

Annual Report 2016/17



WAVESTONE



The present Registration Document was filed with the French financial markets authority (AMF) on 07/12/17 under number D.17-0750, 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 Wavestone's financial statements and reports on 03/31/17.

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 03/31/16 as presented on pages 97 to 128 of the Registration Document filed with the AMF on 09/26/16 under number D.16-0860,
- ✦ The annual financial statements of the Wavestone company and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 03/31/16 as presented on pages 129 to 145 of the Registration Document filed with the AMF on 09/26/16 under number D.16-0860.

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 and at Company headquarters.

WAVESTONE



Transform.

**It's what we do.
With you.**



WAVESTONE ON THE GLOBAL STAGE

THE FIRM OPERATES IN 14 COUNTRIES ON 4 CONTINENTS
VIA ITS OWN SUBSIDIARIES AND PARTNERSHIPS.

Brussels
New York
Paris
Lyon
Marseille
Nantes
Milan*
Hong Kong
Madrid*
Luxembourg
Casablanca
London
São Paulo*
Geneva
Singapore*
Istanbul*
Dubai*



*Partnerships

WAVESTONE 2016/17

revenues
in millions of euros

338.7

26,288

employees
worldwide

No. 1

independent
consulting
firm in France,
and among the top firms
in Europe

Data at 03/31/2017

Present in

14

countries
on 4 continents



INTERVIEW

With Michel Dancoisne



Michel Dancoisne
Chairman of
the Supervisory Board

“We absolutely believe in sharing as an effective catalyst for growth, both for ourselves and for our clients.”

What are the key values that define Wavestone?

Our cardinal value, from which all our other values are derived, is our commitment to collective decision-making and team spirit. The way we operate and our organizational structure are all about sharing. That's rather unusual in the consulting industry, which generally focuses on individuality. We absolutely believe in sharing as an effective catalyst for growth, both for ourselves and for our clients.

We have made the organizational choices needed to put this philosophy into practice and to promote a multidisciplinary approach. We know that this is our strength in the competitive environment in which we operate, and the response we have received from our clients convinces us that we have made the right choices.

And that is absolutely indicative of our approach to consultancy: today's transformations no longer differentiate between management and technology, and the plans of our clients involve profound transformational change which transcends boundaries and demands the seamless mobilization of widely diverse skills.

We also pay very close attention to building long-term relationships, whether it's with our employees, our clients or our shareholders. Trust and transparency guide our actions and flow right through our business processes.

———— **What does being socially responsible actually mean at Wavestone?**

It's a commitment that governs and guides our corporate plan. We have set a firm and quantified goal for our social responsibility ambitions as part of our 2021 strategic plan. That goal is to be in the Top 3 of our category in the Gaia Index sustainable development ratings every year. This voluntary commitment requires us not only to set out precise action plans, but also to have their progress assessed by an independent external organization.

As a consulting firm, employment issues in the context of our human resources strategy are central to our CSR policy. And because our business has little impact in terms of the environment, our corporate responsibility also focuses on the wider issues of society. All our employees are involved in all our initiatives, from those implemented by our corporate foundation to our sponsorship of the Villebon Institute or Powerday (a full day of volunteering), etc. so our commitment to responsibility is an individual commitment for everyone in the firm. The work we do is focused on promoting equality of opportunity, countering discrimination and giving our stakeholders the guarantee of a strict framework for business ethics and transparency.

———— **Why did you choose to adopt a shared governance model?**

We saw it as essential to separate management functions from control functions. The Management Board has responsibility for developing and exercising operational control over corporate strategy, but in that role it is challenged and guided by the Supervisory Board.

The role of control exercised by the Supervisory Board is extensive, because it involves not only internal compliance, but also risk management and efficient auditing. With 60% of its membership independent, this ensures that minority shareholders are represented, at the same time as working closely with the Management Board to ensure the success of our corporate plan.

“Our relationship with shareholders is maintained by means of a permanent process of dialog and information provision that enables all stakeholders to be fully involved.”

———— **So exactly how is the shareholder relationship seen?**

Again, it's a long-term relationship whose roots lie in trust and a commitment to transparency. Our core shareholders, who represent the majority, share the aim of building the value of Wavestone for the benefit of all its shareholders. Nevertheless, it's important to ensure that management decisions do not work against the interest of minority shareholders. So although that role falls essentially to the Supervisory Board, our relationship with shareholders is also maintained by means of a permanent process of dialog and information provision that enables all stakeholders to be fully involved. In November 2016, we received the Mid/Small Caps Digital Award at the Mazars Shareholder & Investor Relationship Awards presented in recognition of companies that excel in terms of relationship quality and transparency.



INTERVIEW

With Pascal Imbert



Pascal Imbert
Chief Executive Officer

“By combining our expertise and leveraging the complementarity of our skills, we are cultivating a free-flowing model that allows us to release more value for our clients.”

—— The 2016/17 fiscal year saw the construction of Wavestone...

We devoted the fiscal year to creating a firm with an original business model focused on the challenges faced by our clients.

Wavestone is unusual in more ways than one. Firstly, in terms of the very broad palette of skills we embrace, from the most sophisticated business expertise to the most disruptive technologies, and also as a result of the choice to embed innovation at the heart of our offering and working methods. Whether we are considering the outlook for our target industries, encouraging our clients to think outside the box or giving free rein to employee initiative, innovation is clearly present at every link in our value chain.

Wavestone is innovative right through to its operational model, which is consciously designed to be the opposite to silo thinking; by cultivating a free-flowing model, we leverage the complementarity of our skills to release more value for our clients.

These fundamental differences are reflected in our name and in the Wavestone ambition to establish itself as a benchmark brand for the world of consulting.

———— **How has this new branding been received by your clients?**

Our clients have congratulated us on the relevance of our business plan from day one. In fact, they have gone further by very quickly confirming their commitment to us by giving us assignments that the firms from which Wavestone emerged would never have been able to attract alone.

But the best evidence of how successfully our plan has been received is how it is working in action: in a survey we have just conducted, 95% of our clients say that they are satisfied with the collaborative relationship they have with Wavestone. That response confirms that we have made the right choices and further strengthens our commitment.

———— **What are the short-term priorities now for the ongoing development of Wavestone?**

The main task of building Wavestone is now behind us.

But naturally, there are still areas for optimization. More precisely, we have work to do on improving team loyalty and boosting the operational performance of certain practices. And we'll be focusing on that during the first half of fiscal 2017/18.

Over and above these immediate improvements, and in the context of the Wavestone 2021 strategic plan, we have set three priorities for the current fiscal year.

The first is to continue investing in broadening and boosting awareness of our brand.

We also want to further improve the way we express the potential of Wavestone by targeting a number of key transformations in the market, such as the future banking landscape, new energy sector models, driverless vehicles and even the modernization of the French state.

Lastly, we plan to relaunch our initiatives targeting external growth, especially in international markets.

“International markets are our most strategic development challenge going forward.”

———— **So what precisely are your international ambitions?**

International markets are our most strategic development challenge going forward.

We currently have an operating presence in eight countries. Our goal is to remain focused on these regions and accelerate our business growth in them. We will be putting particular emphasis on the two flagship markets of the UK and USA to achieve an initial level of critical size in both. Looking further into the future, if the office we recently opened in Hong Kong takes off as we hope it will, Asia could also become a priority market.

Our international development strategy will see us combining organic growth with targeted acquisitions, thereby reproducing the model that has succeeded so well for Wavestone in the French market. That strategy will also draw on our operational model, which ignores geographic boundaries to concentrate instead on cooperation between international teams.

So as you see, our ambition is not to remain a regional leader, but rather to become one of the world's leading international consulting firms within the next few years.



Key data for fiscal 2016/17

11.4%

EBIT margin

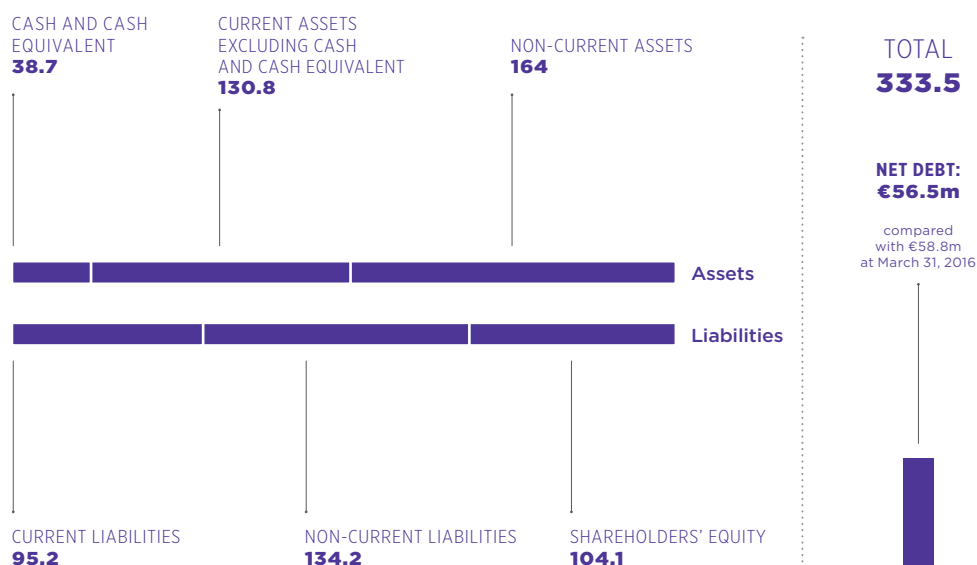
Simplified consolidated income statement

Audited consolidated figures ⁽¹⁾ at 03/31 (in €m)	2016/17	2015/16	Variance	2015/16 ⁽²⁾ pro forma
Revenues	338.7	233.0	+45%	326.2
Operating income on ordinary activities	38.7	29.8	+30%	34.5
EBIT margin	11.4%	12.8%		10.6%
Operating profit	35.6	23.1	+54%	24.1
Net income, group share	20.1	13.4	+50%	12.6
Net margin	5.9%	5.7%		3.9%

(1) Arthus Tech has been consolidated since 07/01/15, and the European activities of Kurt Salmon (exc. retail and consumer goods) have been consolidated since 01/01/16.

(2) The pro forma financial data for the 12-month period ended 03/31/16 has been prepared as if the Kurt Salmon acquisition by Wavestone had occurred on 04/01/15.

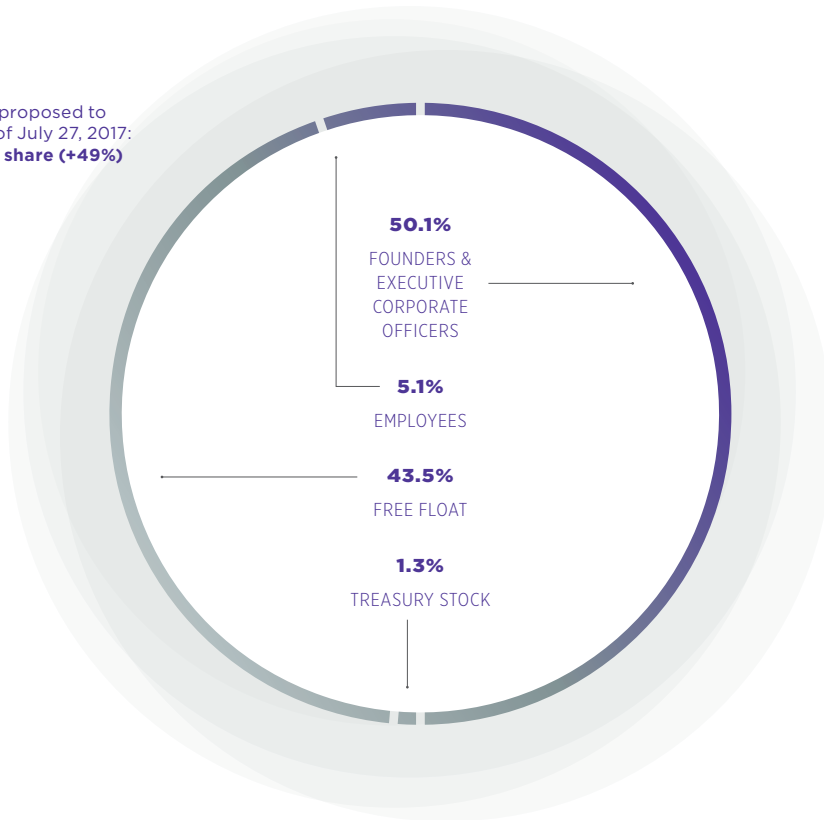
Consolidated balance sheet at March 31, 2017 (in €m)



Audited consolidated figures at 03/31/17 (in €m)

Breakdown of share capital at March 31, 2017

Dividend proposed to the AGM of July 27, 2017: **€0.61 per share (+49%)**



Financial calendar



Stock market data

Share prices at 06/01/2017

€95.90

Number of shares

4,966,882

Market capitalization

€476m

Company value

€533m

(Market capitalization at 06/01/17 + net debt at 03/31/17)

Share data

Market: Euronext Paris
 ISIN code: FR0004036036
 ICB: 9533 IT services
 Reuters: WAVE.PA
 Bloomberg: WAVE:FP

Wavestone is listed on the Euronext Tech40 index and is eligible for the PEA-PME share savings plan.



CONTENTS

Introduction

KEY DATA AND GLOBAL PRESENCE_	02
INTERVIEW WITH MICHEL DANCOISNE_	04
INTERVIEW WITH PASCAL IMBERT_	06
KEY DATA FOR FISCAL 2016/17_	08

Megatrends_ 12

REINVENTING THE BANK_	14
DRIVERLESS VEHICLES_	16
THE ENERGY TRANSITION_	18
MODERNIZING GOVERNMENT ACTION_	20

Leading the way_ 22

VALUE PROPOSITION_	24
ECOSYSTEM_	26
ASSETS_	28
COMPETITORS & MARKETS_	30

Success factors_ 32

HUMAN RESOURCES_	34
CSR_	38
KNOWLEDGE MANAGEMENT_	40
CLIENT MANAGEMENT_	41
CLIENT SATISFACTION_	42
OPERATING & GOVERNANCE MODEL_	44

How to transform yourself.
How to transform yourself successfully.
How to transform yourself before everyone else.
How to transform yourself with everyone else.
How to transform yourself sustainably.
How to embrace change.

All of these are issues you work with every day. We envision the answers with you, where you operate, and as closely as possible to your business, your business model and your people. So that change, innovation and creativity become a culture.

Together, we envision new ways of doing and new ways of seeing. Together, we are change.



Megatrends

Getting
a head start
on the
revolutions
to come.

Far-reaching revolutions

The digital world is turning ecosystems upside down, sparking the emergence of new business models in every business sector. Companies have to adapt and embrace disruptive transformational change to extract maximum benefit from the opportunities made possible by these revolutions. In the following sections, we take a closer look at the world of banking, automotive, energy and public services.



REINVENTING THE BANK

What happens to banking in the all-digital world?

Françoise Mercadal-Delasalles

Deputy CEO at Crédit du Nord
(Societe Generale Group)



Joël Nadjar

Partner, Banking & Insurance at Wavestone

F. Mercadal-Delasalles

It's no secret to anyone that the world of banking is gripped by profound change. Just as we've seen in retailing, digital brings with it new ways of consuming products and services that our clients now expect to find in every aspect of their daily lives. Except that banking is far from being just another product.

At Societe Generale, we have chosen to embrace this transformation from the three angles of Client, Team and Tech.

In order to put the client at the heart of our strategy, we have had to completely review the role played by our branches in a world of mobile banking. Creating complementarity between services is crucial, because although most transactional banking now takes place through digital channels, nothing can replace the advice and reassurance you find in a bank branch. So these are not two distinct segments, but rather a single 'phygital' operational model that we have had to develop very quickly, because our competitors are both traditional banks and digital pure players.

“We have chosen to embrace this transformation from the three angles of Client, Team and Tech.”

To succeed in this transformation, we have relied from the outset on our people. We have invented new and more agile working methods, redesigned our offices to streamline communication and release creativity, and rethought the role of our managers to make them facilitators, rather than superiors. This far-reaching cultural transformation has also required us to become much more open to the external world, and especially the world of startups, which is simultaneously inspirational and challenging.

Transformational change in the banking industry is essentially a technological issue, so we have rolled out our IT strategy accordingly by focusing on Cloud migration, our services platform, integrating the different areas of IT expertise, experimentation and cybersecurity.

These changes, although focused on client experience, actually reveal the changing role of the bank in today's society; a place that has yet to be invented and which will determine the strategies to be adopted and the services to be introduced in the near future.

Joël Nadjar

With serious question marks hanging over their economic model and a future that is becoming more and more difficult to decipher, banks are adjusting their models by using incremental development strategies based on technological innovation and bringing existing usage patterns up to date.

As an initial stage, it is needed to respond to the immediate expectations of the consumer society, and push organizations towards embracing the digital world and innovation as levers for transformational change.

But all the factors are now in place to trigger a much more profound level of soul-searching about what tomorrow's bank should actually be. The wider question is to decide what role banks should play in meeting the requirements of our society.

“Banks are ideally placed to provide the linearity to cope with life events and create long-term relationships.”

Paradigms change, and life journeys of the customer are now much less linear than they used to be. The prime need is then to secure these journeys by creating stability and fixed reference points. Banks are ideally placed to provide this linearity to cope with life events and create long-term relationships in order to refocus their businesses on providing support for individuals and facilitating their development, rather than on the immediacy of financial service provision.

Head-to-head combat on the technological battlefield will not be the only differentiating factor required for survival. There will always be new market entrants that will benefit from the flexibility of their business models and succeed in deconstructing the financial services ecosystem for their own benefit. This quasi-existential reconsideration of the future for banks could facilitate the emergence of new uses for banks that are more consistent with the deep-rooted ambitions of society. There can be no doubt that the future of an entire industry is currently hanging on the answer to the question: what will be the purpose of tomorrow's bank? But the answer matters much less than the thought process required to arrive at it...



DRIVERLESS VEHICLES

Driverless and connected, the vehicle of tomorrow is shaking up the automotive industry

Laurent Stoupy

Partner, Digital & Emerging Technologies
at Wavestone



François Pistre

Director of the Renault/ParisTech Institute
of Sustainable Mobility

François Pistre

The automotive industry is currently gripped by the largest revolution to occur since the start of mass production at the beginning of the 20th century. The only viable response to the key challenges posed by the energy transition and the need for security is that the vehicle of tomorrow will be driverless, connected and electric.

So if humans are no longer driving, every aspect of our relationship with the car has to be reinvented,

and we must envision a completely new services environment.

To succeed in this revolution, the industry must overcome three crucial challenges. The first is to perfect the public-sector/private-sector relationship that will be needed to implement the ecosystem of subsidies essential to the functioning of the industry. All around the world, partnerships are being created between private-sector stakeholders and public authorities to develop the infrastructures of tomorrow, and act ahead of the necessary legislation and regulations.

“The only viable response to the key challenges posed by the energy transition and the need for security is that the vehicle of tomorrow will be driverless, connected and electric.”

The second challenge is to find the talented people needed to think through these disruptive changes. It's no longer enough simply to digitalize business: it is essential to move outside existing frameworks to seek out new skills, change our approach to design, and reach out to creative forces from other disciplines to develop our paradigms. The last, but by no means least, challenge is that of cybersecurity, which will be absolutely key to the development of driverless vehicles.

The future of the automotive industry is being built right now. We are seeing the emergence of close collaboration between all stakeholders on the issues of standardization and infrastructure, but we are also seeing fierce competition on technological issues, on a scale that the industry has rarely seen before. In this context where everything is possible, previously unsuspected and completely new stakeholders are popping up in the automotive world: Waymo (Google) is positioning itself on operating systems and data, while processor heavyweights such as Intel and Nvidia are offering their expertise to manufacturers seeking to bring as many technological services as possible in-house.

Laurent Stoupy

The challenge posed to auto makers by connected vehicles is as big as it gets: it's about changing everything they do; no more and no less.

At the very least, it requires them to extend a business that has – until now – been essentially industrial into a business built around services.

In the vehicle of tomorrow, services will be the dominant consideration, and will probably be the number one differentiating factor in consumer choice. With embedded mapping,

cameras and interfaces that extend the services of personal devices, our relationship with the car is being reinvented, and with it the relationship between the manufacturer and its customer.

In the case of traditional vehicles, the role of the manufacturer ends when it leaves the factory, unless there are quality issues. With connected vehicles, the manufacturer must transform itself into a service provider and build long-term relationships with customers, in exactly the same way as smartphone manufacturers do.

So what's underway is a process of profound transformational change for an entire industry. The evolving role of the manufacturer draws on the world of IT, not only in terms of skills with the emergence of new functions and significant organizational change, but also in terms of product cycles. In practical terms, it requires the coexistence of two lifecycles - the long-term vehicle production lifecycle and the much faster digital service development lifecycle.

“The evolving role of the manufacturer draws on the world of IT, not only in terms of skills, but also of product cycles.”

Although this awareness of the challenges is shared by all industry stakeholders, it is clear that there are serious disparities in the speed at which this transformation is being achieved. Nevertheless, it is this speed that could make all the difference.



THE ENERGY TRANSITION

Turning a necessity into opportunities

Caroline Dulauroy

Director, Strategic Coordination
CAP 2030 Project at EDF



Clément Le Roy

Senior Manager, Energy & Utilities
at Wavestone

Caroline Dulauroy

The evolution of the energy industry is central to the challenges of tomorrow's world. Political, economic, social, cultural and technological, the change now underway in our industry is profound, and EDF must be a driving force for that change.

Climate change is a global and essential issue that requires us to reduce our greenhouse gas emissions and our reliance on carbon for energy generation and supply. This means accelerating the development of energy from renewable sources,

of course, as well as confirming the role to be played by nuclear in bringing about this transition. As Europe's leading generator of renewables and the largest nuclear power generator in the world, EDF is committed to continuing its investment in reducing our dependence on carbon.

The expectations of our customers are changing and questioning certain established patterns. Regardless of their size or industry, our customers expect competitive, personalized and flexible packages. They use digital technology in their daily lives, and have come to expect the responsiveness and transparency it enables. They increasingly want to take (back) control of everything that concerns them, even to the point of generating the energy they consume. The development of smart grids – essentially as a result of digital technology – is facilitating the emergence of these local-scale systems. The solutions EDF offers its customers adapt to these evolutionary changes, and sometimes even prefigure them.

“Our customers want to take (back) control of everything that concerns them, even to the point of generating the energy they consume.”

Responding effectively to these challenges requires us to achieve a real transformation in our operating methods. To become more agile, we must simplify our internal and customer processes, give greater autonomy to operational teams, and put in place conditions that facilitate and encourage permanent innovation. Digital plays a major role in this transformation in as much as it pushes us to look again at the ways we collaborate with each other, and question our processes and management practices. Employees are also very keen to make these changes, especially the younger generations (generation Y, Z, etc.) who are the prime movers behind this transformation.

Clément Le Roy

Cleaner, closer, smarter. These are the three major transformations for the energy industry. Cleaner, more eco-respectful energy whose generation is more decentralized and closer to customers, and smart systems that deliver all the benefits of digital technology.

This transformation has two major dimensions. The first is the customer dimension, with energy savings, the reclaiming of energy by customers and regions, and the development of local-level energy generation. And the second is the generator dimension, which takes the form of an industrial and technical revolution centered on generating resources.

“Cleaner, closer, smarter. These are the three major transformations for the energy industry.”

The boom in renewables is also facilitating the emergence of new sectors that are heavily reliant on R&D investment, such as second-generation green gases and the current question marks hanging over the use of hydrogen.

Against this background, new stakeholders are now appearing. These stakeholders have benefited from deregulation of the market and supply tariffs, and are building their businesses around the collaborative economy or focusing on smart home technology. Digital is therefore a powerful accelerator and facilitator of transformational change in the energy industry, with all its technological potential, its new stakeholders and its new gameplay rules.

As a result, existing major stakeholders face a double challenge. On the one hand, they must restructure their assets to benefit from growth opportunities, such as renewables and energy services, and move away from declining sectors. On the other hand, they must successfully achieve the managerial and cultural shifts needed to release their innovation potential and ensure growth in their traditional markets, at the same time as conquering new territory.



MODERNIZING GOVERNMENT ACTION

Public services under pressure from the Consumer 2.0

Bruno Valet
Partner, Public Sector
at Wavestone



André Schwob
Head of Transformation
in the French government's
Secretariat-General for Government
Modernization (SGMAP)

André Schwob

As consumer society moves towards ever-faster service and personalization, public services are being questioned in terms of their relationship to the users and their expectations.

Encouraged by the changes facilitated by digital technology, today's users expect public services to be more immediate and more autonomous. In reality, it is almost incomprehensible that you can control the functions of your home remotely, but you have to go to a government office to apply for a passport in France. The digitalization of procedures like the antiquated process of submitting a tax return is a first step towards personalizing relationships and bringing them into the modern world. This digitalization brings with it a progressive transition in the official/user relationship towards fewer processes and controls, and more advice and support.

“The digital world has made it possible to change the way public policy is conceived.”

Although the State has no direct competition putting external pressure on the way it does its work, the decentralized nature and diversity of public service providers create disparities at local level. This can then provide the opportunity for local innovation, competition and best practice sharing. The SGMP (Secretariat-General for Government Modernization) has assumed the role of a central unit with responsibility for embodying change and the will to change.

The digital world has made it possible to change the way public policy is conceived, and thanks to data processing systems, public policy is now more flexible, more adaptable and more agile. Government is now developing towards a user-focused approach, rather than its previous emphasis on regulatory implementation.

Bruno Valet

Digital is key to the process of modernizing government action. The country has one of the highest scores in the United Nations EGDI e-government development index, as we can see from the successive rollout of more and more platforms designed to facilitate interaction between government, users and companies, such as Service-Public.fr. The attention being paid to simplifying and improving the user experience is a measure of how the relationship is improving, and at the same time enables more effective circulation of data between public services.

Open data is driving a progressive change in culture, and improving flexibility in the ways that public service missions are delivered. As a result, government action is now beginning to embrace open innovation and the startup ecosystem. These developments are accompanied by a growing number of questions surrounding cybersecurity, with the operational impact of the EU GDPR (General Data Protection Regulation) and cyber defense, an area in which Wavestone has a strong presence.

These trends are also being felt in working environments, team organizational structures, the adoption of iterative and agile management practices, and the integration of innovation as essential component parts of restructuring exercises. Changes like these are improving the image of government itself, and facilitating the development of new professional sectors that benefit fully from the potential offered by new digital careers, and especially those relating to data.

“The attention being paid to simplifying and improving the user experience is a measure of how the relationship is improving.”

Digital will eventually be responsible for putting an end to the rift between the public and private sectors. In today's world, the major trends in society, management and technology apply equally and concurrently to private companies and public services. Even though the level of maturity is not yet consistent, the work being done by the SGMAP proves that innovation is now fully integrated into the DNA of government action.



Leading the way
Controlling
every
aspect of
transformation.
To grow
better and
stronger
together.

A single, sector-specific, functional and technological approach.

With a distinctively original positioning developed out of the combination of management consulting and digital & innovation consulting, Wavestone has developed a value proposition that blends specialist skills to more effectively embrace the complex transformational changes of its clients. As a committed stakeholder in the ecosystems of many business sectors, Wavestone leads the transformation process to provide the best possible guidance for those living through it.

**VALUE PROPOSITION**

Informing and guiding leaders in delivering transformational change

At the confluence of management consulting and digital & innovation consulting, Wavestone is built on the basis of a unique market positioning and a distinctive value proposition that is perfectly aligned with the challenges faced by companies and organizations in the digital age.

“The essence of our value proposition is our ability to combine all our skills seamlessly and in multidisciplinary teams to cut through the silo management approach.”

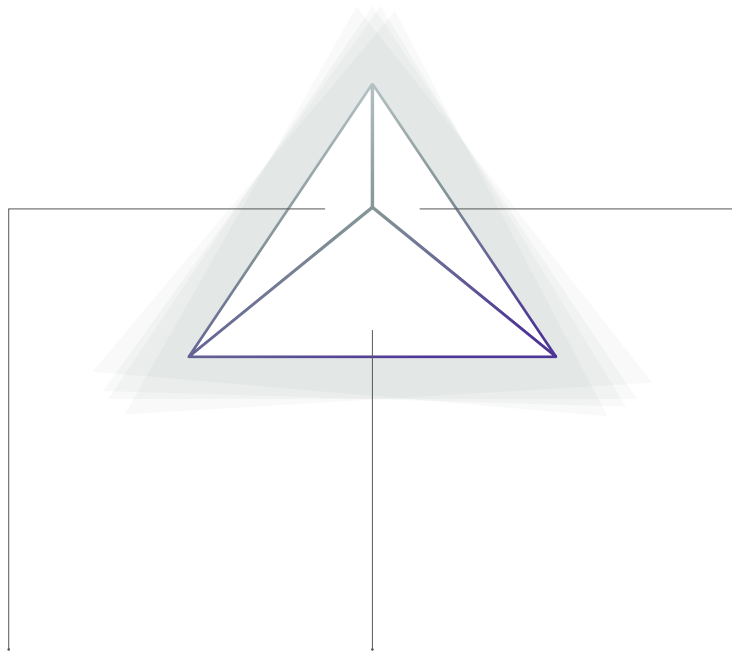
In a world where understanding how to make transformational change happen is key to success, the Wavestone mission is to enlighten and guide its clients in their most strategic transformation decisions.

It's a mission that we deliver on the basis of three strong convictions:

- + Innovation is no longer an option for companies, but an everyday necessity,
- + Defining relevant corporate strategies means embracing technology more than at any time in the past,

- + Companies seeking to implement change need a consulting firm that can provide not only concepts, but can also act as a partner with the ability to translate those concepts into practical action.

Wavestone serves a portfolio of top-ranking clients, the majority of which are leading institutions and companies that are key stakeholders in their own markets. The firm offers its clients the services of over 2,600 employees on four continents, with the ability to operate in synchronization across all regions. This strike force establishes Wavestone as a top independent consulting firm at the European level, and the outright leader in France.



Functions

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

Sectors

— Financial services
 — Telecoms & media
 — Consumer goods & retail
 — Manufacturing
 — Energy & utilities
 — Transportation & travel
 — Real estate
 — Public sector & international institutions

Technologies

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

— Sector-specific, functional and technological expertise

Wavestone offers its clients a broad palette of expertise spanning 18 areas of excellence of three distinct types:

- + Sector-specific excellence solutions designed to address core business challenges in many different business sectors,
- + Business function excellence to address major corporate functions, from strategy through innovation to operations,

- + Technological excellence that enables the firm to provide an unparalleled range of digital, technology and cybersecurity solutions.

In each of these areas of excellence, Wavestone contributes an unrivaled depth of expertise. And because company transformations impact all corporate functions, the essence of our value proposition is our ability to combine these skills seamlessly in multi-disciplinary teams that cut through the silo-management approach.

**ECOSYSTEMS**

Working at the confluence of ecosystems to support our clients more effectively

In phase with the problems faced by its clients, Wavestone expands its own knowledge of market trends not only through the work of its experts, but also by playing an active role in ecosystems devoted to strategic thinking, including business associations, think tanks and conferences.

EFMA is a leading banking association with a large membership of banks and financial services companies around the world. It provides a very special forum for networking and discussion for Wavestone, which sees it as an opportunity to inform and expand its overview of the sector in direct contact with those who live it. As a very active member of the organization, Wavestone was also joint author of a report on building the future of mobile banking in May 2017.

What is EFMA?

Founded in 1971 by Caisse des Dépôts et Consignations, EFMA is a global interbank organization with a current membership of around 3,500 financial services companies from 139 countries; 80% of European banks are members. It also acts as a financial services industry association for bankers and insurers.

We offer three services to our members: a reports service with the publication of market surveys, benchmarks and business sector trend reviews. We also issue regular and precise recommendations based on the findings of our research work.

Lastly, we work to facilitate the emergence of a vision for the future of our industry through reports, conferences and meetings, as well as offering online resource-sharing portals.

What role do experts like Wavestone play in delivering your missions?

We are working to facilitate the transformation of our industry. That's a collective effort which requires thought and input from many diverse sources. Their role as consultants means that experts like Wavestone are very familiar with our challenges, since they come into contact with them on a daily basis, and they also have the detachment and cross-sector experience that help us to stop seeing our constraints as obstacles, but rather as opportunities. EFMA is a catalyst for transformation, and provides a remarkable forum for discussion and interaction. By contributing to progressing this strategic thinking, our consulting partners provide input to our examination of the issues involved, at the same time as improving their knowledge of the challenges faced by their banking clients.

Building the future of mobile banking

Working in collaboration with EFMA, Wavestone researched and published the **Building the Future of Mobile Banking** report presented to the Mobile Banking and Digital Wallet Summit hosted in Barcelona in February 2017. The report sets out the firm's viewpoint on how mobile banking will develop in Europe over

the coming years. It is based on analyses provided by 30 digital banks, 180 FinTechs, industry benchmarks, case studies and interviews with industry leaders.

Find out more about this report at www.wavestone.com/en/insight/mobile-banking-future/

Vincent Bastid
Chief Executive Officer
of EFMA





ASSETS

Wavestone plays to its strengths

To provide its clients with the best-possible problem-solving support, Wavestone relies on five key levers. Its goal is always to exceed its clients' initial expectations.

David Le Louarn
Co-Founder, Kinov



Eva Rosillo
Senior Consultant, Wavestone



**RESEARCH & KNOWLEDGE CENTER:
providing the right information
for informed decision-making**

A dedicated team of market researchers with access to a broad portfolio of databases and international expert networks.



**CREADESK:
boosting creativity
and generating new ideas**

A dedicated workspace, methodologies and team focused exclusively on stimulating creativity, generating innovative ideas and contributing new working methods.



**THE FAKTORY:
bringing ideas to life**

A technical platform led and coordinated by senior designers and developers who use prototyping techniques for rapid concept testing and validation.



**MACHINE LEARNING & DATA LAB:
creating value out of data**

A team of data scientists expert in data mining and application apply their skills to envisioning new sources of value creation.

**Shake'Up: leveraging open innovation
for successful transformation**



The Shake'Up program was introduced in 2015 to identify, select and support startups with the ability to develop innovative services for the firm's customers. As a powerful trend observatory, Shake'Up puts the startup ecosystem under the microscope to learn valuable lessons that provide guidance and contribute to a level of consulting that delivers even higher value. The Shake'Up workspace is shared with a handful of startups identified as being particularly promising for our practices; all receive direct support from our experts to help them progress their businesses. One of them is Kinov, which joined the program in 2016.

What is Kinov?

DLL: Kinov is an open innovation management platform designed to allow major corporates to source good startups with solutions relevant to their problems, and to provide a framework for this relationship. It also provides advice and support for the implementation of intrapreneurship projects and startup accelerators.

So why did Kinov join Shake'Up?

ER: Because their approach aligns perfectly with the goals of Shake'Up: to create a mutually beneficial relationship between

major corporates and startups. They are also at the right stage of development for us to act as a business accelerator for them, and help them put their model into practice. **DLL:** Being able to rely on the expertise and resources of a firm like Wavestone has saved us valuable time in our development, and is allowing us to refine our business strategy. We have similar skills, which allows us to develop synergies at every level.

What form does the Kinov/ Shake'Up collaboration take?

ER: The Kinov offering is very broad, so we have been able to involve them in many different initiatives. For example, we have worked together on our attendance at the VivaTech show and on business proposals for some of our clients. We also use their platform ourselves, and did so for our most recent call for projects.

DLL: It really is a two-way collaboration. Wavestone has been able to use our resources to test its analytical matrices, especially on the issues surrounding UX design, and in return, we have been able to improve our solutions thanks to their recommendations. For VivaTech, we worked together to envision thematic journeys for their key accounts, into which we were able to integrate some of our clients.

COMPETITORS & MARKETS

Wavestone... a stakeholder in an accelerating market

Heavily impacted over a long period by the 2008 financial crisis, the global consulting market began its recovery in 2015. As confidence returns and growth accelerates, Wavestone can rely on the strength of its business model and the relevance of its value proposition.

Key figures for the consulting market

In France, where Wavestone generates 89% of its revenues, the digital transformation is an essential driver of growth whose effects are efficiently channeled by regulation and risk management. In terms of business sectors, financial services have been a particularly dynamic market (+7.1%), especially in terms of reducing the costs of compliance and accelerating digital transformation, followed by retail and pharmaceuticals.

The competitive environment

Wavestone has four major types of competitor:

- + Independent management consultancies: BearingPoint, Eurogroup Consulting, Sia Partners, PA Consulting, etc.
- + The consulting divisions of the Big Four international auditing majors: EY, Deloitte, PwC and KPMG,
- + The consulting divisions of major IT consultants and DSPs: Accenture, Capgemini Consulting, etc.
- + Niche players (sector-, function- or country-specific): Argon Consulting, Altedia, Stanwell, Exton Consulting, Capco, Carlisle & Gallagher, Chappuis Halder & Cie, Aecus Limited, Efficio, The Network Collective, etc.

Strategy consulting firms may occasionally be competitors in certain fringe activities: Bain & Company, BCG, McKinsey, Roland Berger, Oliver Wyman, etc.

In this highly competitive landscape, Wavestone holds a privileged position, especially in the French market, thanks to the combination of three factors:

- + A broad spread of complementary functional, sector-specific and technological expertise that meets the expectations of clients engaged in major transformation projects,
- + A depth of expertise that makes it possible to provide targeted high-value consultancy,
- + A streamlined operating model that releases the ability to be innovative and enables the emergence of increasingly relevant processes and responses.

Market relationships

Wavestone is an active contributor to its ecosystem, and cultivates ongoing relationships with the full range of market stakeholders, including think tanks, industry associations, technology and solutions providers, facilities management providers and innovative startups.

These relationships are integral to the firm's technology and trend monitoring commitments and help to ensure its ongoing independence.

USA

UK

FRANCE

BENELUX

US\$58.7bn
(+7.1% ↗)

£7.3bn
(+7.5% ↗)

€4.3bn
(+4.2% ↗)

€2.0bn
(+3.6% ↗)

Source: Global Research, The French consulting market in 2017.
Reports are published for the UK, USA, Benelux, GCC, etc.



Success factors

**Mobilizing the
energy needed
to make every
transformation
a success.**

Wavestone people are drivers of change.

