General Meeting.

#### **1.2. Preparation and organization of work**

##### **The functioning and work carried out by the Supervisory Board**

The Supervisory Board ensures the permanent monitoring of the management of the Company by the Management Board.

The Supervisory Board may conduct as many audits and controls it considers opportune at any time during the year and ask the Management Board to provide the documents it considers necessary to carry out its mission. Moreover, at any time during the course of business between Board meetings, it may request any information considered pertinent or vital, notably in the form of financial analysis reports.

During the fiscal year ended 03/31/16, the Supervisory Board met ten times (06/01/15, 07/06/15, 07/10/15, 07/22/15, 09/07/15, 10/06/15, 11/19/15, 11/23/15, 01/25/16 and 03/07/16) with an attendance rate of 89%. The Supervisory Board meeting

schedule is determined at each Supervisory Board meeting; dates are set for at least the next two meetings over a maximum period of 12 months.

Meetings are convened by electronic mail and by post approximately one week ahead of the scheduled date. The Supervisory Board agenda is always sent with the notice of meeting. In addition, interim and full-year financial statements are communicated to Board members for review approximately one week before the date of the Supervisory Board meeting. Works Council representatives on the Supervisory Board are invited to attend all Supervisory Board meetings.

The Statutory Auditors are invited to Management Board and Supervisory Board meetings called to approve the Company's interim and annual financial statements. The items dealt with by the Supervisory Board during the fiscal year ended 03/31/16 included:

- the review, verification and audit of full-year Company and consolidated financial statements and the report of the Management Board;
- the review, verification and audit of interim Company and consolidated financial statements and the report of the Management Board;
- management forecasts presented by the Management Board;
- the Management Board presentation of the action plan and budget for fiscal year, including Solucom's external growth strategy and approval of this strategy;
- external growth projects;
- reviews of Management Board quarterly reports;
- Company director compensation;
- eligibility of Supervisory Board members' independent status;
- compliance with the MiddleNext Governance Code (recommendations and points requiring vigilance);
- the Company's gender equality policy on careers and pay;
- the Company's Corporate Social Responsibility (CSR) strategy;
- association of management regarding capital and compensation;
- matters concerning the creation of the future OneFirm brand;
- overall progress report on the OneFirm project;
- Internal control and risk management procedures in force in the Company;
- self-assessment of the functioning and work of the Supervisory Board.

The members of the Management Board may attend all or a part of the Supervisory Board meetings, at the discretion of the Supervisory Board.

Management Board representatives do not participate in Company director compensation reviews.



Draft minutes of Supervisory Board meetings are sent to all members for approval before signature, which is generally given at the next Supervisory Board meeting.

### **Assessment of the functioning and work of the Supervisory Board**

Every year, the Supervisory Board conducts a self-assessment survey to assess its functioning and the work it carries out. This assessment is formalized every three years.

On 03/07/16, the Supervisory Board carried out a formalized assessment to:

- review the Supervisory Board's operating procedures;
- verify that key issues are adequately prepared and discussed;
- review the composition of the Supervisory Board and the contributions of its members.

To this end, a questionnaire was drafted comprising some forty questions related to the roles and missions of the Board, its composition, the organization of meetings and functioning of the Supervisory Board and the Audit Committee, as well as the information held by the Board and Audit Committee, Director compensation, Supervisory Board relations, the code of ethics and conduct of its members and the operating procedures of the Special Committees.

The questionnaire was sent to all Supervisory Board members who gave satisfaction ratings for each of the questions and commented on each point.

The Chairman of the Supervisory Board then sent the members of the Supervisory Board a summary of the findings from these self-assessments, covering all the questions asked and using the same questionnaire grid, together with a list of the improvements identified in the formalized self-assessment.

The Board members then held an informal meeting to validate and complete this summary and the list of improvements identified.

Following this meeting, the Chairman of the Supervisory Board drafted the March 2016 Formalized Self-Assessment Analysis Report, which was debated by the members of the Supervisory and Management Boards on March 7<sup>th</sup>, 2016, to finalize the action plans decided upon with a view to optimizing the operating procedures and work of the Board.

### **Committees**

The Supervisory Board as a whole also functions as the Audit Committee.

It was formally noted that, given their professional experience, Marie-Ange Verdickt and Jean-François Perret fulfill the criteria regarding their independent-director status and their

accounting and/or financial expertise.

For its functioning and the work it carries out, the Audit Committee follows the AMF working group recommendations for audit committees.

Audit Committee meetings are held separately from Supervisory Board meetings and are chaired by the Chairman of the Supervisory Board who is not an executive member.

The Management Board may attend all or a part of Audit Committee meetings, at the discretion of the Audit Committee.

Statutory Auditor reports on the interim and annual Company and consolidated financial statements, as well as reviews of Statutory-Auditor independent status and proposals for their mandate renewal are discussed without the presence of the members of the Management Board.

Minutes of Audit Committee meetings are drawn up and reported in a specific section of the Supervisory Board minutes.

During the fiscal year ended 03/31/16, the Audit Committee met three times on 06/01/15, 11/23/15 and 01/25/16.

In 2015/16 fiscal year, the main points dealt with by the Audit Committee included:

- the review and verification of the Company and consolidated financial statements for the fiscal year ended 03/31/15 presented and approved by the Management Board; Chief Financial Officer and Statutory Auditor reports; review of additional reports and documents drafted by the Management Board for the General Shareholders' Meeting; review, verification and audit of the annual financial report prepared by the Management Board;
- the review of the report of the Chairman of the Supervisory Board on Internal control and risk management procedures;
- review of Statutory Auditor independence;
- the review and verification of the interim financial statements approved by the Management Board; review, verification and audit of the interim financial report prepared by the Management Board; Chief Financial Officer and Statutory Auditors reports;
- the review and monitoring of the internal multi-year audit plan and the Company's Internal control and risk management procedures in force. The general framework of these procedures is reviewed every year to ensure their effectiveness. This is notably achieved by way of risk mapping, as well as by carrying out an in-depth review of the procedures concerning one or more risks in particular, and by checking to ensure that the appropriate procedures and control measures are in place. In the event of failure or malfunction, the Audit Committee asks the Company to take the necessary corrective measures.



### Internal rules

Solucom's internal rules governing the Supervisory Board's operating procedures cover the following aspects as comprehensively as possible:

#### Role of the Supervisory Board

- to perform its general role of exercising permanent controls;
- to verify the proper exercise of executive powers;
- to limit the powers of the Management Board.

#### Composition of the Supervisory Board and independence criteria of its members

- conditions for appointment of members to the Supervisory Board;
- independence of Supervisory Board members.

#### Duties of Supervisory Board members

- loyalty and compliance with laws and Articles of Association;
- confidentiality;
- assiduity;
- rules concerning trading in Company securities, including privileged information;
- disclosure of conflicts of interest and duty to abstain.

#### Functioning of the Supervisory Board

- frequency of Board meetings;
- convocation of Board members;
- information concerning Board members;
- recourse to video-conferencing or other means of telecommunication;
- deliberations of the Supervisory Board;
- assessment of the work carried out by the Board;
- the functions of the Audit Committee.

#### Rules determining Supervisory Board member compensation

The internal set of rules is available in full on the Company's website.

#### Principles governing Company director compensation

Concerning Company director compensation, Solucom complies with the recommendations of the MiddleNext Corporate Governance Code. Accordingly, the principles applied to Solucom Company director compensation meet the criteria regarding completeness, balance, benchmark, consistency, clarity, measurement and transparency.

Director attendance fees are dealt with once a year at the Board meeting following the General Shareholders' Meeting.

Compensation paid to the Chairman of the Supervisory Board and the Chairman of the Management Board is also reviewed once a year by the Supervisory Board, at the meeting called to review the budget.

Supervisory Board members, with the exception of the Chairman, receive attendance fees once a year. The total annual amount of attendance fees is voted by the General Shareholders' Meeting. The amount paid to each Supervisory Board member is calculated on the level of his or her assiduity.

The Chairman of the Supervisory Board receives a fixed compensation for fulfilling his executive mandate, as well as a fixed compensation under an employment contract for exercising his function as a consulting expert on financial, development and external growth policies. The amount of compensation awarded to the Chairman for fulfilling his executive mandate is fixed once a year by the Supervisory Board which also decides whether or not to maintain the authorization of the regulated agreement concerning his employment contract.

As compensation for exercising his executive mandate, the Chairman of the Management Board receives a fixed component, plus a variable component based exclusively on a set of quantitative criteria relating to the achievement of a set of predetermined budgetary targets. The level of compensation is set by the Supervisory Board when it meets to review the presentation of the budget which serves as the basis for defining the budgetary objectives for the variable compensation component.

The other member of the Management Board receives a fixed compensation for exercising his executive mandate, plus compensation under his employment contract as Chief Operating Officer. His COO compensation comprises a fixed component, plus a variable component based exclusively on a set of quantitative criteria relating to the achievement of a set of predetermined budgetary targets. He is also a beneficiary of four free-share allocation plans dated 09/15/06, 10/15/10, 07/01/15 and 01/28/16 respectively, subject to his continued presence in the Company, his personal investment in Solucom shares and that he meet a set of performance criteria. The level of compensation awarded to the COO for exercising his executive mandate is set by the Supervisory Board when it meets to review the presentation of the budget, at which time the Board is also informed of the other components related to his compensation.

Company directors do not receive any benefits in kind or arrival/departure bonuses. Nor do they receive any variable component linked to social and environmental responsibility and do not benefit from any supplementary pension scheme.

### **Terms and conditions of shareholder participation at General Meetings**

Terms and conditions of shareholder participation at General Meetings are described in Articles 24 to 33 of the Articles of Association.

### **Factors likely to have an impact in the event of a public offering**

These factors are detailed in the Management Board Report to the General Meeting.

## **2. Internal control and risk management procedures**

### **2.1. General framework**

In accordance with the provisions laid down in the French Commercial Code for companies making a public offering, the AMF published a reference framework for internal controls in 2007, applicable to fiscal years starting on or after 01/01/07.

This reference framework specifies that all companies are responsible for their own organization and consequently their own internal controls. As such, the framework is not intended to be binding on companies but rather to serve as a guide to help them monitor and, if necessary, develop their internal control procedures without imposing any directives as to how these should be organized.

In January 2008, the AMF having decided that this reference framework should take greater account of the specific characteristics of small and mid-cap companies, drafted an implementation guide specifically dedicated to SMEs.

In July 2010, the AMF updated its SME Internal controls reference framework, notably to include a section on risk management, following the transposition into French law of European Directives imposing new obligations on listed companies, particularly regarding the duties of Audit Committees.

In January 2015, the AMF published recommendation no. 2015-01 related to the presentation of the Chairman's report, the description of Internal control procedures and objectives, risks and risk factors.

The present report was drafted on the basis of this reference framework and its applicability to Solucom, as well as on interviews carried out with the Chairman of the Supervisory Board and the Chief Financial Officer, a review of the Company's internal documents, and meetings with the Statutory Auditors. This report was approved by the Supervisory Board at its meeting of 05/30/16.

### **2.2. Principles**

Risk management and Internal control procedures play a complementary role in the management of the Company's activities.

By contributing towards preventing and controlling the risk of failing to achieve the objectives set by the Company, these risk management and Internal control procedures are key factors underpinning the efficient operation and monitoring of the Company's activities. Nevertheless, neither risk management nor internal control can offer an absolute guarantee that these objectives will be achieved.

#### **Risk management**

Risk management is an issue which involves everyone in the Company. Solucom's comprehensive risk management strategy is designed specifically to cover all of the Company's activities, processes and assets.

Risk management is a dynamic process, defined and managed by the Company itself.

Risk management measures, conduct, procedures and actions are adapted to the specific characteristics of each company within the Group. In this way, Management can keep risks at an acceptable level for the Company.

Risk exists when there is a possibility of an event occurring which could have an adverse impact on people, assets, the environment, the Company's objectives or its reputation.

Risk management is a lever that helps Solucom to:

- create and preserve the Company's value, assets and reputation;
- secure the Company's decision-making process and help it achieve its goals;
- ensure that actions carried out are consistent with the values of the Company;
- mobilize employees around a common vision of the key risks and raise staff awareness to the risks inherent in the activities they carry out.

#### **Internal control**

Solucom's global Internal control mechanism, defined and implemented under the responsibility of each company within the Group, comprises a set of means, procedures and actions which:

- contribute to controlling the Company's activities, as well as the effectiveness of its operations and the efficient use of resources;
- enable the Company to control the significant risks it faces, at the operating, financial and legal levels.

Solucom's Internal control system is notably designed to ensure:

- compliance with the applicable regulations in force;
- the correct application of instructions and guidelines set by the Management Board;
- the proper functioning of Solucom's internal processes, notably those safeguarding its assets;
- the reliability of financial information.

### 2.3. Scope

For the record, the Solucom Group comprises the Solucom parent company and the following companies which are:

- directly controlled by the Group, namely:
  - SLM Consulting (subsidiary subject to Moroccan law),
  - Hudson & Yorke (subsidiary subject to British law),
  - Arthus Technologies (subsidiary subject to Swiss law),
  - Solucom Belgium (subsidiary subject to Belgian law)
  - Management Consulting Group France (MCG France).
- indirect subsidiaries that are directly controlled by the Group, namely:
  - Kurt Salmon Associés France (100% held by Management Consulting Group France),
  - Kurt Salmon France (100% held by Kurt Salmon Associés),
  - K2S Management (subsidiary subject to American law and 100% held by Kurt Salmon France),
  - Kurt Salmon Luxembourg (subsidiary subject to the law of Luxembourg and 100% held by Kurt Salmon France),
  - Kurt Salmon Belgium (subsidiary subject to Belgian law and 100% held by Kurt Salmon France),
  - Kurt Salmon Morocco (subsidiary subject to Moroccan law and 100% held by Kurt Salmon France),
  - Kurt Salmon Switzerland (subsidiary subject to Swiss law and 100% held by Kurt Salmon France).

At the operating level, the bulk of Solucom's offering is organized around a set of Practices representing the Company's main areas of expertise.