Our people are the heart of Wavestone. Involved at every stage of our corporate plan, the men and women of Wavestone are ambassadors for our values, and work every day to build the collective intelligence that benefits all our clients.



HUMAN RESOURCES

Being an employer of choice

Wavestone is committed to being, and remaining, an employer of choice in the consulting market. This strategy is based on a proven model: recruiting the finest talent, providing personal career path management, and offering employees long-term career development prospects. It's a strategy founded on respect for Wavestone values: team spirit, audacity, passion and exemplary conduct.

Recruitment: identifying and attracting the finest talent in a hyper-competitive market

———— **Demanding selection criteria applied to high-profile candidates**

Wavestone recruits candidates from diverse backgrounds with varying degrees of experience; these are people with commitment, who already have a reputation for strong entrepreneurial drive and a sense of team spirit. It is a feature of the Wavestone annual recruitment plan that it includes a high percentage of young graduates from the most prestigious (engineering and management) graduate schools and universities.

———— **A crucial investment**

Wavestone has its own dedicated team of 20 recruitment professionals, and every year uses the services of 250 consultants to conduct interviews and attend graduate school partnership events.

The firm has also built a substantial sourcing strategy around recruitment agency partners, an annual candidate referral campaign, recruitment events, a preemployment trainee scheme and other initiatives. Wavestone also maintains privileged partnerships with around thirty prestigious graduate schools and universities, working closely with faculty professors, careers departments and non-profit networks.

———— **A recruitment process respectful to candidates**

Wavestone is committed to applying strict guidelines on transparency, equal opportunities and professional recruitment methods. Wavestone has also been awarded the Happy Candidates label, which assesses the candidate experience throughout the recruitment process.

Lionel Minguy
Senior Consultant at Wavestone



Fanny Rouhet
Head of Human Resources
at Wavestone



“Ensuring a high-quality working environment and a good work-life balance for its people are integral to the Wavestone Human Resources policy.”

Retaining employees and developing human potential

Given the nature of its consulting business, human resources development is a key priority for Wavestone, and a key factor in the firm's success. HR representatives (one for approx. every 130 employees) and 300 Career Development Managers are in place to ensure that all employees receive local-level managerial and HR support.

Exciting prospects for rapid, diversified career development

Rapid employee acquisition of key skills is achieved with a triple strategy:

- + Formalized career benchmarks giving employees a long-term perspective of their future career options,
- + Enhanced training programs that include the corporate university, external training solutions, monthly MOOC training sessions, and an e-learning platform,
- + A mobility program offering employees the opportunity to make a career switch or gain expertise in other fields and regions.

A competitive pay policy

The pay policy is based on three fundamental principles: competitiveness (regular benchmarking of market pay policies), fairness and employee cohesion, and professional performance (shared appraisal standards and a collective decision-making process applied to appraisals and pay raises).

A working environment where people feel good

Paying close attention to the quality of the working environment and achieving a good work-life balance for its people are integral to Wavestone HR policy. The firm strives to ensure that they can develop their careers in a working environment that is pleasant and conducive to building trust. This is achieved using the following levers:

- + **A corporate life that encourages interaction and cohesion** paced by many different opportunities to meet and interact, including induction seminars, team dinners, an annual gala dinner, after-work drinks and weekly breakfast meetings,
- + **A teleworking program** designed for organizational facility and great flexibility,
- + **Special facilities for employees with children:** company childcare facility, 3 paid 'Child Sick Days', flexible working hours and teleworking during pregnancy, gradual return to work after maternity leave, etc.
- + **An action plan to identify and prevent psychosocial risks.** HR teams, Health, Safety and Working Conditions Committee members and in-house management teams are trained in how to recognize employees in distress,
- + **A range of services designed to promote a healthy work-life balance** (private fitness studio at head office, company concierge services, weekly fresh fruit deliveries, etc.),
- + **A new office layout concept** that combines innovation, team spirit and agility. The AIR concept features open-plan work spaces flooded with natural daylight, standard workstations for everyone, spaces adapted for specific working requirements, and innovative facilities in sustainable, comfortable premises.

3000

Career development managers

provide employee support

Employees with a real stake in the corporate plan

Right from its design phase in early 2016, Wavestone has involved all its people in making the process of building the new firm a resounding success. Workshop sessions held worldwide gave employees the opportunity to make an active contribution to defining the positioning, values and new name of the firm, and defining its HR pathway.

Despite its size, the firm also conducts most of its projects with a startup mindset to release the energies of its people and encourage initiatives of every kind. One example of this attitude in action is the Séquoia Click & Learn self-training platform launched by a small group of consultants and now rolled out to every part of the firm.

Hardly a year after its creation, Wavestone is already in the Top 5 of the Great Place To Work® ranking of companies employing more than 500 people. This label recognizes the suitability of measures implemented by Wavestone to ensure the well-being of its employees.

HR labels and certifications 2016/17



Happy Trainees label awarded in 2016 for the quality of trainee services provided



Great Place to Work label awarded in 2017



Signatory of the Company Parenthood Charter



Happy Candidates 2017 label awarded in 2017



LinkedIn Top Companies



CSR

Responsible and committed

The Wavestone CSR strategy is designed to structure and develop its commitment to sustainable development. This strategy addresses the three challenges identified by the firm: to conduct itself as a responsible business within its environment and sphere of influence, to contribute to the quality of its relationships with stakeholders, and to ensure full compliance with all applicable legal and regulatory obligations.

A corporate plan

Wavestone has structured its CSR strategy in a framework of responsible and professional practices, with the aim of making continuous progress on four key commitments:

- + To be a responsible and committed employer,
- + To provide stakeholders with guaranteed adherence to strict governance, transparency and ethics rules,
- + To promote equal opportunities and eliminate all forms of discrimination,
- + To limit its environmental footprint.

CSR is one of the four cornerstones of the Wavestone 2021 strategic plan. In this context, the firm has set itself the annual goal of being in the Top 3 (in its category) of the Gaia sustainable development index that analyzes and rates the ESG (Environment, Social and Governance) performance of midsize listed companies.

Everyone's business

Wavestone employees are invited and encouraged to get involved in building and coordinating this plan on a daily basis:

- + Through sponsorship initiatives that promote equality of opportunity and work to counter discrimination:
 - + For the Wavestone Foundation which every year supports non-profit projects (12 in 2016) to help underprivileged children,
 - + With students at the Villebon-Georges Charpak training project; an innovative pilot education program where the aim is to provide universal access to the highest levels of further education,
 - + For the non-profit organization Laafi in its work to provide training in digital tools and practices for young entrepreneurs in Burkina Faso.
- + By attending discussion meetings and workshop sessions with partner non-profits:
 - + By adopting eco-friendly practices,
 - + By collecting clothing for people engaged in workplace reintegration,
 - + By promoting gender diversity in the workplace and in further education in science subjects.

Employees can also contribute to developing the ethical policy of the firm by escalating personal experience of potential breaches of ethics.

Powerday: the Wavestone Solidarity Day

Every year, all Wavestone employees are encouraged to volunteer a full day of their time to help with a project run by a non-profit organization. Employees are free to provide their support to the organization of their choice as contributors to a skills sponsorship program or hands-on campaign in the field.

The first Powerday held on August 26, 2016 involved 600 employees representing all Wavestone offices around the world. From Asia to Europe and North Africa

to North America, around sixty non-profit organizations, foundations and international NGOs benefited from the firm's support on that day.

The organizations supported operate across a broad spectrum, including environmental protection (45% of projects), health and disability (13% of projects), childhood, employment integration, education & citizenship and sport & culture.

CSR awards and labels



The Global Compact: Wavestone renewed its membership of the UN Global Compact in 2016, and with it its commitment to align its operations and strategy with the 10 universal principles of the Global Compact in terms of human rights, working conditions, the environment and countering corruption.



The corporate parenthood charter: as a signatory since 2013, Wavestone is committed to promoting parenthood-related representation within the firm, creating an appropriate working environment for employees with children, and ensuring that there is no workplace discrimination in terms of career progression on the basis of parenthood.



Elles bougent: since 2016, Wavestone has partnered with Elles Bougent, a non-profit organization devoted to promoting workplace gender equality. Its key missions are to encourage more women to pursue scientific and technological careers and to facilitate exchanges of career-related experience and ideas between high school students, further education students and engineers.



The Gaïa-Index: this benchmark socially responsible investment (SRI) index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies on the basis of their commitment to transparency on non-financial issues and their sustainable development performance. In 2016, Wavestone was ranked Number 3 in the segment for companies with annual revenues of between €150m and €500m.



Ecovadis: this independent non-financial ratings agency assesses and rates four aspects of CSR performance: social, environmental, business ethics and responsible purchasing. In 2016, the firm was rated as 'Gold Level' by Ecovadis, with a score of above 62/100. This ranking puts Wavestone into the top 5% of companies most highly rated by Ecovadis.



Shareholder & Investor Relationship Award: in November 2016, Wavestone received the Mid/Small Caps Digital Award at the Mazars/ Les Echos Group/Investir Shareholder & Investor Relationship Awards. This award is presented to listed companies that excel in terms of the level of responsibility and transparency exercised in their relationships with their institutional and employee shareholders and investors.



Mieux Vivre en Entreprise Award: presented by the MVE Institute. In 2016, Wavestone received a 'Mieux vivre en entreprise' (Better Life in the Workplace) award in recognition of the social and international commitment shown by Powerday, the Wavestone global solidarity day. The jury presents its awards to companies that have implemented innovative and exemplary initiatives to promote long-term well-being in the workplace.



KNOWLEDGE MANAGEMENT

Expanding our collective knowledge

Knowledge sharing on a daily basis is a source of value for our teams and our clients. And that is precisely the challenge of our knowledge management strategy: making the knowledge and experience of every individual a dynamic resource accessible to everyone for the benefit of our clients' plans and projects.

“Every employee has the opportunity to join special interest communities within the firm to share their experiences and convictions in the context of the issues faced by their clients.”

With 2,600 employees on four continents, the way in which knowledge and feedback sharing is structured is all the more critical. It requires a collective effort in which everyone must be able to contribute their own experience on a daily basis.

So to structure this permanent process of exchange, Wavestone has implemented a multilevel knowledge management architecture.

Every employee is able to access a database of internal personal profiles to quickly identify those of their colleagues whose experience could facilitate progress on a particular client project. A search engine introduced in 2017 now indexes all the documents generated by every group entity, so that each employee can have instant access to the entire body of collective knowledge. One person in each project team is responsible for the 'project memory' and for ensuring that all the documents generated meet the indexing needs

of the system (in terms of naming, indexing keywords, etc.) to ensure correct archiving. Built around a secure architecture and structured into groups, this document management system is intended to become the key working resource for Wavestone teams. Lastly, every employee has the opportunity to create or join special interest communities within the firm to share their experiences and convictions in the context of the issues faced by their clients.

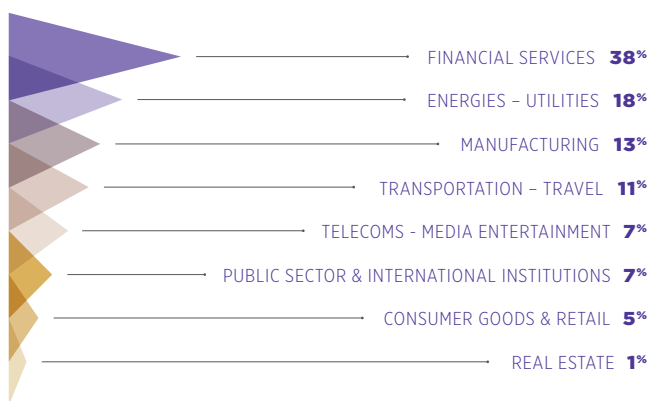
These communities are much more than simple business tools, because their real purpose is to facilitate the development of a philosophy and make knowledge sharing an unconscious reflex. The bottom line is that everyone is empowered and has access to the necessary techniques and resources to valorize their own experience for the benefit of everyone, whether employee or client.

CLIENT MANAGEMENT

Committed to the success of our clients

To align itself as closely as possible with the needs of its clients, respond effectively to their requests, and ensure that they receive a service that delivers high added-value regardless of the issues they face, Wavestone has developed a business development model founded on the principle of client management.

Breakdown of revenues by industry for 2016/17



2016/17 REVENUES



Our Top 20 clients of 2016/17

BNP PARIBAS	9%
EDF	7%
SOCIETE GENERALE	6%
SNCF	5%
CREDIT AGRICOLE	5%
TOTAL	4%
ENGIE	4%
LA POSTE	4%
ALSTOM	4%
BPCE	3%
BANQUE DE FRANCE	2%
FRANÇAISE DES JEUX	1%
CARREFOUR	1%
AMF	1%
ORANGE	1%
AXA	1%
SANOFI AVENTIS	1%
RENAULT	1%
ALLIANZ	1%
MACIF	1%

Wavestone boasts a large portfolio of clients spanning a very broad spectrum, from global and local companies with leading positions in their respective markets to public-sector organizations. This spread reflects a conscious decision to maintain a healthy cross-sector balance in its revenues. This diversity provides resilience in times of economic fluctuation, and allows the firm to capture growth in the most dynamic sectors.

In each practice and office, client management is provided by a hybrid client management team of consultants (partners and senior managers) and sales executives tasked with developing the full range of the Wavestone value proposition to all the clients it manages.

Wavestone client management has two key missions. The first is to support business and revenue growth of Wavestone activities and revenues by working to expand the client portfolio and by drawing on all the areas of excellence offered by the firm. The second is to maintain close long-term relationships with top-level decision-makers in many different business sectors.

So by combining profiles with expertise, Wavestone ensures that its clients receive a service that covers every aspect of the problems they face and support that is carefully tailored to their specific needs.

To learn more about assignments successfully completed by Wavestone, please visit www.wavestone.com/fr/insights/



CLIENT SATISFACTION

Client satisfaction is the key to unlocking our future growth

Wavestone is committed to delivering the highest level of client satisfaction in the consulting market. To support and achieve this goal, the firm has implemented a quality policy that is systematically applied to all its assignments.

95%

of clients

say they are satisfied with assignment quality

Each employee undertakes to apply the principles of the quality charter

ASSIGNMENT QUALITY	Each assignment undertaken by the firm must deliver a response that completely satisfies the expectations of the client.
VALUE DELIVERY	As a consulting firm, Wavestone must provide its clients with guaranteed value.
TRANSPARENCY AND DIALOG	Our client must be able to engage in confidential dialog with Wavestone at any time.
ACTIVE LISTENING AND ACTION	Any area in which full client satisfaction is not delivered must be analyzed, and corrective action taken wherever necessary.
TOTAL COMMITMENT	An assignment is considered complete only when the client is fully satisfied.

In addition to the principles set out in its charter, the Wavestone quality policy is underpinned by the following components:

An organizational structure

- + A steering committee chaired by the Chairman of the Management Board and composed of members of the Executive Committee representing all company functions is responsible for the firm's quality policy, its ongoing assessment and improvement.
- + A network of 'quality champions' tasked with identifying and monitoring client risks/alerts, and providing every team with details of the firm's requirements in terms of delivering client satisfaction based on shared good practices and dedicated systems.

A quality risk detection and control process

- + This process involves every part of the management structure, is integral to the firm's management model, and is the subject of monthly and half-yearly reports.
- + Supervised by a quality champion, identified risks are addressed from initial analysis of the situation by the practice leader right through to implementation of the action plan by a risk owner in order to return to a standard level of client satisfaction.

An annual satisfaction survey

- + Conducted every year among Wavestone clients, this survey is designed to measure the level of satisfaction relative to the quality of our assignments.
- + It allows the firm to identify areas for improvement, and implement the actions needed to raise the level of satisfaction with our future service delivery. Its key results are published annually.
- + Conducted only in France for the first year, it will be rolled out to every part of Wavestone going forward.

Client recognition of relationship and commitment quality

We requested our clients in France to provide us with feedback on the assignments we carried out for them during 2016 by means of a satisfaction survey, which attracted a response rate of 23%.

- + 95% of respondents said they were satisfied with assignment quality.
- + The satisfaction criteria most highly scored by our clients (85% and 90%) were:
 - + The quality of our relationship, transparency and attentiveness,
 - + The commitment and involvement of our teams,
 - + Our flexibility and responsiveness.
- + Satisfaction levels of 71% and 79% were achieved for the 'proactivity

and ability to challenge' and 'delivery on commitments and ability to achieve or exceed the results expected' criteria. These two criteria, both of which are important for our clients, are now the priority improvement areas for Wavestone.

- + 15% of respondents said that they had flagged up a low satisfaction level during the year, and two-thirds of those respondents felt that the way their concerns were addressed was in line with, or exceeded, their expectations.
- + Lastly, in response to the question 'on a scale of 1 to 10, how likely are you to recommend Wavestone?', 76% of respondents scored us 8 or higher.

**OPERATING & GOVERNANCE MODEL**

An integrated organizational model to deliver a global value proposition

Wavestone has adopted an integrated organizational model that closely combines the skills at work in all its teams.

This operating model is designed to respond effectively to the following goals:

- + To ensure appropriate implementation of the Wavestone value proposition,
- + To facilitate the formation of multidisciplinary teams and the international delivery of global assignments,
- + To maximize synergies between units and guarantee a sustainably high level of operating performance.

Operating model

The key entity in the Wavestone operating model is the practice or office.

A practice brings together those teams responsible for concentrating the expertise of Wavestone in one of its areas of excellence. Where critical mass has not been achieved in a given region, teams are brought together into an office, which may cover all the expertise associated with several areas of excellence. In June 2017, Wavestone had 22 practices and offices.

In addition to its mission to develop expertise in one or more areas of excellence, each practice or office is also responsible for new business development across all Wavestone services within a portfolio of clients. This business development task is carried out by client managers.

To maximize synergy development and facilitate effective operational management and control, the 22 practices and offices are grouped into five domains. Since Wavestone is committed to a global operating model, the practices and offices within each domain are usually spread across several countries.

Wavestone has chosen to concentrate its areas of excellence - specific skills cross-functionally by forming communities of experts attached to multiple practices or offices.

Lastly, Wavestone has chosen to invest long term in exclusive assets that will enhance its value proposition. The teams responsible for these assets are based either in selected practices or centrally.

22

practices and offices

in 5 domains

Central services departments

Wavestone's central services teams are responsible for managing major investments made to ensure the future growth of Wavestone and provide risk control.

These teams work centrally, and in some cases contain designated representatives working within specific Wavestone domains, practices and offices.

Executive committee

Domain A	Domain B	Domain C	Domain D	Domain E	
Practice	Practice	Practice	Practice	Practice	Human Resources
↓	↓	↓	↓	↓	
Office	Office	Office	Office	Office	Communication & Marketing
↓	↓	↓	↓	↓	
					Finance
					Information Technology



Wavestone operational governance

Consistent with this principle, Wavestone governance is based on collective bodies at every level of its organizational structure. Practices are guided by Practice Steering Teams led by Practice Leaders, and domains are guided by Domain Steering Teams led by Domain Leaders.

The firm is managed by an Executive Committee (ExCom) coordinated and led by the General Management team of Wavestone Management Board members.

To ensure that all teams are fully aligned with the shared goals set out in the corporate plan, the ExCom is broadly based, and includes representatives from each team. However, for maximum efficiency, the ExCom meets in smaller session to address topics such as operating performance checks and business development management.

The members of this Executive Committee are:

General Management (the Wavestone Management Board)

Patrick Hirigoyen
Pascal Imbert

Operation steering and domain leaders

Eric Crabié
Benoît Darde
Bernard Desprez
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

Finance

Tiphanie Bordier
Frédéric Goujon

Operations

Eric Baudin
Claude Bodeau
Julien Bonnay
Philippe Burucoa
Loïc Carpentier
Guillaume Chassard
Philippe Dajeau
Stéphane Denolle
Franck Devillaire
Guillaume Durand
Frédéric Goux
Frédéric Hertogs
Eric Labruyère
Frédéric Lelièvre
Philippe Menesplier
Philippe Mirmand

Damiano Nesi
Mike Newlove
Catherine Pilidjian
Olivier Schmitt
Laurent Stoupy
Harold Syfrig

Human Resources

Latifa Boutourach
Fanny Rouhet

Communication & Marketing

Vincent Chaudel
Sarah Lamigeon

The Management and Supervisory Boards

The members of the Management Board are:

Pascal Imbert — Management Board Chairman

Patrick Hirigoyen — Management Board Member



At 04/01/2017, the Supervisory Board had 5 members:

Michel Dancoisne - 01
Supervisory Board Chairman

Sarah Lamigeon - 02
Supervisory Board Member

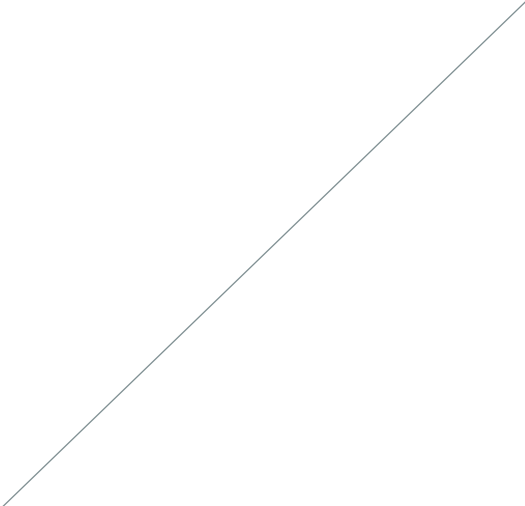
Rafaël Vivier - 03
Supervisory Board Member

Jean-François Perret - 04
Vice-Chairman

Marie-Ange Verdickt - 05
Supervisory Board Member

Profiles of Supervisory Board members are published in Chapter 3 (Corporate Governance) of the Supervisory Board Chairman's Report.





WAVESTONE

2016
17

**Financial
Report**

Elements in the above table which are related to the Annual Financial Report are identified by a pictogram

AFR

01 MANAGEMENT REPORT

MANAGEMENT BOARD REPORT TO THE 07/27/17 COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING_ **54**

MANAGEMENT BOARD REPORT - GENERAL REPORT **AFR** _ **55**

MANAGEMENT BOARD REPORT - CORPORATE SOCIAL RESPONSIBILITY_ **86**

MANAGEMENT BOARD REPORT - RISK FACTORS **AFR** _ **120**

MANAGEMENT BOARD REPORT - ADDITIONAL NOTES **AFR** _ **129**

MANAGEMENT BOARD REPORT - TRENDS_ **133**

02 FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS AT 03/31/17 **AFR** _ **136**

COMPANY FINANCIAL STATEMENTS AT 03/31/17 **AFR** _ **168**

03 CORPORATE GOVERNANCE

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 **AFR** _ **190**

EXECUTIVE DIRECTORS COMPENSATION REPORT_ **205**

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF FRENCH COMPANY LAW (*CODE DE COMMERCE*) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF THE COMPANY **AFR** _ **208**

INTERESTS OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS_ **209**

PROFIT-SHARING_ **210**

04 **LEGAL BOOK**

GENERAL INFORMATION CONCERNING WAVESTONE AND ITS SHARE CAPITAL_ **214**

EXCEPTIONAL EVENTS AND DISPUTES_ **227**

05 **2017 COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING**

SUPERVISORY BOARD REPORT_ **230**

DESCRIPTION OF SHARE BUYBACK PROGRAM_ **232**

RESOLUTIONS PRESENTED TO THE 07/27/17 ANNUAL GENERAL MEETING_ **234**

06 **ADDITIONAL INFORMATION**

DOCUMENTS AVAILABLE TO THE PUBLIC_ **258**

PERSONS RESPONSIBLE **AFR** _ **259**

REGISTRATION DOCUMENT CROSS-REFERENCE TABLE_ **260**

ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE_ **263**



Management Report

01

MANAGEMENT BOARD REPORT TO THE 07/27/17
COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING_ **54**

MANAGEMENT BOARD REPORT - GENERAL REPORT_ **55**

MANAGEMENT BOARD REPORT - CORPORATE SOCIAL RESPONSIBILITY_ **86**

MANAGEMENT BOARD REPORT - RISK FACTORS_ **120**

MANAGEMENT BOARD REPORT - ADDITIONAL NOTES_ **129**

MANAGEMENT BOARD REPORT - TRENDS_ **133**



Management Board Report to the 07/27/17 Combined Ordinary and Extraordinary Shareholders' Meeting

To the Shareholders,

We have convened this Combined Ordinary and Extraordinary Shareholders' 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 Wavestone which comprises the Wavestone company⁽¹⁾ 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.

Management Board Report – General Report

1. Key events and outlook

Full-year revenue growth of 45%, of which 16% on a like-for-like and constant forex basis

At end-March 2017, Wavestone reported 45% growth in consolidated 2016/17 revenue to €338.7m, of which €118.6m from the European activities of Kurt Salmon*. For the record, on 04/22/17, before the audit, Management had forecast pre-audit consolidated revenues of €339.0m.

On a like-for-like and constant forex basis, consolidated growth came out at 16% over the twelve-month period.

Growth was driven by the Group's strong recruitment drive sustained throughout the year with the hiring of more than 600 new staff members (young graduates and experienced consultants). On the other hand, the staff turnover rate for Kurt Salmon's European activities* was particularly high at 33% over the year. For the rest of Group, this remained at a low level of 12% over the year.

At end-March 2017, Wavestone's headcount had increased to 2,628 employees from the year-earlier level of 2,511. This includes employees at Kurt Salmon's European activities* where staff levels fell from 777 to 723 over the same period.

	Wavestone excl. Kurt Salmon	European activities of Kurt Salmon*	Wavestone consolidated
Utilization rate	79%	68%	76%
Average daily rate	€774	€1,045	€845

2016/17 EBIT margin of 11.4%

2016/17 income on ordinary activities advanced 30% to €38.7m, exceeding the initial target of €34m. Underpinned by favorable pricing trends throughout the year, the EBIT margin came out at 11.4%.

Purchase Price Allocation (PPA) performed on Kurt Salmon's European activities* during 2016/17 fiscal year identified customer-relationship intangible asset depreciation in the amount of €16.5m, representing a pre-tax charge of €2.5m in 2016/17.

Other operating costs totaled €0.6m, of which €0.2m in skills-sponsorship costs and the remainder in residual costs related

Mixed trends in operating indicators

The utilization rate of Kurt Salmon's European activities* remained under pressure throughout 2016/17 coming out at 68%. For the rest of the Group, the utilization rate remained stable at 83%, in line with 2015/16.

The average daily rate of Kurt Salmon's European activities* narrowed to €1,051 in 2016/17 fiscal year from €1,062 in Q4 2015/16 (the first quarter of consolidation). Prices for the rest of Wavestone continued to advance over the period reaching €774 at end-March 2017, up 4% year-on-year.

Excluding Kurt Salmon's European activities*, the order book stood at 3.3 months at end-March 2017, compared with 3.4 at end-March 2016.

The implementation of the new ERP system together with a uniform set of management rules will enable the Group to provide unified indicators as of Q1 2017/18. The following table lists what the operating indicators would have been in 2016/17 fiscal year, had these new management rules been applied.

to the acquisition of Kurt Salmon's European activities*.

Factoring in these elements, operating income rose 54% to €35.6m.

Cost of financial debt came out at €2.1m, the bulk of which related to interest and financing costs associated to the acquisition of Kurt Salmon's European activities*.

Group share of net income at end-March 2017 rose 50% year-on-year to €20.1m, making for a net margin of 5.9%, versus the year-earlier level of 5.7%. Restated for the amortization of customer-relationship intangible assets (an accounting entry with no cash impact), Group share of net income came out at €21.7m.

* Excluding the retail & consumer goods businesses.

Cash flow from operations up 60% to €24.7m

Wavestone strengthened its balance sheet position in 2016/17 with consolidated shareholders' equity at €104.1m.

Cash flow from operations rose 60% year-on-year to €24.7m.

Investments totaled €18.5m in 2016/17, of which €2.0m in scope of consolidation changes, €12.2m in office remodeling and extension to accommodate Kurt Salmon* teams, and the remainder in short-term investments.

Financial flows accounted for €7.1m, including a dividend payout of €2.0m for 2015/16 fiscal year, net loan repayments of €3.4m and net interest of €1.7m.

Free cash totaled €38.7m at end-March 2017 for financial debt of €95.2m, making for net debt of €56.5m, versus the year-earlier level of €58.8m.

Construction of Wavestone now complete

The two key events that dominated 2016/17 were clearly the construction of Wavestone and the launch of the firm's new consultancy brand.

The final stages of the construction process have now been completed with the implementation of the Group's new ERP system and roll out of the new Human Resources model and processes.

Nevertheless, at the beginning of the 2017/18 fiscal year, two major issues still need to be addressed, namely: the persistent problem of staff turnover within several teams and sharp under-performance of certain activities. The impact of measures taken to rectify these issues are taking time to feed through. As such, Wavestone remains cautious as to when the situation can get back to normal.

2017/18: unlocking Wavestone's potential

These major issues aside, the firm will pursue investments in 2017/18 with a view to boosting its brand reputation.

Furthermore, Wavestone will strive to unlock its potential by targeting key market transformations, such as the bank of the future, new energy models and services, the autonomous vehicle and state modernization.

In addition, once sufficient progress has been made to bring performances back under control, the firm plans to resume its external growth strategy, notably abroad.

2017/18 objectives

Excluding any new acquisitions, Wavestone is targeting revenue of over €350m and an EBIT margin in excess of 11% in 2017/18 fiscal year.

The firm has also confirmed its 2021 objectives to:

- (i) make Wavestone the no. 1 transformation consulting brand in France, (ii) generate revenue of €500m for an EBIT of 15%, (iii) mark up revenues of €100m abroad, and (iv) achieve a top-3 CSR ranking every year over the period.

2. Group activity

2.1. Consolidated financial statements

At end-March 2017, the Group's consolidated financial statements comprised the financial statements of the Wavestone SA (ex Solucom SA), Wavestone Morocco (ex SLM Consulting), Wavestone Advisors UK (ex Hudson & Yorke), Wavestone Switzerland (ex Arthus Technologies), Wavestone Belgium, Wavestone Advisors (ex Kurt Salmon France) and its subsidiaries: Wavestone US (ex K2S Management), Wavestone Luxembourg (ex Kurt Salmon Luxembourg), Wavestone Belgium (ex Kurt Salmon Belgium), Wavestone Consulting Switzerland (ex Kurt Salmon Switzerland) and Wavestone Advisors Morocco (ex Kurt Salmon Morocco) over 12 months except Wavestone HK (Wavestone Advisors subsidiaries) over 6 months.

At end-March 2016, the Group's consolidated financial statements comprised the financial statements of the Wavestone 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, of Management Consulting Group France and its subsidiaries (Kurt Salmon France, Kurt Salmon Associés, K2S Management Inc., Kurt Salmon Luxembourg, Kurt Salmon Belgium, Kurt Salmon Switzerland and Kurt Salmon Morocco) over 3 months.

(in thousands of euros)	2016/17	2015/16	% change
Revenue	338,732	233,020	45%
EBIT	38,699	29,783	30%
Operating profit	35,620	23,100	54%
Net income, Group share	20,055	13,358	50%

At end 2016/17, consolidated revenues came out at €338,732k, implying a 45% increase on the 2015/16 level of €233,020k.

Operating income on ordinary activities stood at €38,699k (after employee profit-sharing), up 30% on the year-earlier level of €29,783k.

Factoring in other non-recurring operating income and charges, operating income rose 54% from the year-earlier level of €23,100k.

Other non-recurring operating charges break down as follows:

- €129k in acquisition costs.
- €128k booked to cover the cost of vacating Kurt Salmon's Lyon offices.
- €120k in provisions for the Wavestone Corporate Foundation.
- €100k in provisions for the ParisTech Foundation.

Customer-relationship intangible asset depreciation amounted to €2,503k.

Cost of net financial debt of €2,056k over the period comprised financial income of €44k and financial expenses of (€2,101k). This compares with a cost of net financial debt of €738k in 2015/16. 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 52% from the year-earlier level of €33,151k to €21,781k.

Tax on earnings in 2016/17 came out at €13,095k, versus the year-earlier level of €8,423k.

Net income for the period was €20,055k, up 50% on the year-earlier level of €13,358k.

Given the absence of non-controlling interests, Group share of net income also rose 50% to €20,055k from €13,358k in 2015/16.

(in thousands of euros)	03/31/17	03/31/16	% change
Non-current assets	163,953	147,043	12%
<i>o/w goodwill</i>	119,761	130,397	-8%
Current assets (excluding cash)	130,848	124,946	5%
Cash and cash equivalents	38,722	39,786	-3%
Shareholders' equity	104,110	84,979	23%
Non-current liabilities	98,897	105,972	-7%
<i>o/w financial liabilities</i>	85,763	93,294	-8%
Current liabilities	130,516	120,824	8%
<i>o/w financial liabilities</i>	9,424	5,332	77%
Total balance sheet	333,523	311,774	7%

At the consolidated level, the Group boasted net cash of €104,110k at end-March 2017, up 23% on the end 2015/16 level of €84,979k.

Restated for bank borrowings (overdrafts and accrued interest due), net cash widened to €38,338k at end-March 2017, from €39,023k at end 2015/16.

Financial liabilities totaled €95,187k at end-March 2017, versus the year-earlier level of €98,626k. Excluding bank overdrafts, financial liabilities came out at €95,161k, of which €92,735k in bank debt and miscellaneous financial debt, and €2,426k in borrowings attached to the restatement of leasing contracts. For the record, financial liabilities restated for bank overdrafts totaled €98,306k at end-March 2016.

Wavestone posted net debt of (€56,465k) at end-March 2017, versus a positive cash position of (€58,840k) in 2015/16.

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

(in thousands of euros)

	03/31/17	03/31/16
Gross cash flow ⁽¹⁾	27,060	17,316
Change in working capital requirements	(2,319)	(1,850)
Net cash flow from operating activities	24,741	15,466
Net cash flow from investments	(18,480)	(96,380)
Net cash flow from financing operations	(7,145)	94,277
Change in cash and cash equivalent	(884)	13,363

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

These mainly include:

- a gross cash flow margin of €27,060k plus a €2,319k increase in working capital requirement making for net cash flow from operations of €24,741k over the period
- a dividend payout of €2,014k
- investments amounting to €14,784k
- the change in the level of financial asset investments totaling €1,778k over the period
- cash outlays related to scope of consolidation changes in the amount of €1,974k.

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

2.2. Corporate financial statements

At the parent-company level, Wavestone reported revenues of €223,853k up 16.5% from €192,103k in 2015/16.

Operating income before employee profit-sharing rose 77.8% year-on-year from €21,503k to €38,239k, making for an operating margin of 17.1%, versus 11.2% in 2015/16.

Operating income before employee profit-sharing and provisions for free-share allocation advanced 80.1% year-on-year from €21,637k to €38,960k, making for an operating margin of 17.4% versus 11.3% in 2015/16.

Financial income came out at €34k (vs. financial income of €419k incurred in 2015/16) of which €1,256k in income from equity holdings, €338k from write-back of provisions booked for latent forex losses, €79k in net forex gains, €78k in interest received on cash investments and capital gains, and €1,735k in bond-related interest and coupon payments.

Exceptional losses totaled (€919k) over the period, of which (€868k) corresponding to the value of treasury shares allocated definitively within the context of the Company's free-share plans, (€120k) in provisions for the Wavestone Corporate Foundation, (€100k) in provisions for the ParisTech Foundation and €23k in net capital gains generated on the liquidity contract. This compares with an exceptional loss of (€1,254k) reported in 2015/16.

Tax on earnings in 2016/17 came out at €9,262k, versus the year-earlier level of €4,637k.

Employee profit-sharing amounted to €4,402k in 2016/17, versus €2,514k in 2015/16.

In the light of the above, Group share of net income widened to €23,689k at end-March 2017, compared with the year-earlier level of €13,518k.

Shareholders' equity totaled €109,452k at end-March 2017, up on the year-earlier level of €87,777k.

Factoring in the bank loan of €91,001k and bond-related debt of €3,081k, net debt at end-March 2017 came out at (€60,795k) versus a net cash position of (€70,082k) at end-March 2016.

2.3. Trade payables

In accordance with the regulatory dispositions in force since 01/01/09, the year-end balances of trade receivables in 2015/16 and 2016/17 are presented in the table below.

These amounts are expressed in thousands of euros and exclusively concern Wavestone SA.

(in thousands of euros)	< 30 days		30 - 60 days		Total	
	03/31/16	03/31/17	03/31/16	03/31/17	03/31/16	03/31/17
External suppliers	2,634	3,537	868	1,724	3,502	5,261
Internal suppliers to the firm	0	0	109	1,766	109	1,766
Total	2,634	3,537	977	3,490	3,611	7,027
<i>Supplier invoices not received</i>					5,468	7,641
<i>Supplier payables on the balance sheet</i>					9,079	14,668

At end-March 2017, accrued trade payables comprised payments due to external suppliers to the tune of €5,765k and to internal suppliers of €1,875k.

2.4. Legal developments in 2016/17

2.4.1. Change in legal names of companies in the Wavestone Group

On 07/20/16, Wavestone shareholders voted to change Solucom's legal name to "Wavestone".

The legal names of virtually all Group subsidiaries were also modified to include the mention of "Wavestone".

2.4.2. Reverse takeovers of Wavestone Advisors 2 by Wavestone Advisors then Wavestone Advisors 3 by Wavestone Advisors

With a view to simplifying the structure of the Group, Wavestone merged and absorbed Wavestone Advisors 2 and Wavestone Advisors 3 into Wavestone Advisors.

These operations became definitive upon the liquidation of Wavestone Advisors 2 and Wavestone Advisors 3 on 12/14/16.

Thereafter, all of the share capital of Wavestone Advisors was owned by Wavestone.

2.4.3. Partnership forged with the consulting firm, Business Integration Partners (BIP)

As part of its international growth strategy, Wavestone forged a partnership with Business Integration Partners (BIP).

BIP is an Italian consulting firm founded in 2003 that draws on its business expertise and innovative technologies to support to multinational companies in addressing their large complex transformation challenges. With a team of over 1,300 professionals, BIP is a leader in Italy and has built up an international footprint covering 12 countries, including Spain, Brazil and Turkey. It's key clients include Allianz, Enel, Eni, Unicredit and Vodafone.