SLM Consulting and Solucom Belgium have been integrated into this operational organization. Conversely, Hudson & Yorke, Arthus Technologies, Management Consulting Group France and all of the Group's indirect subsidiaries have not, as yet, been integrated into this organizational structure. These companies are still operating as independent entities, under the aegis of the Solucom Management Board. Following the merger between Solucom and Management Consulting Group France (integrating the European activities of Kurt Salmon) on 01/07/16, the Group launched "Building OneFirm", a program designed to create a new firm comprising all of the operational activities of Solucom and Kurt Salmon by 04/01/17.

The Company has implemented the following Internal control and risk management procedures adapted to its situation:

- The procedures used to prepare and process accounting and financial information are standardized throughout the Group taking into consideration the legal constraints specific to each country. The accounting and financial preparation and processing procedures for Management Consulting Group France and its subsidiaries acquired on 01/07/16 have not yet been harmonized. This will be achieved once the "Building OneFirm" program has been completed.
- Risk management procedures, notably concerning the monitoring of operational activities, have now been extended across all of the firm's entities to the extent that the control of Group Practices is monitored in a uniform way.
  - Once the "Building OneFirm" program has been completed, risk management procedures will be standardized across the new firm;
  - For recently acquired subsidiaries, Solucom's risk management procedures are rolled out and standardized gradually, since risk management remains the remit of the general management bodies of each company until the integration process has been completed;
  - During the integration period, General Management ensures that the risk management procedures of these subsidiaries are carried out efficiently;
  - Given the small size and specific characteristics of the Moroccan subsidiary, risk management is dealt with directly by the firm's own management team.

### 2.4. Components of the risk management system

Solucom's risk management procedures include:

- Risk identification:
  - Individual interviews carried out by the Internal Auditor with the managers in charge of the Company's major risks;
  - Proposed changes in risk mapping submitted to the Executive Committee (ExCom) by the internal-audit and risk management steering Committee;
  - Annual updates made by the ExCom before presentation to the Audit Committee.
- Risk analysis:
  - Review potential consequences of the main risks and assess their probability of occurrence.
- Risk resolution:
  - The most appropriate risk prevention and/or resolution approach for the Company.

The structure implemented within the Group and the regular monitoring of Internal control and risk management procedures

should enable the continuous improvement of the system in place. The objective here is to identify and analyze the main risks and to draw lessons from risks that occurred in the past.

Solucum's Management Board defines the key principles of the Group's Internal control and risk management procedures. The Executive Committee (ExCom) then approves the associated rules of conduct and determines their scope.

Once approved, these procedures are communicated to the teams responsible for their implementation.

A monthly Internal control Steering Committee was set up at the beginning of 2016. This Committee comprises members of the Management Board, the CFO, the Director of Financial Operations (acting as head of internal controls) and a member of his/her team, as well as the Internal Auditor and an Associate Director. The mission of this Committee is to supervise the internal control procedures at three levels:

- Internal-audit remediation plans (implementation, verification of efficiency, etc.);
- Company procedures (production, deployment, etc.);
- The implementation of permanent controls.

Internal control and risk management procedures are adapted to accommodate the specific characteristics of each company and provide:

- A structure with clearly defined responsibilities and based on the appropriate information systems, tools and practices;
- The internal circulation of relevant and reliable information, primarily via the Company's information system which collates the formalized procedures designed to detect and prevent the major operating and financial risks;
- An inventory of the main identifiable risks.

Internal audits are carried out at the consolidated level to verify that the Company's Internal control procedures are relevant and are being correctly implemented by all entities in the Group.

These also contribute toward identifying and resolving Company risks.

A 3-year internal-audit plan was rolled out in December 2013 under the aegis of the internal audit and risk management steering Committee. This plan covers:

- All Company processes, with the exception of knowledge-management procedures, offer marketing and delivery, which because of their nature or insignificant impact, are not judged eligible for auditing as such and/or the risks they cover;
- All companies acquired by the Group more than 12 months ago.

The process audit involves:

- Identifying the key stages of the process and analyzing how they function;
- Identifying the risks of malfunction attached to each stage;
- Identifying the controls in place for each stage;
- Carrying out audit controls;
- Making recommendations and carrying out actions to correct identified Internal control failure.

Remediation plans are then monitored by the Financial Operations Department which ensures that corrective recommendations and actions are properly deployed within the deadlines set for the departments concerned. If needs be, the Financial Operations Departments helps the other departments implement the corrective recommendations and actions and draw up the procedures for the Company's repository framework.

## 2.5. The players

### The Supervisory Board

Every year, the Management Board reports to the Supervisory Board on the key characteristics of the Company's Internal control and risk management system.

The Supervisory Board's risk-monitoring scope is extensive, covering strategic, operational and accounting risks, as well as financial risks for which the Board relies on the work of the Audit Committee.

When required, the Supervisory Board can exercise its general powers to carry out the checks and verifications it considers appropriate or take any other actions it deems necessary.

### The Audit Committee

The Supervisory Board may decide to create an ad hoc Audit sub-committee or use their own members to constitute an audit Committee. Solucom has opted for the latter option.

The Audit Committee includes at least one independent member with special accounting and/or financial skills.

The Audit Committee meets at least twice a year at meetings held by the Supervisory Board to review the Group's interim and annual financial statements.

The Audit Committee is responsible for monitoring:

- The process of preparing financial information;
- The efficiency of Internal control and risk management procedures;
- The independent auditing of the annual and consolidated financial statements by the Statutory Auditors;
- The independence of the Group's Statutory Auditors.

Auditing activities carried out by the Supervisory Board primarily concern accounting and financial risks.

The general framework of Internal control and risk management procedures is subject to annual Audit Committee controls to ensure its efficiency. This is notably achieved by way of risk mapping, carrying out an in-depth review of the procedures concerning one or more risks in particular, and checking to ensure that the appropriate procedures and control measures are in place.

In the event of failure or malfunction, the Audit Committee requests that the Company take the necessary corrective measures to rectify the situation.

### The Management Board and the Executive Committee

The role of the Management Board is to define, implement and monitor the system that is best adapted to Solucom's situation and activity. Management is regularly informed of any inadequacies in the system and, if necessary, refers these to the Supervisory Board.

The Executive Committee (ExCom) comprises the members of the Company's Management Board, as well as the Directors of Solucom and its French and foreign subsidiaries, including Kurt Salmon. The Executive Committee sets the objectives for the Company's operational activities, monitors their progress and delivers monthly progress reports.

### The internal audit and risk management steering Committee

This Committee, which comprises the Chairman of the Management Board, the Chief Financial Officer, the Financial Operations Manager and the Director of Operations, monitors the implementation of the Company's internal-audit and risk management procedures. Its mission is to:

- Supervise the implementation of the internal audit plan;
- Approve remediation plans (recommendations and corrective actions);
- Approve quarterly audit reports;
- Propose audits on request;
- Propose annual risk-map updates.

Internal-audit and risk management functions are carried out by the Internal Auditor who reports to the Internal Audit Steering Committee which is notably in charge of monitoring the Internal Audit and updating the risk map as defined by the Internal-audit and risk management Committee.

More specifically, the Internal Auditor's mission is to:

- Recommend risk-map updates to the internal-audit and risk management steering Committee based on interviews carried out with the heads of the Company's main risk areas;
- Organize and carry out internal audit activities;
- Present the results of audits, as well as recommendations and corrective actions to the Internal-Audit and risk management steering Committee.

### The Internal Control Steering Committee

The Internal Control Steering Committee, set up in February 2016, meets once a month. This Committee comprises the Chairman of the Management Boards, the CFO, the Head of Financial Operations together with a member of his/her team, the Internal Auditor and an Associate Director. This Committee supervises the Company's Internal controls procedures. Its mission is to oversee:

- The implementation of remediation plans resulting from internal audits and verify their efficiency;
- The production and up-dating of new procedures in the Company repository;
- New-procedure deployment;
- The implementation of permanent controls.

## Finance Department

The Finance Department supervises the production of the accounting and financial data of Solucom and the entities within the Group.

It oversees the preparation of management data and indicators supplied to the Directors of Operations and the Group's Executive Committee.

Accounting functions are performed by the Group's accounting department. Additional support is provided by an external accounting agency which produces financial statements for the Solucom parent company and the Group's consolidated financial statements. It also verifies the consistency of the financial statements of SLM Consulting, Hudson & Yorke, Arthus Technologies, Solucom Belgium and Kurt Salmon.

In addition, the Finance Department is responsible for the formalization of all internal procedures in force within Solucom (excluding Kurt Salmon).

This internal control function is overseen by the Head of Financial Operations, attached to the Finance Department, notably in charge of supervising the implementation of Internal control processes defined by the Internal Audit and Risk management Committee and by Internal control.

More specifically, the role of the Financial Operations manager is to:

- Supervise the implementation of remediation plans resulting from internal audits and verify their efficiency;
- Oversee the production and up-dating of new procedures in the Company repository;
- Ensure new-procedure deployment;
- Implement permanent controls.

## Company employees (excluding Kurt Salmon)

The Group's central information repository containing all the applicable procedures is accessible to all staff members via the Comm'unilink intranet portal. This platform also provides employees with all the information they need to implement Internal control and risk management procedures to carry out, at their particular level, the objects assigned to them. They are not, however, responsible for monitoring the efficient implementation of the system.

Within the context of internal audit activities, internal resources are mobilized on a case-by-case basis to conduct internal audits.

## The Statutory Auditors

Within the context of their Statutory mission, Statutory Auditors are not involved in Internal control and risk management procedures. They learn about these procedures via internal audits, if carried out, so that they can obtain a better understanding of, and formulate an opinion about the appropriateness of this work in a completely independent manner.

They certify the financial statements; a process which may reveal major risks and weaknesses related to the Company's internal controls that could have a significant impact on the accounting and financial information. Statutory Auditors submit their observations on the Chairman's report and the internal control procedures relative to the preparation and processing of accounting and financial information, and certify that all other information has been prepared and presented as required by law.

## 2.6. Procedures for the preparation and treatment of accounting and financial information

Unless otherwise state, paragraphs 2.6 and 2.7 are specific to the Solucom scope, excluding Kurt Salmon.

The Internal control and risk management procedures related to accounting and financial operations are applicable to the Group's business.

Formalized processes and procedures are available in the Group's central information repository and excerpts of these are published on the Company's intranet portal.

## Preparation of provisional budgets

Full-year and monthly budgets are drawn up by the Group subsidiaries and at the consolidated level at the beginning of every fiscal year. Budget reviews are conducted in November, upon approval of the interim financial statements. Once completed, the budget is submitted to the Supervisory Board for approval.

## Business management

In Solucom's sector of activity, business management is essential for monitoring revenue-performance trends. To this end, in 2013, the Company began to roll out ActiveSys, an open source ERP business management software tool.

This software program includes the following functionalities:

- Account management and order registration;
- A monthly tracking function to record time spent;
- Revised monthly estimates (provisional expenses and schedules determined by the project manager);
- Invoicing.



This software program is accessible, via intranet and extranet, to all staff members with individual employee access limited to their respective level of responsibility. All elements of project monitoring are therefore carried out by the software program which gives a consolidated real-time view of all information related to a given project, notably concerning:

- Commercial and contractual data;
- The number of business days devoted to the project, expense forecasts, provisional timeline and project overruns;
- Services billed/to be billed, unbilled receivables and deferred income.

### Monthly budget tracking and reporting

Data produced by ActiveSys (via a decision-making tool) enables management control to monitor and update the budget on a monthly basis to take into account the latest known, budget-related information and business projections.

Data summarized in a monthly dashboard at the individual Practice and consolidated levels, provide the following management indicators related to budget targets achieved and forecast:

- Revenue;
- Operating income on ordinary activities (EBIT);
- Consultant income flow;
- Headcount;
- Orders booked;
- Sales price;
- Order book;
- Cash and cash equivalents;
- Client management (tracking of late payments and invoices to be issued).

Dashboards are reviewed on a monthly basis by the head of each Practice division and on a consolidated basis by the Management Board and the Executive Committee, so that corrective measures can be taken if necessary.

In addition, a quarterly report of Solucom's activity is prepared and submitted by the Management Board to the Supervisory Board.

### Financial reporting periods (applicable to Kurt Salmon)

For internal purposes, unaudited accounts are prepared for the first and third quarters to enable reconciliation between accounting and management data. In addition, interim and annual financial statements are audited by the Statutory Auditors, reviewed by the Audit Committee, approved by the Supervisory Board, and published in accordance with applicable legislation and regulations. Solucom's Statutory Auditors attend

the Audit Committee and Supervisory Board meetings called to approve the interim and annual Company and consolidated statements.

In this way, the members of the Audit Committee and Supervisory Board can exchange information with the Statutory Auditors directly on:

- The accounting principles adopted;
- Assurance that the Statutory Auditors have been able to access the information they need to conduct their review, especially regarding consolidated subsidiaries;
- The state of progress of their work, with the knowledge that by the time the financial statements are reviewed by the Supervisory Board, the Statutory Auditors should have completed their review.

Accounting principles used during financial-statement approval and closure periods are the same as those applied throughout the Group (recognition of revenue, provisioning rules, cost-price calculation, period-demarkation rules, profit-share calculation, and tax calculation).

At Supervisory Board meetings held to approve the interim and annual financial statements, the Management Board presents and comments on the following points:

- The income statement;
- A table presenting the management breakdown by Company of the income statement;
- The operating indicators underlying the income statement;
- The balance sheet;
- The cash flow statement.

### Methods used for provisioning risks and disputes

At the close of every interim and annual period, the management control unit carries out a review of all ongoing projects to identify any budget overruns that may require provisioning.

These provisions are based on the project manager's latest monthly revision of the total estimated project budget.

The finance department is also informed of any events likely to require provisioning, as soon as they occur, namely:

- Risk of client bankruptcy (unlikely given the fact that the Company's customer portfolio is made up of major client accounts);
- Unexpected payment-recovery difficulties (monthly tracking of aged balances);
- Third-party disputes, particularly with clients, using an efficient incident-detection system rolled out to all Group entities.