Synergies are already in place between the two companies: Wavestone and BIP are currently delivering a large transformation program for a private bank in Latin America, while in Europe, the two companies are working together on a project for a major pharmaceuticals Group.

More details on the finalization of this agreement are available in a press release published on the Wavestone corporate website (www.wavestone.com), on 10/13//16.

2.4.4. Wavestone Advisors subsidiary set up in Hong Kong

As part of its international growth strategy, Wavestone Advisors created Wavestone HK, a 100%-owned subsidiary in Hong Kong on 07/15/16. This subsidiary is governed under Hong Kong law and has a share capital of HKD600,000.

Headquartered at sis 21/F On Hing Building, 1 on Hing Terrace, Central, Hong Kong, the Company is registered under no. 2403871.

2.4.5. Eligibility of Wavestone shares for PEA-PME scheme

For the record, Wavestone 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 may eventually become part of a Group.

In a press release published by the Group on 04/13/17, Wavestone 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.

2.6. Subsidiaries and equity holdings

Information on subsidiaries and equity holdings

12-month period ended 03/31/17 unless indicated otherwise.

(in thousands of euros) Companies	Country	Revenues	Real growth rate	Real growth rate fixed rates	Operating income*	Operating margin (%)*
Wavestone Maroc (SARL)	Morocco	2,485	267%	267%	200	8%
Wavestone Advisors UK Ltd	UK	4,080	9%	25%	292	7%
Wavestone Advisors Switzerland Sàrl ⁽¹⁾	Switzerland	5,191	n/a	n/a	195	4%
Solucom (SA) ⁽²⁾	Belgium	851	n/a	n/a	95	11%
Wavestone Advisors (SAS) ⁽³⁾	France	97,623	n/a	n/a	3,463	4%
Wavestone US Inc ⁽³⁾	USA	7,491	n/a	n/a	(1,729)	-23%
Wavestone Luxembourg SA ⁽³⁾	Luxembourg	14,281	n/a	n/a	(69)	0%
Wavestone Belgium SA/NV ⁽³⁾	Belgium	2,498	n/a	n/a	73	3%
Wavestone Advisors Maroc (SARL) ⁽³⁾	Morocco	373	n/a	n/a	(211)	-57%
Wavestone Consulting Switzerland Sàrl ⁽³⁾	Switzerland	5,679	n/a	n/a	552	10%
Wavestone HK Ltd ⁽⁴⁾	Hong-Kong	364	n/a	n/a	141	39%

* Excluding impact of any future free-share plans.

(1) Given the 12-month period ending 03/31/17 compared to a 15-month period ending 03/31/16 and integrated in the scope of consolidation on 07/01/15, the year-on-year change is not applicable.

(2) Given the 12-month period ending 03/31/17 compared to a 6-month period ending 03/31/16 and created in October 2015, the year-on-year change is not applicable.

(3) Given the 12-month period ending 03/31/17 compared to a 3-month period ending 03/31/16 and integrated in the scope of consolidation on 01/01/16, the year-on-year change is not applicable.

(4) Given the 9-month period ending 03/31/17 and created in July 2016, the year-on-year change is not applicable.

Equity acquisitions and takeovers

None.

Cross or reciprocal shareholdings

None.

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

2.4.6. Allocation of free shares

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

2.5. Post-closure events

2.5.1. Merger of Belgian subsidiaries

To pursue the simplification of its legal structure, the Group merged Solucom Belgique, a company governed under Belgian law, into the company Wavestone Belgium.

From an accounting perspective, all costs related to the merger had been booked by the absorbing company as at 04/01/17.

After the dissolution without liquidation of the absorbed company, its assets were transferred to Wavestone Belgium.

Disposal of equity holdings

None.

2.7. Research and development activity

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

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

As such, in 2016/17 fiscal year, Wavestone benefited from a research tax credit relative to 2016 in the amount of €1,518k.

2.8. Debt and dividend policy

Being a growth company, Wavestone reinvests the bulk of its profits in the Company to finance its development. Within the context of its dividend payout policy, Wavestone 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 01/07/17, Wavestone 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 03/31/17. 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 ⁽¹⁾	Dividend paid per share (DPS) ⁽²⁾	Portion of dividend eligible for 40% deduction ⁽³⁾
03/31/16	4,912,936	€0.41	100%
03/31/15	4,911,457	€0.39	100%
03/31/14	4,909,331	€0.33	100%

(1) Wavestone 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

Wavestone 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 03/31/17 was as follows:

Management Board

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

Supervisory Board

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

Audit Committee

- Mrs. Marie-Ange Verdickt Chairman of the Audit Committee
- Mr. Michel Dancoisne Member of the Audit Committee
- Mr. Rafaël Vivier Member of the Audit Committee

3.2. Mandates and functions of Wavestone's corporate officers in fiscal year 2016/17 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	Chairman of the Management Board		Axway Director Solucom Belgium Director Wavestone Consulting Belgium CEO - Chairman of the Board Wavestone Belgium Director Wavestone Advisors Morocco CEO Wavestone US Inc. Chairman of the Board	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		Wavestone Executive Vice-Chairman and COO Wavestone Belgium Director	Cosmosbay-Vectis Director Senior Executive Vice-Chairman and CEO as of 06/06/11
Michel Dancoisne	09/30/02 07/11/14 (Member of the Supervisory Board) 07/28/14 (Chairman of the Supervisory Board) 07/20/16 (Member of the Audit Committee)	AGM called to approve the financial statements for the fiscal year ending 03/31/18	Chairman of the Supervisory Board Member of the Audit Committee		Wavestone 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) 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 WHOZ Board member	Pierre Audoin Consultants Vice-Chairman of the Supervisory Board
Marie-Ange Verdickt	09/26/12 07/20/16 Member of the Supervisory Board 07/20/16 Member of the Audit Committee	AGM called to approve the financial statements for the fiscal year ending 03/31/20	Member of the Supervisory Board President of the Audit Committee	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
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		Wavestone Director of Communications	Wavestone Supervisory Board Censor until her resignation on 07/22/15
Rafaël Vivier	07/22/15 07/20/16	AGM called to approve the financial statements for the fiscal year ending 03/31/19	Member of the Supervisory Board	Wit Associés Founding partner Consultor.fr CEO		

For the record, Mrs. Natalie Wright, member of the Supervisory Board, resigned during the 01/23/17 Supervisory Board meeting due to a conflict of interest with Wavestone.

All corporate officers confirmed that in the last five years they have not been:

- convicted of fraud;
- involved in bankruptcy, receivership or liquidation proceedings in which the corporate officers 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 corporate officers 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 corporate officers.

3.3. Proposal to appoint new member of the Supervisory Board



Jean-Noël Mermet

French
56 years old

Main functions outside the Company

Managing Director of Frenger International Limited
CEO of Frenger SAS

Other mandates and functions

n/a

Other mandates exercised in other companies during the past five years

Director at Frenger Corporate Finance Ltd (company governed under British law)
Director at French Business Centre Ltd (company governed under British law)
Director at Cross-Border IT Ltd (company governed under British law)

Professional experience

Born on 12/09/60, Jean-Noël Mermet, holds a European Business Administration degree from CESEM (Neoma Business School) and a degree from Middlesex University in London. In 1983, he set up Frenger International Limited in the UK to support the expansion of French firms in British and German markets. He took part in the creation of Frenger GmbH in Reutlingen (Germany) in 1986, before setting up Frenger SAS in Lille (France) in 1992. At present, Jean-Noël devotes most of his time to Frenger Corporate Finance activities and managing international external-growth operations for French, British, German and American groups. Jean-Noël has negotiated over 70 acquisitions on behalf of his clients in ten different countries. He played a major role in the expansion of automotive supplier, Delfingen, in the US thanks to the acquisition of ten companies, thus enabling this French listed group to generate more than 50% of sales in America. Jean-Noël has been a member of the Delfingen Board for 5 years. In addition, he manages the economic development consulting activities of Frenger Consulting Services as well as the business set-up support services of Frenger Business Services in the UK.

Number of Wavestone shares held at 03/31/17

None.

In addition, please note that at its meeting on 05/30/17, the Supervisory Board validated the independent status of the proposed member of the Supervisory Board, and verified that he had no financial, contractual or family relationships that could impair his independent judgment regarding Group interests. The Board's conclusions on this subject are given in the Supervisory Board Report presented to the Combined Ordinary and Extraordinary Shareholders.

3.4. Executive and corporate-officer compensation

As required by law and the MiddleNext Corporate Governance Code to which Wavestone adheres, the total amounts of compensation and benefits paid to the Company's corporate officers during the fiscal year ended 2016/17 are detailed below.

The following table details the compensation and benefits received by the corporate officers of the Wavestone 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.

(in euros)		2016/17 Gross annual compensation				2015/16 Gross annual compensation			
		Fixed	Variable	Attendance fees	Total	Fixed	Variable	Attendance fees	Total
Management Board									
Pascal Imbert	Due	169,020	48,017		217,037	165,264	75,587		240,851
	<i>Paid</i>	<i>169,020</i>	<i>76,211</i>		245,231	<i>165,264</i>	<i>58,264</i>		223,528
Patrick Hirigoyen	Due	202,067	43,696		245,763	162,053	68,629		230,682
	<i>Paid⁽¹⁾</i>	<i>202,067</i>	<i>69,253</i>		271,321	<i>162,053</i>	<i>52,835</i>		214,888
Supervisory Board									
Michel Dancoisne	Due	59,428			59,428	58,108			58,108
	<i>Paid</i>	<i>59,428</i>			59,428	<i>58,108</i>			58,108
Jean-François Perret	Due			11,000	11,000			10,000	10,000
	<i>Paid</i>			<i>10,000</i>	10,000			<i>9,000</i>	9,000
Marie-Ange Verdickt	Due			18,685	18,685			10,000	10,000
	<i>Paid</i>			<i>10,000</i>	10,000			<i>9,000</i>	9,000
Nathalie Wright End of term 01/23/17	Due			8,082	8,082			7,750	7,750
	<i>Paid</i>			<i>7,750</i>	7,750			<i>6,510</i>	6,510
Sarah Lamigeon	Due	69,321	18,273	11,000	98,594	66,932	23,304	6,350	96,587
	<i>Paid</i>	<i>69,321</i>	<i>23,616</i>	<i>6,350</i>	99,288	<i>66,932</i>	<i>16,663</i>	<i>0</i>	83,595
Rafaël Vivier	Due			16,123	16,123			6,940	6,940
	<i>Paid</i>			<i>6,940</i>	6,940			<i>0</i>	0

(1) Of which €44,651 for vacation days unused by 03/31/17 (€8,394 due to the implementation of a capping measure which led to the clearance of unused vacation days on 03/31/16).

- Compensation adjustments between 2015/16 and 2016/17

Corporate-officer compensation was adjusted in 2016/17 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 Pascal Imbert, Chairman of the Management Board, 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 €56,330 in 2016/17 (vs. €55,080 in 2015/16). The variable component can vary anywhere between 50% and 200% of this amount.

For 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 totaled €51,260 in 2016/17 (vs. €50,010 in 2015/16). The variable component can vary anywhere between 50% and 200% of this amount.

- Other information

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

None of Wavestone's executive directors and corporate officers 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 Wavestone directors as defined under Article L.225-90-1 of the French Commercial Code.

In addition, corporate officers 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 Wavestone's executives or corporate officers receive any benefits in kind.

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 corporate officers (table 1 of AMF recommendations)

(in euros)	2016/17	2015/16
	Gross annual compensation Amount due	Gross annual compensation Amount due
Pascal Imbert , Chairman of the Board		
Compensation due for the financial year	217,037	240,851
Value of multi-year variable compensation granted during the financial year	n/a	n/a
Value of options granted during the financial year	n/a	n/a
Value of free shares granted during the financial year	n/a	n/a
Total	217,037	240,851
Patrick Hirigoyen , Member of the Board		
Compensation due for the financial year	245,763	230,682
Value of options granted during the financial year	n/a	n/a
Value of free shares granted during the financial year	n/a	128,286
Total	245,763	358,968

Compensation paid to each executive corporate officer (table 2 of AMF recommendations)

(in euros)	2016/17		2015/16	
	Gross annual compensation		Gross annual compensation	
	Amount paid	Amount due	Amount paid	Amount due
Pascal Imbert, Chairman of the Board				
Fixed compensation	169,020	169,020	165,264	165,264
Variable compensation	76,211	48,017	58,264	75,587
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
Total	245,231	217,037	223,528	240,851
Patrick Hirigoyen, Member of the Board				
Fixed compensation	202,067	202,067	162,053	162,053
Variable compensation	69,253	43,696	52,835	68,629
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
Total	271,321	245,763	214,888	230,682

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

	2016/17	2015/16
	Amount paid in fiscal year	Amount paid in fiscal year
Michel Dancoisne		
Attendance fees	n/a	n/a
Other compensation	59,428	58,108
Jean-François Perret		
Attendance fees	10,000	9,000
Other compensation	n/a	n/a
Marie-Ange Verdickt		
Attendance fees	10,000	9,000
Other compensation	n/a	n/a
Nathalie Wright		
Attendance fees	7,750	6,510
Other compensation	n/a	n/a
Sarah Lamigeon		
Attendance fees	6,350	n/a
Other compensation	92,938	83,595
Rafaël Vivier		
Attendance fees	6,940	0
Other compensation	n/a	n/a
Total	193,406	166,213

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

Information concerning free shares allocated	09/15/06 plan	Director plan no. 5	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	27,840	45,540	7,499	13,160	111,136
o/w the number of shares attributed to:					
Patrick Hirigoyen	9,280	7,590	0	2,632	736
Sarah Lamigeon	0	0	7,499	0	736
Vesting date of shares	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 03/31/17	27,840	37,950	7,499	0	0
Number of cancelled or forfeited shares	0	7,590	0	0	0
Number of shares available for subscription or allocation at 03/31/17	0	0	0	13,160	111,136

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

Executive corporate officers	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 Chairman of the Management Board		X		X		X		X
Patrick Hirigoyen Member of the Management Board	X			X		X		X

In accordance with AMF recommendations, the following information is not applicable to Wavestone for the 2016/17 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)
- free shares attributed to corporate officers during the financial year (table 6 of the AMF recommendations)
- record of free share allocations (table 7 of the 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).

3.5. Other information relative to executive directors and corporate officers
3.5.1. Restrictions on executives directors and corporate officers

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 corporate officers of Wavestone and the companies it controls are obliged to hold until termination

of their functions at 25%, within the context of each plan implemented by Wavestone in which these corporate officers would qualify as beneficiaries for exercising their mandates.

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

3.5.2. 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 directors	Date of transaction	Type of transaction	no. of shares	Transaction share price
Mr. Rafaël Vivier	06/06/16	Purchase	475 shares	€75.33
Mr. Rafaël Vivier	06/07/16	Purchase	25 shares	€75
Mr. Patrick Hirigoyen	06/08/16	Sale	362 shares	€71.6298
Mr. Patrick Hirigoyen	06/09/16	Sale	472 shares	€71.50
Mr. Patrick Hirigoyen	06/21/16	Sale	1,166 shares	€71.50
Mr. Michel Dancoisne	01/10/17	Donation	129,600 shares	€90.25

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 Wavestone shareholders at 03/31/17 is given in the table below:

Shareholders	Shares	Capital (%)	Theoretical voting rights ⁽¹⁾	% of theoretical voting rights	Exercisable voting rights	% of exercisable voting rights ⁽²⁾
Executives and corporate officers	2,488,561	50.10%	4,967,575	63.63%	4,967,575	64.15%
<i>Pascal Imbert</i>	1,447,284	29.14%	2,894,568	37.08%	2,894,568	37.38%
<i>Michel Dancoisne</i>	1,005,672	20.25%	2,011,344	25.76%	2,011,344	25.97%
<i>Patrick Hirigoyen</i>	24,256	0.49%	48,227	0.62%	48,227	0.62%
<i>Other</i>	11,349	0.23%	13,436	0.17%	13,436	0.17%
Shareholders holding more than 5% of the Company's shares	349,600	7.04%	479,200	6.14%	479,200	6.19%
<i>Delphine Chavelas</i>	349,600	7.04%	479,200	6.14%	479,200	6.19%
Employees	255,988	5.15%	356,955	4.57%	356,955	4.61%
Treasury stock	62,947	1.27%	62,947	0.81%		
Free float	1,809,786	36.44%	1,940,372	24.85%	1,940,372	25.06%
Total	4,966,882	100.00%	7,807,049	100.00%	7,744,102	100.00%

(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 for at least two years in the name of the same shareholder. 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 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 without voting rights.

Total voting rights attached to registered shares: 5,736,537 (1) for 2,886,370 shares.

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

Total number of bearer shares with single voting rights: 4,966,882 - 2,886,370 = 2,080,370 (2).

Total number of theoretical voting rights (1) + (2) = 7,807,049.

Number of treasury shares = 62,947 (3)

Total number of exercisable voting rights (1) + (2) - (3) = 7,744,102.

A TPI analysis conducted on 03/31/17 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.

29.14% of Wavestone's shares are held by Pascal Imbert, the Chairman of the Management Board, and 20.25% by Michel Dancoisne, the Chairman of the Supervisory Board. Acting in concert, these shareholders jointly own 49.39% of the Company's capital.

The 31/03/17 TPI analysis also indicates that Mrs. Delphine Chavelas owns 7.04% of the Company's share 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 Wavestone.

Other executives and corporate officers include Jean-François Perret (Vice-Chairman of the Supervisory Board), Marie-Ange Verdickt, Sarah Lamigeon and Rafaël Vivier (all members of the Supervisory Board). Note that Marie-Ange Verdickt is also Chairman of the Audit Committee and Michel Dancoisne and Rafaël Vivier are also members of the latter.

Wavestone 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:

Shareholders	03/31/17 ⁽³⁾				04/11/16 ⁽³⁾			03/31/15 ⁽³⁾			
	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	
Executive directors and corporate officers⁽¹⁾⁽²⁾	2,488,561	50.10%	63.63%	64.15%	2,619,509	52.74%	67.72%	2,613,118	52.61%	67.03%	
<i>P. Imbert</i>	1,447,284	29.14%	37.08%	37.38%	1,447,284	29.14%	37.48%	1,447,284	29.14%	37.20%	
<i>M. Dancoisne</i>	1,005,672	20.25%	25.76%	25.97%	1,135,272	22.86%	29.40%	1,135,272	22.86%	29.17%	
<i>P. Hirigoyen</i>	24,256	0.49%	0.62%	0.62%	26,148	0.53%	0.67%	28,562	0.58%	0.64%	
<i>Other, executive directors and, corporate officers</i>	11,349	0.23%	0.17%	0.17%	10,805	0.22%	0.16%	2,000	0.04%	0.03%	
Shareholders owning more than 5% of the capital	349,600	7.04%	6.14%	6.19%	0	0.00%	0.00%	0	0.00%	0.00%	
<i>D. Chavelas</i>	349,600	7.04%	6.14%	6.19%	0	0.00%	0.00%	0	0.00%	0.00%	
Employees⁽⁴⁾	255,988	5.15%	4.57%	4.61%	261,009	5.25%	3.75%	243,910	4.91%	4.04%	
Treasury stock	62,947	1.27%	0.81%		67,120	1.35%	0.87%	75,336	1.52%	0.97%	
Free float	1,809,786	36.44%	24.85%	25.06%	2,019,244	40.65%	27.67%	2,034,518	40.96%	27.96%	
Total	4,966,882	100.00%	100.00%	100.00%	4,966,882	100.00%	100.00%	4,966,882	100.00%	100.00%	

(1) Corporate Officers of the Wavestone company.

(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 03/31/17, in accordance with AMF position-recommendation no. 2014-14.

During the 2016/17 fiscal year, Mr. Michel Dancoisne's shares went from 22.86% (on 04/11/16) to 20.25% on 03/31/17. This change stems from a donation to Mrs. Delphine Chavelas who thus crossed the 5% threshold (see 4.1.2 of the present report).

There was no other significant change in the Company's shareholder structure or material disposal of Company shares by shareholding directors during the 2016/17 fiscal year.

4.1.2. Threshold crossings

Threshold crossing no. 1

In a letter received on 07/11/16, Messrs. Pascal Imbert and Michel Dancoisne declared that, acting in concert, they had crossed below the 66% voting rights threshold and that, together, they owned 2,582,556 Wavestone shares, representing 5,164,912 voting rights (equivalent to 52.00% of the Company's share capital and 66.11% of its voting rights). This breaks down as follows:

	Shares	Capital (%)	Voting rights	% of voting rights
Pascal Imbert	1,447,284	29.14%	2,894,568	37.05%
Michel Dancoisne	1,135,272	22.86%	2,270,344	29.06%
Total concert	2,582,556	52.00%	5,164,912	66.11%

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

Threshold crossing n°2

In a letter received on 01/13/17, Messrs. Pascal Imbert and Michel Dancoisne declared that, on 01/10/17, acting in concert, they had crossed below the 50% share capital threshold and

owned 2,452,956 Wavestone shares representing 4,905,912 voting rights equivalent to 49.39% of the Company's share capital and 62.78% of its voting rights. This breaks down as follows:

	Shares	Capital (%)	Voting rights	% of voting rights
Pascal Imbert	1,447,284	29.14%	2,894,568	37.04%
Michel Dancoisne	1,005,672	20.25%	2,011,344	25.74%
Total concert	2,452,956	49.39%	4,905,912	62.78%

This threshold crossing stems from Michel Dancoisne donating shares to members of his family.

Threshold crossing n°3

In a letter received on 01/13/17, Mrs. Delphine Chavelas declared that she had broken through the 5% capital and voting rights thresholds of the Wavestone company and owned 369,600 shares, representing 499,200 voting rights (equivalent to 7.44% of the Company's share capital and 6.39% of its voting rights).

This threshold crossing stems from a donation of Wavestone shares.

4.1.3. 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.

4.1.4. Collective lock-up undertakings

During the past fiscal year, Wavestone was informed of the following collective lock-up undertakings of relating to Wavestone securities:

“ • *Collective lock-up undertaking IV: on 01/11/17, certain shareholders concluded a collective lock-up undertaking in accordance with Article 885 I Bis of the French General Tax Code for a period of 2 years as of 01/12/17, the date of registration with the clearing house in the 16th district of Paris. Thereafter, it will be tacitly renewed for an undetermined period, unless notice of termination is given.*

• *Collective lock-up undertaking V: on 01/11/17, certain shareholders concluded a collective lock-up undertaking in accordance with Article 885 I Bis of the French General Tax Code for a period of 2 years as of 01/12/17, the date of registration with the clearing house in the 16th district of Paris. Thereafter, it will be tacitly renewed for an undetermined period, unless notice of termination is given.*

• *Collective lock-up undertaking VI: on 01/11/17, certain shareholders concluded a collective lock-up undertaking in accordance with Article 787 B of the French General Tax Code for a period of 2 years as of 01/12/17, the date of registration with the clearing house in the 16th district of Paris. Thereafter, it will be tacitly renewed for an undetermined period, unless notice of termination is given.*

The signatories of the three collective lock-up undertakings mentioned above commit to holding the 1,128,210 shares (equivalent to 22.71% of the Company's share capital and 27.50% of its voting rights) currently in their possession.

All of these collective lock-up undertakings were signed by Mrs. Delphine Chavelas who holds more than 5% of Wavestone's share capital and by the following members of the Company's Supervisory and Management Boards:

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

For the record, the collective lock-up undertaking concluded on 12/16/10 has since become null and void. The two collective lock-up undertakings (pursuant to Articles 787 B and 885 I Bis of the French General Tax Code) concluded by certain Wavestone shareholders on 12/18/10 remain valid.

4.1.5. Trends in the Wavestone share-price performance

The Wavestone share price was €66.86 on 04/01/16 at the beginning of the financial year and went up to €87.80 at the end of the financial year for a total increase of 31%.

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

4.1.6. Treasury stock: share buyback program

In compliance with the authorizations mentioned in paragraph 5.1.6 - “Share buyback program” - of this report, Wavestone bought back its own shares on the open market under the conditions laid down by law and within the context of the share buyback program implemented by the Company. This program is described in full in the Registration Document filed on 09/26/16 with the French Financial Markets Authority under number D.16-0860 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 2017 are disclosed in the appendix to the Company's financial statements and summarized in paragraph 5.1.6: “Share buyback program”.

Wavestone's treasury stock is limited to the shares bought back within the context of its buyback program.

More details are given in Chapter 5 paragraph 1.6 of the present “Management Board Report - General Report”.

4.2. Employee profit-sharing

Employee profit-sharing

In accordance with Article L.225-102 of the French Commercial Code, we hereby inform you that, at 03/31/17 the current and former employees of the Wavestone company and/or of the companies it owns, as defined in Article L.225-180 of the French Commercial Code, owned 100,205 Wavestone shares (equivalent to 2.02% 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 agreement have been set up within the Group.

Free allocation of shares

At end-March 2017, the Wavestone Group had several free share plans in process.

During the 2016/17 fiscal year, Wavestone carried out the following free share allotments:

**Definitive granting of vested under the 07/01/14 plan:
“Employee plan no. 9”**

For the record, on 07/01/14, the Management Board exercised the authorization granted by the 09/25/13 Combined Ordinary Extraordinary Shareholders’ Meeting and implemented a plan to freely allocate existing or to be issued shares reserved for Wavestone 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. 9”

The 24-month vesting period attached to this plan, expired on 07/01/16.

The initial attribution of shares vested was capped at 14,586 shares. Given the conditions of the plan, 12,487 shares were definitively acquired by 417 employees at the end of the vesting period.

Shares issued within the context of “Employee plan no. 9” were those that the Company had previously bought back within the context of a share buyback program.

**Definitive granting of vested under the 07/01/13 plan:
“Executive director 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 Shareholders’ Meeting and implemented a plan to freely allocate existing or to be issued shares. This plan is referred to as “Executive director Plan No. 8”

This plan had a vesting period of thirty-six (36) months and expired on 07/01/16.

The initial granting was for a maximum of 18,375 shares. Taking into account the conditions of the plan, 18,375 shares were allocated to 3 senior executive employees of the Wavestone SA at the end of the acquisition period.

The shares allocated within the “Executive director plan n°8” were previously acquired by the Company during a share buyback program.

**Initial attribution of shares vested under the 07/20/16 plan:
“Employee plan no. 11”**

On 07/20/16, the Management Board partially used the authorization granted to it by the 07/20/16 Combined Ordinary and Extraordinary Shareholders’ Meeting under Resolution 9 and implemented the free share allotment plan,

“Employee plan No. 11”, within the context of the Group’s employee savings scheme. Employee plan no. 11 is reserved for Wavestone 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, Wavestone attributed 13,872 shares to 872 employee beneficiaries, subject to their definitive granting at the end of the 24-month vesting period as of 07/20/18.

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.

Wavestone also strives to ensure that, within the context of the employee savings scheme, employee votes remain truly independent of Management. As such, Wavestone 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 Wavestone, 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 July 29, 2016 under number D.16-0860
- 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 Wavestone shares, within the context of the Group’s employee savings scheme mentioned in paragraph 4.2, are exercised by the Wavestone mutual fund
- 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 buyback program” - of this report and in the capital-increase delegation table attached to this report
- Amendments to Wavestone’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
- Within the context of the loan contracted by the Wavestone parent company on 01/07/16, in the event of a change in company control, the lending parties may choose whether or not to request the immediate eligibility of their stakes in the sums drawn down and all interest and other amounts due to them under the conditions of the contract. The term “change in company control” applies if:
 - the key management members⁽¹⁾ (or their successors in the event of death) cease to control the borrowing entity, pursuant to Article L.233-3 1 (1°, 2° and 3°) and II of the French Commercial Code; or
 - the borrower ceases to directly hold 100% of the capital and/or voting rights of Wavestone Advisors.

5. Proposals submitted by the 07/27/17 Combined Ordinary and Extraordinary Shareholders’ Meeting

5.1. Ordinary Shareholders’ Meeting

5.1.1. Approval of the consolidated and company financial statements and allocation of net income

Company financial statements (1st and 3rd resolutions)

You are asked to approve Wavestone’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 03/31/17 as presented to you and which show a net profit of €23,689,378.

You are asked to approve a dividend payout in the amount of €0.61 per share.

Based on the shareholder register at 03/31/17, 4,903,935 shares are eligible to receive this dividend.

This represents a total proposed dividend payment of €2,991,400, implying a payout ratio of 15% of the Group’s share of net profit.

The net profit for the fiscal year ended 03/31/17 would therefore be affected as follows:

Full-year earnings	€23,689,378
Retained earnings	€20,697,978
Total distributable earnings	€2,991,400

The dividend will be paid in cash as of 08/04/17.

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 €24,453 making for a tax charge of €8,764.

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

Consolidated financial statements (2nd resolution)

You are asked to approve the Group’s consolidated financial statements for the fiscal year ended 03/31/17 as presented to you and which show a net consolidated profit of €20,055,361.

5.1.2. Regulated agreements and commitments (4th resolution)

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 03/31/17;

2/ The information relating to the previously approved agreement and which was still in effect during the fiscal year ended 03/31/17;

(1) Key management members are either Mr. Pascal Imbert, Mr. Michel Dancoisne and Mr. Patrick Hirigoyen or Mr. Pascal Imbert and at least one of the other key management members.

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 2016/17 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. Evolution of Supervisory Board mandates

- Mrs. Marie-Ange Verdickt:

Mrs. Marie-Ange Verdickt's mandate as a member of the Supervisory Board was renewed by the Annual General Meeting on 07/20/16 for a period of four years. Her mandate will expire at the close of the Annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/20.

- Mrs. Nathalie Wright:

On 01/23/17, Mrs. Nathalie Wright tendered her resignation as a member of the Supervisory Board because of a conflict of interest with the Wavestone Company.

- Mr. Jean-Noël Mermet:

The Management Board submits for your approval the proposal to appoint Mr. Jean-Noël Mermet as a member of the Supervisory Board for a period of four years; i.e. until the close of the Annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/21.

The information concerning Mr. Jean-Noël Mermet is presented below, in accordance with Articles L.225-115-3 and R.225-83-5 of the French Commercial Code, together with the reasons for proposing his appointment.

In addition, details concerning the mandates and functions exercised by Mr. Jean-Noël Mermet during the current fiscal period and in the past five years together with his biography and the number of Wavestone shares he holds is given in paragraph 3.3. above.

The Management Board wishes to submit for your approval the appointment of Mr. Jean-Noël Mermet as a member of the Supervisory Board because of his two-fold experience in:

- the international expansion of mid-tier companies, and
- international M&A operations.

Mr. Jean-Noël Mermet has already indicated that he would accept to take up his functions if appointed and that nothing prevented him from exercising their duties.

5.1.4. Approval of principles and criteria applicable to determining Company Director compensation in 2017/18 (resolutions 6, 7 and 8)

The Sapin Law on transparency, the fight against corruption and the modernization of the economy, which went into force on 12/09/16, stipulates that every year, shareholders must vote on the principles and criteria applicable in determining Company Director compensation. This includes the breakdown and attribution of fixed elements, as well as the variable and exceptional components of the total compensation and benefits-in-kind attributable to members of the Management and Supervisory Boards for exercising their mandates.

Accordingly, 3 resolutions will be proposed concerning the Chairman of the Board and CEO (resolution no. 6), the second member of the Management Board and COO (resolution no. 7), and the members and Chairman of the Supervisory Board (resolution no. 8).

If the Annual General Meeting does not approve these resolutions, Company Director compensation will be determined on the basis of the compensation attributed in the previous year, or, in the event no compensation had been granted, in compliance with practices in force in the Company.

Note that the payment in 2018 of the variable component of the 2017/18 compensation is subject to the approval by the 2018 Ordinary Shareholders' Meeting of the compensation elements determined in accordance with conditions specified under Article L.225-100 of the French Commercial Code.

The 6th and 7th resolutions submit for your approval the principles and criteria applicable to the compensation to be attributed to Messrs. Pascal Imbert, Chairman of the Management Board/CEO, and Patrick Hirigoyen, member of the Management Board/COO. The elements of their respective compensations are explained in the Supervisory Board Report on Company Director compensation, drawn up in accordance with Article L.225-82-2 of the French Commercial Code.

The 8th resolution submits for your approval the principles and criteria applicable to the attendance fees to be attributed for 2017/18 fiscal year to members of the Supervisory Board. Attendance fees may comprise a fixed component and a variable component based on director-attendance rates at Board meetings.

The 8th resolution submits for your approval the principles and criteria applicable to the attendance fees to be attributed to Mr. Michel Dancoisne, Chairman of the Supervisory Board.

More details concerning the elements of the compensation attributable to the members and Chairman of the Supervisory Board are given in the Supervisory Board Report on Company Director compensation, drawn up in accordance with Article L.225-82-2 of the French Commercial Code.

5.1.5. Attendance fees (9th resolution)

We propose you fixing the global annual amount of attendance fees to be awarded to members of the Supervisory Board at €85,000 for the 2017/18 fiscal year and beyond until a new decision is taken by the General Meeting.

Note that pursuant to the Rebsamen Law (n°2015-994, dated 08/17/15), the Company is required to appoint an Employee Representative Member of the Supervisory Board. For this reason, we request you increase the amount of Director attendance fees from €74,000 in 2016/17 to €85,000 in 2017/18.

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.

5.1.6. Share buyback program (10th resolution)

The 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting authorized the Management Board under the 7th resolution to implement a new share buyback program in accordance with the legal and regulatory provisions in force. This program succeeded the program authorized by the 07/22/15 Combined Ordinary and Extraordinary Shareholders' Meeting.

In accordance with statutory requirements, we inform you that, at 03/31/17, the key features pertaining to the two programs launched successively in 2016/17 were as follows:

- 115,978 treasury shares were purchased in 2016/17 fiscal year at a total acquisition cost of €9,042,210, implying an average purchase price of €77.96 per share
- 88,786 treasury shares were sold in 2016/17 fiscal year at a total disposal price of €6,958,214, implying an average selling price of €78.37 per share
- Trading charges totaled €5,509.35
- 30,862 free shares were granted to employees over the period worth a total value of €867,538 measured at acquisition price, implying an average selling price of €28.11 per share
- 62,947 shares were written to the balance sheet at 03/31/17 for a total market value of €5,526,747 calculated on the basis of the end-March 2017 closing price of €87.80; their nominal value was €0.10 per share
- Treasury shares represented 1.27% of the Company's total share capital.

The information related to the objectives of this buyback program is summarized in the table below:

	Total (market)	External growth	Shares granted to employees	Exercise of rights attached to securities
Situation at 03/31/16	8,551	58,066	0	0
Purchases	89,898	21,390	4,690	0
Sales	(88,786)	0	(30,862)	0
Reallocations	0	(79,456)	79,456	0
Redemptions	0	0	0	0
Situation at 03/31/17	9,663	0	53,284	0
Gross carrying value ⁽¹⁾ (€)	829,295	0	3,104,186	0
% of share capital at 03/31/17	0.19%	0.00%	1.07%	0.00%

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

New share buyback 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 Wavestone shares via a liquidity contract concluded with an independent investment services provider in accordance with the AMF ethical charter
- honor its obligations related to the issue of shares and other securities giving access to the Company's share capital
- to allocate or, as the case may be, sell shares to employees and/or corporate officers 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 Shareholders' 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

Minimum purchase price: €167 per share (excluding trading charges) for transactions carried out to stimulate trading on the secondary market and ensure the liquidity of Wavestone shares, and €125 per share (excluding trading charges) for other transactions.

Cancellation of shares

The 07/27/17 Combined Ordinary and Extraordinary Shareholders' Meeting will be asked to approve an authorization granting the Management Board the power to reduce the share capital by cancelling treasury shares (see Resolution 11).

Period of validity

Valid as of the Combined Ordinary and Extraordinary Shareholders convened on 07/27/17 until the next Annual General Meeting called to approve the financial statements for fiscal year ending March 31, 2018 and for up to a maximum of 18 months, it being understood that the 07/27/17 Combined Ordinary and Extraordinary Shareholders' 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 March 29, 2014 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.

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

Accordingly, the proposed authorization concerning the share buyback program to be granted by the 07/27/17 Combined Ordinary and Extraordinary Shareholders to the Management Board, will be suspended during periods of public offers. This new share buyback program could not therefore be used by the Management Board during such periods.

Details of this share buyback program are given in the present 2016/17 Registration Document.

5.2. Extraordinary Shareholders' Meeting

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

- grant the Management Board the power to reduce the share capital by cancelling treasury shares
- authorize the Management Board to issue ordinary shares and/or marketable securities giving access to Company share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued, with shareholders' pre-emptive subscription rights maintained
- authorize the Management Board to issue ordinary shares and/or marketable securities giving access to Company share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to Company shares to be issued, without shareholders' pre-emptive subscription rights maintained within the framework of a public offering
- authorize the Management Board to issue ordinary shares and/or marketable securities giving access to the Company's share capital or entitlement to the allotment of

debt securities and/or marketable securities giving access to shares to be issued, without shareholders' pre-emptive subscription rights maintained, within the framework of a private placement

- e) authorize the Management Board to increase the share capital, with or without preferential subscription rights maintained in the event a share capital increase being oversubscribed
- f) authorize the Management Board to issue ordinary shares and/or marketable securities giving access to Company share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to Company shares to be issued for the purposes of remunerating contributions-in-kind granted to the Company in situations other than public offerings
- g) authorize the Management Board to issue ordinary shares and/or marketable securities giving access to Company share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to Company shares to be issued for the purposes of remunerating contributions-in-kind granted to the Company in the event of a public exchange offer
- h) authorize the Management Board to increase the share capital reserved for eligible employees and Company Directors who are subscribers to the Company's employee savings schemes
- i) authorize the Management Board to increase the share capital by incorporation of reserves, profits, issue premiums or contributions
- j) authorize the Management Board to modify the powers of the Supervisory Board and the Articles of Association, accordingly
- k) to modify certain statutory provisions.

5.2.1. Authorization granted to the Management Board to reduce the share capital by cancelling treasury shares (Resolution 11)

As a result of the proposed cancellation of the 10th 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.

Wavestone 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 authorization on the share capital of Wavestone

General presentation

The 07/22/15 Combined Ordinary and Extraordinary General Meeting approved several financial delegations granting powers to the Management Board to increase the share capital as part of the Company's staff and corporate officer retention strategy.

Of these delegations, only the 16th resolution concerning the free allocation of shares was used. The other delegations were not taken up and are due to expire shortly.

The Management Board requests you delegate it more powers related to the financial management of the Company and renew these authorizations.

For the record, the Management Board is committed to the principle of non-intervention by management representatives in employee shareholder voting (see paragraph 4.2 of the Ordinary Shareholder Meeting section of the present report).

All of the financial authorizations and delegations cited in this report are designed to:

- render the Company more flexible and accelerate procedures so that, if needs be, it can make a call on the market to finance its expansion
- enable Wavestone to pursue its staff/company director loyalty strategy, within the context of the Company's employee savings scheme (PEG) and/or the Group's employee savings scheme.

Resolutions relative to capital increases fall into two main categories, namely:

- non-dilutive share issues: with pre-emptive subscription rights maintained, and
- dilutive share issues: without pre-emptive subscription rights maintained.

All securities issues with pre-emptive subscription rights (PSR) which are detachable and can be traded during the subscription period give shareholders the right to subscribe, within a minimum period of five (5) trading days as of the

beginning of the subscription period, to a number of new shares proportionate to their existing interest in the share capital.

The Management Board requests you grant it the power to cancel the pre-emptive subscription rights for some of these resolutions. Existing shareholders will however be granted a priority period of at least five (5) trading days, except in the 14th resolution relative to private placements for which no priority period is authorized.

Note that, the delegation of authority granting your Management Board the power to issue shares and marketable securities reserved for members of employee savings plans would, in accordance with legal provisions, entail an obligation on the part of shareholders to waive their pre-emptive subscription rights to buy those shares.

All of these authorizations would be granted for a limited period only. In addition, all capital increases implemented by the Management Board must respect i) the specific ceilings

to each resolution, and ii) the global ceiling set in resolution 19. This also applies to issues of marketable securities which would be capped at i) the specific ceilings to each resolution, and ii) the global ceiling set in resolution 19.

Note that, as in the past:

- these authorizations do not cover preference shares and marketable securities giving access to preference shares
- cash issues are strictly limited to the Company and are not granted to subsidiaries
- the Management Board and the management of the Company are committed to the principle of non-intervention with regard to employee-shareholder voting
- the financial authorizations granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on 07/22/15 will be discontinued.

Nonetheless, the Management Board proposes that the following delegations submitted for approval by the General Shareholders' Meeting be suspended during periods of public offers initiated by another company on Wavestone shares.

Summary of resolutions no. 12 to 20

	Ceiling applied to non-dilutive stock issues: 50% of capital	Capital increase with PSR maintained pre-emptive subscription rights of shareholders (PSR) (12 th resolution)	50% of capital	26 months
		Over allotment as a % of initial number of shares issued (15 th resolution)	15%	26 months
Common ceiling of all dilutive and non-dilutive stock issues: 50% of capital (19 th resolution)	Ceiling applied to dilutive stock issues: 20% of capital	Capital increase without PSR maintained but with priority rights in framework of a public offering (13 th resolution)	20% of capital	26 months
		Capital increase without PSR maintained in framework of a private placement (14 th resolution)	10% of capital	26 months
		Over allotment (as % of initial number of shares issued) (15 th resolution)	15%	26 months
		Contributions in kind related to operations other than IPOs (16 th resolution)	10% of capital	26 months
		Contributions in kind within the framework of an IPO initiated by the Company (17 th resolution)	10% of capital	26 months
		Capital increase reserved for employee/corporate officer subscribers to the Company savings plan scheme (PEE) (18 th resolution)	5% of capital	26 months
		Incorporation of reserves, profits, premiums and other sums (20 th resolution)	€400k	26 months

Issue of shares and marketable securities with pre-emptive subscription rights maintained (12th resolution)

In the 12th resolution, we propose you delegate powers to the Management Board to issue, within the period of twenty-six months, ordinary shares and/or complex marketable securities with pre-emptive subscription rights maintained to beneficiaries in France and abroad.

The ceilings applying to this new authorization are as follows:

- for ordinary shares to be issued by the Company: a nominal amount of €248,344.10, equivalent to 50% of the Company's share capital (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders on 07/22/15)
- for debt securities: a principle amount of €40,000,000 (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders on 07/22/15).

The renewal of this general authorization will enable the Company to obtain financing, at any time, by issuing shares and complex marketable securities giving access to Wavestone's share capital to Company shareholders while granting them detachable and tradeable pre-emptive subscription rights.

Issue of shares and marketable securities within the framework of a public offering without pre-emptive subscription rights maintained but with a priority subscription right (13th resolution)

In the 13th resolution, we propose you delegate powers to the Management Board to issue, within a period of twenty-six months, i) ordinary shares and/or ii) complex marketable securities giving access to Wavestone's share capital without pre-emptive subscription rights maintained by way of a public issue both in France and abroad.

In the event this delegation is used, existing shareholders will automatically benefit from a priority period of five (5) trading days.

The ceilings applying to this new authorization are as follows:

- for ordinary shares to be issued by the Company: a nominal amount of €99,337.64 equivalent to 20% of the Company's share capital (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders on 07/22/15);

As in the previous authorization, this ceiling:

- is the same as that applying to the following dilutive-share issues: capital increases carried out under the 14th, 15th, 16th and 17th resolutions
 - will be deducted from the global ceiling of 50% of the share capital specified in the 19th resolution.
- For debt securities, the principle amount is fixed at €15,000,000 (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders on 07/22/15).

By virtue of the applicable legal and regulatory dispositions, the issue price of ordinary shares and complex marketable securities would be at least equal to the average weighted market price for Wavestone shares over the last three trading sessions prior to pricing the issuance, minus a discount of up to 5%.

The power to make issues without preferential subscription rights enables the Management Board to carry out transactions where rapidity is key to success, and which also present the advantage of initiating a new public offering by issuing shares on foreign and international financial markets.

However, in this type of operation shareholders' rights are maintained:

- by the obligation of the Management Board to grant shareholders a five-day priority subscription right (irreducible and reducible) which is more than the three-day minimum priority period specified in Article R.225-131 of the French Commercial Code and compliant with proxy-firm recommendations.
- In accordance with the dispositions of the French Commercial Code, the share issue price must be at least equal to the average weighted market price for Wavestone shares over the last three trading sessions prior to pricing the issuance, minus a possible discount of up to 5%.

With this delegation, the Company respects proxy advisor recommendations.

Issue of shares and marketable securities without PSR maintained within the framework of a private placement (14th resolution)

In the 14th resolution, we propose you delegate powers to the Management Board to issue, for a period of twenty-six months, i) ordinary shares and/or ii) complex marketable securities without pre-emptive subscription rights maintained or priority rights within the framework of a private placement both in France and abroad.

This delegation, which was not provided for in 2015, is necessary to enable Wavestone to make private placements.

This delegation caps:

- the nominal amount of capital increases that could be carried out at 10% of the share capital. Moreover, issues carried out by virtue of the present delegation shall be deducted from the ceiling fixed in the 13th resolution (dilutive share issues) and within the limit of the global ceiling set in the 19th resolution;
- the principal value of debt securities issued at €15,000,000, equal to the maximum ceiling fixed in the 13th resolution (dilutive share issues) and within the global ceiling fixed in the 19th resolution.

By virtue of the applicable legal and regulatory dispositions, the issue price of ordinary shares and complex marketable securities would be at least equal to the average weighted market price for Wavestone shares over the last three trading sessions prior to pricing the issuance, minus a discount of up to 5%.

The ability to make issues without preferential subscription rights enables the Management Board to carry out transactions where rapidity is key to success, and private placements make the Paris financial center more attractive by offering companies a financing solution that is faster and simpler than capital increases carried out by way of a public offering.

With this delegation, the Company respects proxy advisor recommendations.

Authorization to increase the number of shares to be issued within the context of a capital increase with or without shareholder pre-emptive subscription rights maintained (15th resolution)

In the 15th resolution, we request you delegate powers to the Management Board to increase, within the period of twenty-six months, the amounts of shares/marketable securities issued under the 12th, 13th and 14th resolutions, in accordance

with the provisions specified under Article L.225-135-1 of the French Commercial Code; that is to say 15% of the initial amount of shares issued at the same price (over-allotment).

This authorization will not increase the ceilings set in the 12th, 13th and 14th resolutions cited above.

Given the potential volatility in the Wavestone share price, the Management Board deems it necessary to renew this authorization to secure, among other things, the financing of the Group's expansion.

Issue of shares and marketable securities without shareholder pre-emptive subscription rights maintained for the purposes of remunerating contributions-in-kind granted to the Company and comprising shares and/or marketable securities of third-party share capital in situations other than IPOs (16th resolution)

In the 16th resolution, we request you delegate powers to the Management Board to issue, within the period of twenty-six months, i) ordinary shares and/or ii) complex marketable securities giving access to other Wavestone securities for the purposes of remunerating contributions-in-kind granted to the Company and comprising shares and/or marketable securities giving access to third-party share capital.

Ordinary shares and complex marketable securities will be granted without shareholder pre-emptive subscription rights to securities issued by virtue of the present delegation.

In addition, this delegation automatically waives shareholders' preferential subscription.

This delegation caps:

- the nominal amount of capital increases that could be carried out at 10% of the share capital. Moreover, issues carried out by virtue of the present delegation shall be deducted from the ceiling fixed in the 13th resolution (dilutive share issues) and within the limit of the global ceiling set in the 19th resolution
- the principal value of debt securities issued at €15,000,000, equal to the maximum ceiling fixed in the 13th resolution (dilutive share issues) and within the global ceiling fixed in the 19th resolution.

The Management Board deems it necessary to renew this authorization to enable the Company to continue financing the acquisition of stakes in medium-sized, non-listed companies. In this way, these acquisitions could be financed, either partially or in full, by shares or marketable securities, rather than by debt or other means.

Issue of shares and marketable securities without shareholder pre-emptive subscription rights maintained for the purposes of remunerating contributions-in-kind granted to the Company and comprising shares and/or marketable securities of third-party share capital in the framework of IPOs initiated by the Company (17th resolution)

In the 17th resolution, we propose you delegate powers to the Management Board to issue, within the period of twenty-six months, i) ordinary shares and/or ii) complex marketable securities giving access to other Wavestone securities for the purposes of remunerating contributions-in-kind granted to the Company within the framework of a public offering initiated by the Company and comprising shares and/or marketable securities giving access to third-party share capital.

Ordinary shares and complex marketable securities will be granted without shareholder pre-emptive subscription rights to securities issued by virtue of the present delegation.

In addition, this delegation automatically waives shareholders' preferential subscription rights.

This delegation caps:

- the nominal amount of capital increases that could be carried out at 10% of the share capital. Moreover, issues carried out by virtue of the present delegation shall be deducted from the ceiling fixed in the 13th resolution (dilutive share issues) and within the limit of the global ceiling set in the 19th resolution
- the principal value of debt securities issued at €15,000,000, equal to the maximum ceiling fixed in the 13th resolution (dilutive share issues) and within the global ceiling fixed in the 19th resolution.

Until now, issues of ordinary shares and/or complex marketable securities carried out within the framework of IPOs initiated by the Group were not the object of a specific resolution (13th resolution). The Management Board believes this authorization is necessary to respect proxy advisor recommendations.

Issue of ordinary shares and/or marketable securities giving access to the Company's share capital reserved for eligible employees and corporate officers who are subscribers to the Company's employee savings scheme (18th resolution)

In the 18th resolution, we request you delegate powers to the Management Board, within the period of twenty-six months, to increase the share capital by issuing ordinary shares and/

or complex marketable securities giving access to ordinary Wavestone shares without pre-emptive subscription rights maintained and reserved for employees and eligible corporate officers who are subscribers to the employee savings scheme (PEG) of the Company and the French and foreign subsidiaries under its control (in accordance with Articles L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code within the framework of Articles L.225-129 to L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 and seq. of the French Labor Code).

The nominal ceiling of ordinary shares issued under the present delegation is capped at 5% of the share capital, the same level as that applied in the previous authorization of this kind.

The ceiling for the present authorization is in line with market practices and proxy-firm recommendations, it being specified that this ceiling is independent and autonomous of that fixed under the 13th resolution concerning limits on the delegation of powers to increase the share capital (dilutive issues) within the global ceiling of the 19th resolution.

Issues of ordinary shares will be carried out without shareholder pre-emptive subscription rights. The Company may offer its employees a preferential share price with a discount of up to 20%, calculated on the basis of the average opening price of Wavestone shares over the last twenty trading days on Euronext Paris preceding the date of the decision setting the subscription period opening date.

The Management Board may also decide, in accordance with Article L.3332-21 of the French Labor Code, to freely allocate shares to subscribers of new shares in lieu of granting a discount, or subscription to the Group's savings scheme.

In accordance with applicable legal provisions, the operations envisaged could also take the form of share disposals to subscribers of the Group's savings scheme.

For several years, the Management Board has made use of the authorizations to carry out capital increases reserved for subscribers to the Group's savings scheme and employee bodies, in application of regulations in force.

Global ceiling of delegations (19th resolution)

In the 19th resolution, we request you to:

- cap the maximum nominal amount of capital increases that could be carried out either immediately or in the future by virtue of resolutions 12 to 18 at €248,344.10, equivalent to 50% of the share capital. The individual ceilings of these

resolutions are included in the global ceiling, as are resolutions 9 and 10 (granting powers to the Management Board to freely allocate Company shares) of the 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting, thereby establishing a single global ceiling for the resolutions in question.

To this ceiling may be added the nominal value of shares to be issued to enable holders of marketable securities to preserve their rights giving access to share capital, in accordance with legal provisions.

- cap the maximum nominal amount of marketable securities that could be issued by virtue of authorizations granted under resolutions 12 to 18 at €40,000,000; the individual sub-ceilings of each of these resolutions being included in the global ceiling.

Capital increase by incorporation of reserves, profits, premiums and other amounts (20th resolution)

In the 20th resolution, we propose you delegate powers to the Management Board, within the period of twenty-six months, to increase the capital share capital by incorporation of reserves, profits, premiums and other amounts that may be capitalized, followed by the issue and/or distribution of free shares and/or raising the nominal value of outstanding ordinary shares.

As in the preceding delegation, the nominal amount of ordinary shares issued under this authorization is capped at €400,000.

This ceiling is independent from those relative to resolutions 12 to 19.

The application of a separate and independent ceiling of €400,000 is justified by the different nature of the incorporation of reserves, and other amounts since these arise either from the creation or allocation of free shares to shareholders or from increasing the nominal value of existing shares, neither of which imply any dilution for shareholders or modify the volume of Wavestone's share capital.

5.2.3. Amendment to Wavestone's Articles of Association

Modify prior authorizations granted to the Supervisory Board (21st resolution)

We ask you to modify the powers of the Supervisory Board, in accordance with new provisions set forth in Article L.225-68 of the French Commercial Code, limiting the Board's prior-authorization powers to the creation of sureties, pledges, security deposits and guarantees. For the record, decisions relative to i) property disposals and investments, and ii) the creation of sureties required prior authorization by the Supervisory Board.

If you approve this proposed amendment, we ask you to modify paragraph 6 of Article 20 of the Articles of Association, entitled "Powers of the Supervisory Board", which henceforth will read as follows:

ARTICLE 20 - "POWERS OF THE SUPERVISORY BOARD": paragraph 6 - modified text

"Pursuant to Article L.225-68 of the French Commercial Code, the creation of sureties, pledges, security deposits and guarantees require prior approval from the Supervisory Board".

Compliance of Articles of Association (22nd resolution)

We request you modify the Articles of Association of the Company to comply with new provisions laid down in the 2nd Sapin Law which i) gives powers to the Supervisory Board to transfer the Company's headquarters to any location in France, subject to ratification by the next Ordinary Shareholders' Meeting, and ii) authorizes the Extraordinary Shareholder Meeting to delegate powers to the Supervisory Board to amend the Articles of Association accordingly so that they comply with legal and regulatory provisions, subject to ratification by the next Extraordinary Shareholders' Meeting.

If you approve this proposed amendment, we request you to amend Article 4 relative to the transfer of the Company's registered office, and of Article 32, relative to the powers of the Extraordinary Shareholder Meeting, which henceforth will read as follows:

ARTICLE 4 - REGISTERED OFFICE

Paragraph 2 - modified text

"The registered office may be transferred to any other location in France upon decision of the Supervisory Board, subject to ratification at the next Ordinary Shareholders' Meeting, or to any other location subject to the approval of the Extraordinary Shareholders' Meeting."

A 2nd paragraph will be added to Article 32 of the Articles of Association entitled "Extraordinary Shareholder Meetings". Henceforth, this shall read as follows:

ARTICLE 32 - EXTRAORDINARY SHAREHOLDER MEETINGS [...]

"The Extraordinary Shareholders' Meeting may grant powers to the Supervisory Board to amend the Articles of Association to bring them into line with legal and regulatory provisions, subject to ratification at the next Extraordinary Shareholders' Meeting."

Delegation of powers granted to the Supervisory Board to bring the Articles of Association into line with legal and regulatory provisions (23rd resolution)

You are requested to grant powers to the Supervisory Board to amend the Articles of Association to bring them into line with legislative and regulatory provisions, subject to ratification at the next Extraordinary Shareholders' Meeting.

Modify the Articles of Association to determine the conditions for designating staff-representative directors to the Supervisory Board (24th resolution)

Pursuant to the "Rebsamen Law" (no. 2015-994, dated 08/17/15), the Company is required to appoint an Employee-Representative Director to the Supervisory Board. Consequently, you will be asked to modify the Company's Articles of Association in order to determine the conditions for appointing its directors in accordance with applicable legal and regulatory provisions.

Accordingly, we request you add a paragraph III to Article 18. Henceforth this shall read as follows:

ARTICLE 18 - COMPOSITION OF, AND APPOINTMENT OF DIRECTORS SERVING ON THE SUPERVISORY BOARD

« [...]

III - EMPLOYEE-REPRESENTATIVE DIRECTORS SERVING ON THE SUPERVISORY BOARD

In accordance with Article L.225-79-2 of the French Commercial Code, one or two employee-representative directors designated by the Works Council must be appointed to the Company's Supervisory Board.

- *If, at the date of employee-representative director appointment, the number of Supervisory Board members appointed by the Annual General Meeting is equal to, or less than twelve, one of its members must be an employee-representative director.*

- *If, at the date of employee-representative director appointment, the number of Supervisory Board members appointed by the Annual General Meeting is more than twelve, two of its members must be employee-representative directors.*

Contrary to the provisions laid down in Article 18 of the present Articles of Association, employee-representative directors are not required to hold Company shares.

Employee-representative members of the Supervisory Board are appointed to serve a renewable term of four years.

Employee-representative director mandates may be terminated before the end of the four-year mandatory term, in accordance with legal and regulatory provisions and are subject to incompatibility rules as provided for by law.

If a seat of an employee-representative director on the Supervisory Board becomes vacant, a new employee-representative board member shall be designated at the first ordinary meeting of the Works Council following confirmation given by the Supervisory Board that said seat has been vacated.

The provisions of this Article will automatically cease to apply if, at the close of the fiscal year, the Company no longer fulfils the conditions whereby the appointment of an employee-representative director on the board is compulsory, it being specified that the mandates of all employee-representative directors appointed under the terms of the present Article to serve on the Supervisory Board will expire at the end of their mandatory term."

Modify the Articles of Association to enable Supervisory Board members to use audio and video-conferencing for board meetings (25th resolution)

In order to facilitate Supervisory Board meetings, you will be asked to modify the Company's Articles of Association to authorize the Supervisory Board to use audio and/or video-conferencing systems for all Board meetings other than those convened to verify and control the Company's annual and consolidated financial statements, in accordance with the applicable legal and regulatory provisions.

If you approve this proposed amendment, we request you to modify paragraph 10 of Article 19 of the Articles of Association, which henceforth will read as follows:

ARTICLE 19 - ORGANIZATION AND MEETINGS OF THE SUPERVISORY BOARD

Paragraph 10 - modified text

"The internal rules of procedure stipulate that board members participating via video-conferencing and other telecommunication systems enabling their identification and their effective participation may be included in calculating the quorum required to hold meetings, other than those convened to verify and control the Company's annual and consolidated financial statements."

Modification to raise the age limit of Supervisory Board members (26th resolution)

You are requested to modify the age limit of Supervisory Board members specified in the Articles of Association and raise this to 75 years from 70 years previously. Accordingly, the number of Supervisory Board members over 75 years old cannot be more than one third of the total number of active Board members.

If you approve this proposal, we request you to modify paragraph 4 of I - Director Appointment of Article 18 of the Articles of Association as follows:

ARTICLE 18 - COMPOSITION OF THE SUPERVISORY BOARD AND APPOINTMENT OF DIRECTORS

I - DIRECTOR APPOINTMENT

Paragraph 4 - modified text

"The number of members serving on the Supervisory Board aged over 75 cannot be more than one third of the total number of members on the Board. When this percentage is exceeded, the oldest member (other than the Chairman) must resign at the next Ordinary Shareholders' Meeting."

5.2.4 Powers for formalities (27th 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 Shareholders' Meeting.

6. Social report and Works Council observations

6.1. Social report

As required by law, Wavestone 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 05/29/17.

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

05/29/17

Management Board Report – Corporate Social Responsibility

This report describes Wavestone’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 Wavestone’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 Wavestone’s 2016/17 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 under “About us” : www.wavestone.fr.

For the record, Wavestone was created out of the merger between Solucom and the European activities of Kurt Salmon in January 2016. 2016/17 fiscal year is Wavestone’s first year of non-financial reporting, in accordance with the “Grenelle II” regulatory framework. Following the merger, more than 70 projects were launched for completion in 2016/17 and 2017/18 fiscal year. Unless contraindicated, the present report traces the comparability of quantitative data over the past two years under the Solucom name. Changes in the scope of consolidation are detailed at the end of the methodology note. Since 2013/14, Wavestone’s published CSR information has been verified by an external independent party.

1. Wavestone’s general CSR approach and strategy

1.1. General strategy

For 5 years, Wavestone has 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, Wavestone’s social, societal, environmental and economic performance.

Wavestone’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.

In addition to the fact that Corporate Social Responsibility is a legal corporate obligation, it is one of the 4 key challenges defined in the “Wavestone 2021” strategic plan. In this respect, the firm has set an objective to achieve a top-3 CSR ranking (in its category) in the Gaïa-Index every year over the period.

To determine its CSR priorities, Wavestone 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

Wavestone has identified four areas of CSR commitments, 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 the elimination of all forms of 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 Wavestone in terms of CSR: to be a responsible business vis-à-vis its principal stakeholders.

Encouraging our employees to participate in the development of the firm is a central feature of the Company’s corporate model. Thanks to the mobilization of our teams, these four engagements have been transformed into concrete actions, the principles of which are detailed in this document.

(More details are given in Chapter 1 of the Wavestone Registration Document).

CSR objectives by area of responsibility

Wavestone'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
- Providing assistance for employees who have children.

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 equality of opportunity and non-discrimination:

- 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
- Develop skill-based sponsorship.

Commitment no. 4 - To limit the Company's carbon footprint:

- Improve the firm's waste management and recycling policy
- Make its carbon footprint grow slower than its international growth
- Raise employee awareness to eco-gestures and responsible procurement practices.

1.3. Organization of Wavestone's CSR approach

CSR implementation and steering

Wavestone's CSR approach and strategy are defined and implemented by a multidisciplinary steering committee which represents the Company's key challenges in terms of CSR. This committee comprises the Chairman of the Board, the CEO of Wavestone Advisors, the Director of Human Resources, the Director of Communications and Treasurer of the Wavestone Corporate Foundation, as well as the Head of Recruitment and Educational Relations, and the Head of CSR.

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

Operational organization

At the operational level, Wavestone'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. CSR awards and labels

In 2016/17, Wavestone 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 first participation, Wavestone was part of the top 5 best companies to work for in France, out of a total of 58 French firms with more than 500 employees.

- **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. In 2016, Wavestone became part of the top 10 and ranked 7th in the category of companies who recruit more than 100 trainees a year.
- **Mieux Vivre en Entreprise** Trophies awarded by the MVE institute. In 2016, Wavestone received a *Mieux Vivre en Entreprise* trophy for its “social and international engagement” undertaken within the context of Powerday, the Group’s global solidarity-day event. The MVE institute jury rewards companies having launched innovative and exemplary initiatives promoting sustained well-being for their employees in the workplace.
- **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 2016, Wavestone was ranked second 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, Wavestone 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.
 - **Shareholder and investor relations** award organized by Mazars, Les Échos group and the French weekly financial magazine, Investir: In November 2016, Wavestone was awarded the “Digital Prize” for the best shareholder and investor e-communication strategy in the Mid/Small Cap category. This prize highlights the best practices in terms of financial communication and rewards listed companies that have adopted a responsible and transparent communication approach with their shareholders, investors, individuals, institutional bodies and 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 2016, Wavestone renewed its membership with the UN 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, Wavestone 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:** Since 2016, Wavestone has been a partner of “Elles Bougent”, an association whose main mission is to encourage women from middle school to university 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 Wavestone’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 and updated in August 2016. *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 historic activities of Wavestone in Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon, acquired respectively on 07/07/15 and 01/07/16, have been excluded from the 2016/17 consolidation scope unless indicated otherwise. Wavestone’s 2016/17 reporting scope therefore includes the Wavestone parent company, as well its subsidiaries⁽¹⁾.*

(1) The Hong Kong office, opened in November 2016, is also taken into account because of the small number of employees present in that office.

2.1. Social information

At the social level, Wavestone is committed to being a responsible and engaged employer. This involves attaining the four key objectives mentioned above, which fall under the responsibility of the Director of HR development. To achieve these goals, Wavestone 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

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. To achieve this, the department is assisted by:

- a central HR development team
- decentralized HR teams within each of the firm's domains
- the personnel management team, in charge of pay and administrative management operations
- a team dedicated to facility management and conditions in the workplace
- the recruitment team in charge of carrying out the firm's recruitment strategy.

For the record, Wavestone's HR strategy is presented in Chapter 1 of the Company's Registration Document.

2.1.1. Employment

1) Total workforce

At 03/31/17, Wavestone's total workforce stood at 2,628 employees, up 4.7% on the year-earlier⁽¹⁾ level of 2,511.

The Company's workforce at 03/31/17 breaks down as follows:

- 59.2% of employees - under 30 years of age;
- 36% of employees - women;
- 90.5% of employees - based in the Paris region (Wavestone head office);
- 2,579 permanent employment contracts which represents 98% of the total workforce;
- 49 non-permanent employment contracts, of which 44 apprenticeship 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 03/31/17	At 03/31/16 ⁽¹⁾	At 03/31/15
Men	64%	65.9%	68.2%
Women	36%	34.1%	31.8%
Consultants			
Men	68.4%	70.3%	72.8%
Women	31.6%	29.7%	27.2%

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 Wavestone's workforce at 03/31/17 stayed stable at 32 years. The following table gives a breakdown of the Company's workforce by age Group:

(% of total workforce)	At 03/31/17	At 03/31/16 ⁽²⁾	At 03/31/15
18-25 years	13.7%	15.3%	14.7%
25-30 years	45.5%	48.7%	46.7%
30-50 years	34.5%	30%	32.8%
> 50 years	6.3%	6%	5.8%
o/w > 55 years	2.5%	2.3%	2.4%

(2) Data on 03/31/16 does not include staff from Wavestone Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon.

The percentage of employees under 30 years old fell in 2016/17 following the integration of more than 700 ex-Kurt Salmon employees with an average age of 34.

(1) Includes all of the Wavestone scope on 03/31/16, including the staff from Wavestone Switzerland (ex-Arthus Technologies) and the activities of Kurt Salmon, the Company excluding the latter had 1,716 employees.

Average length of service

The average length of service at 03/31/17 for all job positions was **4.5 years** compared with 5.3 in 2016/17. This decline was due to a combination of high levels of recruitment but also employee resignations, mainly within the European activities of Kurt Salmon.

	2016/17	2015/16 ⁽¹⁾	2014/15
Total Group	4.5 years	5.3 years	5.3 years
Consultants	4.2 years	5.1 years	5.2 years

Breakdown by geographic region

Since July 2016, all of the Company's Parisian teams work at the Paris La Défense⁽²⁾ site. In addition, Wavestone has 3 regional offices, namely: Rhône-Alpes (Lyon), PACA (Marseille) and West (Nantes), as well as 7 offices abroad: in Casablanca (Morocco), London (UK), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York (USA) and Hong Kong.

(% of total workforce)	At 03/31/17	At 03/31/16 ⁽¹⁾	At 03/31/15
Paris region	82.6%	91.8%	92.4%
Regional offices	7.8%	6.4%	7.0%
International	9.5%	1.9%	0.5%

The acquisition of Kurt Salmon's European activities has expanded the firm's international footprint.

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 03/31/17	At 03/31/16 ⁽¹⁾	At 03/31/15
Consultants	88%	86.9%	86.7%
Sales teams	3%	3.7%	4.2%
Support functions	9%	9.4% ⁽³⁾	9.1%

⁽³⁾ The firm's support function staff includes 12 employees with work-study contracts who work on consulting missions.

At 03/31/17, Wavestone employs 2,312 consultants, of which 22 in skills-acquisition or work-study contracts.

3) Hirings and departures

Recruitment policy

The firm's recruitment policy prioritizes the recruitment of young graduates, recruited mainly from the most prestigious engineering and business schools and universities. In addition, as part of its pre-employment strategy, the Company takes on over two hundred trainees every year (in the form of sabbaticals, end-of-studies internships, apprenticeships and work/study programs). For example, in 2016/17, over 50% 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.

Wavestone regularly hosts "Wavestone Connect soirées" in prestigious venues for candidates so that they can meet the firm's top executives in a warm, friendly atmosphere and talk to Wavestone employees about their missions, the values of the firm and its growth prospects.

Breakdown of consultant hiring by type of diploma

	2016/17	2015/16 ⁽¹⁾	2014/15
Business schools (%)	42%	32%	31%
Engineering schools (%)	38%	53%	58%
Universities (%)	20%	15%	11%

⁽¹⁾ Data on 03/31/16 does not include Solucom Switzerland (ex Arthur Technologie) staff and the European activities of Kurt Salmon.

⁽²⁾ Employees from the Neuilly office of the European activities of Kurt Salmon moved out in July 2016.

Details of staff hirings and departures (excluding internships)

Staff hirings and departures in 2016/17 fiscal year are given in the tables below:

	2016/17		2015/16 ⁽¹⁾	
	Number	%	Number	%
Recruitment				
Total external recruitment (excluding internal mobility transfers)	736	100.0%	463	100.0%
<i>o/w permanent employment contracts</i>	689	93.6%	436	94.2%
<i>o/w temporary employment contracts:</i>	47	6.4%	27	5.8%
- <i>of which long term</i>	8		0	
- <i>o/w skills-acquisition and work-study contracts</i>	39		27	

(1) Data on 03/31/16 does not include staff from Wavestone Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon acquired respectively in July 2015 and January 2016.

	2016/17		2015/16 ⁽¹⁾	
	Number	%	Number	%
Staff departures				
Departures (excluding internal mobility)	619	100.0%	261	100%
<i>o/w resignations</i>	459	74.2%	177	67.8%
<i>o/w end of temporary contracts (work/study programs and apprenticeships)</i>	40	6.5%	15	5.7%
<i>o/w suspension of trial periods</i>	74 ⁽²⁾	11.9%	51	19.5%
<i>o/w redundancies</i>	26	4.2%	13	5.0%
<i>o/w employment-contract termination by mutual consent</i>	10	1.6%	1	0.4%
<i>o/w retirement</i>	8	1.3%	4	1.5%
<i>o/w deaths</i>	2	0.3%	0	
Departures of permanent employees	578		297	

(1) Data on 03/31/16 does not include staff from Wavestone Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon acquired respectively in July 2015 and January 2016.

(2) Of which one temporary contract.

During the fiscal year, Wavestone recruited over 600 permanent employees (excluding end of trial period and internal mobility transfers) and 16 part-time employees were employed within the Company.

Staff turnover

	2016/17	2015/16	2014/15
Staff turnover (%)	17.5%	10.3%	10.7%

The yearly staff turnover rate (the number of resignations divided by the total workforce at year end) for Wavestone is at 17.5%. It was particularly high on the scope of Kurt Salmon's European activities at 33% but remained low for the rest of Wavestone at 12%.

4) Compensation and salary trends

Pay policy

As part of the creation of the new firm, Wavestone's pay policy in France was reviewed during the 2016/17 fiscal year and will be applicable starting 04/01/17. This policy aims to be rolled out through to 2017/18.

Structuring principles of the new pay policy

Wavestone's pay policy is based on three principles:

- **One reference tool for salaries for all consulting activities**

For each level of Wavestone Horizon (the job reference tool for Wavestone France), the pay policy associates a benchmark salary. Wavestone has chosen to adopt the same wage grids for every consulting activity.

- **A competitive salary baseline**

In a competitive market, having a competitive pay policy is essential for the Group to attract and retain the best talents. This policy was built according to the practices of the management consulting market (annual benchmark).

- **Commitment to ethics and transparency**

In France, every rule regarding pay policy (starting salary, reference packages per job type, bonus calculation...) is published on the Wavestone corporate website.

Wavestone has implemented a standardized salary framework for all of its employees and notably commits to applying a coherent pay policy for staff members with similar career paths.

Pay policy trends

The payroll system is undergoing two major changes:

- **Paperless pay slips**

In a bid to reduce paper consumption, Wavestone decided to dematerialize pay slips and introduced paperless solutions for all of its employees in France in May 2017.

- **Solidary rounding**

In 2017/18, Wavestone will forge a partnership with *Microdon* to enable employees to support a charitable project they would like to take part in by contributing monthly donations from their pay.

Employee profit sharing, calculated on the basis of the statutory formula, totaled €4,402k in 2016/17 fiscal year, versus the year-earlier level of €2,542k.

For 10 years, employees of the Wavestone parent company have been able to acquire a stake in the Company in the form of free shares granted by the firm when profit sharing is paid

out. As such, employees choosing to place all or part of his profit will receive free shares 2 years later, if he is still an employee of the firm and has not sold his FCPE Wavestone Actions shares.

For 2 years, over 50% of employees place all or part of their profit share in the FCPE Wavestone Actions.

Not only does employee shareholding grant free shares, it also gives employees a sense of pride of being part the shareholders of the company they work for.

2.1.2. Organization of work

1) Organization of working time

Wavestone employees fall into one of the following three working-hour categories: level 1 - 37 hours/week, with 11 paid days off per year (ATTs⁽¹⁾); level 2 - a fixed number of 166 h 42mn per month and 218 days a year, including "Solidarity day"; and level 3 - a fixed number of 218 days per year, including "Solidarity day".

2) Absenteeism

Wavestone's absenteeism rate in 2016/17 which remained low at 1.86% mainly due to sick-leave. Maternity and paternity leave, as well as unpaid leave (including full-time parental leave) are not factored into the absenteeism rate calculation.

2.1.3. Social relations

1) Organization of social dialogue

In France, Wavestone is made up of parent-company Wavestone SA and Wavestone Advisors. Their employee-representative bodies are summed up in the table below:

Companies	Works Council (WC)	Staff Representatives (SR)	Sole Employee Representative Body (SERB)
Wavestone SA	X	X	
Wavestone Advisors	X	X	X

Social actions are managed by the Group's Works Councils. Most of these involve sports and cultural activities. For example, the Group's works councils⁽²⁾ organized a 3-day skiing weekend open to all employees in January 2016 in the *Les Arcs* ski resort, in France. 540 employees participated,

33% more than in 2016/17. Another weekend is planned to take place in Marseille in June 2017. The WCs also proposed numerous clubs where employees could play a sport or carry out some form of cultural activity (music, singing, photography, etc.) in a convivial setting.

(1) Organization of Working Time.

(2) The WCs of the Wavestone parent company and Wavestone Advisors.

Meetings between management and employee representatives held in 2016/17 by scope

Wavestone SA	WC meetings	SR meetings	Wavestone Advisors	WC meetings	SR meetings
Number of meetings	15	5	Number of meetings	16	11
	<i>o/w 4 exceptional</i>			<i>o/w 4 exceptional</i>	

Examples of subjects on the agenda (for information or consultation)

- Consultation on the Group's policy concerning the recruitment of disabled people
- Information on Wavestone's policy concerning parenthood and employees in the later phase of their career
- Consultation on the operating model for support-function teams
- Information on the development of the Group's payroll system
- Consultation on the project to introduce new entry passes

2) Review of collective agreements signed

Agreements presented within Wavestone in 2016/17, plus date of signature or presentation:

Addendum to the profit-sharing agreement, as well as to the rules applying to the Group's Savings Plan (PEG) and its retirement savings plan (PERCO): application of the Macron Law	05/27/16
2016/17 agreement on gender equality and quality of life in the workplace	06/28/16
Consultation on rollout of teleworking in France	07/28/16
2016/19 three-year generation contract	12/16/16

Agreement presented in Wavestone Advisors for 2016/17, with date of signature:

Agreement on Mandatory Annual Negotiation (MAN)	02/18/16
---	----------

2.1.4. Health and safety

1) Hygiene, Safety and Working Conditions Committee

Wavestone SA and Wavestone Advisors each have a Hygiene, Safety and Working Conditions Committee which respectively held 4 ordinary meetings and 4 exceptional meetings, and 5 ordinary meetings and 1 extraordinary meeting in 2016/17.

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 psycho-social disorders

Since 2013, Wavestone also employs an occupational nurse on a full-time Monday through Friday 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 Wavestone.

However, in October 2016, after completing teleworking trials and securing an agreement between the WC and HSWCC bodies of Wavestone and Wavestone Advisors, teleworking was rolled out in all Wavestone offices in France.