Risks involving quality, invoicing and payment are reviewed at the close of every 3-month financial period by the accounting manager, the sales administration manager, and the financial operations manager, with the help of management control. The findings of this review are submitted to the Chief Financial Officer and the Management Board of Solucom to decide what provisions, if any, should be set up.

### **Consolidation of accounts (applicable to Kurt Salmon)**

The structure and procedures in place (as described above) enable the parent company to verify its subsidiaries' financial statements notably for:

- The finance department, which supervises the production of the financial and accounting data of each entity and the Company;
- The Executive Committee, which monitors by way of the monthly dashboard produced by management control, the achievement of the objectives set for the Company and each of its subsidiaries;
- Reconciliation between accounting and management data of each of the Group's entities at the close of every three-month and six-month financial period, under the responsibility of management control.

The account consolidation process is carried out by an external accounting firm, in liaison with the Finance Department, and notably concerns the following controls and checks concerning:

- The reciprocity of inter-company balances to be eliminated;
- The consistency of Company accounting practices used;
- Verification that the accounts submitted by Solucom subsidiaries are formatted according to Group specifications;
- The review of independent-actuary estimates of retirement commitment provisions;
- The justification and analysis of all consolidation adjustments, in accordance with applicable accounting rules.

### **Cash and cash equivalents**

Solucom's centralized cash management structure was set up with a banking partner to:

- Optimize the management of the Group's surplus cash;

- Provide a centralized real-time view of the cash positions of every company in the Group.

The Supervisory Board receives quarterly reports of the Company's cash position which it communicates to the Management Board.

### **Monitoring of off-balance sheet commitments (applicable to Kurt Salmon)**

At the close of every accounting period, the financial department compiles the off-balance sheet commitments of every company in the firm.

### **Quality control of published financial and accounting information (applicable to Kurt Salmon)**

All aspects of financial communication are prepared under the direct control of Solucom's Management Board.

The Finance Department is also in charge of identifying changes in financial communication requirements that could impact Solucom's communication obligations.

The requirements related to periodic accounting and financial information communicated to the market are explained in the Company's central information repository.

## **2.7. Operating procedures**

For the record, unless otherwise indicated, the information in this section is specific to the scope Solucom excluding Kurt Salmon.

Solucom's risk-prevention procedures related to operating activities cover all of the key processes used in the Company's business. These notably include:

- Project and service-quality management and monitoring, as well as offering quality;
- Human Resources management;
- Sales monitoring and account management;
- Information-systems security;
- Supplier management.

Note that the Management Board updates the map of the main risks identified.



This analysis is presented once a year to the Audit Committee and the Supervisory Board at the meeting convened to review Internal control and risk management provisions. The following procedures are worthy of note:

### Procedures involved in project and service-quality management and monitoring

- Management teams of all the Company's Practices and subsidiaries meet once a month to ensure the operational monitoring of:
  - Projects (overruns);
  - Inter-contracts;
  - Problems related to invoicing and difficulties in obtaining the documents required to authorize billing (orders or acceptance forms);
  - Individual account cost prices.

These monthly meetings enable the implementation of corrective actions if any problems are identified.

- Fixed-price contract management procedure: This procedure defines the principles for running a fixed-price service, and in particular the operating rules for each major stage of the life cycle of the project in question, as well as the responsibilities involved in running operations.
- Quality Charter Solucom's defines:
  - The quality of services rendered to the client;
  - The gauge used to measure client satisfaction;
  - The Group's quality-policy principles and methods.

In addition, a system has been set up to transmit quality impairment issues and client complaints to the Quality Manager. A set of indicators, drawn up on the basis of this information and a periodic review of the general quality of Solucom's client relationships is presented to Group employees to heighten their awareness.

### Human Resources management procedures

- Integration: This procedure covers all the stages involved in Solucom's recruit-induction process.

In particular, it defines the actions required to ensure the smooth integration of new employees into the Group and identifies the persons in charge of the integration process.

- Annual staff interviews and assessment: This procedure defines how each employee is monitored by their department heads, using a standard form and an individual interview matrix.

- Staff recruitment and retention: These procedures describe all of the actions taken by the Group to achieve its staff-recruitment and retention objectives and define monthly recruitment and staff turnover-tracking dashboards.

### Business activity tracking procedures

- Business-activity monitoring is enhanced by forward-looking indicators produced by the Activebiz business information system.
- Business propositions: Primarily to guarantee commitments made in calls for tender, for which a pre-defined format incorporating standard terms and conditions (confidentiality, invoicing and payment terms, travel expenses, non-solicitation of staff, insurance/liability, etc.) is used to formulate business propositions.
- Contracts: These are negotiated and signed on a case-by-case basis in accordance with internal compliance criteria and summarized in a contracts report.
- Invoicing: Invoicing is carried out by the Sales Administration Department which works closely with the sales teams and project managers involved throughout the lifetime of the account in question.
- Management of receivables: In 2012/13 fiscal year, a dedicated team was set up to oversee the firm's receivables and manage all payment recovery problems. This team works closely with the Sales Administration Department, the sales teams and project managers.

### Information Systems security procedures

- Security Charter:  
This Charter lays down the principles and rules to ensure an efficient level of protection, which is consistent and adapted to the sensitivity of information across the Group's information system.
- IT Systems security:  
The measures implemented are notably related to data confidentiality, protection against hacking and viruses, system redundancy and data-backup.  
This is completed by an IT-disaster recovery plan, deployed within the context of a broader business continuity plan.

### Supplier-network management procedures

Supplier-management procedures were dematerialized in 2014/15 with the roll out of the Activesys purchasing module.

- Expenditure commitments:  
All expenditure commitments must be accompanied by a purchase order issued in the standard Group format by the budget manager in charge, or any other authorized person.  
A list of persons authorized to approve purchase orders is circulated by internal memo.
- Invoice approval:  
Every invoice is matched against the corresponding purchase order and approved by the budget manager concerned or by any other authorized person. Invoices are not recognized until they have been matched with their corresponding purchase order. Both of these documents require prior approval.  
A list of persons authorized to approve bills is circulated by internal memo.
- Payment:  
All invoice-payment authorizations, regardless of the means of payment, must be approved before hand by the accounting manager or the financial operations manager. In particular, invoices are checked to verify the amount and the supplier's banking details, and to ensure that it has not already been paid.  
A list of authorized signatories for payments is circulated internally and to the firm's partner banks.

### 3. Corporate Governance Code

For its Corporate Governance Code, the Supervisory Board adopted the MiddleNext Corporate Governance Code for Small and Mid-cap Companies published in December 2009. This Code is available on the MiddleNext website ([www.middlenext.com](http://www.middlenext.com)).

This Code offers recommendations that companies choosing to adopt the code must comply with, and provides a list of due diligence factors that the Supervisory Board has reviewed.

In addition, the Supervisory Board has confirmed that Solucom has implemented all the recommendations of the MiddleNext Corporate Governance Code.

#### Chairman of the Supervisory Board

05/30/16

## Statutory Auditors' Report

prepared in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*) on the report prepared by of the Chairman of the Supervisory Board of Solucom  
For the year ended 03/31/16

*This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of French company law on the report prepared by the Chairman of the Supervisory Board on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Solucom and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby present our report dealing with the report prepared by the Chairman of your company in accordance with article L.225-68 of the French Commercial Code (*Code de commerce*) for the financial year ending 03/31/16.

The Chairman is responsible for preparing and submitting for the approval of the Supervisory Board, a report describing the internal control and risk management procedures implemented by the company and disclosing other information as required by article L.225-68 of the French Commercial Code (*Code de commerce*) dealing in particular with corporate governance.

Our own responsibility is to:

- Communicate to you any observations we may have as to the information contained in the Chairman's report and relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information; and
- Attest that the report includes the other disclosures required by article L.225-68 of the French Commercial Code (*Code de commerce*). It should be noted that we are not responsible for verifying the fairness of these disclosures.

We have performed our work in accordance with the professional standards applicable in France.

### Information concerning the internal control and risk management procedures relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information

Our professional standards require the application of procedures designed to assess the fair presentation of the information contained in the Chairman's report and relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information.

Those procedures involve in particular:

- Obtaining an understanding of the underlying internal control and risk management procedures in the area of the preparation and processing of financial and accounting information presented in the Chairman's report, and of the related documentation;
- Obtaining an understanding of the work performed as a basis for preparing that information and the existing documentation;
- Determining if any major internal control weaknesses in the area of the preparation and processing of financial and accounting information identified by us during the course of our engagement have been appropriately disclosed in the Chairman's report.

On the basis of the procedures performed, we have nothing to report on the information relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information contained in the report of the Chairman of the Supervisory Board prepared in accordance with article L.225-68 of the French Commercial Code (*Code de commerce*).

### Other disclosures

We hereby attest that the Chairman's report of the Supervisory Board includes the other disclosures required by article L.225-68 of the French Commercial Code (*Code de commerce*).

Neuilly-sur-Seine and Paris La Défense, May 31<sup>st</sup>, 2016

The Statutory Auditors  
*French original signed by*

**Deloitte & Associés**  
Dominique Laurent

**Mazars**  
Paul-Armel Junne

## Interests of members of the Management and Supervisory Boards

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### **Gross compensation and benefits in kind paid directly and indirectly to Company directors**

For details on compensation and benefits in kind paid to Company directors, please refer to the General Report of the Management Board Report (Chapter 2 of the present document).

### **Director attendance fees**

For details of attendance fees paid to Supervisory Board members, please refer to the General Report of the Management Board Report (Chapter 2 of the present document).

### **Stock options and free shares**

No stock options were granted to members of the Group's Management or Supervisory Boards in the fiscal year.

A certain amount of free shares were granted to Mr. Patrick Hirigoyen, member of the Management Board, and to Ms. Sarah Lamigeon, member of the Supervisory Board. The record of free share allocations (table 10 of the AMF recommendations) is given in the General Report of the Management Board Report (Chapter 1 of the present document).

### **Agreements signed with members of the Management and Supervisory Boards**

Agreements concluded with members of the Management and Supervisory Boards are presented in the Statutory Auditors' Special Report on Regulated Agreements and Commitments (Chapter 3 of the present document).

### **Other interests of members of the Management and Supervisory Boards**

All of the members of Solucom's Management and Supervisory Boards are also shareholders in the Company. They have no interests in any company that has a controlling stake in Solucom, nor in any subsidiary or major client or supplier of the Company.

### **Loans and guarantees**

None.

### **Assets owned directly or indirectly by members (and their families) of the Management and Supervisory Boards**

None.

## Profit sharing

Solucom SA implemented an employee profit-sharing scheme for 2015/16.

No subscription or purchase options were granted to the issuer's Company directors during the 2015/16 fiscal year.

During the fiscal year, free shares were allocated to Mr. Patrick Hirigoyen, member of the Management Board and to Ms. Sarah Lamigeon, member of the Supervisory Board.

The record of free share allocations (table 6 of the AMF recommendations) is featured in the General report of the Management Board Report (Chapter 2 of the present document).

Note that all of the issuer's stock option plans had expired by the end of 2008.

### Subscription or purchase options granted to and the number of options exercised by the ten highest-paid non-executive employees or executive beneficiaries

Summary of stock options granted and exercised over the fiscal year are presented in the table below:

	Total number of options granted/shares subscribed or purchased
Options granted during the year by the issuer or by any other company included in the scope of the stock option plan to the ten employees benefiting from the largest stock option allocations of the issuer and any company included in this scope	n/a
Options held in the issuing and aforementioned companies, which were exercised during the year by the ten employee beneficiaries of the issuer and its companies, for who the number of shares purchased or exercised was the highest.	n/a



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## General information

### concerning Wavestone and its share capital

#### 1. General information concerning the Company

##### 1.1. Key events in the development of the Company

###### 1990

Michel Dancoisne and Pascal Imbert found Solucom, a consulting firm specialized in networks and telecoms consulting.

###### 1994

Internet and telecoms deregulation boost Solucom's business.

###### 2000

Solucom floated on the French *Marché Libre*.

###### 2001

Solucom transfers to the French *Nouveau Marché* and raises funds on the market. Mergers with Arcome and Idesys.

###### 2005

Takeover of Dreamsoft.

###### 2006

Takeover of KLC and New'Arch.

###### 2007

Solucom completes its 2004/07 business plan. Takeover of Vistali in April 2007.

###### 2008

Takeover of Cosmosbay-Vectis in April 2008.

###### 2011

Solucom completes its 2007/10 business plan and prepares the "Solucom 2015" strategic plan.

###### 2012

Launch of the "Solucom 2015" strategic plan.

Takeovers of Alturia Consulting and Eveho in April 2012, and of Stance Partners in October 2012. Creation of SLM Consulting (Solucom's Moroccan subsidiary based in Casablanca) in September 2012.

###### 2013

Takeover of Lumens Consultants in December 2013.

###### 2014

Takeovers of Trend Consultants in January 2014 and Audisoft Oxea in November 2014. Acquisition of PEA's industrial assets in October 2014.

###### 2015

Takeover of Hudson & Yorke in February 2015. Acquisition of the assets of Hapsis in April 2015. Acquisition of the Swiss company Arthus Technologies in July 2015. Creation of subsidiary in Belgium in October 2015.

Solucom integrated into the Tech40 index.

Solucom completes its "Solucom 2015" strategic plan and launches its new strategic plan "Up 2020".

###### 2016

Acquisition of Kurt Salmon's European activities (excluding the retail and consumer goods businesses) in January 2016.

Please also note that at the Annual General Meeting held on Wednesday, 07/20/16, Solucom shareholders voted to adopt Wavestone as the company's new name.

##### 1.2. Company name and registered office

Wavestone  
Tour Franklin  
100-101 terrasse Boieldieu  
92042 Paris La Défense Cedex  
France

##### 1.3. Legal form

French public limited company (*Société Anonyme*) with a Management Board and Supervisory Board and governed by its Articles of Association and the legal and regulatory dispositions in force, notably the French Commercial Code.

##### 1.4. Date of incorporation and lifetime

Solucom (now Wavestone) was created in February 1990 and registered on 04/02/90.

In accordance with Article 5 of the Articles of Association, the term of the Company is 99 years from the date of registration until 04/02/2089, unless the Company is dissolved before this date or its life is extended beyond this date.

##### 1.5. Corporate purpose

In accordance with Article 2 of the Articles of Association, Solucom's direct and indirect corporate purpose, in France and abroad, is as follows :

- provision of IT services for third parties by the use of specifically-developed and standard programs;
- analysis, consulting, technical assistance, training, development, documentation, installation, and maintenance of IT and telecommunications systems, for information in any form and on all supports, and all related services carried out by any means;
- creation, implementation and management of all networks and/or groups with a view to developing concepts belonging to the Company and the transfer of expertise;
- development, ownership, management, leasing, and the sale of any patents and/or trademarks and the granting of any licenses;
- acquisition of equity interests, by any means, in any existing or future companies and businesses that could relate, directly or indirectly, to the Company's corporate purpose;
- and more generally, any financial, fixed or moveable activities that could relate, directly or indirectly, to the activities listed in the corporate purpose or which are likely to facilitate their development and expansion.



## 1.6. Trade and company registration

Trade and Company Registration number: Nanterre B 377 550 249

## 1.7. Fiscal year

Wavestone's fiscal year runs over a period of twelve months from April 1<sup>st</sup> of every year to March 31<sup>st</sup> of the following year (Article 34 of the Articles of Association).

## 1.8. Specific clauses in the Articles of Association

### Allocation of earnings (Article 37 of the Articles of Association)

If the financial statements for the year, as approved by the General Shareholders' Meeting, reveal that the Group has booked a net distributable profit as defined by law, the General Meeting must decide whether to allocate these distributable earnings to one or more reserve accounts (the use and appropriation of which it controls), to allocate them to retained earnings, or to distribute such earnings in the form of a dividend payout to shareholders.

The income statement, which lists income and expenditure movements for the year, presents the net result profit over the period after deduction of depreciation and provisions.

At least five percent shall be deducted from the annual net accounting profit (less any prior year losses) and allocated to the statutory reserve.

This allocation ceases to be mandatory once the total statutory reserve reaches one tenth of the share capital.

Distributable earnings consist of the net annual profit, less any prior year losses and statutory-reserve allocations (in accordance with legislation and the Articles of Association) plus any retained earnings brought forward.

The balance is divided among all of the shareholders in proportion to the number of shares they hold. The General Meeting may decide to distribute the amounts allocated to the reserves it controls, by stating explicitly the reserve accounts from which the distribution should be made.

Except in the case of a share capital reduction, no dividends can be distributed to shareholders if the amount of shareholders' equity is, or would in the event of said dividend payout, be lower than the value of the share capital plus the reserves that cannot be distributed under the law or the Articles of Association.

The revaluation reserve is not distributable and may be fully or partially incorporated into the share capital.

However, after deduction of allocations made to the statutory reserve in accordance with the law, the General Meeting may deduct from this profit all amounts it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

After approval of the financial statements by the General Meeting, any losses are carried forward as retained losses to be offset against future retained earnings until they are fully compensated.

### General Shareholders' Meetings

General Shareholders' Meetings are convened under the conditions provided for by law.

Meetings are held at Company headquarters or at any other location specified in the convening notice to the General Meeting.

### Admission to General Meetings - Powers (Article 28 of the Articles of Association)

1. All holders of ordinary shares may vote in General Meetings in person or by postal vote, regardless of the number of shares held, provided their shares are fully paid up.

The right to attend or to be represented at General Meetings is conditional upon:

- Holders of registered shares having registered their shares in a "pure registered" or a "administered registered" account by midnight (Paris time) of the second business day prior to the date of the Meeting;
- Holders of bearer shares being registered as such by midnight (Paris time) of the second business day prior to the date of the Meeting. The registration or accounting entry in the bearer-share register held by the authorized intermediary is attested to by a certificate of participation delivered by the intermediary attached to the remote or proxy voting form or by an application for an admission card established in the name of the shareholder;
- A certificate may also be issued to shareholders wishing to attend the Meeting in person who have not received their admission card by midnight (Paris time) of the second working day prior to the date of the Meeting.

If it deems fit, the Management Board may issue shareholders personal admission cards.

2. All shareholders may vote by post in accordance with current regulations by submitting a form which can be obtained by following the procedures stated in the convening notice to the General Meeting.

3. All shareholders may be represented by an individual or corporate body of their choice, in accordance with legal and regulatory provisions. In this case, the authorized agent must provide proof of proxy.

4. If the Management Board decides when convening the Meeting, shareholders may also participate in meetings via video-conference or other means of telecommunication enabling their identity to be established in accordance with regulatory procedures in force.

**Shareholders' right to receive information  
(Article 34 of the Articles of Association)**

In accordance with the statutory conditions and deadlines, shareholders are entitled to receive all the information necessary for them to make an informed decision relating to the management and control of the Company. The nature of these documents, as well as the conditions of their dispatch and availability are determined by law.

**Quorum - Voting (Article 30 of the Articles of Association)**

1. The quorum is calculated on the basis of all shares comprising the share capital, except in the case of Special General Meetings when it is calculated on all shares of the relevant class, less the number of shares without voting rights, as required by law.

Votes submitted by mail will only be taken into account in the calculation of the quorum if the Company receives the voting forms, correctly completed, at least three days before the Meeting.

Shareholders attending the Meeting by video conference or other means of telecommunication enabling their identification and in accordance with regulations in force will be included in the quorum calculation if the Management Board has communicated its intention to use such means of shareholder participation in the convening notice to the General Meeting.

2. Voting rights attached to share capital or other shareholders' rights are proportional to the percentage of the capital they represent. Every share entitles the holder to one vote except in application of Article 11 paragraph 4 relating to the provisions of L.225-123 and seq. of the French Commercial Code.

3. Votes are counted by hand-raising, roll-call or secret ballot, in accordance with the decision of the Meeting committee or Company Shareholders. Shareholders may also vote by post.

**Ordinary Shareholders' Meetings  
(Article 31 of the Articles of Association)**

Ordinary Shareholders' Meetings make all decisions which do not amend the Articles of Association.

Ordinary Shareholders' Meetings are called at least once a year, within a period of six months following the close of the Company's fiscal year to approve the financial statements of that year. Extensions may be obtained by court ruling.

Business conducted by Ordinary General Meetings based on the first call is only valid if the shareholders present, represented by proxy or voting by post hold at least one quarter of total shares with voting rights

Resolutions are adopted by the majority of votes cast by the total number of shareholders present, represented by proxy or voting by mail.

**Extraordinary Shareholders' Meetings  
(Article 32 of the Articles of Association)**

Extraordinary Shareholders' Meetings may amend any of the clauses of the Articles of Association, and notably decide to adopt a new civil or commercial legal form for the Company. They cannot however increase the shareholders' commitments, except in the case of transactions resulting from a legally valid consolidation of shares.

Subject to legal derogations, business carried out by Extraordinary General Meetings is only valid if the shareholders present, represented by proxy or voting by mail hold at least one quarter of total shares with voting rights at the first call, and one fifth at the second call. In the event the second quorum is not reached, the Meeting may be deferred to a date no later than two months after that fixed in the second convening notice.

Resolutions are adopted on the basis of a two-thirds majority of votes cast by shareholders present, represented by proxy, and voting by mail.

In Extraordinary General Meetings of a constitutive nature called to approve capital contributions in kind or to grant specific benefits, neither the contributor nor the beneficiary have the right to vote for his/her own account or on behalf of another shareholder.

**Rights and obligations attached to shares  
(Article 11 of the Articles of Association)**

1. Each share entitles the holder to a share in the profits, as well as Company assets and liquidation bonuses in proportion to the number and nominal value of the existing shares held, subject to rights granted to the shares of different classes, if any.

In addition, each share gives the holder a right to vote, to be represented at General Meetings, to be informed on the progress of the Company and to receive certain Company documents at times and under the conditions determined by law and the Articles of Association.

2. Shareholders' liabilities are limited to the amount of their capital contributions. In the case of a change in share ownership, rights and obligations attached to the shares concerned are transferred to the new owner. Ownership of shares automatically binds the owner to the Company's Articles of Association and resolutions adopted by General Meetings.

3. Whenever it is necessary to hold a given number of shares to be able to exercise a right, shareholders who do not own the required number of shares must make their own arrangements to form a group and, if necessary, purchase or sell the required number of shares.

4. Holders of fully paid-up shares registered in their own name for more than two years are granted double voting rights.

In addition, double voting rights are automatically granted to registered shares allocated freely to shareholders in proportion to former shares held that already enjoyed double voting rights.

Double voting rights attached to shares automatically cease in the event of a change in share ownership, subject to exceptions provided for by law.

The system of double voting rights was adopted by decision of the Extraordinary Shareholders' Meeting of 12/06/1999.

The existence of the double voting rights system within the Articles of Association may delay, postpone or prevent a change in control over the Company.

5. Any individual or corporate body acting alone or in concert who acquire a portion of the Company's existing share capital or voting rights, as specified under Article L.233-7 of the French Commercial Code, must notify the Company of the total number of the shares held, within five trading days of breaking through the statutory threshold of the total number of shares and voting rights owned.

These individuals or corporate bodies must also inform the French financial markets regulator (AMF) within five trading days of breaking through the statutory threshold.

The same obligations apply for shareholders crossing below the statutory thresholds defined in the first paragraph.

Parties obliged to disclose the information stated in the first paragraph must communicate the number of shares giving future access to the Company's share capital and related voting rights.

In addition, they must declare whenever they go above or fall below the threshold of one tenth or one fifth of the Company's share capital or voting rights, and also state their objectives for the coming twelve months.

This declaration specifies whether the purchaser is acting alone or in concert, plans to cease acquisitions, make more acquisitions, gain control of the Company and seek appointment

as a member of the Management Board or the Supervisory Board for himself/herself, a third party or a group of persons. This declaration must be addressed to the Company.

6. New preference shares may be issued based on any legal procedures, terms, conditions and limits. They shall be governed, converted and/or redeemed in accordance with statutory conditions.

#### **Identifiable bearer securities (Article 9 of the Articles of Association)**

In accordance with Article L.228-2 of the French Commercial Code, the Company may at any time make use of all applicable laws and regulations, notably by requesting the organization responsible for third party payments to identify the holders of securities giving immediate or future voting rights at its own General Shareholders' Meeting, as well as the number of securities held by these shareholders and any restrictions attached to the securities. In addition, if the Company believes that certain shareholders whose identities have been disclosed hold shares on behalf of a third party, it may also, in accordance with the law, request the identity of the third-party in question.

#### **Members of the Management and Supervisory Boards**

##### **Powers of the Management Board (Article 17, paragraph 1 of the Articles of Association)**

The Management Board is vested with extensive powers to act in any circumstances in the name of the Company within the scope of the Company's corporate purpose and subject to the powers conferred by law, these Articles of Association to General Shareholders' Meetings and the Supervisory Board.

No restriction of its powers will be enforceable against third parties, who may take legal action against the Company in the performance of commitments made in its name by the Chairman of the Management Board or a Chief Operating Officer, once their appointments have been regularly published.

The members of the Management Board are allocated specific duties authorized by the Supervisory Board. On no account does this exempt the Management Board and either one of its members from their two-fold obligation to meet and discuss the most important issues concerning the management of the Company, and exercising their joint responsibility.

The Management Board may charge one or more of its members or any other person to carry out special, permanent

or temporary assignments which it determines, and delegate such person(s) the powers it deems suitable for one or more specific purposes, with or without the right to sub-delegate.

#### **Powers of the Supervisory Board (Article 20 of the Articles of Association)**

The Supervisory Board ensures the permanent monitoring of the management of the Company by the Management Board.

The Supervisory Board may conduct as many audits and controls it considers opportune at any time during the year and ask the Management Board to provide any document it considers necessary to carry out its mission.

At least once every quarter, the Management Board reports to the Supervisory Board on the main actions or events that have occurred concerning the management of the Company and provides all the necessary information concerning the Company's business trends, as well as its financial statements for the interim and, if applicable, quarterly periods.

After the close of each fiscal year, and within the regulatory deadlines, the Management Board submits the annual and consolidated financial statements to the Supervisory Board for verification and control, and presents its report to the General Meeting.

At the Annual General Meeting, the Supervisory Board presents its comments on the report of the Management Board and the full-year consolidated and annual financial statements.

The Chairman also reports on the conditions for preparing and organizing the work of the Supervisory Board, as well as on the Internal control procedures implemented by the Company.

Under no circumstances whatsoever can the Supervisory Board or any of its members be directly or indirectly involved in the management of the Company while exercising their supervisory duties.

Pursuant to Article L.225-68 of the French Commercial Code, the following transactions must receive prior approval from the Supervisory Board:

- sale/transfer of real estate;
- total or partial sale/transfer of equity investments;
- constitution of sureties, pledges, security deposits and guarantees.

The Supervisory Board may give the Management Board prior approval to conduct one or more of the above-mentioned transactions within the limit of the maximum amounts, conditions and time frame determined by the Board.

The Supervisory Board may set up committees made up of its own members, to examine and give their opinion on issues submitted by the Supervisory Board or its Chairman for review. The Board determines the composition and powers of these committees, which conduct their business under the Supervisory Board's responsibility.

#### **1.9. Share buy-backs**

Details concerning the share buy-back program in force during the year ended 03/31/16, and the share buy-back program submitted for shareholder approval at the 07/20/16 Combined Ordinary and Extraordinary General Meeting are given in Chapter 6 of the present document.

## **2. General information concerning the share capital**

### **2.1. Share capital**

At 03/31/16, Solucom's share capital totaled €496,688.20 for 4,966,882 fully paid-up shares of the same class (Article 6 of the Articles of Association), at a par value of €0.10 each.

### **2.2. Potential share capital**

Since all past stock option plans had expired since 12/31/08.