3) Occupational accidents and illness

France perimeter	2016/17	2015/16	2014/15
Number of occupational accidents	23	20	18
<i>o/w commuting accidents</i>	15	11	16
Number of occupational illness declarations	0	0	0
Rate and frequency of occupational accidents ⁽¹⁾	2.7	4.6	4.9
Severity rate of occupational accidents ⁽²⁾	0.05	0.094	0.096

(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 23 occupational accidents reported in 2016/17, 9 resulted in work stoppage for sick leave. The bulk of occupational accidents reported over the period were caused by falls outside of Wavestone 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 Wavestone'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

Office premises: the AIR concept

To enhance the quality of the working environment for its employees and foster proximity of its teams at all levels, Wavestone developed a new lay-out concept for its offices in 2015. The "AIR" office-layout concept as it is known has been implemented in Group offices in Paris, Nantes, Lyon and New York. More offices will be remodeled in 2017/18, with a view to extending the layout-concept to all Group offices.

The aim of the concept is to inject greater flexibility, comfort and creativity into ways of working, and facilitate exchange.

The main features of the AIR concept include:

- standardized workstations allocated to everybody (no free seating)
- open-plan work areas fitted with window walls to ensure a constant flow of natural sunlight
- muted sound environment thanks to the choice of fittings made at the beginning of the project, including suspended, sound-proofed ceiling tiles, specific furniture, services

centers (for printers, etc.) and dedicated spaces for employees seeking a quiet, isolated place to work, such as the Quiet Room, Bubble chairs and My Boxes

- a wide range of work areas: 8 meeting rooms formats for as many working situations (meeting rooms for 4 to 16 people, My Box, Teambuzzer, Project rooms, Visio rooms, etc.)
- special venues on every floor: IT Bar, "CreaPlace" creativity center, video studio, etc
- new technologies are central to the project: digital signage wall screens, meeting room touch-screen booking system, video-conferencing equipment, etc.

In addition, employees at the Paris offices have access to a company concierge services and a private sports club.

Flexible working arrangements

• Teleworking

Teleworking has been available to all Wavestone employees in France since October 2016 either on a regular basis (up to 2 days a week) or occasionally (up to 3 days a month). Pregnant staff members may also benefit from up to 3 days teleworking a week to reduce their commuting time.

A common practice in Group offices in London and Geneva, teleworking is reserved for exceptional occasions in other regional Wavestone offices.

All employees who have been with Wavestone for at least six months are entitled to work on a remote basis providing their jobs are compatible. Those wishing to work on a regular teleworking basis may do so if they have a long way to travel and/or if commuting is complicated. In addition, employees can opt for the work days of their choice, without management approval.

In France, 713 employees (35% of eligible staff members) benefited from an occasional teleworking arrangement barely five months after the system was launched. This work option was adopted by all support functions.

In addition to simplifying job organization of Group employees, teleworking is also a way for the Company to reduce its carbon footprint, by cutting down on staff commuting.

- **Flexible leave**

Seniority is not a prerequisite for taking time off, and no vacation periods are imposed (outside heavy workload periods).

- **Meeting schedules**

The Company raises employee awareness to the importance of scheduling regular meetings during standard working hours, namely between 9:30 am and 6:30 pm.

- **Right to disconnect**

Employees are entitled to disconnect the remote communication devices supplied by their companies.

Wavestone's management and HR teams ensure that employee disconnection rights are respected by the different teams and endeavor to demonstrate exemplary behavior in this respect.

2) Specific measures for expectant parents

Wavestone is committed to helping female and male employees strike a healthy work life balance between their professional and family lives.

To implement this commitment, the Company has taken several measures, outlined below and presented in Wavestone's Parenthood Guide for Employee Parents in France⁽¹⁾:

Corporate nursery service

In 2008, Wavestone SA France launched a nursery service designed to help present and future parent employees find creche places via the Babilou network (more than 300 crèches in France) and its partner network, "1001 Crèches" (over 900 crèches). At 03/31/17, Wavestone SA had financed 64 cots for its employees' children.

Childcare leave

Staff members with one or more children aged 12 years and under can take up to 3 paid leave days per sibling, per year. These days leave make be taken individually, or together.

Parenting conferences and workshops

As of June 2017, Wavestone will be proposing a series of workshops at its Paris-based offices and remote conferences, conducted in-house by a parenting coach. These 2-hour sessions will be based on themes, such as, "Benefiting to the full from your children, as a working parent", and "The digital family".

Paid maternity, paternity and adoption leave

Full pay is maintained throughout maternity, paternity and adoption leave, irrespective of the employee's length of service within the Company. In addition, Wavestone has implemented a subrogation scheme for its employees to ensure that they do not have to bear a shortfall in cash flow while awaiting the payment of their social security benefits.

Phased return to work after maternity, adoption or parental leave

To ensure a smooth return to work, full-time employees may work part-time (32 hours) with full-time pay during their first two weeks back.

Flexible working hours during pregnancy

Pregnant staff members may benefit from up to 3 teleworking days a week, and are given a second computer to work with at home to avoid carrying loads.

Corporate Parenthood Charter

Wavestone will pursue its commitment to changing the perception of parenthood in the workplace and advocates the principle of non-discrimination of parent employees. Wavestone has been a signatory of the Corporate Parenthood Charter since 2013.

3) Communication and in-house actions

Promoting close working ties within its teams and encouraging staff members to participate in the corporate project and Company strategy are core features of Wavestone's corporate model. This dynamic in-house drive is designed to trigger new, value-enhancing initiatives for Wavestone and its staff. It is within this framework, for example, that the five Wavestone assets (R&K Center, Creadesk, The Faktory, Machine Learning & Data Lab, Shake'Up) were envisaged and developed.

Collective exchange of views

Throughout the merger process, staff members were encouraged to take part in a number of Wavestone's different new projects.

(1) Practices implemented by Wavestone SA since 2012/13. Wavestone Advisors France employees had access to all of these services as of 07/01/17.

For example:

- The Wavestone 2021 action plan: developed and disclosed via 20 exchange meetings and a Yammer chat held between management officials and employees.
- The Career Path project⁽¹⁾: developed with the support and participation of 250 employees during 9 workshops held in all Wavestone offices in France. For the launch of the new HR model, a Yammer chat was organized, enabling employees to exchange their views with the HR teams.
- The creation and implementation of new workstations tailored to meet employees' needs: over 1,000 employees expressed their views on workstation design in a survey open to all staff members carried out over two weeks in March 2017. Workstations were chosen and employees were able to test them as of April 2017.

In addition to the Company's various construction projects, the first Wavestone *hackathon* (organized in July 2016) was a key moment of exchange and innovation for Group employees. The aim of this hack fest was to optimize the business of an energy company by designing innovative connected services based on the theme, "10 days to get an energy company's business off the ground" and with the help of the Internet of Things (IoT). With the support of Wavestone's prototype testing-validation platform, the Faktory⁽²⁾, around one hundred employees were given ten days to define a use case and produce Proofs of Concept (PoC) to validate the relevance and feasibility of their project. The winning team designed a connected street lamp solution enabling discontinuous lighting on roads at night. This innovative, effective and challenging approach is also used by Wavestone consultants during client on-site assignments.

Convivial social events

Numerous opportunities are organized for employees to meet and exchange ideas with colleagues: integration seminars, team meetings, practice forums, etc. One memorable occasion was the Group's annual staff gala, in July 2016, when Wavestone unveiled its new brand to all of its employees at the *Grand Rex* in Paris.

Social events are organized throughout the year: free breakfast offered every Friday to Group employees, after-hour drinks, team diner parties, annual gala for all staff members and their partners.

4) Prevention and treatment of psychosocial risks (PSR)

Management and HR teams, as well as staff representatives and HSWCC members, systematically receive training in psychosocial risks so that they can identify PSR risks as soon as possible and implement action plans adapted to every situation⁽³⁾. In 2017/18, RPS training will be extended to include managers.

Staff members have access to a dedicated space on Wavestone'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. Wavestone's in-house training institute also offers two staff training programs designed to help employees concerned maintain efficiency during stressful situations (levels 1 and 2).

In addition, Wavestone has adopted a staff proximity management policy whereby groups of 10 to 15 employees are monitored by a team leader who, in turn, is backed by an HR contact, delegated to their team. This approach ensures that staff stress problems can be detected well in advance.

As such, in 2016/17, the following psychosocial risks were detected and monitored:

	2016/17	2015/16
no. of employee support call-center contacts	6	4
no. of new PSR cases declared <i>between 04/01/16 and 03/31/17</i>	49	37
<i>no. of PSR cases being processed</i>	15	13
<i>no. of PSR cases resolved between 04/01/16 and 03/31/17</i>	47	36

5) Assessment of quality of life in the workplace

Wavestone participates in 2 annual surveys to assess the quality of its working environment and in line with its continuous improvement strategy.

(1) Career-path development, assessment and compensation.

(2) La Faktory: one of Wavestone's 5 key assets. This technical platform, which is run by high-level techs and designers, enables the rapid testing and validation of concepts through prototype creation.

(3) A special "staff delegates" session is organized.

- **Great Place to Work®**

In November 2016, Wavestone conducted an 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 express themselves on the quality of life within the Company. The GPTW® survey assesses the Company on five levels: credibility, respect, fairness, employee pride and conviviality.

In March 2017, the institute announced the results of the 2017 GPTW® Awards: for its first-time participation, Wavestone was ranked among the Top 5 best companies to work for in France out of a total of 58 French firms with more than 500 employees which received GPTW® 2017 recognition. Overall, 76% of Group employees completed the questionnaire, and 81% of these considered Wavestone a company that would be good to work for.

Wavestone's participation in Great Place to Work® was in line with the merger between Solucom and Kurt Salmon's European activities. Carried out quickly, and placing the human factor at the core of the newly-formed company, the merger program led to the creation of Wavestone in barely six months. Obtaining GPTW certification was a major step in building the new consultancy and underscores the firm's Human Resources goal to be, and to remain, an employer of choice.

- **Happy Trainees**

In 2016, Wavestone took part in the Happy-trainees survey, conducted by Meilleures-Entreprises.com. Based on an anonymous satisfaction survey addressed to interns of companies being assessed, this independent label rewards firms for the quality of the welcome and guidance they offer trainees. This year, Wavestone ranked 7th in the category of companies recruiting over 100 trainees a year.

2.1.6. Integration and development of skills

1) Integration path

As of September 2016, all Wavestone recruits follow the same four-stage integration program comprising a welcome session, an integration seminar, a training program and HR and management support.

Recruit welcoming

All recruits joining the firm spend the first two days attending an integration program: informal exchange of ideas, theme-based presentations (on the Group's Human Resources policy, management tools, recruitment and communication) and the "Delivering in Wavestone" training program, designed to help staff master the office-based tools required to produce deliverables in line with Wavestone standards.

For recruits based in France, this two-day program takes place in Wavestone's Paris offices. For those outside France, the welcome session takes place at the regional office where the employees work, and the theme-based presentations and "Delivering in Wavestone" program are conducted within two weeks of their arrival.

The "Wavestone Inside" integration seminar

The one-day integration seminar brings together all new recruits, regardless of their entity, job, level of experience and regional site. The two-fold aim here is to enable trainees to assimilate the Wavestone identity (Group markets, positioning, values, etc.) and to build-up their in-house network. The day is organized around plenary presentations (strategic objectives, presentation of Group assets and areas of excellence, etc.), and theme-based workshops, and followed by a gala evening. 3 Wavestone Inside seminars were held in 2016/17.

Training modules

Young graduates follow a training program of five days during their first year in the Company. The two-pronged aim of the program is to allow recruits to obtain the initial skills required to do their jobs in the best conditions, and to meet Wavestone employees from a wide range of horizons (practices, jobs, offices, etc.).

Training modules vary according to the employee's function and are scheduled at different times over the first year. Sales staff, for instance, benefit within 3 to 6 months of their arrival from training to acquire efficient prospecting skills and optimize their performances. Consultants receive training within 6 to 9 months of their arrival in skills related to pre-sales processes and optimizing their contributions.

All new recruits follow at least three training courses during their first year.

Close employee monitoring



Integration of newly acquired companies

Wavestone'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 Wavestone Executive Committee representing the different operational and support functions involved.

As soon as the acquisition of Kurt Salmon's European operations was announced in January 2016, management decided to redesign the corporate model and change the company name in order to create a new firm. A dedicated "Being Wavestone" team was formed to steer the change and ensure the follow-up and monitoring of the 70 transformation projects identified in 2016/17.

2) Skills development

Given the nature of the consulting business, developing employee potential is a key priority for the Group. The rapid acquisition of skills and responsibility is a major challenge for Wavestone particularly since the Company's HR model is founded on the intensive recruitment of young graduates (more than 70% of new hirings in 2016/17). To this end, the Group has implemented additional measures, as described below.

The Wavestone Horizon business skills repository

As of 04/01/17, the Group outlined a new development path for its consultants. The 2016/17 business skills repository will

be deployed to all the employees involved in sales and marketing functions.

The Wavestone Horizon reporting framework is a career path guide designed to give Company employees a long-term perspective of their professional development prospects. It gives employees and their managers points of reference so that they know what is expected at every professional level and can identify the skills to be developed in order to improve and successfully achieve every new stage. Career paths also serve as a tool enabling employees to play a key role in their own professional development within the firm. In 2016/17, 323 staff members (more than 12% of the workforce) received promotions.

In-house training institute and external training programs

Skills development at Wavestone is underpinned by:

- Digital training courses
- A common training program for all young recruits⁽¹⁾
- Local training schemes.

Digital training offer

The purpose of Wavestone's training program is to foster the sustained skills development of Group employees. Following the merger, the training catalogue was widened to include integration training, as well as My Mooc, Vodeclit and Sequoia programs.

Wavestone's diverse digital training catalogue offers employees a variety of learning programs to choose from:

- Vodeclit: tuition in professional office tools used by Wavestone and its clients.
 - 5-minute e-learning training sessions on over 300 professional office tools, such as Office Suite, LinkedIn, Photoshop, Trello, Android, iOS (available in French and English).
 - Plus assessment tests (to determine the employee's level), as well as skills acquisition path and exercises.
- My Mooc: a monthly catalogue of around ten Moocs emailed to all staff members.
- Sequoia: on-line educational training courses in a game-based format developed by the Group's practices to transmit Wavestone's savoir-faire and expertise to employees. Each training program is conceived as a series of game-based episodes, delivered in an offbeat, zany tone; on completion, trainees are awarded badges and certificates. These training sessions are developed by, and for Wavestone employees to meet the specific needs and skill requirements of the Company's different practices.

(1) See paragraph 2.1.6. on the integration path of new recruits.

All the training programs are also developed abroad with a cross-functional approach (multi-practice and multi-function). In addition, to enrich the training offer, each office is encouraged to contribute to the program. Wavestone's New York and London-based offices are thus drivers in the development of the in-house Sequoia platform.

None of these training modules were factored into the total number of training hours received by Group employees.

Traditional on-site training and blended learning⁽¹⁾ courses

Wavestone's training institute proposes over thirty on-site programs designed to develop key job-related skills (business development, delivery, communication, project management,

etc.) and/or themes related to personal development. Several of these programs award certificates upon completion. These include ITIL Foundation V3 - (Information Technology Infrastructure Library), Lean Six Sigma - Green Belt, etc.

These in-class training sessions provide an opportunity for employees to build up an in-house network by getting together with colleagues in other practices, offices, and jobs, as well as to share feedback on their respective experiences and explore different viewpoints.

To meet its training needs in areas not covered by the Wavestone in-house training institute, the Group also makes recourse to external training solutions.

Total number of training hours and days

The table below gives an overview of the figures relative to external training programs, as well as in-house courses provided by the Company's training institute (excluding digital-based courses) for 98.4% of Wavestone employees⁽²⁾.

Fiscal year	2016/17	2015/16	Calendar year 2014
Number of employees receiving at least one training course during fiscal year	1,891	1,095	853
Percentage of employees receiving at least one training course during the fiscal year	73.1%	63.8%	60%
Number of training days given in the year	4,118	3,292	2,370
Number of training hours given in the year	31,711	23,048	16,587
Average number of training hours per employee given in the year	16	21	19

Assignments and on-the-job training

For all Company employees, the professional consulting assignments they carry out also provide the opportunity for them to develop and enhance their individual skills. This hands-on learning approach is an essential growth driver within the Group. As such, at the beginning of every assignment, the project manager informs the consultants of the goals involved. Once the assignment has been completed or at intermediary stages (in the case of long-term missions), the project manager carries out an evaluation to assess the consultant's work giving feedback on the progress achieved and pinpointing specific areas for improvement. Individual goals concerning new-skills development are also taken into account during the consultant staffing process (weekly assignment of consultants on missions).

In addition, as part of the process to acquire the consulting skills they need to progress, consultants contribute to the Company's development activities. Every year, consultants

regularly carry out 6-to-12 month assignments within the firm's support-function departments (recruitment, brand image and recognition, etc.).

Internal mobility

Wavestone seeks to ensure bright career development prospects for its entire staff. Internal mobility is one way of providing professional opportunities allowing employees to enhance their career paths and benefit from a range of different development prospects.

All employees can apply for job vacancies advertised by Wavestone within the context of the Group's annual recruitment plan. Wavestone commits to reviewing all job applications, whatever the level of experience of the employee and the job applied for, 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. All Wavestone employee applicants receive a reply within at least three months.

(1) Blended learning: combination of several learning methods (in-person, e-learning, telephone).

(2) Training data not available for the Morocco office and Wavestone Advisors Switzerland.

Breakdown of internal transfers by type

	2016/17		2015/16		2014/15	
Regional transfers	16	33%	8	26.7%	8	33%
Occupational transfers	13	27%	10	33.3%	5	20.8%
Inter-Practice transfers	19	40%	12	40%	11	45.8%
Total	48	100%	30	100%	24	100%

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, the career development manager and the HR team of the employee's specific practice. The current stage of development of employees' career-path plans are also reviewed, together with their 12-24 month medium-term outlook, the associated development plan, wage trends and bonus possibility and promotion prospects.

In addition, all employees meet their team manager for a yearly performance review in order to discuss their annual evaluation, compensation, promotion and career path.

The purpose of the Company's career development managers is to help employees achieve their full potential. The annual performance review is a privileged moment of exchange and a training ground.

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. Wavestone's social and societal policy is reflected in its program to promote diversity and non-discrimination.

Percentage of female employees in the Group

	At 03/31/17	At 03/31/16 ⁽¹⁾	At 03/31/15 ⁽¹⁾
% of total workforce	36%	33.4%	32%
% of consultants	31.6%	29.3%	27%

(1) Excluding Arthus Technologies and the European activities of Kurt Salmon.

The increase in the number of woman as a percentage of total consultants (up from 29.3% in 2014/15 to 31.6% 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 36.7% in 2016/17.

In addition, in February 2016, Wavestone became a partner of "Elles Bougent", an association which promotes

At the social level, the Group's key priorities with respect to anti-discrimination are professional gender equality, employment and insertion of people with disabilities, and job security for employees over 50.

1) Professional gender equality

Wavestone is pursuing its commitments in terms of professional equality for women and men in four specific areas:

- **Recruitment:** 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.
- **Career development:** move towards a balance between the percentage of women in roles of responsibility (operational or top management) and their percentage of the total workforce.
- **Compensation:** maintain a strict equal pay policy for men and women.
- **Work-life balance:** promote a healthy work/life balance for women and men alike, notably by implementing specific measures aimed at facilitating this balance for employees with children (see paragraph 2.1.5.2: "Specific measures for expectant parents").

professional gender diversity and whose mission is to encourage more women to pursue scientific and technological careers. For Wavestone, the main goal of this partnership is to share best practices with other companies. Women graduates from engineering schools seeking to exchange their points of view and share their career experience can become sponsors of the association. In October 2016, Wavestone organized a creativity workshop in its Paris offices to produce new communication ideas for "Elles Bougent". Around twenty engineering students met with members of

the Association and Wavestone sponsors, and had the opportunity to discover the firm and learn more about the consulting business. At end-March 2017, “Elles Bougent” had nearly 20 Wavestone sponsors.

Wavestone also participated in the **2016 Women’s Forum Global Meeting** based on the theme “Is the sharing economy a sharing world?”. This forum was the opportunity for participants to take part in enriching discussions on economic, societal and social issues with respect to the role of women within the context of the “sharing economy” and, more broadly, in the world today. Following the forum, the Company plans to set up a network dedicated to gender diversity in 2017/18 fiscal year, with workshops open to all employees.

2) Employment and insertion of people with disabilities

Wavestone’s strategy promoting professional support for the disabled is in line with the firm’s 3rd CSR commitment to promote equal opportunity and the elimination of all forms of discrimination in the workplace” at the social and societal level.

• At the social level:

- Wavestone is pursuing its partnership with the Grenoble École de Management to promote the “Management and Disabilities” certificate. Student applicants are required to submit a “study journal” illustrating their views on the subject of handicap. As a member of the selection panel, Wavestone is required to read and assess these journals to discern the 30 students admitted to the course.
- Wavestone France continues to take part in *Handicafés*⁽¹⁾ forums which provide a privileged meeting ground for disabled candidates and recruitment officers.
- Wavestone France calls on the services of the ESAT vocational rehabilitation center for the disabled, mainly for printing documents for in-house training courses, taking weekly orders for tray-meals and fruit baskets, and orders for event buffets, collecting binned paper and recycling IT equipment (printers, ink cartridges, toners, etc.).
- HR teams follow a training course for the integration of disabled employees, which is delivered by CED, a French communications agency promoting the recruitment of disabled people.
- During Disabled Persons Week, held in November 2016, Wavestone endeavored to raise staff awareness to 1) disability issues, by posting a quiz on the Company intranet on the statistics and preconceived ideas related to disability, and to 2) paper recycling by working with an ESAT center.

- For 2017/18, in addition to pursuing actions already in hand, the Company aims to offer personalized support to employees who are directly or indirectly concerned by disability. The project, launched in June 2017, will be carried out in partnership with the Company Made in TH, and involves organizing an on-call service twice a month, by phone, or in Wavestone’s Paris-based offices. This service enables staff members to benefit from personal and strictly confidential support to deal with the administrative tasks associated to disability issues. These on-call sessions are conducted by a specialist representative of Made in TH.

• At the societal level:

- The Wavestone Foundation participates in humanitarian projects, by supporting or developing initiatives to benefit children worldwide. Some of the projects chosen offer support to disabled people. In 2016/17, for instance, the Foundation chose to back a project involving “the construction of a vocational training center for underprivileged children and disabled youths, located near Benare” (in the Reunion Island).
- Since 2012, Wavestone has sponsored the Villebon - Georges Charpak training institute, a social project co-sponsored by the ParisTech Foundation, as well as further education establishments (*grandes écoles* and universities), and socio-economic players. The training institute is an undergraduate establishment that delivers Bachelor degrees in Sciences and Technologies. After graduating, students may pursue their university studies by going on to do a Masters or enrolling in an Engineering School. The institute guarantees the social, cultural and intellectual diversity of its students, 20% of whom are disabled.

Further details of the institute are outlined in section 2.3.2. of this report.

Powerday, Wavestone’s global corporate solidarity day, is an opportunity for Company employees to support associations by taking part in skill-based sponsorship or in-the-field projects. For its first Powerday event (held in 2016), 13% of the projects supported were related to disability. Staff support included projects such as referencing areas in the Paris Region that are accessible to persons with reduced mobility.

In addition to pursuing actions already in hand, in 2017/18, the Company will offer employees the opportunity to participate in charity races related to disability, such as the *Handicap International marathons* in Paris on 05/14/17 and in Lyon on 07/02/17. The Group will also organize a competition designed to reward the best student association projects promoting disability initiatives.

(1) Created by ADAPT in 2007 and deployed throughout the student community via FEDEEH (*Fédération Etudiante pour une Dynamique Etudes et Emploi avec un Handicap*).

At 03/31/17, the firm had 8 employees with disabilities. Wavestone contributed €686k to the Agefiph disability support fund in calendar year 2016. Note that, Wavestone has decided not to implement a disability declaration incentive policy.

3) Anti-discrimination policy

In addition to the aforementioned commitments in favor of women employees and people with disabilities, Wavestone is also committed to ensuring job security for employees over 50 years.

At 03/31/17, employees aged 50 and over accounted for 6.3% of the total workforce, stable on year-earlier levels.

Specific actions have been implemented⁽¹⁾ to meet the expectations of employees aged 50 in France, and optimize the expertise acquired while adapting to their individual situations:

- Close monitoring by the HR team at key end-career stages, notably at the 50 and the 60 year-old stages and during the year employees retire
- Full medical check-up: 100% financed
- Individual retirement review, designed to verify the rights acquired by employees and determine the age required for them to qualify for a full pension, and to estimate the amount of their pension: 100% financed
- Possibility of shifting from full-time to part-time (up to 32 hours a week), during which full-time, old-age insurance and supplementary pension contributions are maintained with the Company bearing the cost difference.

Wavestone also commits to ensuring long-term employment for young employees. Within the context of its pre-employment strategy, every year, Wavestone recruits more than 200 trainees, some of which on work/study contracts. The firm commits to providing all trainees an environment that promotes learning and personal fulfillment. Trainees receive regular monitoring ensured by a manager, an internship tutor and an HR representative, participate in the day-to-day running of the Company and benefit from training modules adapted to their profession. Every year, more than 70% of the firm's new permanent contracts concern young people under 26 years old.

More details on some anti-discrimination initiatives carried out by the firm are given in section 2.3.1 of the present report.

2.1.8. Promote and respect core ILO agreements

In accordance with commitments specified in the Global Compact, Wavestone is opposed to all forms of child labor and forced labor, in line with the core conventions of the International Labor Organization (ILO). Given the nature of the firm's consulting activities and the location of its offices, Wavestone is not directly exposed to the challenges related to eliminating forced or compulsory labor, and the effective abolition of child labor.

Wavestone also respects the conventions of the International Labor Organization relative to the freedom of association, the effective right to collective bargaining and the elimination of discrimination related to employment and occupation, as described in paragraph 2.1.17 of the present report: "Equal opportunity and treatment".

2.2. Environmental information

Since Wavestone's activities are purely intellectual, the Company's impact on the environment is limited. Nevertheless, for five years, Wavestone 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 three carbon audits (Bilan Carbone®) in 2012/13, 2013/14 and 2015/16. These revealed that Wavestone's main environmental challenges were: business travels, 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, Wavestone 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 Wavestone's environmental reporting methodology

While Wavestone 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 have been excluded from the reporting scope.

(1) These services will be available to Wavestone Advisors France employees starting 07/01/17.

The reporting scope under review for this new fiscal period underwent significant changes following the merger between Solucom and the European activities of Kurt Salmon which resulted in the creation of Wavestone in July 2016.

For this report, all offices in the new Wavestone scope have been taken into account with the exception of those in New York and Hong Kong, which represented less than 2% of the Group's staff at 03/31/17.

Site	Workforce at 03/31/17	Breakdown (% of total workforce)
Paris La Défense (Head office)*	2,172	82.6%
Regions	206	7.8%
Lyon*	120	4.6%
Nantes	64	2.4%
Marseille	22	0.8%
International	250	9.5%
Casablanca	10	0.4%
London	31	1.2%
Brussels	17	0.6%
Luxembourg	95	3.6%
Geneva	62	2.4%
New York	33	1.3%
Hong Kong	2	0.1%
Total	2,628	100%

*NB: In Paris and Lyon, teams were spread out on two different premises until their union in one office on 06/30/16 for Parisian teams and 09/30/16 for Lyon teams. For readability reasons, workforce figures refer to 03/31/17.

Data was collected from current sites as well as sites occupied at the beginning of the fiscal year according to their time of occupation. Certain information that could not be gathered at the Lyon, Marseille, Luxembourg, Casablanca and London sites was extrapolated from the Paris-site ratios. Moreover, when data pertaining to 2016/17 fiscal year were not readily available, total results were based on the 2016 civil year. More generally, given the ongoing standardization of processes carried out within the context of the merger, certain information could not be obtained for some ex-Kurt Salmon teams.

Scope of data collection for analysis

Offices	Location	Date of transfer	April to June 2016	July to September 2016	October to December 2016	January to March 2017
Paris	La Défense		ex-Solucom	Wavestone	Wavestone	Wavestone
	Neuilly-sur-Seine	07/01/16	ex-Kurt Salmon			
Lyon	Villeurbanne 1	09/22/16	ex-Solucom	ex-Solucom		
	Villeurbanne 2	10/21/16	ex-Kurt Salmon	ex-Kurt Salmon		
	Villeurbanne 3				Wavestone	Wavestone
Nantes	Nantes	03/11/16	Wavestone	Wavestone	Wavestone	Wavestone
Marseille	Marseille		Wavestone	Wavestone	Wavestone	Wavestone
London	London		Wavestone	Wavestone	Wavestone	Wavestone
Brussels	Brussels		Wavestone	Wavestone	Wavestone	Wavestone
Casablanca	Casablanca	April 2016	Wavestone	Wavestone	Wavestone	Wavestone
Luxembourg	Luxembourg		Wavestone	Wavestone	Wavestone	Wavestone
Geneva	Geneva	04/25/16	Wavestone	Wavestone	Wavestone	Wavestone

To ensure a good understanding of the reported information, the definitions and calculation methods specific to certain indicators have been detailed in the footnotes of the present document.

2.2.1. Global environmental policy

1) Wavestone organization concerning environmental issues

Wavestone has set up an organizational structure dedicated to CSR and the treatment of environmental issues.

For more details, see paragraph 1.3 - "Organization of the Group's CSR approach" of the present report.

2) Employee environment training and information initiatives

Wavestone 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.).

For example:

- During disability week in 2016, Wavestone teams carried out communication actions on paper and cardboard recycling
- In March 2017, Wavestone, in partnership with the PikPik Environnement Association, organized a series of workshops in its Paris offices to raise employee awareness to the importance of eco-gestures and eco-consumption. These fun interactive workshops were designed to enable employees to:
 - acquire the best practices to improve waste sorting and avoid food waste
 - learn how to read stickers, labels and logos so that they can consume in a more responsible manner
 - discover how to make their own household products
 - recognize environment-friendly products.

The results of the carbon audits, together with the main lessons learnt from Wavestone's environmental continuous improvement strategy, were communicated to all staff members via the Company Intranet site.

3) Wavestone office remodeling and renovation

In 2015/16, Wavestone began to roll out "AIR", its new office-layout concept. This concept notably includes:

- installation of « Canibal » 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 has been deployed throughout Paris, Nantes, Casablanca, Lyon and New York offices. For other sites the layout is still in consideration.

2.2.2. Pollution and waste management

Waste generated by Wavestone 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 Wavestone'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).

During office relocation operations carried out to bring employees from Solucom and the European activities of Kurt Salmon together in the same offices, 256 tons of furniture was managed by destruction and recycling teams, notably for the office premises in Lyon and Paris. This exceptional amount of waste was not factored into the following analysis.

1) Office waste

In 2016/17 fiscal year, Wavestone collected some 57.6 tons of waste⁽¹⁾, equivalent to roughly 22.2 kg per employee. This breaks down as follows:

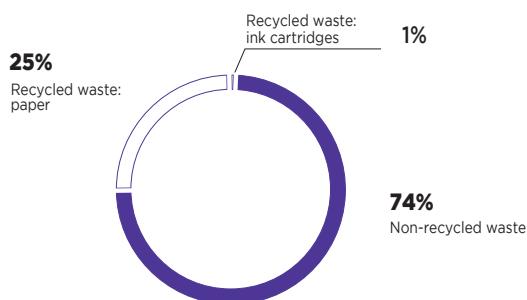
- Non-recycled waste: 42.5 metric tons of non-hazardous⁽²⁾ office waste.
- Recycled waste:
 - 14.5 tons of paper waste were recycled by the association ANRH (Association for the Professional and Respectful Insertion and Reinsertion of Disabled People)
 - 0.7 tons of used ink cartridge⁽³⁾ from printers and photocopiers. In Paris, all ink cartridges are collected by the company Netser and recycled by Clozddoop, 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) These data come from a real weigh in for the Paris offices (134 kg/day). Estimations were conducted by the directors of the general service department for the Aubagne, Nantes, and Geneva offices. Extrapolations were conducted from the Parisian ratio for Brussels, Luxembourg, Casablanca and London figures. This methodology has been the same since 2012.

(2) Classic office waste (plastic wrap, office supplies, etc.) classified as non-hazardous.

(3) Recycled ink cartridge data concerning the French scope of Kurt Salmon European activities were lost during the relocation. The volume of recycled ink cartridges is thus underestimated here.

■ Office waste - 2016/17



(kg/employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Office waste	22.2	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 28%. Excluding unusual waste load from relocating offices, the waste/employee ratio would have been 22.2 kg.

The percentage of recycled waste continued to increase in 2016/17 (26%, versus 15% in 2012/13). For the record, within the context of the renovation of the Company's Tour Franklin headquarters, Wavestone installed beverage package recycling machines for cans, plastic cups and plastic bottles. The waste-management company, Canibal installed 12 waste recycling machines.

In 2016/17:

- Wavestone collected a total of 65,301 beverage of packaging containers (of which 61,459 plastic cups) equivalent to 416 kg
- Recycling allowed Wavestone to save 1,1 ton of CO₂eq and produced 69,235 kWh

2) Computer waste

To ensure the smooth running of its business, Wavestone 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)⁽¹⁾.

In 2016/17, 471 machines reached the end of their service life (mainly computers and mobile phones), making for about 444 kg in computer waste. The difference in the number of machines trashed in 2014/15 and 2015/16 (600 and 274

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. Equipment that is not reused is either stocked or recycled.

Wavestone implemented a procedure for the systematic recycling of end-of-service computers at all sites. Wavestone engaged APR2⁽²⁾ (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. The London site recycles IT waste via the website www.commsrecycling.com and www.takeback/ltd.uk, the Villeurbanne site uses ALGED.

3) Food waste

Article 4 of the 2016-138 law dated 02/11/16 specifies that food waste be integrated into corporate environmental reports. The enforcement decree of this law was published on 08/19/16.

Wavestone does not handle the restauration spaces used by its employees, and is thus not directly concerned by this issue. Consequently, Wavestone has not defined an indicator to follow this issue.

Nevertheless, Wavestone offers skill-based sponsorship to SOLAAL (an association of public interest) which acts against food waste. This association collects unsold crops from farmers and farm cooperatives and gives them out to 20 national associations dedicated to food aid. Since its creation in 2013, SOLAAL has collected 10,660 tons of agricultural products and contributed to the equivalent of 21 million meals (at end-2016).

2.2.3. Sustainable use of resources

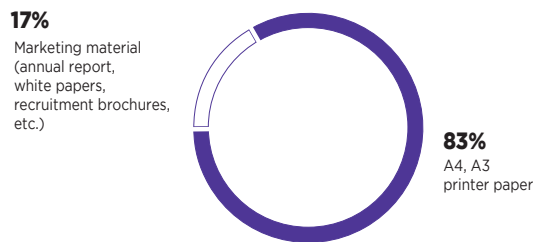
Since Wavestone has no manufacturing activities, its use of resources is limited to office consumables and resources which are both used to operate its office premises.

(1) Wavestone owns its own computers except the ones used by employees from the European activities of Kurt Salmon which are leased.

(2) For more details concerning APR2 visit: www.proreseaux.com.

1) Consumption of raw materials⁽¹⁾

■ Paper consumption - 2016/17



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). In 2016/17, Wavestone consumed 15.12 tons of paper, equivalent to 5.8 kg per employee.

(kg/employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Paper consumption	5.8	8.7	9.6	10.1	12.7

This sustained reduction in the level of paper consumption per employee (down 33% between 2015/16 and 2016/17) 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. In addition, conference rooms are equipped with wall screens to project documents and avoid having to make print outs for each participant.

In 2016, Wavestone introduced paperless solutions for Annual General Meeting convocation notices and preparatory documents. In this context, a partnership forged with Reforest’Action enabled the 100 shareholders who had subscribed to electronic convocation to plant 100 trees in Haiti.

For the record, Wavestone recycles all of its paper (see 2.2.2) and only uses PEFC and FSC certified paper (see 2.2.5.) in accordance with its paper purchasing policy.

Envelops are labeled “GPV Green” and/or “NF Environment” and/or “Recycled PEFC”. All notebooks bear the “PEFC recycled” eco-label, post-its are labeled “100% recycled” and “PEFC”, and folders are labeled “PEFC” and are recyclable.

2) Energy consumption

Wavestone’s direct power consumption is related to its heating, air conditioning, ventilation, lighting and office equipment needs for its offices.

In 2016/17, the Group’s final power consumption (electricity, heating and cooling) was 5.5 GWh EP⁽²⁾, or 251.3 kWh EP/m², which, once converted into primary power (the power needed to produce this final power), is estimated at 12.3 GWh PP, or 565 kWh PP/m².

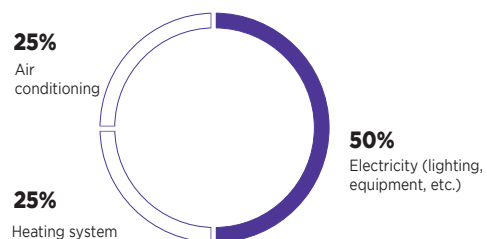
(kWh/m ²)	2016/17	2015/16	2014/15	2013/14	2012/13
Final energy consumption	251.3	250.9	300.0	322.8	332.1

Wavestone’s main office (comprising 83% of its workforce) occupies approximately 12,414 m² of the Tour Franklin 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. Offices are equipped with individual systems to regulate the temperature by bench (block of 4 to 6 people). An environmental policy specific to the Franklin Tower (recycling, environmental communication) was deployed in 2015/16 within the framework of the AIR office-layout project.

Engie, Wavestone’s new energy supplier for the Franklin Tower, provides electricity generated exclusively from renewable energies.

The energy consumption of this site breaks down as follows:

■ Final energy consumption - 2016/17



Energy consumption levels at Company headquarters in the Tour Franklin (La Défense) are high (346 kWh/m² 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.

(1) Excluding London office due to unavailable data.

(2) Due to incomplete data for March 2017 an extrapolation was used to include this month.

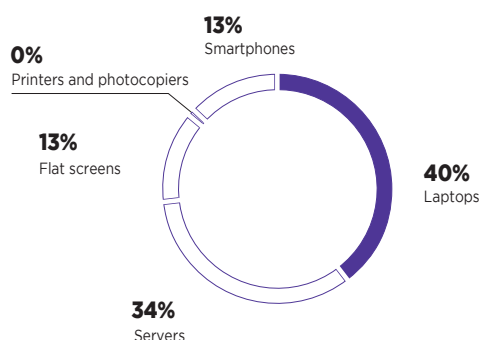
Wavestone's renovated "Air" offices in Paris are equipped with occupancy and daylight sensor mats designed to control the lighting systems which turn off when the office has been unoccupied for 15 minutes. Other offices on the platform are lit between 8:00 am and 8:00 pm, Monday through Friday, to save energy. Switches are also installed to control lighting outside office hours.