There is no potential share capital dilution.

In the event of a future allocation, the Company undertakes to not issue stock options at prices that would significantly differ from its stock market share price.

### **2.3. Authorized unissued share capital**

The financial authorizations granted to the Company by the 07/22/15 Combined Ordinary and Extraordinary General Meeting are still valid. More details on these authorizations are given in the additional notes of the Management Board Report in Chapter 2 of the present document.

## 2.4. Pledges, guarantees and sureties

### Registered shares pledged in 03/31/16

Name of registered shareholder	Beneficiary	Effective date of pledge	Expiry date of pledge	Condition for cancellation of pledge	Number of issuer shares pledged	% of issuer share capital pledged
None	None	None	None	None	None	None
<b>TOTAL</b>						

### Issuer asset pledges at 03/31/16 (intangible, tangible and financial assets)

Type of pledge	Effective date of pledge	Expiry date of pledge	Value of pledged assets (a) (€m)	Balance sheet total (b) (€m)	(a) / (b) (%)	Conditions for releasing pledge
On intangible asset	None	None	None	44.7	n/a	None
On fixed asset	None	None	None	5.6	n/a	None
On financial asset <sup>(1)</sup>	01/07/16	01/20/22	78.6 <sup>(2)</sup>	96.9	81.1%	See comments
<b>TOTAL</b>			<b>78.6</b>	<b>147.3</b>	<b>53.4%</b>	

(1) Pledges and assignment of receivables relates to collateral put up against lines of credit granted to the Group by its bankers. These commitments mature in 2022. These concern MCG France shares, intra-group receivables held by MCG France and its subsidiaries and receivables arising from the exercise of liability guarantees.

(2) The amount in question corresponds to the pledge related to MCG France shares and the assignment of intra-group receivables. The pledge on receivables which might be held by Solucom on Management Consulting Group PLC under the liability guarantee cannot be measured since these pledged assets are not, at this time, considered part of Solucom's assets.

## 2.5. Shareholders' pact and agreements

### Measures relating to the shareholders

None.

### Measures relating to the issuers

None.

The Company is not aware of any clause that could have an impact on the Company's assets and liabilities, business, financial situation, earnings and outlook.



### 3. Breakdown of share capital and voting rights

#### 3.1. Shareholders

The list of Solucom (now Wavestone) shareholders at 03/31/16 is given in the table below:

Shareholders	Shares	Capital (%)	Theoretical voting rights	% of theoretical voting rights <sup>(1)</sup>	Exercisable voting rights	% of exercisable voting rights <sup>(2)</sup>
<b>Executives and Company directors</b>	<b>2,619,509</b>	<b>52.74%</b>	<b>5,229,398</b>	<b>67.72%</b>	<b>5,220,343</b>	<b>68.19%</b>
<i>Pascal Imbert</i>	1,447,284	29.14%	2,894,568	37.48%	2,894,568	37.81%
<i>Michel Dancoisne</i>	1,135,272	22.86%	2,270,344	29.40%	2,270,344	29.65%
<i>Patrick Hirigoyen</i>	26,148	0.53%	51,931	0.67%	51,931	0.68%
<i>Other</i>	10,805	0.22%	12,555	0.16%	3,500	0.05%
<b>Employees</b>	<b>261,009</b>	<b>5.25%</b>	<b>289,493</b>	<b>3.75%</b>	<b>289,493</b>	<b>3.78%</b>
<b>Treasury stock</b>	<b>66,617</b>	<b>1.34%</b>	<b>66,617</b>	<b>0.86%</b>	<b>0</b>	<b>0.00%</b>
<b>Free float</b>	<b>2,019,747</b>	<b>40.66%</b>	<b>2,137,009</b>	<b>27.67%</b>	<b>2,146,064</b>	<b>28.03%</b>
<b>Total</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>7,722,517</b>	<b>100.00%</b>	<b>7,655,900</b>	<b>100.00%</b>

(1) Pursuant to Article 11 of the Company's Articles of Association, double voting rights are granted to holders of fully paid-up shares registered in their name for at least two years. In addition, pursuant to Article 223-11 of the general regulations of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares including those without and without voting rights.

(2) In accordance with AMF position-recommendation n° 2014-14, the total number of voting rights exercisable at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights but does not include those deprived of voting rights.

Total voting rights attached to registered shares: 5,631,143 (1) for 2,875,508 shares.

Total number of shares with voting rights: 4,966,882.

Total number of bearer shares with single voting rights: 4,966,882 - 2,875,508 = 2,091,374 (2).

Total number of theoretical voting rights (1) + (2) = 7,722,517.

Number of treasury shares = 66,617 (3).

Total number of exercisable voting rights (1) + (2) - (3) = 7,655,900

A TPI analysis conducted on 04/11/16 revealed that approximately two-thirds of the shares making up the free float on that date were held by institutional funds and one third by private shareholders.

29% of Solucom's (now Wavestone) shares are held by Pascal Imbert, the CEO, and 23% by Michel Dancoisne, the Chairman of the Supervisory Board. Acting in concert, these two shareholders jointly own 52% of the Company's capital.

To the best of the Company's knowledge, no other shareholder owns 5% or more of its share capital and/or voting rights.

Patrick Hirigoyen is a member of the Management Board and Executive Vice-President and COO, in charge of operations for the Company.

Other executive directors and Company directors include Jean-François Perret (Vice-Chairman of the Supervisory Board), Marie-Ange Verdickt, Nathalie Wright, Sarah Lamigeon and Rafaël Vivier (members of the Supervisory Board).

Wavestone is managed by its two founding shareholders. The Company endeavors to respect the strict principles of corporate governance. To this end, it notably adopted a two-tier corporate structure comprising a Management Board and a Supervisory Board. The presence of independent directors on the Supervisory Board ensures that it carries out its supervisory function and represents Company shareholders. As such, every year the Supervisory Board reviews subjects including strategic issues, annual action plans and budgets, and Internal control procedures. The Supervisory Board also carries out a self-assessment survey to evaluate the functioning of the Board and reviews the independent-director status of its members.

### 3.2. Change in share capital over the past five years

There has been no change in the Company's share capital over the past five years. The last operation carried out on the Company's share capital was the creation of 16,220 new shares on 05/26/09, subsequent to the exercise of stock options during fiscal year ended 03/31/09.

### 3.3. Changes in the Company's shareholding structure over the last three years

	04/11/16 <sup>(3)</sup>				03/31/15 <sup>(3)</sup>			04/08/14 <sup>(3)</sup>		
	Number of shares	Capital (%)	% of theoretical voting rights	% of exercisable voting rights	Number of shares	Capital (%)	% of theoretical voting rights	Number of shares	Capital (%)	% of theoretical voting rights
<b>Executives and Company directors <sup>(1) (2)</sup></b>	<b>2,619,509</b>	<b>52.74%</b>	<b>67.72%</b>	<b>68.19%</b>	<b>2,613,118</b>	<b>52.61%</b>	<b>67.03%</b>	<b>2,621,944</b>	<b>52.79%</b>	<b>67.06%</b>
<i>P. Imbert</i>	1,447,284	29.14%	37.48%	37.81%	1,447,284	29.14%	37.20%	1,447,284	29.14%	37.09%
<i>M. Dancoisne</i>	1,135,272	22.86%	29.40%	29.66%	1,135,272	22.86%	29.17%	1,140,072	22.95%	29.21%
<i>P. Hirigoyen</i>	26,148	0.53%	0.67%	0.68%	28,562	0.58%	0.64%	30,180	0.61%	0.68%
<i>Other executive directors and Company directors</i>	10,805	0.22%	0.16%	0.05%	2,000	0.04%	0.03%	4,408	0.09%	0.09%
<b>Employees<sup>(4)</sup></b>	<b>261,009</b>	<b>5.25%</b>	<b>3.75%</b>	<b>3.78%</b>	<b>243,910</b>	<b>4.91%</b>	<b>4.04%</b>	<b>260,321</b>	<b>5.24%</b>	<b>4.36%</b>
<b>Treasury stock</b>	<b>67,120</b>	<b>1.35%</b>	<b>0.87%</b>	<b>0.00%</b>	<b>75,336</b>	<b>1.52%</b>	<b>0.97%</b>	<b>62,937</b>	<b>1.27%</b>	<b>0.81%</b>
<b>Free float</b>	<b>2,019,244</b>	<b>40.65%</b>	<b>27.67%</b>	<b>28.03%</b>	<b>2,034,518</b>	<b>40.96%</b>	<b>27.96%</b>	<b>2,021,680</b>	<b>40.70%</b>	<b>27.78%</b>
<b>Total</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,966,882</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Company directors.

(2) Messrs Dancoisne and Imbert acting in concert.

(3) Pursuant to Article 223-11 of the General Regulations of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares including those without voting rights. In accordance with AMF position-recommendation n° 2014-14, the total number of voting rights exercisable at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights but does not include those without voting rights.

(4) Pursuant to Article 2009-16 modified on 12/17/13 of the general regulations of the AMF, an employee subtotal was added as of 03/31/14. This employee subtotal was maintained during the fiscal year ended 03/31/16, in accordance with AMF position-recommendation n° 2014-14.

There was no material change in the Company's shareholder structure in 2015/16 fiscal year.

In accordance with legal and regulatory provisions in force, the following table lists the transactions carried out on Company shares by executive directors, senior managers, and persons closely related to them, during the past fiscal year.

Executive director	Date of transaction	Type of transaction	Number of shares	Transaction share price
Mr. Jean-François Perret	11/27/15	Sale	250 shares	€62.610
Mr. Patrick Hirigoyen	12/16/15	Sale	2,500 shares	€65.165

### 3.4. Threshold crossings

In a letter addressed to the AMF on 02/12/16, Messrs. Pascal Imbert and Michel Dancoisne declared that, acting in concert, they had broken through the 66% voting rights threshold and that, together, they owned 2,582,556 Solucom shares, representing 5,164,912 voting rights (equivalent to 52% of the Company's share capital and 66.87% of the voting rights). This breaks down as follows:

	Shares	Capital (%)	Voting rights	% of voting rights
Pascal Imbert	1,447,284	29.14%	2,894,568	37.48%
Michel Dancoisne	1,135,272	22.86%	2,270,344	29.40%
<b>Total concert</b>	<b>2,582,556</b>	<b>52.00%</b>	<b>5,164,912</b>	<b>66.87%</b>

This threshold crossing stems from a reduction in the total number of the Company's voting rights.

#### 4. Issuer as a member of another group

The Company does not belong to another group.

#### 5. Dividends

##### 5.1. Statute of limitations

Unclaimed dividends expire after a period of five years and are paid to the French government pursuant to legal provisions.

##### 5.2. Dividend distribution

The Company has distributed dividends to its shareholders since the fiscal year ended 03/31/95.

Fiscal-year ended	Number of shares	Dividends paid (in euros)	Dividend per share (DPS) (in euros)
03/31/13	4,909,878	1,571,161	0.32
03/31/14	4,909,331	1,620,079	0.33
03/31/15	4,911,457	1,915,458	0.39

##### 5.3. Dividend paid out for the fiscal year ended 03/31/16

The General Shareholders' Meeting called to approve the financial statements for the year ended 03/31/16, will be asked to approve a gross dividend payout of €2,009,109 to be drawn from the Company's reported 2015/16 earnings.

Treasury shares owned by the Company within the context of the share buy-back program are not eligible to receive dividends; the difference between the estimated amount of the dividend payout mentioned above and the amount actually disbursed will be booked under Retained Earnings.

##### 5.4. Future dividend payout policy

Details of the Company's dividend payout policy are given in the General Report of the Management Report in chapter 2 of the present document.



## 6. Market for Company shares

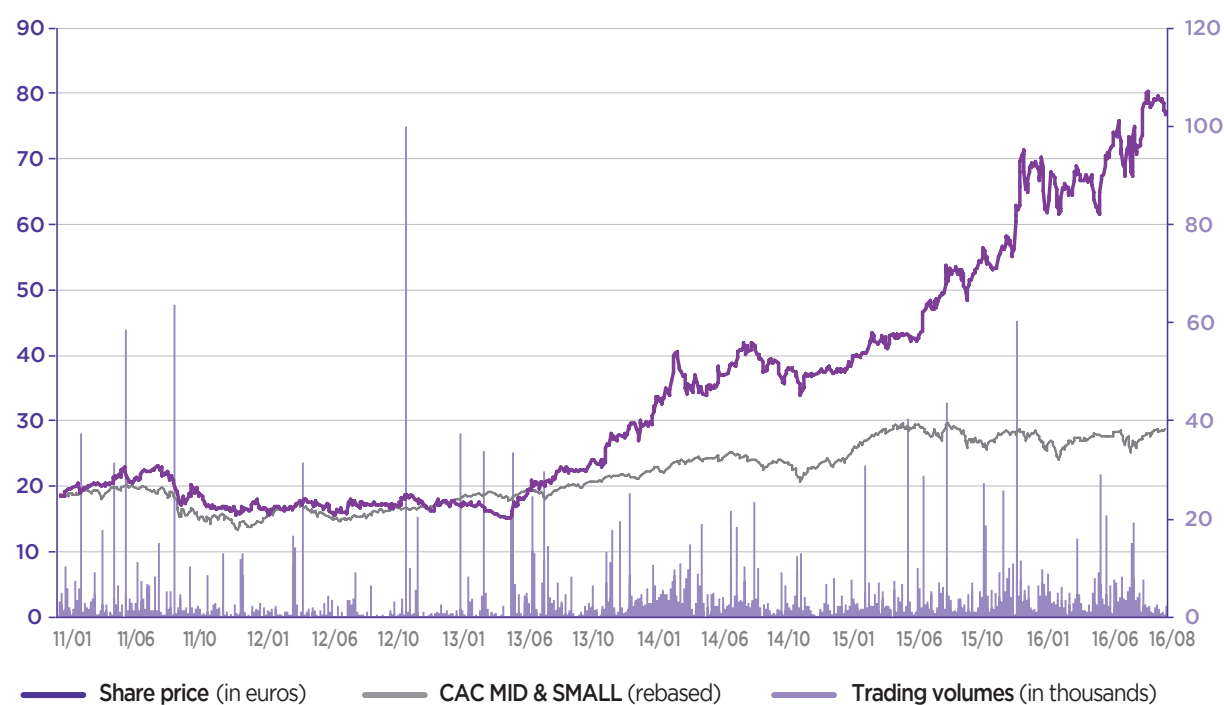
The Company is listed on compartment B of Euronext Paris.

### Trends in the share price from 04/01/15 to 08/31/16

(market price in euros, trading volumes in thousands)

Date	Highest price	Lowest price	Last listed price	Total trading volumes	Average monthly share price
April 2015	43.40	41.51	43.14	50,121	43.10
May 2015	43.47	42.10	43.35	84,414	42.77
June 2015	49.77	43.48	47.50	75,141	47.12
July 2015	54.00	47.75	53.00	101,071	51.15
August 2015	53.65	47.85	51.50	54,650	51.62
Sept. 2015	57.10	51.35	54.19	105,147	53.81
Oct. 2015	57.30	53.10	56.50	84,373	54.45
Nov. 2015	63.10	53.50	62.98	164,018	58.33
Dec. 2015	71.60	63.00	69.50	76,763	68.47
Jan. 2016	70.92	60.42	67.78	92,764	66.10
Feb. 2016	67.96	60.00	65.60	47,418	65.08
March 2016	69.00	64.00	66.80	73,673	66.48
April 2016	67.90	61.66	61.81	56,299	65.23
May 2016	75.25	65.00	73.50	81,155	70.54
June 2016	76.20	61.44	68.00	101,849	70.78
July 2016	81.58	67.90	78.57	53,189	74.69
August 2016	79.80	76.75	76.75	21,114	78.73

### Trends in the share price from 12/31/10 to 08/31/16



## Exceptional events and disputes

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To the Company's knowledge, there are no exceptional events or disputes liable to have a material impact on the financial position or earnings of the Company or the Group.

With the exception of disputes related to arising during the normal course of the Group's business, Solucom has not been subject to any government, legal or arbitration proceedings during the last twelve months.







# 2016 Combined Ordinary and Extraordinary General Meeting



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# Supervisory Board Report

## 07/20/16 Combined Ordinary and Extraordinary General Meeting

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To the Shareholders,

Pursuant to the supervisory duties to which we are legally bound, we have the honor of presenting our observations on the Management Board report and the financial statements for the fiscal year ended 03/31/16 presented to the Combined Ordinary and Extraordinary General Meeting on 07/20/16 (hereinafter referred to as the "Meeting").

In accordance with the law, our observations cover the Management Report concerning the activities of your Company and those of your Group prepared by the Management Board, as well as the annual and consolidated financial statements for the fiscal year ended 03/31/16 and other items on the Meeting agenda.

### 1. Observations on the annual and consolidated financial statements for the fiscal year ended 03/31/16

The accounting documents relating to the annual and consolidated financial statements for the fiscal year ended 03/31/16 which are submitted to you for approval were communicated to us by your Management Board within the legally prescribed time-frame.

The Supervisory Board drew up this report on the basis of the work carried out by the Audit Committee. For the record, all of the members of the Supervisory Board also serve on the Audit Committee (see the report of the Chairman of the Supervisory Board drawn up in accordance with the provisions of Article L.225-68 of the French Commercial Code). On the basis of the work carried out by the Audit Committee, the Supervisory Board examined the financial statements presented by the Management Board and held discussions with the Statutory Auditors.

The Supervisory Board has no observations to make on the annual and consolidated financial statements for the fiscal year ended 03/31/16, nor on the reports and explanatory notes drawn up and presented by the Management Board.

The Supervisory Board requests that you approve the annual financial statements, as well as the profit allocation and dividend payout proposals presented by your Management Board.

The Supervisory Board also asks that you to approve the consolidated financial statements.

### 2. Proposed mandate renewal of Ms. Marie-Ange Verdickt as member of the Supervisory Board

The Management Board submits for your approval the proposal to renew the mandate of Ms. Marie-Ange Verdickt as member of the Supervisory Board for a further term of four years until the close of the General Meeting called to approve the financial statements for the fiscal year ended 03/31/20.

All of the legally-prescribed information concerning Ms. Marie-Ange Verdickt, including her biography, is disclosed in Section 5.1.4. of the Management Board Report which you are invited to consult.

On 05/30/16, the Supervisory Board met to review the independent status of Ms. Verdickt on the basis of the independence-qualification criteria defined by the MiddleNext Code and adopted into the internal rules of the Board. These qualification criteria stipulate the absence of any financial, contractual or family relationships likely to impair the independence of board members' judgment.

The Supervisory Board reviews the independence status of its board members on the basis of MiddleNext Code qualification criteria, which specify that directors must not:

- be an employee in, nor hold an executive director mandate with the Company or its Group, nor have held such a position in the past three years;
- be a client, supplier or major banker of the Company or its Group, or for whom the Company or its Group represents a major part of its business;
- be a reference shareholder of the Company;
- have any close family ties with a Company director or reference shareholder;
- have been an auditor of the Company during the previous three years.

After review of the situation, the Supervisory Board concluded that Ms. Marie-Ange Verdickt filled all of these independence-qualification criteria and approved the Management Board's proposal to renew Ms. Verdickt's mandate as a member of the Supervisory Board.

Accordingly, the Supervisory Board requests you approve this proposal.

### **3. Observations on the report of the Chairman of the Supervisory Board drawn up in accordance with the provisions of Article L.225-68 paragraph 7 of the French Commercial Code**

We hereby inform you that, at its meeting of 05/30/16, the Supervisory Board approved, without reservation nor comment, the report drawn up by the Chairman of the Supervisory Board in accordance with the provisions of Article L.225-68 paragraph 7 of the French Commercial Code.

### **4. Observations on other points on the Meeting agenda**

The Supervisory Board has no observations to make on the decisions submitted for your approval and asks that you vote in favor of the following resolutions:

- the new share buy-back program;
- all authorizations granted to the Management Board, in accordance with the existing legal and regulatory dispositions, relative to capital-reduction operations by way of share cancellation and financial operations related to capital increases reserved for Company employees and Company directors;
- the change in the Company's trade name and Article 3 of the Articles of Association.

The Supervisory Board wishes to express its gratitude to the Management Board and all of Solucom's employees for their hard work and efforts in the past fiscal year.

Paris La Défense

05/30/16

**The Supervisory Board**



## Description of share buy-back program to be submitted for approval at the Combined Ordinary and Extraordinary General Meeting on 07/20/16

In accordance with Articles 241-1 to 241-5 of the General Regulations of the French Financial Market Regulator (AMF), and European Regulation n° 227/2003, dated 12/22/03, the following description of the Company's share buy-back program outlines the purpose, as well as the terms and conditions of the share buy-back program that will be submitted for shareholder approval at the Combined Ordinary and Extraordinary General Meeting on 07/20/16.

This new program cancels and replaces the program adopted by Company shareholders on 07/22/15.

### 1. Date of the General General Meeting called to approve the share buy-back program

The share buy-back program described below will be submitted for Shareholder approval at the 07/20/16 Combined Ordinary and Extraordinary General Meeting.

### 2. Distribution of equity and debt securities held by solucom at 04/29/16

On 04/29/16, Solucom owned 64,259 shares, equivalent to 1.3% of the Company's share capital. These shares were distributed in the following manner:

- 6,193 shares were allocated for the purposes of stimulating the secondary market or enhancing the liquidity of Solucom shares via a liquidity contract concluded with an investment services provider in accordance with the ethics charter approved by the AMF. For the record, Solucom concluded a liquidity contract with the Portzamparc, brokerage firm, in accordance with the legal and regulatory provisions applicable to the ethical charter and the AMAFI.
- No shares were allocated to Group employees and/or Company directors in accordance with the conditions and formalities provided by law, notably with respect to stock option plans attributed for profit-sharing purposes such as employee savings schemes, free-share allocations or any other forms of share allocation.
- 58,066 shares were held in reserve to finance future external growth operations.

In accordance with legislation and regulations in force, these shares are deprived of all dividend and voting rights.

Solucom did not take recourse to any derivative instruments to implement this share buy-back program.

### 3. Objectives of the new share buy-back program

Solucom will use the new share buy-back program authorized under the seventh resolution submitted for approval at the Combined Ordinary and Extraordinary General Meeting on 07/20/16, for the following purposes:

- to stimulate the market for Solucom shares, especially to benefit share liquidity, via a liquidity contract concluded with an independent investment services provider in accordance with the ethical charter recognized by the AMF;
- to retain the purchased shares for use, at a later date, as payment or exchange in external growth operations;
- to allocate or sell shares (depending on the case) to employees and/or Company directors of the Company or companies within the Group, in accordance with the conditions and formalities provided by law, notably for profit-sharing and share-ownership plans, to set up company and inter-company savings plans, and to implement and hedge all stock option and free-share plans;
- to retain shares for exchange purposes in the event rights attached to securities giving access in any way to Company capital are exercised;
- to cancel all or some of the acquired shares for the purposes of reducing the capital, within the context of and subject to, a valid authorization granted by the Extraordinary General Meeting;
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share repurchase programs and, more generally, to carry out all operations conforming to the regulations in force with regard to these programs.



#### **4. Maximum share of capital, maximum number and characteristics of shares that can be purchased, and maximum acquisition price**

Under the terms of the seventh resolution submitted for Shareholder approval at the Combined Ordinary and Extraordinary General Meeting on 07/20/16, the Management Board will be authorized to buy Solucom shares equivalent to up to 10% of the Company's share capital at 04/29/16 (i.e. a maximum of 496,688 shares). Given the amount of treasury stock held by the Group at 04/29/16, Solucom would be able to buy back a total of 432,429 shares, equivalent to around 8.71% of the shares making up the Company's share capital at that date.

Stock eligible for repurchase are ordinary shares all of the same category and listed on Paris Euronext, compartment B (ISIN code FR 0004036036).

The maximum purchase price is set at €140.00 per share. In the event of any operations being carried out on the Company's capital, in particular share splits, reverse splits and free-share allocation transactions, the number of purchasable shares indicated above would be adjusted accordingly.

The maximum amount that could be invested in these transactions is therefore capped at €60,540,060 (432,429 shares x €140.00).

Shares may be purchased on one or more occasions and at times the Management Board deems appropriate, other than during periods of public offerings on Company shares, in compliance with applicable regulations and market practices accepted by the AMF. In addition, shares may be purchased on a securities market, via an off-market transaction and by way of a block purchase over the counter. Derivative and optional financial instruments may also be used to implement the program although these do not significantly contribute to stock volatility.

#### **5. Duration of the new share buy-back plan**

Under the terms of the seventh resolution to be submitted for Shareholder approval at the Combined Ordinary and Extraordinary General Meeting on 07/20/16, the Management Board will be authorized to buy-back Company shares for a period of eighteen months following the date of the 2016 Combined Ordinary and Extraordinary General Meeting. This authorization cancels the authorization granted to the Management Board by the Combined Ordinary and Extraordinary General Meeting on 07/22/15.

Furthermore, in accordance with article 241-2-II of the General Regulations of the AMF, any change in the information given in subsections I-3, I-4 and I-5 of said article and mentioned in this description, shall be brought to the public's attention as rapidly as possible by the means specified in article 221-3 of the General Regulations of the AMF, notably by making such changes available at Company headquarters and on the Solucom website.

The present publication is available on the Wavestone website: [www.wavestone.com](http://www.wavestone.com)

For information, the Combined Ordinary and Extraordinary General Meeting on 07/20/16 approved the seventh resolution authorizing the Management Board to trade in company shares through the implementation of a share buyback program. The main features of this plan are as follows:

In its meeting convened immediately after the Annual General Meeting on 07/20/16, the Management Board decided to implement the share buyback plan authorized by the AGM. The features of the share buyback program were transmitted to the AMF and published on the Company's website after the Annual General Meeting.

## Text of the resolutions

### put to shareholder vote at the 07/20/16 Combined Ordinary and Extraordinary General Meeting

#### I. Ordinary General Meeting

##### First resolution

> Approval of Solucom's reports and annual financial statements for the fiscal year ended 03/31/16

###### Summary of resolution n° 1:

###### Objective:

Approve Solucom's annual financial statements at 03/31/16 for which the Company reported a net profit of €13,517,570.

The General Meeting ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the reports of the Management and the Supervisory Boards, as well as those of the Chairman of the Supervisory Board and the Statutory Auditors approves the Company's annual financial statements for the fiscal year ended 03/31/16 showing a net profit of €13,517,570, as well as the transactions recorded therein and summarized in said reports.

In accordance with Article 223-4 of the French General Tax Code, the General Meeting approves the global amount of non-deductible expenses and charges referred to in Article 39-4 of said Code in the amount of €33,574 and a theoretical tax rate related to expenses and charges of €11,561.

##### Second resolution

> Approval of Solucom's consolidated financial statements and reports for fiscal year ended 03/31/16

###### Summary of resolution n° 2:

###### Objective:

Approve the Group's consolidated financial statements for the fiscal year ended 03/31/16

The General Meeting ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Management Board, Supervisory Board and Statutory Auditors Reports, approves the Group's consolidated financial statements for the fiscal year ended 03/31/16, as well as the transactions recorded therein and summarized in said reports.

##### Third resolution

> Allocation of net income and setting of the dividend and distribution date

###### Summary of resolution n° 3:

###### Objective:

After appropriation of net income in the amount of €13,517,570, to approve a gross dividend of €2,009,109, equivalent to a per-share dividend €0.41 on shares eligible to receive dividends.

###### Distribution payout policy:

The gross dividend represents a 5% increase on 2014/15 levels and a payout ratio of 15% of Group share of net income in line with previous years.