Focus on computer and telecommunications equipment

Wavestone's computer equipment consumes a considerable amount of electricity. In total, this is estimated⁽¹⁾ at 0.29 GWh per year, based on the average number of working hours in use and average consumption data. A significant decrease in the number of material servers was observed, going from 59 to 26. Factoring in certain usages outside of Wavestone premises⁽²⁾, total energy consumed by computers represented 10% of Wavestone's total electricity consumption in 2016/17.

Wavestone's energy consumption breaks down as follows:

■ Energy consumption estimates – Computer equipment - 2016/17



All Company laptops are EPEAT⁽³⁾ labeled; 47% of total equipment carry the "Silver" label, and 53% 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 Wavestone 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. Wavestone's total annual water consumption⁽⁴⁾ was around 12,267 m³ in 2016/17, equivalent to 4.73 m³ per employee.

(m ³ /employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Water consumption	4.73	7.34	7.09	9.40	9.52

With the deployment of the AIR layout in the Parisian offices, a specific detection has been implemented in the bathroom faucets.

All of Wavestone's offices are located outside water stress areas (with a water supply of less than 1,700m³ per capita per year for all uses combined⁽⁵⁾). As such, there is no need to study the pressure exerted by Wavestone on local water resources.

2.2.4. Climate change: greenhouse gas emissions⁽⁶⁾

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⁽⁷⁾
- paper purchases
- business travel and commuting.

(1) The methodology remains unchanged: the estimate was based on the number of devices used by Wavestone and the average utilization rate and performance of said 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 smartphones.

(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 for the Tour Franklin offices is calculated with the consumption for the whole tower and a ratio per floor. The consumption for the Casablanca offices was given by the owner. For other offices (Lyon, Marseille, Nantes, Brussels, Luxembourg, Geneva and London), the water consumption was extrapolated from the Parisian offices (m³/employee ratio). The significant decrease in water consumption at the Tour Franklin in 2016 is mainly due to the city-wide curative campaign on the water meters, especially private meters. Private consumption of city water fell 30% between 2015 and 2016.

(5) For more information on water stress areas, visit: <http://www.un.org/french/waterforlifedecade/scarcity.html>

(6) The methodology used is in line with requirements specified in Article 75 of the Grenelle II Law. The emission sources taken into account are those required by Article 75 (scope 1 and 2), as well as paper purchases and travel which have been identified as major emission sources with regard to Wavestone's activity.

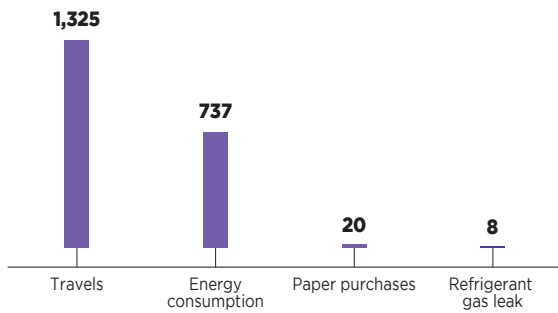
(7) A new system which uses R407c gas (SYSTEMAIR type SYSHRW 120 RC with a cooling capacity of 24.4 kW) has been installed in the Paris offices.

In 2016/17 fiscal year, Wavestone's greenhouse gas emissions created by these four sources amounted to 2,090 teq CO₂, or 0.8 teq CO₂teq per employee.

(tCO ₂ eq/ employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Greenhouse gas emissions	0.8	1.1	0.9	0.9	1.2

The Company's greenhouse gas emissions break down as follows:

Greenhouse gas emissions (teq CO₂) of defined scope



Focus on travel

Employee transport is the main source of Wavestone's greenhouse gas emissions (63%). To gain a better understanding of these emissions, Wavestone analyzed the volume and different means of transport used on business trips and in staff commuting.

Business trips

Business trips⁽¹⁾ account for approximately 8 million km travelled per year, all transport methods combined, or approximately 3,231 km travelled per year per employee. This stems from the high level of mobility of Wavestone employees, which is a characteristic feature of the consulting sector, amplified by international expansion.

(km/year/ employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Business trips	3,231	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 2015/16. To enhance reporting reliability, the number of real kilometers collected from Hertz (Wavestone's main car-rental supplier) is now included in the number of car-rental business trip estimates.

Breakdown of business trips by type of transport in 2016/17:

(km/year)	2016/17	2015/16	2014/15	2013/14	2012/13
Plane	40%	37%	18%	22%	22%
Rail	42.5%	44%	51%	53%	54%
Public transport	3% ⁽²⁾	9%	17%	19%	14%
Cars	14.5%	10%	14%	6%	10%
o/w private cars	8.5%	9.4%	11%	4%	8%
o/w rented cars	0.1%	0.2%	1%	0.3%	0.2%
o/w taxis	5.9%	1.4%	2%	1.7%	1.8%

Wavestone 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: Wavestone'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: Wavestone employees are highly encouraged to use public transport for business trips in accordance with the 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;
- Wavestone 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.

(1) 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 Wavestone 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 were obtained from the accounting department. The amounts collected (€) were converted into distances covered (km).

(2) This percentage is underestimated because data from the European activities of Kurt Salmon is lacking: the ERP used does not allow for sufficiently detailed information. In the future, precise starting and ending points will need to be put into the management tool to account for all covered distances.

Commuting

Commuting⁽¹⁾ to and from work totals approximately 10.3 million km per year, all modes of transport combined, or approximately **18.3 km per employee per day worked**.

Wavestone employees are encouraged to use public transport for commuting. This can be broken down as follows:

(% km)	2016/17	2015/16	2014/15	2013/14	2012/13
Public transport	92%	86%	86%	85%	81%
Private vehicles (cars & motorcycles)	8%	14%	14%	15%	19%

Exceptionally, taxis and VTCs are reimbursed at night to go home, only after 10 pm.

Since 10/01/16, teleworking has been available to employees in all of the Group's French offices to commuting. This is also a regular practice in London and Geneva.

2.2.5. Protection of biodiversity

None of Wavestone's sites are situated in protected or high biodiversity areas. The Company's activities have no direct or significant impact on biodiversity. Wavestone 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.

Appendix

1. Summary of Wavestone's environmental performance indicators over the past 5 years

Theme-based indicators	2016/17	2015/16	2014/15	2013/14	2012/13	%	% change over 4 years
Office waste	22.2	28.7	27.8	29.5	31.0	kg/employee	-28.4%
Final energy consumption	251.3	250.9	300.0	322.8	332.1	kWh/m ²	-24.3%
Water consumption	4.73	7.34	7.09	9.40	9.52	m ³ /employee	-50.3%
Paper consumption	5.8	8.7	9.6	10.1	12.7	kg/employee	-54.3%
Greenhouse gas emissions (for the reporting scope)	0.8	1.1	0.9	0.9	1.2	tCO ₂ eq/employee	-33.3%
Total distance traveled for business trips	3,231	4,716	4,752	4,655	5,712	km/employee	-43.4%
Business flights as a percentage of business trips	40%	37%	18%	22%	22%	% of total km traveled	+18 points
Commuting by public transport	92%	86%	86%	85%	81%	% of total km traveled	+11 points

(1) To calculate the distance traveled 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. For public transport in the Paris area, the calculation has changed because of the end of zones for transport tickets which makes estimates less precise than in previous years.

2. Environmental reporting appendix - Table of concordance between Wavestone 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 considered not relevant given Wavestone's activities is not applicable to the Company (See details in column "Actions taken by Wavestone").

Decree 2012-557, Article 1- 2°		Action taken by Wavestone
a) General policy	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 Wavestone'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.) Wavestone did not write any provisions or guarantees for environmental risk
	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	
b) Pollution and waste management	Measures taken to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment	Since Wavestone'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 Wavestone's activities are not of a material nature they are not a source of major noise pollution
c) Sustainable use of resources	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	Wavestone's activities are not of a material nature and, as such, do not present high environmental risk or cause major soil pollution. In addition, Wavestone's premises are located in already urbanized areas
d) Climate change	Greenhouse gas emissions	§ 2.2.4
	Adaptation to the consequences of climate change	Since Wavestone's activities are not of a material nature they are not directly impacted by the consequences of climate change
e) Protection of biodiversity	Measures taken to preserve and/or develop biodiversity	§ 2.2.5

2.3. Information concerning societal commitments

Wavestone'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.

2.3.1. Regional, economic and social impact of the Company's activities

Given the nature of Wavestone consulting business, the regional and economic impact of its activities is relatively limited. However, several examples of consulting services delivered in 2016/17 should be noted:

- The "Real-Estate" practice developed a project designed to measure and regulate energy costs of numerous social housing projects by using smart, connected sensors installed inside buildings. This project cut the CO₂ emissions of the buildings concerned by 20% and raised the awareness of the residents and property owners to the issue.
- The "People & Change" practice has for 4 years proposed a specific quality of life in the workplace and human development offering. This involves carrying out a comprehensive diagnostic of the quality of life in the workplace and proposing the improvement drivers to be implemented. Around ten clients took advantage of the offer which enhanced the quality of life in the workplace, thanks to management training, a better definition of corporate values and personalized coaching.

Wavestone has decided to prioritize initiatives related to its social and civil footprint.

These initiatives are structured around the following challenges and fields of action: employment and professional insertion, access to further education, the promotion of diversity and equal 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, Wavestone pays particular attention to its social footprint

- For the record, at 03/31/17, Wavestone's workforce (excluding the number of additional staff members stemming from companies acquired during the fiscal year), totaled 2,628 employees, for the most part comprising young executives (60% of employees under 30 years of age), working at Group sites in France (90.5%).

- As a growth company, Wavestone 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 700 employees were recruited in 2016/17, 94% of whom on a permanent contract basis. Moreover, every year the firm takes on over 200 trainees (short-term internships, sabbaticals, apprenticeships, end-of-study and work/study programs) on a pre-employment basis.
- In 2016/17, more than 8,000 candidates from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, events and spontaneous applications) took part in the Wavestone recruitment process and were accepted for a first interview.

2) Partnership and skills-sponsorship actions to promote equal opportunity

Wavestone Corporate Foundation

The Wavestone 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, the Foundation has backed and financed more than 98 youth-work projects, for the most part in Africa and Asia. Every project monitored by Wavestone is sponsored by an employee of the firm. At 03/31/17, more than 30 consultants sponsored Wavestone Foundation projects by maintaining contact with the association.

In 2016/17, 14 projects were financed; 1 of which was an urgent project in Haiti following hurricane Matthew. In March 2017, the Foundation launched a call for projects out of which the Foundation's Board of Directors retained 12.

The Foundation Charter and all previous-year activity reports are available on the Foundation's website: www.fondation-wavestone.com

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 (major schools and universities), and the socio-economic world.

Launched in September 2013, the Institute currently has three classes open. Each class is limited to around forty students and leads to a generalist degree in Science and Technology.

The Villebon Institute, a new leader in educational innovation, wishes to offer access to the highest forms of education and long scientific studies:

- by promoting social, cultural and intellectual diversity for students. All the students show promise but do not excel in the mainstream educational system. 70% of these are on scholarships and 20% have some form of disability
- by deploying an experimental and interdisciplinary approach fostering team work in project mode
- by spreading best practices and innovative pedagogical methods in the university environment.

The success of this educational approach, awarded the Excellence in Innovative Education (IDEFI) label in 2012, was confirmed by the graduation, in June 2016, of the first intake of students. In September 2016, 87% of the first intake of students went on to do their Masters or enroll in engineering schools. This is more impressive than general academic performances in the mainstream high-school system. The Institute offers a diversified range of training programs tailored to match student profiles: AgroParisTech, CNAM, EDHEC, ENSTA ParisTech, ESPE, ESPCI, Mines, Telecom Bretagne, University of Marne la Vallée/Civil Engineering Masters, etc.

As founder of the Villebon Institute, Wavestone lends support at different levels: student-sponsorship, vocational integration by way of conferences, career workshops, company visits (around 6 events a year), student selection, Institute promotion and participation on governing bodies.

In 2016/17, around fifty Wavestone employees sponsored students from the Institute throughout their 3-year Bachelors program and gave them guidance on constructing their professional projects.

In 2016, after having accompanied the Institute for five years, Wavestone renewed its partnership until 2021.

For more information, visit: www.villebon-charpak.fr

Powerday

Powerday is Wavestone's global solidarity day organized once a year enabling employees to devote one day of their working week to participate in a charitable project of their choice.

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, sports & culture.

All of the associations supported by Wavestone are required to respect the Company's CSR commitments and notably carry out an audit and/or control ensuring the ethics, financial transparency and quality of their governance.

More than 600 employees across all of Wavestone's offices worldwide participated in the Group's first Powerday event, held on Friday 08/26/16. Around sixty associations, foundations and international NGOs in Asia, North America and Europe, as well as in Maghreb benefited from Wavestone support. The "social and international" commitment of Wavestone's 600 volunteer employees who took part in the event was rewarded with the "*Mieux vivre en entreprise*" trophy in November 2016.

Some 2016 Powerday projects include:

- The renovation of a shelter for the homeless
- The collection of personal-care products and toiletries for hospitalized children
- A corporate prospecting operational plan
- A reputation-enhancing communication plan
- The referencing of zones accessible to people with reduced mobility
- The preparation of meals for homeless people.

The success of Wavestone's first Powerday has prompted the Group to make this an annual event. The next Powerday will be held on 09/01/17.

Alter'Actions

Since the beginning of 2017, Wavestone has been carrying out a trial educational program with Alter'Actions. The aim of this innovative approach is to foster the civic commitment of students attending further education establishments (grandes écoles and universities). Alter'Actions offers students, selected on the basis of their motivation, the possibility to carry out voluntary consulting assignments for associations with a major social impact. These assignments, which are overseen by corporate partner executives, privilege hands-on training schemes and offer students on-the-ground experience that is central to current social and environment challenges.

Within this framework, a Wavestone employee has been supervising a Group of 4 students, since February 2017, with

the Solaal association. The purpose of this association is to foster relations between agricultural and food donation players, and food aid associations with a view to sharing donations between associations in the fight against food waste. The students are doing research work with French farmers to extract value from agricultural donation at the state level

The LAAFI Village

Within the context of its Corporate Foundation, Wavestone has been supporting the LAAFI association since 2010 and notably the "LAAFI Village", a multidisciplinary educational and cultural complex specialized in vocational training and artistic creation set up by the association in Koudougou in Burkina Faso. The village has since become an educational and cultural center for more than 15,000 people (primary and secondary level school children, university students, teaching bodies and artists, etc.).

In 2010 and again in 2014, Wavestone supported LAAFI's project to build a primary school in the village. Today, the village continues to develop and, with the support of Wavestone and several major European groups, has opened its own digital incubator, making it a real economic center in the region.

Since 2016, Wavestone has accompanied the association in its call for innovative digital projects from young Burkinabe people that could change their daily lives and that of their community. Selected projects will be accompanied and receive financial support for 12 months within the incubator, and benefit from the savoir-faire of digital experts. In addition to offering upstream project support, Wavestone will continue to accompany the association in 2017/18 by providing digital training to young Burkinabe people.

For more information : www.laafi.com

"Vestiaire solidaire": voluntary clothes collection and sorting program

In April 2017, Wavestone carried out a proximity and solidarity campaign in its Paris-based offices. Organized in partnership with the *La Cravate Solidaire* Association, this voluntary clothes collection and sorting program was designed to help those undergoing occupational reintegration. For 5 days, all employees were invited to donate their used working clothes (suits, jackets, blouses, shirts, shoes and accessories, etc). More than 130 kg of clothing were collected and distributed to people in search of work.

On the back of the success of this operation, the Lyon office will organize a clothes collection/sorting event in June 2017.

Shake'Up: start-up acceleration program

At end-2015, Wavestone launched its "Shake'Up" initiative designed to build a value creating ecosystem for the Group, its clients and start-ups.

The program covers several areas:

- Segment-specific monitoring (SmartEnergy, Fintech, Cybersecurity, etc.) in a bid to identify and decipher the positioning of start-ups. The objective is to gain a better understanding of how these innovative fledgling companies are transforming the sectors of activity of the Company's clients.
- The organization of events, exchange of views and sharing of best practices on current, cross-functional or sector-specific themes, and the bringing together of start-ups with Wavestone employees and clients. In February 2017, for example, the Group organized a "Shake'Up" event in its Paris offices based on two Fintech themes: the payment value chain, and the dematerialization of financial services. This event brought together 13 start-ups and more than 200 employees, as well as 30 clients and journalists.
- Start-ups benefiting from Wavestone assistance are set up in the Group's offices in Paris and sometimes in other regional offices, and receive personalized support based on the knowledge and expertise of the firm's teams (marketing approach, recruitment, security audits, etc.).

Since March 2016, Wavestone has hosted 8 start-ups. For Wavestone, these partnerships are aimed at reinforcing the collaborative culture, agility and open innovation of the firm. The program also contributes to deploying an entrepreneurial spirit throughout the firm. For example, Wavestone is assisting Yuka, a start-up which has developed an app that scans food-product bar codes enabling consumers to know what impact these products will have on their health and find healthier alternatives.

To pursue its development, "Shake'Up" launched a call for projects in February 2017, to accompany new start-ups selected by employees.

Start-up's cybersecurity challenge: Banking Cybersecurity Innovation Awards

In 2017, Wavestone teamed up with *Société Générale* to launch a challenge for innovative start-ups and SMEs in the Cybersecurity sector. The Banking Cybersecurity Innovation Awards is an initiative designed to encourage innovative European start-ups and SMEs to propose and showcase their cybersecurity solutions. The call for project entries for the 2017 Awards closes on 05/21/17.

At the closing ceremony on 07/05/17 held at “*Les Dunes*” (Société Générale’s new technology hub in Val de Fontenay), members of the jury, selected for their technical and strategic expertise, awarded prizes for digital trust for banks, digital trust for customers and a Special France prize, awarded to a start-up head-quartered and based in France and whose capital is mainly held by French individuals or corporate entities.

The 3 winners had the chance to test their solutions within Société Générale’s IT System and join Wavestone’s “Shake’Up” start-up acceleration program.

3) Relationships with higher education institutions

As part of its Human Resources strategy, and to meet its recruitment and talent-diversification objectives, Wavestone is developing a schools-relations policy based on close relationships with higher education establishments. As such, with young graduates accounting for over 60% of recruits and more than a hundred interns on the payroll, Wavestone has for many years been forging tight and lasting relationships underpinned by trust with around thirty school and French universities.

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.

The Company also participated in “*La semaine de l’humain*”; a CSR-initiative competition organized by the students’ organization of the ESSEC business school for all of the school’s student associations in April 2017 and sponsored by Wavestone. During the course of an afternoon, around 50 students representing 8 of the most promising student associations defended their projects before a panel of Wavestone employees for one of the three prizes:

- The most poignant CSR project
- The best thought-out CSR approach for a consulting firm
- The “*Coup de cœur*”.

At the pedagogical level, the firm also maintains strong relations with the careers services and faculty bodies of its target schools. In this respect, Wavestone 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, Wavestone 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 2016/17, Wavestone offered 44 young people skills-acquisition or work-study contracts (versus 27 in 2015/16).

4) Raising awareness to IT security issues

Via its partnership with the Foundation Hack Academy, Wavestone is committed to raising awareness of cybersecurity in society. Hack Academy is the communication campaign launched by CIGREF⁽¹⁾ in 2015 in collaboration with key accounts to raise the awareness of the public to the importance of adopting good reflexes on the Internet using a reality-TV format. In a series of four videos on 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 humorous way, candidates address the main threats that cybernauts may be confronted with such as phishing, password cracking and Trojan horse viruses. In 2016/17, Wavestone and the Foundation participated in educational action campaigns for the general good to raise public awareness in France and abroad to basic digital-life securitization gestures in the fight against cybercrime; limit its economic impacts; recruit talents with the requisite profiles and/or provide training in cybersecurity-related skills.

2.3.3. Subcontracting and suppliers

Social and environmental issues taken into account in the firm’s procurement policy

Developing a structured responsible procurement policy will be an area of focus for the firm in the next year. Wavestone will adopt a single standardized policy for the whole firm that integrates its CSR criteria in its choice of suppliers.

(1) CIGREF is an association of large French companies whose mission is to promote digital culture as a source of innovation and performance.

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⁽¹⁾ 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, Wavestone systematically outsources 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 Wavestone's AIR office layout concept, the Group:

- installed waste-sorting bins (for organic, cardboard and paper waste) to replace individual rubbish baskets;
- installed "Canibal" 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), Wavestone 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 Wavestone'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, Wavestone 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.

2.3.4. Fair trade practices

Wavestone launched a campaign to raise staff awareness to this ethical approach. Beyond raising awareness through real-life experiences, the aim is to enable employees to identify and pass on similar cases to an Ethics Officer appointed in 2016/17 to stimulate reflection.

Actions taken to prevent corruption

Wavestone is committed to the prevention of, and the fight against corruption.

To this end, and in accordance with its basic principles, Wavestone 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, Wavestone supports and undertakes to promote 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 2016/17, the Company published its fourth "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.

In 2017/18, in compliance with the 2nd Sapin Law, Wavestone will undertake new measures (implementation of a code of behavior, an ethics committee, procedures, and staff training, etc.).

Measures taken to promote consumer health and safety

Since Wavestone 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 2.3.2.4).

(1) Electronic Product Environmental Assessment Tool label.

3. Other information related to Wavestone's corporate responsibility: economic responsibility

Wavestone 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

Wavestone 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.

Wavestone complies unreservedly with the MiddleNext Corporate Governance Code.

The Supervisory Board is composed of five members (2 women and 3 men), of which three are independent. As Wavestone is an equity-controlled company, this composition of the Supervisory Board ensures that the interests of minority shareholders are respected.

On the recommendations of the Supervisory Board, internal controls were tightened in 2016/17 fiscal year to secure processes and manage risk. As such, IS, operational and financial incidents are monitored every quarter and, more than a hundred procedures have been drawn up and published.

In addition, an internal audit charter was drawn up together with an internal audit ethics code.

In 2017/18 fiscal year, a new risk-monitoring committee (COPIL) will be set up to gather monthly reports from the three existing risk-monitoring committees devoted to IS-risk, internal controls and the internal audit. Wavestone's repository project will also be launched at all of our offices.

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 3 of the Company's Registration Document.

Transparency

In addition to ensuring its compliance with regulatory obligations regarding financial communication, Wavestone 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 Wavestone'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), Wavestone 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, Wavestone has created a club for its shareholders for the purposes of strengthening relations with individual investors and regularly participates in trade fairs.

These initiatives were rewarded in November 2016 at the 6th edition of the Shareholder and Investor Relations Awards organized by Mazars, *Les Échos* group and the French weekly financial magazine, *Investir*. On this occasion, Wavestone was awarded the "Digital Prize" in the Mid/Small Cap category for the best shareholder and investor e-communication strategy. This prize highlights the best practices in terms of financial communication and rewards listed companies that have adopted a responsible and transparent communication approach with their shareholders, investors, individuals, institutional bodies and employees.

Ethical approach

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.

Wavestone launched its first campaign to raise staff awareness to the Group's ethical approach in 2016/17. In addition to raising awareness through real-life experiences, the aim is to enable employees to identify and pass on similar cases to an Ethics Officer appointed in 2016/17 to stimulate reflection.

The aim of this approach is to formalize an ethical charter for several underlying subjects (corruption, anti-competitive practices, data security, etc.).

A controlling body will be set up to ensure these commitments are respected across the firm, as well as to counsel employees and adopt a continuous improvement approach.

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 Wavestone to ensure the quality of services and the Group's ethics are given in the section - "Quality" - in Chapter 1 of the present Registration Document.

4. Methodology note regarding Wavestone's 2016/17 non-financial reporting

4.1. Scope of consolidation

Unless stated otherwise, the **social and societal information** by default covers Wavestone's entire consolidation scope.

Wavestone 2016/17 reporting scope therefore includes Wavestone SA (parent-company) and its subsidiaries:

- Wavestone Advisors (French offices)
- Wavestone Advisors UK (UK offices)
- Wavestone Morocco and Wavestone Advisors Morocco (Morocco offices)
- Wavestone Advisors Switzerland and Wavestone Consulting Switzerland (Swiss offices)
- Wavestone Belgium and Solucom SA (Belgium offices)
- Wavestone Luxembourg (Luxembourg offices)
- Wavestone Hong Kong (Hong Kong offices)
- Wavestone US (US offices).

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. The key event of the year was the unification of employees from Solucom and the European activities of Kurt Salmon, which were merged within Wavestone. Activities in New York and Hong Kong (2% of Group staff) have not been included in the environmental reporting scope.

All **economic data** is qualitative.

4.2. Reporting period

Most of the data provided in this report covers the 2016/17 fiscal year ended 03/31/17. In exceptional cases which are explicitly mentioned, the information covers the 2016 calendar year.

4.3. Non-financial data collection sources and methods

Wavestone'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.

1) Data collection and consolidation

Social data

Given the nature of Wavestone's consulting activity, the social aspect of sustainable development is a major issue and key priority for the Company.

Wavestone's HR Development Department is responsible for defining and implementing the firm's human resources strategy. The department is assisted mainly by a central team and decentralized HR development teams.

Social reporting and the monitoring of associated indicators fall under the responsibility of a single dedicated contact within Wavestone HR Development Department who is in charge of data consolidation at the Group level.

Environmental data

At the environmental level, Wavestone has worked with the firm I Care & Consult since 2013. Wavestone SA carried out its first carbon audit in 2012/13 fiscal year, using the Bilan Carbone® 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 Wavestone, 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, Wavestone 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 HR manager who reports to the HR Department.

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, Wavestone commissioned the firm FinexFi, a designated independent third-party, to audit its social, environmental and societal information for 2016/17 fiscal year. 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

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

Following the request made to us by Wavestone SA and in our capacity as an independent third-party organization accredited by COFRAC under no. 3-1081 (scope available at www.cofrac.fr), we submit to you our report on the consolidated corporate social responsibility information presented in the management report written with regard to the period ending 03/31/17 pursuant to Article L.225-102-1 of the French Commercial Code.

Company responsibility

It is the duty of the Board of Directors to prepare a management report including the consolidated corporate social responsibility information referred to in Article

R.225-105-1 of the French Commercial Code (hereinafter the “Information”) and prepared in accordance with the guidelines (the “Guidelines”) used by the Company and available on request at the Group's registered office, a summary of which appears in the methodological note available on the Group's website.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession, and the provisions of Article L.822-11 of the French Commercial Code. Furthermore, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Third-party assurance report

It is our role, based on our work:

- To attest whether the required CSR Information is present in the Management Report or, in the case of its omission, that an appropriate explanation has been provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code and Decree no. 2012-557 of 04/24/12 (Attestation of presence of CSR information);
- To express a limited assurance on whether the CSR information is presented, in all material aspects, in accordance with the Reporting Criteria.

Attestation of presence of CSR Information

We conducted the following procedures in accordance with professional standards applicable in France:

- we compared the Information presented in the Management Report with the list as provided for in Article R.225-105-1 of the French Commercial Code;
- we verified that the Information covers the consolidated perimeter, namely the Company and its subsidiaries as aligned with the meaning of Article L.233-1 and the entities which it controls as aligned with the meaning of Article L.233-3 of the French Commercial Code;
- in the absence of certain consolidated information, we have verified that explanations were provided in accordance with the provisions of Decree no. 2012-557 of 04/24/12.

Based on this work, and given limitations mentioned above, we confirm the presence in the Management Report of the required CSR Information.

Opinion stating reasons on the accuracy and fairness of the CSR Information

Nature and scope of our work

We conducted the work in accordance with the standards of professional practice applicable in France, with ISAE 3000

and with the decree of 05/13/13 stating how the third-party independent organization is to carry out the assignment.

Our work was carried out between 05/09/17 and 05/19/17, for a period of about six person-days. We conducted five interviews with the persons responsible for preparing the CSR.

We made the following works:

- assess the appropriateness of the Guidelines in terms of their relevance, completeness, neutrality, comprehensibility and reliability, taking into consideration best practices, if any, in the sector;
- verify the implementation within the Group of a process for collecting, compiling, processing and checking the CSR Information with regard to its completeness and consistency. We reviewed the internal control and risk management procedures relating to the preparation of the CSR Information.

We identified consolidated information to test and determined the nature and extent of tests, taking into account the importance of the information in question in relation to the social, societal and environmental consequences of the activity and the characteristics of the Group, its CSR objectives and best practices in its sector.

For the CSR Information we judged to be most important at the level of the consolidating entity:

- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.);
- we carried out analytical procedures on the quantitative information and, based on sampling, verified the calculations and the consolidation of the data;
- we carried out detailed tests based on sampling that consisted of verifying the calculations made and comparing them with the data in the supporting documents, and we verified their consistency with the other information contained in the management report.

For the other consolidated CSR Information, we judged its consistency in light of our knowledge of the Company.

Finally, we judged the validity of any explanations given as to the total or partial absence of certain information.

It is our belief that the sampling methods and sample sizes we used in exercising our professional judgment allow us to draw a conclusion of moderate assurance. A higher level of assurance would have required a more extensive review.

Our work covered on average 50% of the consolidated value of the numerical indicators in the employment portion and 50% of the consolidated value of the numerical indicators in the environmental portion.

Due to the use of sampling techniques as well as to the limitations inherent in the operation of any information and internal control system, the risk of not detecting a material irregularity in the CSR Information cannot be totally ruled out.

Comments on the Information

Social qualitative information mainly come from the Group database for which internal control is strong.

Conclusion

Based on our work; we have not identified any significant misstatement that causes us to believe that CSR Information, taken together, have not been fairly presented, in accordance with the Reporting criteria.

Lyon, May 31, 2017

FINEXFI
Isabelle Lhoste
Partner

Management Board Report – Risk Factors

Wavestone has carried out a review of its risks and considers that there are 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 03/31/17, the Group had gross cash, net of overdrafts, of €38.7m. Wavestone'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. Wavestone 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 Wavestone 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 2017, Wavestone's financial liabilities comprised:

- €95.2m 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 €89.4m net of borrowing costs, booked in the consolidated financial statements as a deduction from the value of the loan;
- €2.4m attached to leasing contracts.

At end-March 2017, the Company posted net debt⁽¹⁾ of €56.5m.

With gross cash flow of €26.9m at 03/31/17, Wavestone 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 €73.2m at 03/31/17, the firm has significant financial scope for maneuver.

Available cash mobilized at end-March 2017 breaks down as follows:

- €38.7m 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.

Breakdown of the Company's financial debt

Number	Characteristics of contracted borrowings	Rate	Amount at 03/31/17	Maturity	Hedges
1	€3.0m bond over six years, redeemable at maturity, with interest paid on a 6-monthly basis	Fixed (5.50%)	€3.0m	10/02/18	n/a
2	€95.0m 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)	€90.7m	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.
	€15.0m 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	

The second loan is subject to respecting a leverage ratio (net financial debt/consolidated EBITDA) calculated every six months and requiring an annual certificate issued by the Group's statutory auditors at March 31 of every year. At 03/31/17, the Group had respected this ratio.

Interest rate risk

Interest rate risk is managed by the Company's Finance Department in conjunction with its main banks. Company policy is to hedge against any increase in future repayment flows by using derivatives underwritten by top-tier banks.

In 2016/17 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.

Wavestone 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:

At 03/31/17 (in thousands of euros)	Rate	Total	< 1 year	1 - 5 years	> 5 years
Financial assets ⁽¹⁾	Fixed	38,722	38,722	0	0
	Variable	0	0	0	0
Financial liabilities ⁽²⁾	Fixed	5,551	1,007	4,544	0
	Variable	89,636	8,417	81,219	0
Net position before hedging	Fixed	33,171	37,715	(4,544)	0
	Variable	(86,636)	(8,417)	(81,219)	0
Hedging instruments ⁽³⁾	Fixed	0	0	0	0
	Variable	76,000	0	76,000	0
Net position after hedging	Fixed	33,171	37,715	(4,544)	0
	Variable	(13,636)	(8,417)	(5,219)	0

(1) Cash and cash equivalents.

(2) Bond at a fixed rate (no. 1), bank loan at variable rate (no. 2).

(3) Hedging instruments (0.05% FRA) not exercised at 03/31/17.

The Company's sensitivity to a 1% swing in the short-term interest rate is estimated at €293k, 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.

Wavestone'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, Wavestone invoices its services to clients located in France or the euro zone.

The sales contributions from non-euro zone subsidiaries (Wavestone Morocco, Wavestone Advisors Morocco, Wavestone Advisors UK, Wavestone Advisors Switzerland, Wavestone Consulting Switzerland, Wavestone US and Wavestone HK) represented 8% of consolidated revenues at 03/31/17, compared with 6% at 03/31/16. Accordingly, Wavestone set up an exchange-rate policy to hedge against risks involved in consulting services and intra-Group current-account advances denominated in foreign currencies.

The Finance Department is in charge of setting up adequate financial instruments as soon as a currency transaction shows signs of being a potential source of risk for the firm. In 2016/17, Wavestone therefore underwrote currency forward contracts to hedge against risk on services denominated in foreign currencies (Swiss francs, the pound sterling, the US dollar and the UAE Dirham), and currency swaps.

Equity risk

The only securities owned by the Company are Wavestone treasury shares purchased within the context of the share buyback program.

At end-March 2017, the Company owned 62,947 Wavestone shares, representing a market value of €5,526k calculated on the basis of the 03/31/17 closing price of €87.80 per share.

The average cost price of all treasury shares in 2016/17 fiscal year was €62.49.

For the record, in the firm's IFRS consolidated financial statements, Wavestone 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 Wavestone share price would boost (or reduce) shareholders' equity by €553k.

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, Wavestone 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 Wavestone 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, Wavestone is exposed to the risk of employees lodging complaints that could lead to labor litigations. To protect itself against such risk, 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.

Wavestone 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 Wavestone's activities are exclusively intellectual, its impact on the environment is limited. This is particularly the case for the use made of Wavestone's assets which have a low impact on the environment.

For more details concerning Wavestone's environmental responsibility, see the attached "Corporate Social Responsibility Report".

4. Operating risks

The risks detailed below are relevant or significant for Wavestone'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 Wavestone'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, Wavestone has always managed to take measures to minimize the impact of such difficulties. In 2012/13, in light of the market conditions, Wavestone 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. Wavestone notably implemented a system enabling it to regularly adapt its sales strategy to correspond with trends in client demand and trading forecasts.

The firm has also implemented a continuous monitoring approach to identify macroeconomic events that could have an impact on the Group.

To date, these measures have proved effective, notably with like-for-like revenue growth of 15% in 2015/16, compared with a modest increase of +2% for the market, and 16% in 2016/17 (vs. +3% for the market). Nevertheless, Wavestone 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 Wavestone'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, the Company continues to reinforce its client monitoring system and the processes implemented to ensure the recovery of client receivables. This involves 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 2017, write-downs of client receivables represented less than 1.7% of gross client receivables (see note 14 of the 2016/17 consolidated financial statements).

Client dependency risk

At end-March 2017, the top five and top ten clients of the Company accounted for 32% and 51%, respectively of consolidated revenues, which represents a significant concentration of the firm's revenue with its main clients. This weighting, however, appears less than in 2015/16, due to the impact of client portfolio diversification arising from the acquisition of the European activities of Kurt Salmon.

It should be noted that the firm's client portfolio is diversified in terms of sector which minimizes the risk associated with Wavestone's dependency on its main clients. At end-March 2017, the banking and insurance sector accounted for 38% of Company revenues, the industry - energy and utilities sector for 18% and the industry - manufacturing sector for 13%.

Despite sector diversity, however, it is worth noting that the loss of any one of Wavestone'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 also May. The holiday-concentration impact affects the first half of Wavestone'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

Each year, fixed-price contracts account for around 40% of Wavestone SA's revenues (44% in 2016/17).

Wavestone 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 Wavestone Advisors) have never exceeded 2% of the total number of production-team working days, excluding holidays. The average overrun in 2016/17 was in fact negative at 1.1%.

Subcontracting risk

Wavestone 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 Wavestone's scope of expertise. In

cases such as these, the Company is required to call on specialized Wavestone services providers which have these complementary skills so that it can fully meet its clients' needs. When Wavestone 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

Wavestone 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 Wavestone's reputation.

Client and supplier contract risk

When signing contracts, Wavestone 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 Wavestone'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 Wavestone 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 Wavestone'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, Wavestone carried out an exhaustive IT systems security audit in 2015. Following the audit, IS security governance was overhauled: a head of Information Systems and security contacts for offices and support-function teams were appointed; an operational security unit benefiting from the expertise of Wavestone's cybersecurity and digital trust expertise was created, and a steering committee comprising representatives from top management, was set up. This reorganization was underpinned by:

- the skills of Wavestone's incident-response teams in dealing with cybersecurity;
- regular IS security audit campaigns carried out by the Cybersecurity and Digital Trust 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 merger with Wavestone Advisors, the Company adopted a new security strategy and drew up a charter defining 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, Wavestone cannot rule out the possibility of falling victim to cybersecurity incidents.

Risk related to Human Resources

Wavestone'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 Wavestone, given the structural competition for the recruits the firm seeks to attract.

To ensure the success of this key initiative, Wavestone invests heavily in recruitment every year. As such, the Company exceeded its 2016/17 recruitment objective by more than 600 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. Wavestone considers its normal turnover rate to be under 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.

Wavestone 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.

Wavestone's staff turnover rate (excluding Wavestone Advisors and its subsidiaries) rose from 10.4% in 2015/16 to 11.7% in 2016/17, 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 Wavestone and Wavestone Advisors are not comparable due to differences in management regulations. For information purposes, please note that the turnover rate of Wavestone Advisors stood at 32.8% in 2016/17 (compared to 17.8% in 2015/16 fiscal year)

Staff turnover rates at Wavestone Advisors were higher than expected due to more aggressive strategies of head hunters and inadequate monitoring of turnover risk. At the end of the fiscal year, the firm therefore revised these indicators. Ensuring employee loyalty will also be a human-resources priority for the firm in 2017/18. These actions, together with the standardization of HR processes should help optimize staff turnover management. Nevertheless, Wavestone remains cautious as to when the impact of these measures will feed through.