**Distribution date:** As of 07/29/16

The General Meeting ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the proposal of the Management Board to appropriate the profit of €13,517,570 generated in the 2015/16 fiscal year as follows:

Dividend payout	€2,009,109
Retained earnings	€11,508,461

Accordingly, the per-share dividend for the 2015/16 fiscal year is set at €0.41 for shares eligible to receive dividends (it being specified that the Company owned 66,617 treasury shares at 03/31/16).

If at the time of payout, the number of shares eligible to receive dividends differs from the 4,900,265 shares making up the share capital at end-March 2016, the gross dividend will be adjusted to take this difference into account and the balance credited to, or debited from "Retained Earnings" on the basis of the actual dividend paid out.

The ex-dividend date is set for 07/27/16 with payment as of 07/29/16. For individuals who are tax residents of France, dividends are eligible for tax relief of 40%, as specified in Article 158.3 2°) of the French General Tax Code.

The following table lists the dividends paid out in the previous three fiscal years, as required by law:

Fiscal year	Number of shares <sup>(1)</sup>	Dividend per share (DPS) <sup>(2)</sup>	Portion of dividend eligible for 40% deduction <sup>(3)</sup>
03/31/15	4,911,457	€0.39	100%
03/31/14	4,909,331	€0.33	100%
03/31/13	4,909,878	€0.32	100%

(1) After deduction of treasury shares.

(2) Before tax and social security deductions.

(3) The Company did not distribute any income that is not eligible for tax relief.

#### Fourth resolution

##### > Approval of regulated agreements and commitments

###### Summary of resolution n° 4:

###### Objective:

*Acknowledge that no new regulated agreements or commitments were authorized, concluded or signed during the fiscal year ended 03/31/16.*

*Acknowledge the information pertaining to the only agreement that was approved in a fiscal year prior to 2015/16 and still in effect during the last fiscal year and which was the subject of a Statutory Auditors report.*

The General Meeting, ruling under the quorum and majority required for Ordinary General Meetings, having reviewed the Special Report of the Statutory Auditors, in accordance with Article L.225-88 of the French Commercial Code, acknowledges:

- that no new agreements or commitments were authorized, agreed or signed during the fiscal year ended 03/31/16;
- that the information relating to the previously approved agreement was still in effect during the fiscal year ended 03/31/16;
- the absence of previously signed agreements by the Company.

#### Fifth resolution

##### > Determination of the global amount of annual attendance fees to be awarded to Supervisory Board members

###### Summary of resolution n° 5:

###### Objective:

*Determine the global amount of annual attendance fees to be awarded to members of the Supervisory Board for the 2016/17 fiscal year and beyond until a new decision is taken at a future General Meeting.*

*In its previous decision, the General Meeting of 07/22/15 had fixed the global amount of annual attendance fees for Supervisory Board members at €50,000.*

The General Meeting, ruling under the quorum and majority conditions for Ordinary General Meetings fixed the global annual amount of attendance fees to be awarded to members of the Supervisory Board at €74,000 for the 2016/17 fiscal year and beyond until a new decision is taken at a future General Meeting.

#### Sixth resolution

##### > Renewal of Ms. Verdickt's mandate as a member of the Supervisory Board

###### Summary of resolution n° 6:

###### Objective:

*Renew the mandate of Ms. Verdickt as a member of the Supervisory Board. The biography of Ms. Verdickt and reasons for proposing the renewal of her mandate as a member of the Supervisory Board are given in the Management Board Report.*

###### Term of office:

*4 years, until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/20.*

On the proposal of the Supervisory Board, the General Meeting ruling under the quorum and majority conditions required for Ordinary General Meetings decides to renew the mandate of Ms. Marie-Ange Verdickt as a member of the Supervisory Board for



a statutory period of four years until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/20.

## Seventh resolution

### > Authorization delegating powers to the Management Board to trade in Company shares

#### Summary of resolution n° 7:

##### Objective:

*Delegate the Management Board power to buy back Company shares. The maximum purchase price is set at €140 per share (excluding trading charges) and the maximum number of purchasable shares capped at 10% of the share capital less the amount of treasury stock already owned by the Company. The ceiling on the number of purchasable shares is reduced to 5% for shares acquired for use at a later date as payment in exchange operations.*

*The Management Board may buy back Company shares:*

- *for cancellation by way of a share capital reduction;*
- *to allocate or, as the case may be, sell shares to employees and/or Company directors of the Company or companies within the Group;*
- *to stimulate trading on the secondary market for, and ensure the liquidity of Solucom shares by concluding a liquidity contract with an independent investment services provider in accordance with the Ethics Charter recognized by the AMF;*
- *to be used, at a later date, as payment or exchange in external growth operations;*
- *for exchange in the event rights attached to securities giving access in any way to Company capital are exercised;*
- *to implement all market practices and objectives permitted by law.*

*The purchase, sale, exchange or transfer of these shares may be carried out by any means, on one or several occasions, notably on a stock exchange or over the counter in the form of a block purchase, sale, exchange or transfer or by way of derivatives and any other financial instrument without limitation on the portion of the buy-back program that may be executed by such means.*

*This authorization is valid for a period of eighteen months as of the 07/20/16 Annual General Meeting.*

The General Meeting ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Management Board Report, grants all powers to the Management Board, including that of sub-delegation, to have the Company buy back its own shares under the legal and regulatory terms and conditions applicable at the

time of trading, and in particular pursuant to the terms and obligations imposed by Articles L.225-209 and seq. of the French Commercial Code, European Regulation 2273/2003 dated 12/22/03 and the General Regulations of the AMF.

The Management Board may use this authorization for the following purposes:

- to stimulate trading on the secondary market for, and ensure the liquidity of Solucom shares by concluding a liquidity contract with an independent investment services provider in accordance with the Ethics Charter recognized by the AMF;
- to retain the purchased shares for use, at a later date, as payment or exchange in external growth operations;
- to allocate or, as the case may be, sell shares to employees and/or Company directors of the Company or companies within its Group, in accordance with the conditions and formalities provided by law, notably in the case of profit-sharing and share-ownership plans, as well as the setting up of company and inter-company savings plans, and the implementation and coverage of all stock option and free-share plans;
- to retain shares for exchange purposes in the event rights attached to securities giving access in any way to Company capital are exercised;
- to cancel all or some of the acquired shares for the purposes of reducing the capital, within the context of, and subject to, a valid authorization granted by the Extraordinary General Meeting;
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share repurchase programs and, more generally, to carry out all operations conforming to the regulations in force with regard to these programs.

The General Meeting hereby decides that:

- the purchase, sale, exchange or transfer of shares may be carried out by any means, on a stock exchange or over the counter, in the form of a block purchase or sale, without limiting the portion of the buy-back program that may be executed by such means, or, if necessary, by way of any form of derivative instrument transaction provided that these do not contribute in a significant way to increasing the volatility of the share price (it being specified that block share purchases can only be carried out with a reference shareholder if the latter offers one or several forms of compensation such as a discount to the value of the purchased shares). These transactions may be executed at any time, other than during periods of public offerings on Company's shares (unless such transactions are carried out to meet share-delivery commitments or pursue strategic operations initiated, or announced, before the launch of the public offering);

- the maximum number of shares the Company may purchase under the present authorization is capped at 10% of the share capital, in accordance with Article L.225-209 of the French Commercial Code. This includes treasury stock acquired under previous share buy-back authorizations granted by the Ordinary General Meeting, it being specified that i) the number of shares bought to be held for later use, or to be exchanged in the context of a merger, spin-off or contribution operations, may not exceed 5% of the Company's share capital, and ii) when shares are bought for the purposes of a liquidity contract, the 10% calculation applies to the number of shares acquired less the number sold during the term of this authorization;
- the maximum purchase price per share is capped at €140 (excluding trading charges), it being specified that in the event of transactions carried out on the Company's share capital (notably capital increases by incorporation of reserves and allocation of free shares), and involving splits and reverse-splits, the price and number of shares mentioned above will be adjusted by a factor equal to the ratio between the number of shares making up the capital before the transaction, and the number of shares comprising the capital after the transaction;
- the total number of funds allocated for treasury share purchase is capped at €60,540,060 and subject to available reserves;
- this authorization cancels and replaces the previous authorization granted to the Management Board by Combined Ordinary and Extraordinary General Meeting on 07/22/15 under the eighth resolution with the same purpose. This authorization is valid for a period of eighteen (18) months from the date of the present General Meeting.

The General Meeting grants all powers to the Management Board, including that of sub-delegation, to set up and implement a share buy-back plan, and notably to:

- launch and implement the present buy-back program;
- place, within the limits specified above, any trades through a stock exchange or via an over-the-counter operation in compliance with applicable regulations;
- adjust the share purchase price to take into account the impact of transactions on the Company's share price;
- sign any registrar agreements to maintain registers of share purchases and sales;
- ensure full traceability of transactions;
- make all declarations and carry out all formalities with the appropriate organisations, notably the French Financial Markets Authority (AMF), and file all stock purchase/sale information (or request this be filed by the securities service) in the sales/purchase record, as required under articles L.225-211 and R.225-160 of the French Commercial Code;
- fulfill all other formalities and, in general, do everything else that is necessary;
- ensure that the works council is informed that the present resolution has been adopted, in accordance with the provisions of Article L.225-209, paragraph 1 of the French Commercial Code;
- ensure that Company's shareholders are informed at the next Annual General Meeting of the precise allocation of the shares purchased for the specific purposes indicated.

## II. Extraordinary General Meeting

### Eighth resolution

#### > Authorization delegating powers to the Management Board to reduce the share capital by cancelling treasury shares

##### Summary of resolution n° 8:

##### Objective:

*Delegate the Management Board power to cancel Company shares acquired under the authorization granted under the seventh resolution within a limit of 10% of the share capital by twenty-four month periods, and to reduce the share capital accordingly.*

*The Company may cancel treasury stock as a means to achieve various financial objectives, such as implementing an active capital management strategy, balance sheet optimization or as compensation for any share dilution resulting from an increase in capital.*

*This authorization is valid for a period of eighteen (18) months as of the 07/20/16 Annual General Meeting.*

The General Meeting ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Management Board Report and the Statutory Auditors Special Report:

1. Authorizes the Management Board in accordance with the provisions of Article L.225-209 of the French Commercial Code to i) cancel on one or several occasions treasury shares held or acquired by the Company within the context of the implementation of the seventh resolution or any other such resolution having the same purpose and which is subject to the same legal provisions, for up to 10% of the Company's share capital by twenty-four (24) month periods, and ii) to reduce the share capital accordingly. It is specified that this 10% ceiling applies to the amount of the Company's share capital which, if necessary, will be adjusted to take into account operations carried out on the share capital subsequent to the Annual General Meeting.
2. Authorizes the Management Board to reduce the share capital by allocating the difference between the purchase value and the par value of the cancelled shares to share premiums and available reserves.
3. Grants the Management Board the power, including that of sub-delegation, to carry out any operations required to cancel the shares and reduce the share capital, notably by determining the definitive amount and conditions, as well as

to make the corresponding changes to the Company's Articles of Association and to complete all formalities required.

4. Decides that this authorization is granted for a period of eighteen (18) months from the date of the July 20<sup>th</sup> General Meeting.

### Ninth resolution

#### > Authorization delegating powers to the Management Board to allocate free existing and to-be-issued shares to employees of the Company and/or the companies of the Group

##### Summary of resolution n°9:

##### Objective:

*Grant the Management Board the power to allocate free existing or to be issued shares to employees of the Company and/or companies within its Group.*

*Such share allocations would fall under the terms of the new free share scheme applying to share attributions granted under a resolution adopted by the General Meeting subsequent to the publication of Law n° 2015-990 dated 08/06/15 for growth, activity and equality of economic opportunity (Macron Law).*

*The total number of free shares distributed under the present authorization shall not exceed 5% of the Company's share capital, on the date of allocation. The maximum nominal amount of capital increases authorized under the present authorization will be deducted from the global ceiling fixed under the eleventh resolution below.*

*The minimum vesting period is set at one year, after which the shares are definitely acquired, and the minimum conservation period at two years dating from their definitive allocation, it being understood that the Management Board may reduce or suppress the conservation period on condition that the vesting period is at least equal to two years.*

*The Management Board will determine the identity of employee beneficiaries and the number of free shares assigned to them, as well as the conditions and share allocation criteria that must be met to qualify for the definitive acquisition of all or some of the shares.*

*This authorization is valid for a period of thirty eight (38) months as of the 07/20/16 Annual General Meeting.*

The Annual General Meeting, ruling under the quorum and majority required for Extraordinary General Meetings, having reviewed the Management Board Report and the Special Report

of the Statutory Auditors, pursuant to Articles L.225-197-1 to L.225-197-6 of the French Commercial Code:

1. Terminates, with immediate effect for the unused portion, the authorization granted by the Combined Ordinary and Extraordinary General Meeting on 07/22/15 in the sixteenth resolution relating to the same purpose.

2. Delegates powers to the Management Board to freely allocate, on one or more occasions and at such times it deems appropriate, existing or to-be-issued shares to employees and/or certain categories of employees of the Company and/or companies within its Group as defined in Article L.225-197-2 of the French Commercial Code.

3. Caps the total number of existing and/or to-be-issued shares that may be allocated under the present authorization at 5% of the Company's share capital at the date of allocation, it being specified that the nominal value of shares attributed under this authorization is to be deducted from the global ceiling fixed in the eleventh resolution below.

4. Grants the Management Board the power to proceed (alternatively or cumulatively and within the limits fixed in the preceding paragraph) with the allocation of:

- existing shares arising from buy-back operations carried out by the Company under the provisions laid down in Articles L.225-208 and L.225-209 of the French Commercial Code and/or,
- shares to be issued by way of a capital increase; in this case, the General Meeting grants powers to the Management Board to increase the share capital by incorporation of reserves for up to the corresponding nominal amount of the new shares to be issued, and to ensure that, in accordance with the law, the beneficiaries designated to receive free shares automatically waive their pre-emptive subscription rights on the shares to be issued.

5. Decides to:

- fix the minimum vesting period at one year from the date of allocation after which beneficiaries may definitively acquire their rights, it being specified that these rights shall not be transferable until the end of this period, pursuant to Article L.225-197-3 of the French Commercial Code; nevertheless, in the event of the death of a beneficiary, the heirs may request that the shares be granted within a period of six months of the date of death; furthermore, in accordance with the provisions of Article L.225-197-1 I, paragraph 5, shares may be definitively granted before the end of the vesting period

should the beneficiary be a victim of a disability that falls within the second or third disability categories defined by Article L.341-4 of the French Social Security Code,

- set the minimum conservation period at two years as from the date of their definitive allocation; nevertheless, the Management Board may reduce or suppress the two-year conservation period if the vesting period specified in the paragraph above is at least two years; during the period of conservation, shares shall be freely transferable in the event of the beneficiary's death, or should the beneficiary become disabled, in accordance with applicable regulations.

6. The General Meeting delegates the Management Board all powers, including that of sub-delegation under the conditions fixed by law, and within the limits determined above, to:

- determine the identity of the beneficiaries, and/or the category or categories of share allocation, it being specified that 1) employees and Company directors of the Company owning more than 10% of the share capital are not eligible to receive free shares, and that 2) free shares cannot be allocated to employees and Company directors if this were to increase their personal holding to over 10% of the Company's share capital;
- distribute the share allocation rights in the quantities and at the times it deems appropriate;
- determine the share-allotment conditions and eligibility criteria and, if applicable, the performance criteria;
- determine the definitive vesting and conservation periods of the shares within the limits set by the General Meeting as specified above;
- set aside in an unavailable reserve account allocated to the rights of the beneficiaries, a sum (to be transferred from any of the Company's freely available reserves) that is equal to the total amount of the nominal value of the shares that may be issued by way of a capital increase;
- draw on the unavailable reserve when necessary to book the nominal value of shares to be issued to beneficiaries and by doing so increase the share capital by the nominal amount of free shares allocated;
- in the event of a capital increase, modify the Articles of Association accordingly, and carry out all necessary formalities;
- in the event of financial transactions carried out in accordance with the provisions of Article L.228-99, paragraph 1 of the French Commercial Code, during the vesting period implement all measures deemed necessary to preserve and adjust the rights of the beneficiaries, in accordance with



the terms and conditions specified in said Article, it being understood that any additional rights granted as a result of the application of such an adjustment would not be taken into account in the ceiling calculation mentioned in point 3 of the present resolution.

7. This authorization is valid for a period of thirty-eight (38) months from the date of the present General General Meeting.

### Tenth resolution

#### > Authorization delegating powers to the Management Board to allocate free existing and to-be-issued shares to Company directors of the Company and some or all of the Group's companies

##### Summary of resolution n° 10:

##### Objective:

*Grant the Management Board the power to allocate free existing or to-be-issued shares to Company directors of the Company and/or companies within its Group.*

*Such share allocations would fall under the terms of the new free share scheme applying to share attributions granted under a resolution adopted by the General Meeting subsequent to the publication of Law n° 2015-990 dated 08/06/15 for growth, activity and equality of economic opportunity (Macron Law).*

*The total number of free shares distributed under the present authorization shall not exceed 0.5% of the Company's share capital, on the date of allocation. The maximum nominal amount of the capital increases authorized under the present authorization will be deducted from the global ceiling fixed under the eleventh resolution below.*

*The minimum vesting period is set at one year, after which the shares are definitely acquired, and the minimum conservation period at two years dating from their definitive allocation, it being understood that the Management Board may reduce or suppress the conservation period on condition that the vesting period is at least equal to two years.*

*The Management Board will determine the identity of employee beneficiaries and the number of free shares assigned to them, as well as the conditions and share allocation criteria that must be met to qualify for the definitive acquisition of all or some of the shares.*

*This authorization is valid for a period of thirty-eight (38) months as of the 07/20/16 Annual General Meeting.*

The General Meeting, ruling under the quorum and majority required for Extraordinary General Meetings, having reviewed the Management Board Report and the Special Report of the Statutory Auditors, pursuant to Articles L.225-197-1 to L.225-197-6 of the French Commercial Code:

1. Terminates, with immediate effect, for the unused portion, the authorization granted by the Combined Ordinary and Extraordinary General Meeting on 07/22/16 under the Sixteenth Resolution relating to the same purpose.

2. Authorizes the Management Board to allocate, on one or more occasions and at such times it deems appropriate, free existing or to-be-issued shares to Company directors of the Company and/or companies within its Group as defined in Article L.225-197-2 of the Commercial Code.

3. Caps the total number of existing and/or to-be-issued shares that may be allocated under the present authorization at 0.5% of the Company's share capital at the date of allocation to Company directors of the Company and/or companies within its Group, it being specified that the nominal value of shares attributed under this authorization is to be deducted from the global ceiling fixed under Resolution 11 below.

4. Grants the Management Board the power to proceed (alternatively or cumulatively and within the limits fixed in the preceding paragraph) with the allocation of:

- existing shares arising from buy-back operations carried out by the Company under the provisions laid down in Articles L.225-208 and L.225-209 of the French Commercial Code, and/or,
- shares to be issued by way of a capital increase; in this case, the General Meeting grants powers to the Management Board to increase the share capital by incorporation of reserves for up to the corresponding nominal amount of the new shares to be issued, and ensure that, in accordance with the law, the beneficiaries designated to receive free shares automatically waive their pre-emptive subscription rights on the shares to be issued.

5. Decides to:

- fix the minimum vesting period at one year from the date of allocation after which beneficiaries may definitively acquire their rights, it being specified that these rights shall not be transferable until the end of this period, pursuant to Article L.225-197-3 of the French Commercial Code; nevertheless, in the event of the death of a beneficiary, the heirs may request that the shares be granted within a period of six months of the date of death; furthermore, in accordance with the provisions of Article L.225-197-1 I, paragraph 5, shares may be definitively granted before the end of the vesting period



should the beneficiary be a victim of a disability that falls within the second or third disability categories defined by Article L.341-4 of the French Social Security Code,

- set the minimum conservation period at two years as from the date of their definitive allocation; nevertheless, the Management Board may reduce or suppress the two-year conservation period if the vesting period specified in the paragraph above is at least two years; during the period of conservation, shares shall be freely transferable in the event of the beneficiary's death, or should the beneficiary become disabled, in accordance with applicable regulations.

6. Decides that definitive allocation of shares to Company directors is contingent upon fulfilling a pre-determined set of performance targets.

7. Grants the Management Board all powers, including that of sub-delegation under the conditions fixed by law, and within the limits determined above, notably to:

- determine the identity of the beneficiaries, it being specified that 1) employees and Company directors of the Company owning more than 10% of the share capital are not eligible to receive free shares, and that 2) free shares cannot be allocated to employees and Company directors if this were to increase their personal holding to over 10% of the Company's share capital;
- distribute the share allocation rights in the quantities and at the times it deems appropriate;
- determine the share-allotment conditions and eligibility criteria and if applicable, the performance criteria;
- determine the definitive vesting and conservation periods of the shares within the limits set by the General Meeting as specified above;
- set aside in an unavailable reserve account allocated to the rights of the beneficiaries, a sum (to be transferred from any of the Company's freely available reserves) that is equal to the total amount of the nominal value of the shares that may be issued by way of a capital increase;
- draw on the unavailable reserve when necessary to book the nominal value of shares to be issued to beneficiaries and by doing so increase the share capital by the nominal amount of free shares allocated;

- in the event of a capital increase, modify the Articles of Association accordingly, and carry out all necessary formalities;
- in the event of financial transactions carried out in accordance with the provisions of Article L.228-99, paragraph 1 of the French Commercial Code, during the vesting period, implement all measures deemed necessary to preserve and adjust the rights of the beneficiaries, in accordance with the terms and conditions specified in said Article, it being understood that any additional rights granted as a result of the application of such an adjustment would not be taken into account in the ceiling calculation mentioned in point 3 of the present resolution.

8. This authorization is valid for a period of thirty-eight (38) months from the date of the present General General Meeting.

### Eleventh resolution

> **Limit the common ceiling applying to authorizations concerning the allocation or issue of Company's shares to salaried employees, certain categories of employees and Company directors of the Company and/or companies within its Group.**

#### Summary of resolution n° 11:

##### Objective:

*The General Meeting of 07/22/15 voted to cap all profit sharing and participation authorizations reserved for employees and/or executive directors of the Company and companies within its Group at 8% of the Company's share capital.*

*It is proposed that the cumulative global ceiling be maintained at 8% for the following authorizations granted to the Management Board concerning:*

*i) employees adhering to the Company Savings Scheme, as decided by the General Meeting dated 07/22/15 under the fifteenth resolution;*

*ii) employees and Company directors (with at least director status) of the Company and its subsidiaries, as decided by the General General Meeting dated 07/22/15 under the seventeenth resolution, and,*

*iii) employees and/or certain categories of employees and corporate offices of the Company and/or its subsidiaries, as proposed under the ninth and tenth resolution of the General Meeting dated 07/20/16.*

The General Meeting ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Management Board terminates, with immediate effect, the common global ceiling decided by the Combined Ordinary and Extraordinary General Meeting dated

07/22/15 under the eighteenth resolution relating to the same purpose.

The General Meeting decides to cap at 8% of the Company's share capital on the date of allotment or issue, the total number of existing and/or to-be-issued shares reserved under legal conditions for salaried employees, certain categories of employees and Company directors of the Company and/or companies in its Group as authorized by the Combined Exceptional and Ordinary General Meeting dated 07/20/16 under the ninth and tenth resolutions above, as well as the fifteenth and sixteenth, authorized by the Combined Exceptional and Ordinary General Meeting dated 07/22/15 and summarized below:

(I) Resolution 15: delegation of powers granted to the Management Board to issue ordinary shares and marketable securities giving access to the Company's share capital to employees and Company directors who are subscribers of an employee savings scheme or a Group savings plan.

(II) Resolution 17: delegation of powers granted to the Management Board to issue marketable securities giving access to the Company's share capital, without pre-emptive subscription rights maintained, reserved for employees and Company directors (with at least Director status) of the Company and its subsidiaries.

## Twelfth resolution

### > Proposal to modify the legal name of the Company and Article 3 of the Articles of Association

#### Summary of resolution n° 12:

##### Objective:

*Adopt a new name for the Company which will be unveiled at the 07/20/16 Annual General Meeting and accordingly modify Article 3 of the Articles of Association.*

The General Meeting ruling under the quorum and majority conditions required for Extraordinary General Meetings having reviewed the Management Board Report voted to modify the legal name of the Company from "Solucom" to "Wavestone":

Accordingly, Article 3 of the Articles of Association - "Legal name" - will read as follows:

*"ARTICLE 3 - LEGAL NAME*

*The legal name of the Company is "Wavestone".*

*The registered office may be transferred to any other location in the same or a neighboring department by a decision of the Supervisory Board, subject to ratification at the next Ordinary General Meeting, or to any other location subject to the approval of the Extraordinary General Meeting"*

The General Meeting delegates all powers to the Management Board to carry out all formalities related to the change in legal name with the commercial and companies register.

## Thirteenth resolution

### > Powers for formalities

#### Summary of resolution n° 13:

##### Objective:

*Standard resolution granting the necessary powers to carry out all publication and legal formalities.*

The General Meeting, ruling under the quorum and majority required for Extraordinary General Meetings, grants all powers to the bearer of a copy or the original of these minutes, to carry out all legal formalities.

All of the resolutions presented for shareholder approval at the 07/20/16 Annual General Meeting were validated. In particular, Solucom shareholders voted to adopt Wavestone as the Company's new name.







# Additional information



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## Documents available to the public

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The Registration Document is available at the Company's registered office:

Tour Franklin  
100-101, terrasse Boieldieu  
92042 Paris La Défense Cedex  
France

Phone: +33 1 49 03 20 00

and on the Company's website: [www.wavestone.com](http://www.wavestone.com)

During the period of validity of the present Registration Document, the following documents may be consulted at the Company's registered office:

- the Company's Articles of Association;
- all reports, letters and other documents, historical financial information, assessments and declarations issued by an expert at the Group's request, some of which are included or referred to in this document;
- Wavestone's historical financial information for each of the two fiscal years preceding the publication of the present Registration Document.

## Persons responsible

### Person responsible for the Registration Document

Pascal Imbert, CEO.

### Statement by the person responsible for the Registration Document

*"I hereby certify that, after taking all reasonable measures to this effect, the information contained in the present document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to give a false representation.*

*I declare that, to the best of my knowledge, the financial statements were prepared according to generally accepted accounting principles and give a true and fair view of the assets and liabilities, the financial situation and the results of the Company and all entities in its scope of consolidation, and that the management report on page 25 presents a faithful summary of progress in the businesses, results and financial situation, as well as a description of the main risks and uncertainties of the Company and all entities in its scope of consolidation.*

*I have obtained a completion letter from the Statutory Auditors stating that they have audited the information relating to the financial position and the financial statements presented in this Registration Document and in the document as a whole"*

Paris, 09/26/16.

Pascal Imbert, CEO

### Persons responsible for the Statutory Audit

#### Statutory Auditors

Mazars, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale des Commissaires aux comptes de Versailles*), 61, rue Henri Regnault - 92075 Paris La Défense Cedex, appointed by the 07/11/14 Ordinary General Meeting; mandate due to expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/20. represented by Mr. Paul-Armel Junne.

Deloitte & Associés, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale des Commissaires aux comptes de Versailles*), 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, appointed by the 09/25/13 Ordinary General Meeting; mandate due to expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/19. represented by Mr. Dominique Laurent.

#### Substitute Statutory Auditors

Fidus, 12, rue de Ponthieu - 75008 Paris, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale des Commissaires aux comptes de Versailles*), appointed by the 07/11/14 Ordinary General Meeting; mandate due to expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/20.

BEAS, 7, Villa Houssay - 92200 Neuilly-sur-Seine, mandate renewed by the 09/25/13 Ordinary General Meeting; mandate expires at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/19.

### Person responsible for financial information

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In compliance with European Commission Regulation (EC) no. 809-2004

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