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 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

Wavestone'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, Wavestone 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, Wavestone 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 Wavestone'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 Wavestone's values in their day-to-day activities
- directors and key employees of the integrated companies are given executive positions within the Wavestone Group.

Risks related to strategic acquisitions

For Wavestone, 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 by 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 Wavestone).

The merger program was managed by a dedicated team, piloted on a full-time basis, by an Associate Director. The greatest part of the merger program was finished at the end of the financial year. However, certain aspects (joint ERP system, convergence of HR practices) should still be being finalized in the beginning of the 2017/18 financial year. 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, Wavestone cannot guarantee complete control of the risks inherent in a merger of this kind in the consulting sector.

Goodwill depreciation risk

At end-March 2017, goodwill impairment tests were carried out on Wavestone.

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 2017.

Wavestone 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

Wavestone's general insurance policy is linked to the Group's strong resolve to prevent and protect itself against risks that could impact its activities.

Wavestone'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

Wavestone 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 corporate officers.

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 year
• 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 corporate officers	€50.0m per year
Comprehensive office and equipment insurance	
• Office equipment	€5.9m per claim
• IT equipment	€2.7m per year

The premiums per risk category paid by the Group in 2016/17 are as follows:

Type of cover	Premiums (in €k)
Third-party liability	369
Third party liability of corporate officers	38
Comprehensive premises and equipment insurance	112
Transport insurance	81
Repatriation insurance	2
Retirement capital insurance	143
Insurance premium	7
Death insurance	51
Invalidity insurance	24
Orphanage insurance	13
Workplace incident insurance	63

Management Board Report – Additional notes

Company results and other items in the last five years

(in thousands of euros)	03/31/13	03/31/14	03/31/15	03/31/16	03/31/17
Capital at end of period					
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
Operations and profit/loss					
Revenue (excl. tax)	115,552	130,227	152,910	192,103	223,853
Profit/loss before tax, profit-sharing, depreciation, amortization and provisions	13,149	17,108	19,196	24,683	37,768
Income tax	362	3,740	3,954	4,637	9,262
Employee profit-sharing	1,596	1,830	1,993	2,514	4,402
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	10,708	10,841	12,069	13,518	23,689
Distributed earnings	1,555	1,620	1,908	2,009	3,040
Earnings per share					
Profit/loss after tax and profit-sharing, before depreciation, amortization and provisions	2.25	2.32	2.67	3.53	4.85
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	2.16	2.18	2.43	2.72	4.77
Distributed earnings	0.32	0.33	0.39	0.41	0.61
Personnel					
Average headcount	953	1,093	1,266	1,535	1,685
Total payroll	52,289	58,641	70,422	87,272	94,566
Amount paid in social welfare contributions	25,898	28,481	34,159	42,829	44,955

Table of currently valid authorizations to increase Company share capital:

Following the 07/22/15 Shareholders' Meeting

Resolution	Purpose	Duration	Maximum per value	Utilization
9 th	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 th	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 th	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 th	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 th	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	Purpose	Duration	Maximum per value	Utilization
14 th	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	None
15 th	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 set in the 11 th resolution of the 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting	None



Following the 07/20/17 Shareholders' Meeting:

Resolution	Purpose	Duration	Maximum per value	Utilization
9 th	Free allocation of existing and to-be-issued shares reserved for employees of the Company and the Group's companies	38 months	5% of the share capital on the day the delegation of powers is implemented	Partially by Employee plan no.11 dated 07/20/16: initial attribution of 13,872 shares corresponding to 0.28% of the share capital For information on prior utilizations relative to delegations granted by previous AGMs please refer to the past-year Registration documents and Management Board report tables listed in the appendix
10 th	Free allocation of existing and to-be-issued shares reserved for Company Directors of the Company and the Group's companies	38 months	0.5% of the share capital the day the delegation of powers is implemented	None
11 th	Common and global ceiling of securities issued by virtue of the 15 th resolution of the 07/22/15 Combined and Ordinary Shareholders' Meeting and the 9 th and 10 th resolutions of the 07/20/16 Combined and Ordinary Shareholders' Meeting		8% of the capital on the date of attribution or issuance	Partially by Employee plan no.11 dated 07/20/16: initial attribution of 13,872 shares corresponding to 0.28% of the share capital

Management Board Report – Trends

For a description of recent trends and the outlook for the Company, please refer to the “Management Report - *General Report*” in section 1 of the present document.



Financial Information

02

CONSOLIDATED FINANCIAL STATEMENTS AT 03/31/17_ **136**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS_ **140**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS -
FOR THE YEAR ENDED 03/31/17_ **166**

COMPANY FINANCIAL STATEMENTS AT 03/31/17_ **168**

NOTES TO THE COMPANY FINANCIAL STATEMENTS_ **170**

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS -
FOR THE YEAR ENDED 03/31/17_ **185**

STATUTORY AUDITORS' SPECIAL REPORT
ON REGULATED AGREEMENTS AND COMMITMENTS_ **187**

Consolidated financial statements at 03/31/17

Consolidated income statement

(in thousands of euros)	Note	03/31/17	03/31/16
Revenue	1	338,723	233,020
Purchases consumed	2	14,751	9,665
Personnel expenses	3 & 4	231,029	162,614
External expenses	5	45,557	25,533
Levies and taxes		5,782	4,396
Depreciation charges and provisions		1,445	971
Other current income and expenses		1,468	60
EBIT		38,699	29,783
Amortization of customer-relationship intangible assets	10	2,503	0
Other operating income and expenses	6	(575)	(6,682)
Operating profit		35,620	23,100
Financial income	7	44	19
Gross cost of financial debt	7	2,101	757
Net cost of financial debt		2,056	738
Other financial income and expenses	7	(413)	(581)
Pre-tax profit/loss		33,151	21,781
Tax expenses	8	13,085	8,423
Net income for the period		20,055	13,358
Non-controlling interests		-	-
Net income, Group share		20,055	13,358
Net earnings per share, Group share (in euros) ⁽¹⁾ ⁽²⁾	9	4.09	2.72
Net diluted earnings per share, Group share (in euros) ⁽²⁾	9	4.09	2.72

(1) Weighted number of shares over the period.

(2) In accordance with IAS 33, net earnings per share at 03/31/16 have been restated retrospectively based on the number of shares at 03/31/17.

Consolidated balance- sheet

(in thousands of euros)	Note	03/31/17	03/31/16
Goodwill	10	119,761	130,397
Intangible assets	11	14,824	659
Property, plant and equipment	11 & 12	18,719	7,584
Financial assets - > 1 year	13	1,685	1,030
Other non-current assets	13	8,964	7,373
Non-current assets		163,953	147,043
Trade receivables and related accounts	14	111,179	100,976
Other receivables	14	19,668	23,969
Cash and cash equivalents	14	38,722	39,786
Current assets		169,570	164,732
Total assets		333,523	311,774
Capital	15	497	497
Additional paid-in capital		11,218	11,218
Reserves and consolidated income		93,034	73,589
Group translation reserves		(639)	(325)
Total shareholders' equity, Group share		104,110	84,979
Non-controlling interests		0	0
Total shareholders' equity		104,110	84,979
Long-term provisions	16	12,822	12,309
Financial liabilities - > 1 year	17	85,763	93,294
Other non-current liabilities	18	312	368
Non-current liabilities		98,897	105,972
Short-term provisions	16	6,737	9,139
Financial liabilities - < 1 year	17	9,424	5,332
Trade payables and related accounts	18	15,414	13,442
Tax and social security liabilities	18	80,324	77,360
Other current financial liabilities	18	18,615	15,551
Current liabilities		130,516	120,824
Total liabilities		333,523	311,774

Change in consolidated cash and cash equivalents

(in thousands of euros)	03/31/17	Published 03/31/16	Recalculated 03/31/16
Consolidated net income	20,055	13,358	13,358
Elimination of non-monetary elements			
Net depreciation charges and provisions	7,015	6,247	6,247
Gain (loss) on disposals, net of tax	(24)	49	49
Other calculated income and expenses	(1,613)	(2,338)	(2,338)
Cost of net financial debt	1,625	-	527
Gross cash flow ⁽¹⁾	27,060	17,316	17,843
Change in working capital requirements	(2,319)	(1,850)	(1,850)
Net cash flow from operating activities⁽¹⁾	24,741	15,466	15,993
Acquisition of tangible and intangible assets	(14,784)	(7,645)	(7,645)
Asset disposals	55	2	2
Change in financial assets	(1,778)	(218)	(218)
Impact of changes in consolidation scope ⁽²⁾	(1,974)	(88,520)	(88,520)
Net cash flow from investments	(18,480)	(96,380)	(96,380)
Dividends paid to shareholders of parent company	(2,014)	(1,915)	(1,915)
Dividends paid to consolidated non-controlling interests	-	-	-
Borrowings	1,745	-	96,412
Repayment of borrowings	(5,169)	-	(547)
Net interests paid	(1,7-6)	-	(2--)
Other cash flow from financing activities	-	96,192	-
Net cash flow from financing activities	(7,145)	94,277	93,75-
Change in net cash	(884)	13,363	13,363
Impact of changes in exchange rates	124	(96)	(96)
Cash and cash equivalent at start of period	39,417	26,150	26,150
Cash and cash equivalent at end of period	38,657	39,417	39,417

(1) Gross cash flow is calculated after income tax expenses.

(2) Impact of changes in consolidation scope corresponds to the acquisition of the Kurt Salmon scope and the earn-out payment for Wavestone Advisors UK.

(*) Net financial interests paid or assimilated, previously booked under net cash flow from operations, are now recorded as net cash flow from financing operations under "Other cash flow from financing activities".

Excluding this accounting change, cash flows from operations and from financing at 03/31/17 would have totaled €23,115k and €(5,519)k, respectively.

"Other flows from financing activities" is broken down into three distinct lines for interest paid, subscriptions and loan repayments.

Reported cash flows at 03/31/16 are not restated. The impact of restated cash flows at 03/31/16 is presented in the "03/31/16 restated" column.

Change in consolidated shareholders' equity

(in thousands of euros)	Capital	Premiums	Consolidated reserves	Profit for the year	Translation gain (loss)	Shareholders' equity
Consolidated shareholders' equity at 03/31/15	497	11,218	48,348	12,596	115	72,773
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
Net comprehensive income	-	-	319	13,358	(4)	13,673
Appropriation of profit	-	-	12,596	(12,596)	-	-
Amortization of customer-relationship intangible assets from 01/07/16 to 03/31/16	-	-	-	-	-	-
Change in capital of the consolidating company	-	-	-	-	-	-
Dividends paid out by 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)
Consolidated shareholders' equity at 03/31/16	497	11,218	60,231	13,358	(325)	84,979
Consolidated profit for the year	-	-	-	20,055	(25)	2-,3-
Fair value adjustment of hedging instruments	-	-	66	-	-	66
IAS 19 actuarial gain (loss)	-	-	295	-	-	295
Net comprehensive income	-	-	362	20,055	(25)	2-,392
Impact of non-controlling interests	-	-	-	-	-	-
Appropriation of profit	-	-	13,358	(13,358)	-	-
Amortization of customer-relationship intangible assets from 01/07/16 to 03/31/16	-	-	(384)	-	-	(384)
Change in capital of the consolidating company	-	-	-	-	-	-
Dividends paid out by the consolidating company	-	-	(2,014)	-	-	(2,-14)
Treasury shares	-	-	(1,793)	-	-	(1,793)
Restatement of provision for free shares	-	-	3,219	-	-	3,219
Translation gain (loss)	-	-	-	-	(288)	(288)
Consolidated shareholders' equity at 03/31/17	497	11,218	72,978	20,055	(639)	1-4,11-

In 2015/16, Wavestone distributed a dividend of €0.41 per share to parent company shareholders making for a total payout of €2,014k.

Equity contains no taxable items. Cumulative deferred tax assets amounting to €574k 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	03/31/17	03/31/16
Net income		20,055	13,358
Fair value adjustment of hedging instruments	19	66	(58)
IAS 19 actuarial gain (loss)	16	295	377
Total recognized as equity		362	319
Net comprehensive income, Group share		20,417	13,677



Notes to the consolidated financial statements

Contents

1. Overview	141	5. Scope of consolidation	151
2. Key events in 2016/17	141	6. Notes relative to certain income-statement and balance-sheet items	152
3. Accounting methods and principles	142	Note 1. Revenue	152
3.1. Scope of consolidation	142	Note 2. Purchases consumed	152
3.2. Consolidation principles	144	Note 3. Payroll expenses	152
3.3. Currency translation methods	144	Note 4. Executive directors' compensation	152
3.4. Use of estimates	144	Note 5. External expenses	153
3.5. Business combinations and goodwill	145	Note 6. Non-recurring operating income and expenses	153
3.6. Intangible assets and property, plant and equipment	145	Note 7. Financial profit (loss)	153
3.7. Impairment and recoverable value of non-current assets	145	Note 8. Tax charge	154
3.8. Guarantees and deposits	145	Note 9. Earnings per share	155
3.9. Non-current financial assets	146	Note 10. Goodwill on the balance-sheet	155
3.10. Receivables	146	Note 11. Intangible assets and property, plant and equipment	156
3.11. Cash and cash equivalents	146	Note 12. Leasing	157
3.12. Treasury stock	146	Note 13. Other assets	158
3.13. Employee benefits	146	Note 14. Current assets	158
3.14. Borrowings and financial debt	146	Note 15. Capital	159
3.15. Financial instruments	146	Note 16. Provisions	159
3.16. Potential liabilities and assets	147	Note 17. Financial liabilities and net debt	160
3.17. Segment reporting	147	Note 18. Other liabilities	161
3.18. Revenue recognition	147	Note 19. Financial instruments	162
3.19. R&D expenses	147	Note 20. Off balance-sheet commitments	163
3.20. Deferred tax	147	Note 21. Related-party transactions	164
4. Proforma financial information	147	Note 22. Post-closure events	164
4.1. Features of the transaction	148	Note 23. Statutory Auditor fees	165
4.2. Proforma information: presentation	148	Note 24. Risks	165
4.3. Proforma financial information at 03/31/17	150		

1. Overview

Wavestone 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. Wavestone'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 Wavestone (comprising the Wavestone parent company and its subsidiaries) were approved by the Management Board on 05/29/17.

All amounts presented in the notes are expressed in thousands of euros (€k).

2. Key events in 2016/17

Change of legal names of the Group and the companies it controls

The legal names of the companies controlled by the Group were modified as follows:

Former legal name	New legal name
Solucom	Wavestone
SLM Consulting	Wavestone Maroc
Hudson & Yorke	Wavestone Advisors UK
Arthus Technologies	Wavestone Advisors Switzerland
Solucom Belgique	Solucom Belgique
Management Consulting Group France	Wavestone Advisors 3
Kurt Salmon Associés France	Wavestone Advisors 2
Kurt Salmon France	Wavestone Advisors
K2S Management	Wavestone US
Kurt Salmon Luxembourg	Wavestone Luxembourg
Kurt Salmon Belgium	Wavestone Belgium
Kurt Salmon Maroc	Wavestone Advisors Maroc
Kurt Salmon Switzerland	Wavestone Consulting Switzerland
K2S Asia	Wavestone HK

Wavestone Advisors UK earn-out payment

Following the acquisition of Wavestone Advisors UK on 02/11/15, and in accordance with the terms of the acquisition protocol and the performances of the acquired entity, Wavestone made a second earn-out payment on the acquisition price of this company of €713k, equivalent to GBP600k.

Impact of business combinations

On a like-for-like and constant forex basis, Wavestone generated revenue of €228,820k, operating income on ordinary activities of €36,563k, and Group share of net income of €22,033k in fiscal year ended 03/31/17, versus year-earlier levels of €197,538k, €28,632k, €17,056k, respectively.

On a like-for-like and current forex basis, Wavestone generated revenue of €228,398k, operating income on ordinary activities of €36,521k, and Group share of net income of €21,999k in fiscal year ended 03/31/17, versus year-earlier levels of €197,759k, €28,636k and €17,058k, respectively.

Like-for-like, excluding Kurt Salmon⁽¹⁾, Wavestone generated revenue of €232,549k, operating income on ordinary activities of €36,730k and Group share of net income of €22,140k in the fiscal year ended 03/31/17, versus year-earlier levels of €200,202k, €28,551k and €16,821k, respectively.

At the consolidated level, full-year revenue came out at €338,732k, operating income on ordinary activities at €38,699k and Group share of net income at €20,055k.

Expansion abroad

Wavestone created a Hong Kong based subsidiary, initially called K2S Asia then changed to Wavestone HK. This company carries out management, organization and IT-systems counseling missions and became operational in October 2016.

Partnership forged with the consulting firm, Business Integration Partners (BIP)

As part of its international growth strategy, Wavestone forged a partnership with Business Integration Partners (BIP). Founded in 2003, BIP is an Italian consulting firm that draws on its business expertise and innovative technologies to assist multinational companies address their large complex transformation challenges.

With a team of over 1,300 professionals, BIP is market leader in Italy and has built up an international footprint covering 12 countries, including Spain, Brazil and Turkey which makes it the ideal partner for Wavestone, both in terms of geographic coverage and skills.

(1) European activities of Kurt Salmon excluding retail & consumer goods.

Mergers

The 12/14/16 Extraordinary Shareholders' Meeting voted to merge the companies Wavestone Advisors 2 and Wavestone Advisors 3 into Wavestone Advisors with retroactive effect back to 01/01/16.

Neither of these operations had an impact on the consolidated financial statements.

3. Accounting methods and principles

3.1. Scope of consolidation

3.1.1. Reporting framework

Since 04/01/05, Wavestone's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and EU directive no. 1606/02 dated 07/19/02. These include the IFRS and IAS standards,

as well as their interpretations which had been adopted by the EU at 03/31/17.

The accounting principles used to prepare Wavestone's 2016/17 consolidated financial statements are the same as those applied by the Company to prepare its consolidated financial statements for fiscal year ended 03/31/16.

3.1.2. Changes in regulatory accounting standards

The Group has notably applied the IFRS standards of the IASB and the IFRIC interpretations adopted by the European Union for annual reporting periods beginning on, or after, 04/01/16 (available on the European Commission website: 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 04/01/16

Standards, amendments and interpretations	Date of adoption by the EU	Date of application ⁽¹⁾ : fiscal years beginning on, or after:
Amendments to IFRS 11 - Joint arrangements: "Accounting for acquisitions of interests in joint operations"	11/25/15	01/01/16
Amendments to IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets: "Clarification of acceptable methods of depreciation and amortization"	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
Amendment to IAS 27 - Equity method in separate financial statements	12/23/15	01/01/16

(1) Date of EU application.

Accounting standards and interpretations that the Company will apply in the future

The Company has chosen not to apply the following standards and interpretations published by the IASB but had not yet adopted by the European Union at 03/31/17.

Standards, amendments and interpretations	Date published by the IASB	Date of application⁽¹⁾: fiscal years beginning on, or after
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: Statement of Cash Flows" - Disclosure initiative	01/29/16	01/01/17
Limited amendments off IFRS 2 - "Classification and measurement of share-based payments"	06/20/16	01/01/18
Amendments: "Clarifications to IFRS 15" ⁽¹⁾	04/12/16	01/01/18
IFRIC 22 - "Foreign currency transactions and advance consideration"	12/08/16	01/01/18
IFRS annual improvements (2014-2016)	12/08/16	01/01/17

(1) Published by the IFRS Foundation.

The IASB has published standards and interpretations, adopted by the European Union at 03/31/17 and applicable to reporting periods starting on or after 01/01/18. The Group has chosen not to adopt the early application of these standards, amendments and interpretations.

Standards, amendments and interpretations	Date of adoption by the EU	Date of application⁽¹⁾: fiscal years beginning on, or after:
IFRS 9 - "Financial instruments - Phase 1 : classification and measurement"	11/29/16	01/01/18
IFRS 15 - "Revenue from contracts with customers"	10/29/16	01/01/18

(1) Date of EU application.

IFRS 15 - "Revenue from contracts with customers" will be mandatory as of the fiscal year running from 04/01/18 to 03/31/19. This standard allows for revenue recognition that reflects the expected consideration in return for the service rendered.

The firm is currently analyzing the various types of contracts involved. At this stage of the process, it seems unlikely that application of the new standard will have a material impact on the Group's financial statements.

IFRS 9 - "Financial instruments" will also be mandatory as of the fiscal year running from 04/01/18 to 03/31/19. Given the limited amount of hedging instruments currently held by the

Group, the application of this new standard is unlikely to have a material impact on the financial statements.

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.

3.1.3. Fiscal year comparability

The financial statements for fiscal years ended 03/31/17 and 03/31/16 are comparable, except for scope of consolidation changes.

3.2. Consolidation principles

Wavestone is the consolidating company.

As such, the financial statements of the companies placed under its exclusive control are fully consolidated.

Wavestone 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 merger 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 03/31/17.

On 03/31/17, the consolidated financial statements include all of Wavestone’s company over 12 months, except from Wavestone HK which is consolidated over 6 months.

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	
	03/31/17	03/31/16	03/31/17	03/31/16
Swiss Franc (CHF)	0.934929	0.914829	0.923610	0.919005
Pound Sterling (GBP)	1.168866	1.263424	1.188060	1.359696
Hong Kong Dollar (HKD)	0.120375	n/a	0.120509	n/a
Moroccan Dirham (MAD)	0.093296	0.091124	0.092431	0.092382
US Dollar (USD)	0.935366	0.878349	0.914425	0.903805

Source: Banque de France.

The average exchange rate is determined by calculating the average monthly closing prices over the period.

Concerning the Hong Kong Dollar, the average exchange rate is calculated over six months (October 2016 to March 2017).

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.

- 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.

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

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

The integrated operating model rolled out since July 2016 across the Group, has enabled Wavestone to develop synergies between all of its operating units, whatever their legal structure and allegiance, establish individual commercial interfaces with all of its clients and efficiently form project teams comprising consultants from its different operating units. These units are not identified by sector of activity, regional zone or legal structure. This operating model will be regularly updated to better meet market needs.

The implementation of this operating model, the organization of which cuts through the business scopes of the companies and activities acquired by the Wavestone parent company during its development, does not track individual goodwill initially attached to the different companies or activities concerned. For this reason, the Wavestone firm constitutes a single Cash Generating Unit (CGU).

Goodwill impairment tests are conducted on the basis of the discounted future cash flow method and the market value derived from the Group's market capitalization.

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 Wavestone) 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.

To establish the market value, the Group's market capitalization is measured at the end of the fiscal year, less 2% for disposal costs.

3.6. Intangible assets and property, plant and equipment

All of Wavestone'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
- Customer-relationship intangible assets: 3, 4 or 9 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

Wavestone 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. Wavestone'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 2005 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: 0.40%

Pursuant to IAS 19 "Employee benefits" dated 06/16/11 applicable to reporting periods starting on or after 01/01/13, Wavestone recognized all actuarial gains and losses directly under shareholders' equity at 03/31/17.

Certain benefits are also provided within the framework of defined contribution schemes. Contributions made to these schemes are expensed when incurred.

Wavestone 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

Wavestone 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 has also set up a cross-currency swap as well as a foreign exchange forward contract to cover foreign currency loans and current accounts.

The Company also took out a hedging contract 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

Wavestone is specialized 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 Wavestone'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:

3.18.1. 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.

3.18.2. 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.

3.18.3. 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, Wavestone 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, Wavestone also acquired:

- The assets of Hapsis (2015/16 revenues of €5,021k) on 04/01/15.
- A 100% stake in Arthus Technologies (2015/16 revenues of €3,736k) on 07/02/15.

Since Hapsis was consolidated in Wavestone'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 Wavestone'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, Wavestone acquired a 100% capital stake in Kurt Salmon's European activities (excluding retail and consumer goods) 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 Wavestone 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 01/04/15.

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. Proforma 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 12/31/16, 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 Wavestone's Statutory Auditors
- Audited consolidated accounts of the Wavestone 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 Wavestone

There are certain differences between the accounting principles and methods used by Kurt Salmon's entities and those applied by Wavestone. 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 Wavestone at 03/31/16 are calculated over 12 months on a prorata 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's 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 and restatements to simulate the integration into Wavestone 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's 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's 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 Wavestone (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's entities) was estimated by applying a surrogate tax rate (i.e. that used to assess deferred tax in the consolidated financial statements of Wavestone at 03/31/16) to proforma gross earnings.

Impact related to Purchase Price Allocation

A Purchase Price Allocation (PPA), performed by the Grant Thornton accounting firm, recognized total customer-relationship intangible assets in the amount of €16,456k at the end of 2016/17 fiscal year. Amortization of these assets is booked in the 2016/17 Income Statement over 12 months (see note 10).

4.3. Proforma financial information at 03/31/16

(in thousands of euros)	03/31/16			Historic unadjusted data	Proforma adjustments	Financial information
	published	<i>o/w Solucom</i>	<i>o/w Kurt Salmon</i>	Kurt Salmon	Kurt Salmon	proforma
	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)	2,956 (2)	24,069
Net income, Group share	13,358	14,089	(731)	(1,626)	180 (3)	12,643

(1) Detail of adjustments to EBIT:

- Withdraw of all royalties "MCG Group" 1,790
- Cost Wavestone Group (375)
- Payment and leaving cost of the former management 3,352
- Harmonization of valuation method for pension estimate (235)
- Impact of revisited litigation provision estimate (213)
- Reclassification of CVAE as corporate income tax 1,140

Total

5,459

(2) Detail of adjustments to operating income:

- Adjustments to current operating income 5,459
- Amortization of customer-relationship intangible assets (2,503)

Total

2,956

(3) Detail of adjustments to Group share of net income:

- Adjustments to current operating income 2,956
- Financing costs (1,546)
- Reclassification of CVAE as corporate income tax (1,140)
- Impact of adjustments on corporate income tax (90)

Total

180

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".

Wavestone'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
Wavestone	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	37755024900041	Public Limited Company (SA)	Parent company	France	12
Wavestone Morocco	Immeuble Racine d'Anfa 157 boulevard d'Anfa 20100 Casablanca	266961	Limited Liability Company (SARL)	100%	Morocco	12
Wavestone Advisors UK	Warnford Court 29 Throgmorton Street Londres, EC2N 2AT	5896422	Limited Company	100%	United Kingdom	12
Wavestone Advisors Switzerland	105 rue de Lyon 1203 Genève	CHE-109.688.302	Limited Liability Company (SARL)	100%	Switzerland	12
Solucom Belgium	Avenue Louise 523 1050 Ixelles	0639.931.071	Public Limited Company (SA)	100%	Belgium	12
Wavestone Advisors 3	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	49154119900031	Simplified Joint Stock Company (SAS)	100%	France	0
Wavestone Advisors 2	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	44985762200087	Public Limited Company (SA)	100%	France	0
Wavestone Advisors	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	43322484700114	Simplified Joint Stock Company (SAS)	100%	France	12
Wavestone US	650 Fifth Avenue New York, NY10019	5905389	Incorporated Company	100%	United States	12
Wavestone Luxembourg	41 zone d'activité Am Bann L-3372 Leudelange	B114630	Public Limited Company (SA)	100%	Luxembourg	12
Wavestone Belgium	Square Stéphanie Avenue Louise 65 1050 Bruxelles	0879.426.546	SA/NV	100%	Belgium	12
Wavestone Advisors Morocco	Immeuble Racine d'Anfa 157 boulevard d'Anfa 20100 Casablanca	219375	Limited Liability Company (SARL)	100%	Morocco	12
Wavestone Consulting Switzerland	105 rue de Lyon 1203 Genève	CH-170.4.000.727-1	Limited Liability Company (SARL)	100%	Switzerland	12
Wavestone HK	21/F, On Hing Building, 1 On Hing Terrace Central	66431968-000-07-16-9	Limited Company	100%	Hong Kong	6

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 Wavestone's consolidated revenue is generated in France.

	Revenue (€k)	Staff
France	301,695	2,248
International	37,037	247
Total	338,732	2,495

Note 2. Purchases consumed

Purchases consumed are limited exclusively to the acquisition of subcontracted services.

Note 3. Payroll expenses

Payroll expenses	03/31/17	03/31/16
Salaries and benefits	163,390	111,119
Social contributions	67,639	51,494
Total	231,029	162,614

Average FTE headcount

	03/31/17	03/31/16
Engineers and managers	2,456	1,744
Employees	39	43
Total	2,495	1,787

Note 4. Executive directors' compensation

Executive compensation ⁽¹⁾	03/31/17	03/31/16
Compensation paid to Management Board members	516	438
Compensation paid to Supervisory Board members	193	166
Total	710	605

(1) Excluding mandatory profit-sharing.

Note 5. External expenses

	03/31/17	03/31/16
Rent and other lease expenses	10,529	7,228
Professional fees	10,999	5,092
Travel, assignments	11,370	6,776
Other external expenses	12,659	6,437
Total	45,557	25,533

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

	03/31/17	03/31/16
Other	-	-
Other operating income	-	-
Securities trading charges	(129)	(3,198)
Other	(446)	(3,484)
Other operating expenses	(575)	(6,682)
Total net	(575)	(6,682)

Other operating expenses include costs incurred on the evacuation of the Lyon offices (Kurt Salmon) for €128k as part of the plan to physically merge the workforce at the La

Défense headquarters, the Wavestone Corporate Foundation skills-sponsorship program for €120k and the ParisTech Foundation skills-sponsorship program for €100k.

Note 7. Financial profit (loss)

	03/31/17	03/31/16
Net income from sale of cash equivalents	50	17
Interest on borrowings	(2,101)	(757)
Change in fair value of cash and equivalents	(5)	2
Cost of net debt	(2,056)	(738)
Other financial income and expenses	(413)	(581)
Financial profit (loss)	(2,470)	(1,320)

The bulk of borrowing costs is made up of interest of €1,771k on the bank loan contracted to finance the acquisition of Kurt Salmon and a €178k coupon on the Micado bond.

Note 8. Tax charge

Net impact of tax profit

	03/31/17	03/31/16
Current tax	15,029	8,779
Deferred tax	(1,934)	(356)
Total	13,095	8,423

In accordance with the French Accounting Board (CNC) circular of 01/14/10, Wavestone 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 €3,475k.

Origin of deferred tax

	Balance-sheet		Income statement	
	03/31/17	03/31/16	03/31/17	03/31/16
Temporary timing differences on provisions	8,445	9,335	421	(885)
Consolidation entries	1,699	5,603	(2,355)	524
Total deferred tax assets	10,144	14,938	(1,934)	(361)
Temporary timing differences on provisions	6	6	(0)	(5)
Consolidation entries	-	-	-	-
Total deferred tax liabilities	6	6	-	5
Deferred tax charge			(1,934)	(356)

At 03/31/17, deferred taxes falling due in more than one year totaled €6,159k. 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:

	03/31/17	03/31/16
Consolidated net income	20,055	13,358
Tax expense (income)	13,095	8,423
IAS 12: CVAE and other	(3,475)	(2,464)
Tax credits	(3,838)	(2,896)
Profit before tax	25,837	16,421
Theoretical tax rate	33.33%	33.33%
Theoretical tax expense (income)	8,612	5,473
Reconciliation:		
Permanent differences	812	290
Activities taxed at a different rate	412	313
Tax credit	(215)	(118)
IAS 12: CVAE and other	3,475	2,464
Effective tax expense (income)	13,095	8,423

The line "Activities taxed at a different rate" notably factors in the impact of a drop in the tax rate in France from 33.33% to 28.00% (€241k)

Note 9. Earnings per share**Diluted earnings per share**

	03/31/17	03/31/16
Net income, Group share	20,055	13,358
Weighted average number of shares outstanding ⁽¹⁾	4,903,935	4,903,935
Net undiluted earnings per share, Group share	4.09	2.72
Number of shares issued as at 31 March ⁽¹⁾	4,903,935	4,903,935
Net diluted earnings per share, Group share	4.09	2.72

(1) Excluding treasury shares.

In accordance with IAS 33, net earnings per share at 03/31/16 have been restated retrospectively on the basis of the number of shares at 03/31/17.

Note 10. Goodwill on the balance-sheet

	Net value at 03/31/16	Change in scope	Reduction in the fiscal year	Translation gains (losses)	Net value at 03/31/17
Wavestone SA	43,187	-	-	-	43,187
Industrial activities of PEA Consulting	70	-	-	-	70
Wavestone Advisors UK	2,714	-	-	(203)	2,511
FDC Hapsis	1,943	-	-	-	1,943
Wavestone Advisors SZ	2,798	-	-	61	2,860
Kurt Salmon	79,685	5,800	(16,546)	252	69,191
Total	130,397	5,800	(16,546)	110	119,762

By virtue of the very size of the Kurt Salmon acquisition, Purchase Price Allocation was carried out on the assets involved.

At the date of business combination, PPA recognized customer-relationship assets in the amount of €16,456k. This breaks down as follows:

- €13,438k for key accounts;
- €2,799k for other accounts in France;
- €309k for clients in other countries.

As a result of goodwill reallocation, these assets were reclassified as intangible assets. Since acquired personnel does not constitute an identifiable asset under IFRS 3R it is still booked under goodwill.

Customer-relationship assets are amortized over the periods indicated in paragraph 3.6 of the accounting methods and principles.

The corresponding amount of amortization is booked partly under operating income on ordinary activities, partly under operating income. The acquisition of Kurt Salmon was in fact

an exceptionally large operation for Wavestone. This accounting choice ensures the perfect comparability between, and the clarity of the firm's recurring performance, as reflected in operating income on ordinary activities, the aggregate used by the Company to formulate and communicate all of its financial provisions.

Amortization between 01/07/16 and 03/31/16 is booked under shareholder's equity in the amount of (€576k) before tax. The Group's financial statements at 03/31/16 have not been restated to take this element into account. If restated, however, operating income and Group share of net income would have been €22,524k and €12,974k, respectively.

For Kurt Salmon, goodwill increased by €5,800k in 2016/17. €286k of this amount stems from an adjustment in provisions in the opening statements written to retain their definitive amount on the basis of amounts consumed, and €5,515k from the recognition of deferred tax on customer-relationship assets identified by way of Purchase Price Allocation. These adjustments are presented in the "other changes" column in each table.



Impairment tests

The impairment tests carried out on goodwill relating to Wavestone 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:

	Wavestone
Difference between value in use and carrying value	> 90,000
Theoretical impairment of a 1 point reduction in growth to infinity (a)	0
Theoretical impairment of a 1 point increase in the discount rate (b)	0
Theoretical impairment of (a) + (b)	0

On the basis of these sensitivity tests, 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	03/31/16	Other changes	Increase	Decrease	Translation gains (losses)	03/31/17
Software	9,295	-	68	(6,934)	1	2,430
Clients	-	-	16,546	-	-	16,546
Intangible assets in progress	20	-	1,071	(3)	-	1,088
Total intangible assets	9,315	-	17,685	(6,937)	1	20,064
Other tangible assets	13,735	-	12,262	(6,119)	2	19,880
Other lease assets	4,974	-	1,745	(1,867)	3	4,855
Tangible assets under construction	254	-	2,667	(2,798)	-	123
Total tangible assets	18,963	-	16,673	(10,784)	5	24,858

Depreciation	03/31/16	Other changes	Increase	Decrease	Translation gains (losses)	03/31/17
Software	8,256	-	445	(6,870)	1	1,832
Clients	-	-	3,079	-	-	3,079
Total intangible assets	8,256	-	3,525	(6,870)	1	4,911
Other tangible assets	7,064	-	1,919	(5,300)	(2)	3,680
Other lease assets	3,313	-	791	(1,749)	1	2,355
Total tangible assets	10,377	-	2,710	(7,050)	(1)	6,036

Impairment	03/31/16	Other changes	Increase	Decrease	Translation gains (losses)	03/31/17
Software	400	-	-	(71)	-	329
Total intangible assets	400	-	-	(71)	-	329
Other tangible assets	1,003	-	-	(900)	-	103
Other lease assets	-	-	-	-	-	-
Total tangible assets	1,003	-	-	(900)	-	103
Total intangible assets	659	-	14,161	4	-	14,824
Total tangible assets	7,584	-	13,963	(2,834)	6	18,719

None of Wavestone'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.

The decrease of tangible assets notably comprises the activation of the corresponding assets.

Changes in "Payables to suppliers of fixed assets" came out €160k at 03/31/17, compared with €145k at 03/31/16.

Note 12. Leasing

Net asset value by asset class:

Asset class	03/31/17	03/31/16
Vehicles	173	270
Office and computer equipment	2,327	1,391
Total	2,500	1,661

Impact on income statement:

Income statement	03/31/17	03/31/16
Recognized depreciation	(791)	(533)
Financial expenses	(26)	(17)
Amount of royalties restated for the fiscal year	832	549
Total	15	(1)

Royalties:

Royalties	03/31/17	03/31/16
Original value of goods	4,855	4,974
Royalties paid:	,	,
• in the previous years	1,237	2,798
• during the fiscal year	832	549
Total	2,069	3,347
Royalties outstanding	,	,
• < 1 year	887	625
• 1 ≥ 5 years	1,562	926
• > 5 years	-	-
Total royalties	2,450	1,551
<i>o/w future financial expenses</i>	44	36
Residual value at end of contract	71	71

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 €6,159k (€6,798k at 03/31/16).

Note 14. Current assets

Trade receivables and related accounts	03/31/16	Other changes	Change	Translation gains (losses)	03/31/17
Gross value	103,112	8	9,945	88	113,153
Impairment	(2,135)	(90)	257	(6)	(1,974)
Net book value	100,976	(81)	10,203	82	111,179

Wavestone 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.

Other receivables	03/31/16	Other changes	Change	Translation gains (losses)	03/31/17
Advances and downpayment	248	-	296	-	544
Tax receivables	16,314	(1,941)	(1,328)	24	13,069
Other debtors	4,466	699	(2,593)	4	2,576
Prepaid expenses	2,955	-	535	8	3,498
Gross value	23,984	(1,242)	(3,091)	35	19,686
Impairment of other receivables	(15)	-	(4)	-	(18)
Impairment	(15)	-	(4)	-	(18)
Net book value	23,969	(1,242)	(3,095)	35	19,668

Cash and cash equivalents	03/31/16	Other changes	Translation Change gains (losses)		03/31/17
Money-market mutual funds (SICAVs) - Cash equivalents	15,637	-	(989)	-	14,648
Cash equivalents	24,149	-	(198)	124	24,075
Gross value	39,786	-	(1,188)	124	38,722
Impairment	-	-	-	-	-
Net book value	39,786	-	(1,188)	124	38,722

The historic cost value of the Group's monetary mutual funds (SICAVs) was €14,648k on 03/31/17 (€15,631k on 03/31/16).

Note 15. Capital

At 03/31/17, the capital of the Wavestone parent company comprised 4,966,882 fully paid-up shares at €0.10 per unit.

At the same date, the Company owned 62,947 Wavestone shares.

In addition, pursuant to the authorization granted to it by the General Shareholders' Meeting, the Board of Directors decided at its meeting on 07/20/16 to freely allocate existing and/or to-be-issued shares to the Company's executive directors. 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 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 criterion based on consolidated EBIT.

In addition, at that same meeting, the Wavestone 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 03/31/17.

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.

	03/31/16	Other changes	Increase	Reversal		Translation gains (losses)	03/31/17
				Used	Unused		
Provision for retirement packages	12,309	-	1,561	(92)	(977)	21	12,822
Total long-term provisions	12,309	-	1,561	(92)	(977)	21	12,822
Provision for risks	9,129	712	2,829	(4,465)	(1,601)	2	6,607
Provision for contingencies	9	-	163	(36)	(6)	-	131
Total short-term provisions	9,139	712	2,991	(4,501)	(1,607)	2	6,737
Total provisions	21,448	712	4,553	(4,593)	(2,584)	23	19,560

Changes in the amount of provisions impacted operating income on ordinary activities and operating profit to the tune of €321k and €1,693k, respectively.

Actuarial gains and losses related to end-of-career benefits are recognized directly under shareholders' equity. An actuarial loss of €610k reported at 03/31/17, stemmed essentially from changes in assumptions (discount rate, staff turnover rate, etc.).

This had an impact on shareholder's equity, net of deferred taxes, of €377k at 03/31/16 and of €295k at 03/31/17.

The net carrying costs of €1,102k break down as follows:

- Cost of services carried out: €1,030k;
- Interest expenses for the year: €164k;
- Services providers: €(92)k.

Sensitivity tests

Sensitivity tests to discount rate were conducted with the provision for retirement packages.

An increase of 0.25% in the discount rate would represent a decrease of €620k in actuarial differences (considered as shareholder equity) but in the case of a 0.25% decrease of the discount rate, the actuarial differences would increase by €659k.

Note 17. Financial liabilities and net debt

	03/31/16	Other changes	Change	Translation gains (losses)	03/31/17
Debt > 5 years	37,864	-	(37,864)	-	-
Bank borrowings	37,864	-	(37,864)	-	-
Debt 1 ≥ 5 years	55,430	-	30,333	-	85,763
Bonds	2,964	-	14	-	2,978
Bank borrowings	51,535	-	29,684	-	81,219
Financial debt (leases)	931	-	634	-	1,565
Total non-current financial liabilities	93,294	-	(7,531)	-	85,763
Bank borrowings	3,876	-	4,304	-	8,180
Other borrowings and financial debt	68	-	(471)	403	-
Financial debt (leases)	625	-	233	2	861
Bank overdrafts	364	-	(298)	-	65
Accrued interest outstanding	399	-	(81)	-	318
Total current financial liabilities (< 1 year)	5,332	-	3,687	405	9,424
Total financial liabilities (< 1 year)	98,262	-	(3,546)	405	95,122
Total financial liabilities	98,626	-	(3,844)	405	95,187

Rate	03/31/16		03/31/17	
	Fixed	Variable	Fixed	Variable
Non-current financial liabilities	3,895	89,399	4,544	81,219
Current financial liabilities	1,139	4,193	1,007	8,417
Total financial liabilities	5,034	93,592	5,551	89,636

Assets pledged as collateral against these borrowings are described in note 15 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.

	03/31/16	Other changes	Change	Translation gains (losses)	03/31/17
Cash and cash equivalents					
Cash equivalents at historic value	15,632	-	(984)	-	14,648
Cash	24,149	-	(198)	124	24,075
Bank overdrafts	(364)	-	298	-	(65)
Total cash net of overdrafts	39,417	-	(884)	124	38,657
Fair value adjustment of cash and cash equivalents	6	-	(5)	-	-
Consolidated cash	39,423	-	(889)	124	38,657
Financial liabilities excluding bank overdrafts	98,262	-	(3,546)	405	95,122
Net cash/financial debt	(58,840)	-	2,656	(281)	(56,465)

Note 18. Other liabilities

	03/31/16	Other changes	Change	Translation gains (losses)	03/31/17
Other non-current liabilities					
Tax and social security liabilities	159	-	(16)	-	143
<i>o/w tax liabilities</i>	159	-	(16)	-	143
Other debt	209	(40)	-	-	169
Total	368	(40)	(16)	-	312
Current liabilities					
Trade payables and related accounts	13,442	54	1,895	24	15,414
Tax and social security liabilities	77,360	(1,745)	4,613	96	80,324
<i>o/w tax liabilities</i>	22,872	-	5,852	13	28,736
<i>o/w social security liabilities</i>	54,489	(1,745)	(1,239)	83	51,589
Other current financial liabilities	15,551	230	2,611	223	18,615
<i>o/w suppliers of assets</i>	209	-	241	-	451
<i>o/w other debt</i>	7,180	230	210	207	7,827
<i>o/w prepaid income</i>	8,162	-	2,160	16	10,338
Total	106,353	(1,461)	9,119	343	114,354
Total other liabilities	106,721	(1,502)	9,103	343	114,666

Note 19. Financial instruments

Wavestone'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;
- A cross-currency swap;
- An interest rate hedge (FRA).

Classification and fair value measurement of financial instruments

At 03/31/17	Category of instrument					Fair value			Fair value
	Derivatives designated as hedging instruments	Assets at fair value	Loans and receivables	Financial liabilities amortized cost	Balance-sheet net value	Level 1	Level 2	Level 3	
						Price quoted on an active market	Internal model with observables parameters	Internal model with non-observables parameters	
Available-for-sale equity shares	-	-	-	-	-	-	-	-	-
Loans and financial claims	-	-	1,720	-	1,720	-	1,720	-	1,720
Derivative instrument assets	86	-	-	-	86	-	86	-	86
Current accounts	-	-	-	-	-	-	-	-	-
Cash equivalents	-	14,648	-	-	14,648	14,648	-	-	14,648
Liquid assets	-	24,075	-	-	24,075	24,075	-	-	24,075
Total assets	86	38,722	1,720	-	40,528	38,722	1,806	-	40,528
Bonds	-	-	-	3,059	3,059	-	3,059	-	3,059
Bank loans	-	-	-	89,636	89,636	-	89,636	-	89,636
Financial debt (including leases)	-	-	-	2,426	2,426	-	2,426	-	2,426
Bank loans and overdrafts	-	-	-	65	65	65	-	-	65
Derivative instrument liabilities	105	-	-	-	105	-	105	-	105
Current account with financial institutions	-	-	-	-	-	-	-	-	-
Total liabilities	105	-	-	95,187	95,292	65	95,227	-	95,292

At 03/31/16	Category of instrument					Fair value			Fair value
	Derivatives designated as hedging instruments	Assets at fair value	Loans and receivables	Financial liabilities amortized cost	Balance-sheet net value	Level 1	Level 2	Level 3	
						Price quoted on an active market	Internal model with observables parameters	Internal model with non observables parameters	
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
Total assets	113	39,786	1,189	-	41,089	39,786	1,302	-	41,089
Bonds	-	-	-	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	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	98,626	98,626	364	98,262	-	98,626

Note 20. Off balance-sheet commitments

	Total amount on 03/31/17	< 1 year	1 ≥ 5 years	> 5 years
Commitments given				
Guarantees and sureties	963	903	-	60
Pledges	90,900	-	15,000	75,900
Finance lease agreements	33,815	4,305	18,571	10,939
Total	125,678	5,209	33,571	86,898
Commitments received				
Guarantees and sureties	9,164	9,164	-	-
Undrawn credit lines	25,187	-	25,000	187
Liability guarantees ⁽¹⁾	18,987	1,086	17,901	-
Financial instruments	-	-	-	-
Total	53,338	10,250	42,901	187

(1) Of which €552k in bank guarantees, €409k held in escrow account and an insurance policy (Kurt Salmon transaction) in the amount of €15,000k.

Pledges amounting to €90,900k concern Wavestone Advisors shares, intra-group debt held by Wavestone Advisors and its subsidiaries and receivables arising from the exercise of liability guarantees. These assets were put up to cover the €90,725k bank loan and credit lines of €25,000k

granted by the Group's pool of bankers. These commitments mature in 2022.

Wavestone's liability guarantees arose from its acquisitions carried out during 2014/15 and 2015/16 fiscal years.

	Total amount on 03/31/16	< 1 year	1 ≥ 5 years	> 5 years
Commitments given				
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
Total	109,076	5,311	25,047	78,719
Commitments received				
Guarantees and sureties	1,119	1,119	-	-
Undrawn credit lines	25,183	-	10,000	15,183
Liability guarantees ⁽¹⁾	21,009	1,800	16,074	3,135
Financial instruments	406	406	-	-
Total	47,717	3,325	26,074	18,318

(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.

Note 21. Related-party transactions

Wavestone 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

Wavestone will submit the proposal of a total dividend payout of €2,991k (equivalent to €0.61 per share) for shareholder approval at the Annual General Meeting called to approve the Company's financial statements for the fiscal year ended 03/31/17.

Merger

On 04/01/17, the Group merged Solucom Belgique into Wavestone Belgium.

Note 23. Statutory Auditors fees

	Mazars				Deloitte & Associés			
	Amount	Amount	%	%	Amount	Amount	%	%
	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16
Certification & limited review of individual and consolidated financial statements								
> Issuer	89	87	49%	68%	113	113	49%	79%
> Fully consolidated subsidiaries	69	41	51%	32%	104	30	51%	21%
Subtotal	158	128	100%	100%	217	143	100%	100%
Services other than the legal certification of financial statements								
> Issuer	-	-	0%	0%	-	-	0%	0%
> Fully consolidated subsidiaries	-	-	0%	0%	4	-	0%	0%
Subtotal	-	-	0%	0%	4	-	0%	0%
Services other than the certification of financial statements requested by the entity								
> Issuer	-	-	0%	0%	-	-	0%	0%
> Fully consolidated subsidiaries	-	-	0%	0%	-	-	0%	0%
Subtotal	-	-	0%	0%	-	-	0%	0%
Total	158	128	100%	100%	221	143	100%	100%

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 03/31/17

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in the French language 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 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.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General meetings, we hereby report to you, for the year ended 03/31/17, on:

- the audit of the accompanying consolidated financial statements of Wavestone;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. 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 of 03/31/17 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 indicated in paragraph 3.4 "Use of Estimates" of the disclosure "Accounting methods and principles" of the notes to 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 significantly 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 to the consolidated financial statements were appropriate.

- Your Company booked net goodwill of €119,762K under assets on the balance-sheet, as described in note 10 "Goodwill under balance-sheet assets" in the notes to the consolidated financial statements.

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 to the consolidated financial statements.

We have reviewed the methods used to carry out 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.

- As described in note 10 “Goodwill under balance-sheet assets” of the notes to the consolidated financial statements, the allocation of the Kurt Salmon’s purchase price resulted in the recognition of customer relationships for €16,456K. Related amortization periods and classification are described in paragraph 3.6 “Intangible and tangible fixed assets” of Section 3 “Accounting methods and principles” of the notes to the consolidated financial statements.

Our work involved reviewing the available documentation, assessing the appropriateness of the amortization periods and classification, and verifying that the notes to the consolidated financial statements were appropriate.

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.

Neuilly-sur-Seine and Paris La Défense, on May 31st, 2017

The Statutory Auditors
French original signed by

Deloitte & Associés
Dominique Laurent

Mazars
Paul-Armel Junne

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.



Company financial statements at 03/31/17

Wavestone income statement

(in thousands of euros)	03/31/17	03/31/16
Revenue	223,853	192,103
Operating subsidies	6	4
Reversals on provisions, impairment and transfer of expenses	3,242	1,185
Other operating income	4,319	788
Total operating income	231,420	194,079
Purchases consumed	14,731	7,995
Personnel expenses	139,521	130,102
Total operating expenses	28,028	25,372
Levies and taxes	6,229	5,464
Depreciation allowances, impairment and provisions	4,672	3,643
Total operating expenses	193,181	172,575
Operating profit	38,239	21,503
Financial income	1,997	1,560
Financial expenses	1,963	1,141
Financial profit (loss)	34	419
Profit from continuing operations	38,273	21,922
Non-recurring profit (loss)	(919)	(1,254)
Company profit	37,354	20,668
Equity interests	4,402	2,514
Income tax	9,262	4,637
Net income	23,689	13,518

Wavestone balance-sheet

Assets

(in thousands of euros)	Gross	Depreciation/ Impairment	03/31/17	03/31/16
			Net	Net
Intangible assets	67,236	21,851	45,385	44,734
Tangible assets	18,572	2,867	15,705	5,611
Financial assets	98,137	20	98,117	96,908
Fixed assets	183,945	24,738	159,207	147,253
Trade receivables and related accounts	75,174	19	75,155	59,623
Other receivables and accruals	20,410	18	20,392	18,326
Trading securities	17,752	0	17,752	15,632
Cash and cash equivalents	15,536	0	15,536	13,018
Current assets	128,871	37	128,834	106,599
Total assets	312,816	24,775	288,041	253,852

Liabilities

(in thousands of euros)	03/31/17	03/31/16
Capital	497	497
Additional paid-in capital	11,365	11,365
Reserves and retained earnings	73,901	62,398
Profit	23,689	13,518
Shareholders' equity	109,452	87,777
Provisions	3,922	4,894
Bonds	3,081	3,082
Bank borrowings	91,001	95,649
Trade payables and related accounts	14,217	8,870
Other debt and accruals	66,367	53,580
Debt	174,667	161,181
Total liabilities	288,041	253,852

Notes to the Company financial statements

1. Overview	171	4. Notes relative to certain income-statement and balance-sheet items	173
2. Key event in the fiscal year	171	Note 1. Breakdown of revenue	173
3. Rules and accounting methods	171	Note 2. Average workforce	173
3.1. Accounting framework	171	Note 3. Compensation paid to management and supervisory bodies	173
3.2. Intangible and tangible assets	171	Note 4. Non-recurring expenses and income	174
3.3. Investments and other equity interests and marketable securities	172	Note 5. Breakdown of taxes	174
3.4. Receivables	172	Note 6. Goodwill	174
3.5. Bond redemption premiums	172	Note 7. Fixed assets	175
3.6. Foreign currency transactions	172	Note 8. Depreciation	176
3.7. Retirement benefits	172	Note 9. Treasury stock	176
3.8. Regulated provisions	172	Note 10. Statement of maturities of trade receivables and payables	177
3.9. Recognition of revenue and partially completed transactions at the end of the fiscal year	172	Note 11. Items concerning associate companies	178
3.10. Change in method	172	Note 12. Receivables	178
		Note 13. Payables	178
		Note 14. Deferred income and prepaid expenses	179
		Note 15. Measurement differences of marketable securities	179
		Note 16. Breakdown of share capital	179
		Note 17. Change in shareholder's equity	179
		Note 18. Provisions and impairment	180
		Note 19. Increases and decreases in the deferred tax base	181
		Note 20. Leases	181
		Note 21. Hedging instruments	182
		Note 22. Off-balance sheet commitments	182
		Note 23. Information on subsidiaries and equity interests	183
		Note 24. Related-party transactions	184
		Note 25. Post-closure events	184

1. Overview

Wavestone's annual financial statements for the 2016/17 fiscal year cover the 12-month period from 04/01/16 to 03/31/17.

The annual financial statements were approved by the Management Board on 05/29/17.

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

Change in legal name

Following the decision taken by the 07/20/16 Annual Shareholders' Meeting, Solucom changed its legal name to Wavestone.

Wavestone Advisors UK earn-out payment

Following the acquisition of Wavestone Advisors UK on 02/11/15, and in accordance with the terms of the acquisition protocol, Wavestone made a second earn-out payment on the acquisition price of this company in H2 2016/17.

Disposal of Solucom Belgique shares

Wavestone divested all of its Solucom Belgique shares for €62k.

Mergers of Wavestone Advisors 2 into Wavestone Advisors then Wavestone Advisors 3 into Wavestone Advisors

The 12/14/16 Extraordinary Shareholders' Meeting voted to merge the companies Wavestone Advisors 2 and Wavestone Advisors 3 into Wavestone Advisors with retroactive effect back to 01/01/16.

Partnership forged with the consulting firm, Business Integration Partners (BIP)

As part of its international growth strategy, Wavestone forged a partnership with Business Integration Partners (BIP). Founded in 2003, BIP is an Italian consulting firm that draws on its business expertise and innovative technologies to help multinational companies address their large complex transformation challenges.

With a team of over 1,300 professionals, BIP is market leader in Italy and has built up an international footprint covering 12 countries, including Spain, Brazil and Turkey which makes it the ideal partner for Wavestone, both in terms of geographic coverage and skills.

3. Rules and accounting methods

3.1. Accounting framework

The financial statements for the fiscal year ended 03/31/17 were prepared in accordance with regulation 2014-03 and subsequent recommendations of the ANC (*Autorité des Normes Comptables*), the French accounting standards board.

The general accounting conventions have been applied in compliance with the principle of prudence, in accordance with the basic assumptions of:

- going concern
- consistency of accounting methods from one fiscal year to the next
- fiscal year independence; and

the general rules governing the preparation and presentation of the annual financial statements.

The basic method used to value the items booked in the Company's financial statements is the historical cost method.

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
- Tourism vehicles: 4 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 Wavestone’s Solutions division (practices) carried out in recent years, goodwill and badwill can only be monitored globally and grouped as a single accounting entry.

The entry into force of new accounting rules introduced in regulations 2015-06 and 2015-07 did not depreciate the goodwill of assets with an indefinite useful life.

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 programs.

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

Wavestone 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 Wavestone's revenue is generated in France.

Note 2. Average workforce

	Full-time staff	Back-up staff
Managers	1,650	0
Employees, technicians and supervisors	35	4
Total	1,685	4

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 €1,511k over the period:

- CICE impact on compensation paid between April and December 2016: €1,012k.
- CICE impact on compensation paid during the first quarter of 2017: €499k.

In keeping with the legislature's objectives, Wavestone 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 ⁽¹⁾
Management Board	516
Supervisory Board	193
Total	710

(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

Non-recurring expenses	Value
Shortfall on treasury share buybacks	1,042
Other non-recurring expenses	2,536
Total	3,578

Non-recurring income	Value
Gains on treasury share buybacks	198
Other non-recurring income	2,461
Total	2,659

The bulk of exceptional income and expenses is related to computer-hardware leaseback operations concerning IT material, Tour Franklin office remodeling costs and skills-sponsorship expenses.

Note 5. Breakdown of taxes

	Profit before tax	Tax	Profit after tax
Current tax, after profit-sharing	33,871	(11,789)	22,082
Non-recurring			
• of which short-term	(919)	284	(636)
• of which long-term	-	-	-
Tax credits		2,243	2,243
Net income			23,689

Tax credits mainly concern the research tax credit for 2016 in the amount of €1,518k.

Note 6. Goodwill

Items received in contribution / merger	Gross value	Net value
Goodwill	61,958	42,216
Total	61,958	42,216
Items acquired		
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

	Gross value at start of period	Increase			Gross value at end of period
		Mergers / contributions	Acquisitions	Decrease	
Intangible assets					
Goodwill	63,818	-	-	-	63,818
Licenses and software	3,706	-	9	1,386	2,330
Intangible assets in progress	20	-	1,071	3	1,088
Total	67,544	-	1,080	1,389	67,236
Property, plant and equipment					
Fixtures and fittings	6,833	-	9,960	2,067	14,726
Vehicles	9	-	-	6	4
Office and computer equipment, furniture	3,384	-	1,909	1,574	3,719
Tangible assets under construction	254	-	2,667	2,798	123
Total	10,481	-	14,536	6,445	18,572
Financial assets					
Other investments	14,831	-	1,066	62	15,835
Receivables from controlled entities	78,377	-	1,699	24	80,053
Other equity securities	2,696	-	8,657	10,523	829
Loans and other financial assets	1,063	-	820	464	1,419
Total	96,967	-	12,243	11,073	98,137
Total fixed assets	174,992	-	27,859	18,907	183,945

The gross value of goodwill is detailed in note 6.

Reductions in current fixed assets mainly correspond to the activation of the corresponding assets.

Note 8. Depreciation

	Value at start of period	Increase		Decrease Write-backs	Value at end of period
		Mergers / contributions	Provisions		
Intangible assets					
Goodwill	3,174	-	-	-	3,174
Licenses and software	2,667	-	433	1,321	1,779
Total	5,841	-	433	1,321	4,953
Property, plant and equipment					
Fixtures and fittings	1,833	-	1,309	1,504	1,639
Vehicles	9	-	-	6	4
Office and computer equipment, furniture	2,306	-	381	1,565	1,122
Total	4,148	-	1,690	3,074	2,765
Total depreciation	9,990	-	2,123	4,395	7,718

All fixed assets are depreciated using the straight-line method.

Note 9. Treasury stock

	Number of shares				At end of fiscal year
	At start of fiscal year	Purchased during fiscal year	Sold during fiscal year	Transferred during fiscal year ⁽¹⁾	
Treasury shares	66,617	115,978	88,786	30,862	62,947

(1) Including 30,862 free shares.

The gross value of treasury stock held at 03/31/17 totaled €3,933k. This breaks down into treasury shares held for:

- External growth: €0k;
- Liquidity transactions: €829k;
- Free share allocation: €3,104k.

The net value of treasury stock at 03/31/17 totaled €3,933k.

Note 10. Statement of maturities of trade receivables and payables

Receivables	Gross value	< 1 year	> 1 year
Of fixed assets			
Other financial assets	81,472	48	81,424
Of current assets			
Trade receivables and related accounts	75,174	75,174	-
Social security receivables	400	400	-
Tax receivables	7,228	6,489	739
Company and associates	7,998	487	7,511
Other debtors	122	122	-
Prepaid expenses	2,783	2,783	-
Total	175,178	85,503	89,674

Debt	Gross value	< 1 year	1 ≥ 5 years	> 5 years
Bond-related debt ⁽¹⁾	3,081	81	3,000	-
Bank borrowing S ≤ 1 year when contracted ⁽¹⁾	39	39	-	-
Bank borrowing S > 1 year when contracted ⁽¹⁾	90,962	8,787	82,175	-
Other borrowings and financial debt ⁽¹⁾	-	-	-	-
Trade payables and related accounts	14,217	14,217	-	-
Social security debt	32,310	32,310	-	-
Tax liabilities	22,780	22,591	189	-
Debt on assets and related accounts	451	451	-	-
Company and associates	-	-	-	-
Other debt	5,394	5,394	-	-
Deferred income	5,321	5,321	-	-
Total	174,555	89,191	85,364	-

(1) Of which borrowings contracted during the period: €0k.

Of which borrowings repaid during the period: €4,275k.

Borrowings guaranteed by real collateral (see note on financial commitments).

Note 11. Items concerning associate companies

	Amount concerning companies	
	related	in which the Company has a participating interest
Items from sundry balance-sheet entries		
Equity interests	15,835	-
Receivables from controlled entities	80,022	-
Trade receivables and related accounts	6,028	-
Other receivables	9,261	-
Cash and cash equivalents	-	-
Trade payables and related accounts	3,641	-
Other debt	4	-
Financial income		
Income from equity interests	-	-
Income from other financial assets	1,256	-
Other financial income	44	-
Financial expenses		
Net interest	-	-
Other financial expenses	-	-

Note 12. Receivables

Receivables included in the following balance-sheet items	03/31/17	03/31/16
Receivables from controlled entities	48	-
Trade receivables and related accounts	24,810	17,595
Other receivables	1,123	1,047
Cash and cash equivalents	1	4
Total	25,982	18,647

Note 13. Payables

Payables included in the following balance-sheet items	03/31/17	03/31/16
Bonds	81	82
Bank borrowings and debt	276	361
Trade payables and related accounts	7,641	5,461
Tax and social security liabilities	28,703	24,930
Other debt	5,000	4,399
Total	41,701	35,234

Note 14. Deferred income and prepaid expenses

Deferred income totaling €5,321k relates solely to pre-paid operating income and deferred expenses of €2,783k 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 €0.2k.

Note 16. Breakdown of share capital

Ordinary shares	Number of shares	(in euros)	
		Nominal value	Share capital
At 03/31/16	4,966,882	0.10	496,688.20
At 03/31/17	4,966,882	0.10	496,688.20

There were no stock option plans in place at 03/31/17.

Note 17. Change in shareholder's equity

	Capital share	Premiums	Reserves and retained earnings	Profit for the year	Total
At 03/31/16	497	11,365	62,398	13,518	87,777
Retained earnings	-	-	11,503	(11,503)	-
Dividends	-	-	(5)	(2,009)	(2,014)
Profit for the year	-	-	-	23,689	23,689
At 03/31/17	497	11,365	73,896	23,695	109,452

Note 18. Provisions and impairment

	Value at start of period	Increase		Decrease Write-backs	Value at end of period
		Mergers / contributions	Provisions		
Regulated provisions	-	-	-	-	-
Provisions ⁽¹⁾					
Disputes	1,756	-	566	1,055	1,266
Fines and penalties	18	-	-	18	-
Other provisions ⁽²⁾	3,121	-	2,028	2,493	2,656
Total	4,894	-	2,594	3,566	3,922
Depreciation					
Intangible assets	16,969	-	-	71	16,898
Property, plant and equipment	721	-	-	619	103
Equity investments	-	-	-	-	-
Other financial assets	59	-	-	38	20
Trade receivables	31	-	11	23	19
Other depreciation	15	-	7	4	18
Total	17,794	-	18	755	17,057
Grand total	22,689	-	2,612	4,321	20,980
Of which appropriations and write-backs					
• operating			2,549	3,195	
• financial			21	359	
• non-recurring			43	768	

(1) Write-back of €2,976k provisions for risks and liabilities.

(2) Mainly concerning a provision for free share allocation.

Note 19. Increases and decreases in the deferred tax base

Increase in future tax debt	Value (basic)
Regulated provisions	0
Other	70
Total	70
Relief on future tax liabilities	Value (basic)
Provisions not deductible in the year recognized	
Employee shareholding	4,402
Social welfare contributions	88
Other	
Subsidiary acquisition costs	2,597
Provisions for risks and charges	22
Impairment of receivables	22
Unrealized gains on marketable securities	0
Translation gains or losses on liabilities	108
Total	7,238
Deferred losses	386
Long-term capital losses	0

Note 20. Leases

	Value when set up	Theoretical depreciation charge		Net value theoretical	Royalties	
		Fiscal year	Cumulative		Fiscal year	Cumulative
Office and computer equipment	3,478	723	1,151	2,327	751	1,193
	Royalties outstanding			Total	Residual purchase price	Effective value in fiscal year
	< 1 year	1 ≥ 5 yrs	> 5 yrs			
Office and computer equipment	852	1,498	0	2,350	30	751

The information in the above table corresponds to ongoing leases at the end of the period.

Note 21. Hedging instruments

Wavestone has set up several currency futures contracts to hedge against currency risk on business operations, a cross-currency swap and currency futures contracts to cover

foreign-currency loans and current accounts, and a CAP to hedge against interest rate risk on the bank loan.

Note 22. Off-balance sheet commitments

	Total value	< 1 year	1 ≥ 5 years	> 5 years
Commitments given				
Guarantees and sureties	2,470	541	1,929	-
Pledges ⁽¹⁾	90,900	-	15,000	75,900
Pension commitments	7,142	-	-	7,142
Lease commitments	2,380	857	1,523	-
Finance lease agreements ⁽²⁾	29,664	2,999	15,783	10,881
Total	132,556	4,397	34,236	93,923
Commitments received				
Guarantees and sureties	9,020	9,020	-	-
Undrawn credit lines	25,000	-	25,000	-
Liability guarantees ⁽³⁾	18,987	1,086	17,901	-
Financial instruments	407	38	369	-
Total	53,413	10,144	43,270	-

(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 Wavestone Advisors shares, intra-group debt held by Wavestone Advisors 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) Wavestone's liability guarantees arose from its acquisitions carried out during the 2014/15 and 2015/16 fiscal years. These consisted of €552k in bank guarantees, an escrow account of €409k and an insurance policy (taken out for the Kurt Salmon transaction) worth €15,000k.

Note 23. Information on subsidiaries and equity interests

	Holding (%)	Capital	Other Shareholders' equity	Profit reported at the end of the fiscal year
Subsidiaries				
Wavestone Maroc	100	47	141	121
Immeuble Racine d'Anfa 157 boulevard d'Anfa 20100 Casablanca. Morocco				
Wavestone Advisors UK	100	1	1,030	163
Warnford Court 29 Throgmorton Street EC2N 2AT. London, UK				
Wavestone Advisors Switzerland	100	28	785	126
105 rue de Lyon 1203 Geneva. Switzerland				
Wavestone Advisors	100	1,658	(75,031)	3,858
Tour Franklin 100-101 terrasse Boieldieu 92042 Paris La Défense Cedex				
Equity interests				
None				

Comprehensive information	Gross value of shares	Net value of shares	Advances⁽¹⁾, loans and current accounts	Dividends paid
Subsidiaries				
French	6,694	6,694	79,077	-
Foreign	9,141	9,141	757	-
Equity interests				
None				

(1) Including advances to subsidiaries within the context of the Company's centralised cash-management strategy.

**Note 24. 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 25. Post-closure events**Dividend payout**

Wavestone will submit the proposal of a total dividend payout of €2,991k (equivalent to €0.61 per share) for shareholder approval at the Annual General Meeting called to approve the Company's financial statements for the fiscal year ended 03/31/17.

Statutory Auditors' report on the financial statements - For the year ended 03/31/17

This is a free translation into English of the Statutory Auditors' report 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 an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered 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 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 Meetings, we hereby report to you, for the year ended 03/31/17, on:

- the audit of the accompanying financial statements of Wavestone;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the 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 03/31/17, 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 in the disclosure "Accounting methods and principles" of 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 the disclosure "Accounting methods and principles" of 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 procedures and disclosures

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 report of the Board of Directors 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 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, on May 31st, 2017

The Statutory Auditors
French original signed by

Deloitte & Associés
Dominique Laurent

Mazars
Paul-Armel Junne

Statutory Auditors' special report on regulated agreements and commitments

Shareholders' Meeting held to approve the financial statements for the year ending 03/31/17

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.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions 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.

Our role is also to provide you with the information stipulated in article R.225-88-1 of the French Commercial Code (*Code de commerce*) relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted for approval by the Shareholders' Meeting

Agreements and commitments authorised during the 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

Agreements and commitments approved in previous financial years of which implementation continued during the previous financial year

Pursuant to Article R.225-57 of the Commercial Code, we were informed that implementation of the following agreements and commitments, approved by the Shareholders' Meeting during previous financial years continued during the previous financial year.

Employment contract with Mr. Michel Dancoisne, Chairman of the Supervisory Board

Wavestone (ex Solucom) signed a permanent employment contract with Mr. Michel Dancoisne for the financial, development and external growth consulting services on the basis of 10 hours a week. This agreement, authorized by your Supervisory Board on September 31, 2002, went into effect on 10/01/02.

In return for these services, Mr. Michel Dancoisne receives a gross monthly compensation of €1,900 over 13 months, with expenses paid upon presentation of receipts.

For the year ended 03/31/17, Mr. Michel Dancoisne received a gross remuneration of €24,700.

Neuilly-sur-Seine and Paris La Défense, on May 31st, 2017

The Statutory Auditors
French original signed by

Deloitte & Associés
Dominique Laurent

Mazars
Paul-Armel Junne



Corporate governance

03

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_ **190**

EXECUTIVE DIRECTORS COMPENSATION REPORT_ **205**

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235
OF FRENCH COMPANY LAW (*CODE DE COMMERCE*) ON THE REPORT PREPARED
BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF THE COMPANY_ **208**

INTERESTS OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS_ **209**

PROFIT-SHARING_ **210**

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 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 on 05/30/17.

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, Wavestone 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 Wavestone 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 Wavestone'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
- Sarah Lamigeon: Member
- Rafaël Vivier: Member.

The members of the Supervisory Board were chosen for their multidisciplinary skills and expertise, as attested to by their biographies presented below.

Mrs. Nathalie Wright tendered her resignation as a member of the Supervisory Board on 01/23/17 because of a conflict of interest with the Wavestone Company.

Biographies of the members of the Supervisory Board

Michel Dancoisne



Born on 03/13/47, Michel Dancoisne graduated from the *Institut Supérieur d'Electronique 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 (*Ecole Nationale Supérieure d'Electronique, Electrotechnique, 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 *Ecole 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*.

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 Wavestone to develop the Company's communications strategy. Today, as Director of Communications, she is responsible for developing Wavestone's image and reputation. In addition, Mrs. Lamigeon and her teams are in charge of Wavestone's financial reporting as well as recruitment and internal communications. She is also treasurer of the Wavestone Foundation for underprivileged children.

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.

Director obligation to hold Wavestone shares

Supervisory Board members are legally obliged to own at least 150 registered Wavestone 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 01/23/17, 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 September 2016. 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.

The results of this review are given in the table below:

MiddleNext independence criteria	Not an employee or a corporate officer (either past or present)	Not a major client, supplier or banker	Not a reference shareholder	No family ties with another corporate officer 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
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 three of its five members (equivalent to 60% of its members) can be considered independent, namely: Jean-François Perret, Marie-Ange Verdickt and Rafaël Vivier.

Balanced gender representation on the Supervisory Board

The Supervisory Board currently comprises three men and two women. This corresponds to a 40% women and 60% men representation on the Board, in line with statutory obligations specifying that both genders must represent at least 20% each of the Board members at the first Annual General Meeting held in 2017, or for a Board of less than 8 members, the difference between the number of members from each gender must not exceed 2.

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 *Ecole 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 Wavestone 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 *Ecole 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 Wavestone 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 03/31/17, the Supervisory Board met eight times (05/30/16, 07/20/16, 09/05/16, 10/18/16, 11/21/16, 11/28/16, 01/23/17, 03/06/17) with an attendance rate of 91%. 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 03/31/17 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 Wavestone's external growth strategy and approval of this strategy
- external growth projects
- reviews of Management Board quarterly reports
- corporate-officer compensation
- eligibility of Supervisory Board members' independent status
- review potential conflicts of interest
- monitor the succession of executive directors
- compliance with the MiddleNext Governance Code (recommendations and points requiring vigilance)
- setting up an Audit Committee separate from the Supervisory Board and appointing the members of said Committee

- modifying the internal rules for the Supervisory Board
- 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
- 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, the CFO, or any other person depending on the subject matter may attend all or a part of the Supervisory Board meetings, at the discretion of this Supervisory Board.

Management Board representatives do not participate in corporate-officer 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 03/07/16, to finalize the action plans decided upon with a view to optimizing the operating procedures and work of the Board.

On 03/06/17, within the context of its annual self-assessment, the Supervisory Board verified the correct implementation of dispositions retained in the Board's formalized self-assessment.

Committees

The Supervisory Board as a whole also functioned as the Audit Committee until 07/20/16 when the Supervisory Board decided to create an Audit Committee ad hoc separate from the Supervisory Board.

It was formally noted that, given their professional experience, Marie-Ange Verdickt and Rafaël Vivier 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 Mrs. Marie-Ange Verdickt, President of the Audit Committee and independent member of the Supervisory Board.

The Management Board, the CFO or any other person depending on the subject matter, may attend all or a part of Audit Committee meetings, at the discretion of the Audit Committee.

Statutory Auditors' 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 each Audit Committee meetings are drawn up and reported in a specific section of the Supervisory Board minutes. The Supervisory Board also examines these minutes.

During the fiscal year ended 03/31/17, the Audit Committee met four times on 05/30/16, 09/20/16, 11/25/16 and 01/23/17.

In 2016/17 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 03/31/17 presented and approved by the Management Board; Chief Financial Officer and Statutory Auditors' 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 Auditors' 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
- review and validation of the internal audit charter

Internal rules

Wavestone'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
- analyze the voting results from the Annual General Meetings
- succession of executive directors
- reviewing areas requiring careful monitoring.

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: www.wavestone.com.

Principles governing corporate-officer compensation

Concerning corporate-officer compensation, Wavestone complies with the recommendations of the MiddleNext Corporate Governance Code. Accordingly, the principles applied to Wavestone corporate-officer 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 Shareholder's 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 during a yearly meeting.

The other member of the Management Board receives a fixed compensation for exercising his executive mandate, plus a 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 Wavestone 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.

Corporate officers 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

The 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.

AMF recommendation 2015-01 was cancelled as of 10/26/16 and is referred to in the guide concerning periodic information of companies listed on a regulated market - DOC-2016-05.

The present report was drafted on the basis of this reference framework and its applicability to Wavestone, 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 on 05/30/17.

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. Wavestone'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 Wavestone 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

Wavestone'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.

Wavestone'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 Wavestone's internal processes, notably those safeguarding its assets;
- the reliability of financial information.

2.3. Scope

For the record, the Wavestone group comprises the Wavestone parent company and the following companies which are:

Directly controlled by the Group, namely:

- Wavestone Morocco (subsidiary subject to Moroccan law)
- Wavestone Advisors UK (subsidiary subject to British law)
- Wavestone Advisors Switzerland (subsidiary subject to Swiss law)
- Wavestone Belgium (subsidiary subject to Belgian law)
- Wavestone Advisors.

Indirect subsidiaries that are directly controlled by the Group, namely:

- Wavestone US (subsidiary subject to American law and 100% held by Wavestone Advisors)
- Wavestone Luxembourg (subsidiary subject to the law of Luxembourg and 100% held by Wavestone Advisors)
- Wavestone Belgium (subsidiary subject to Belgian law and 100% held by Wavestone Advisors)
- Wavestone Advisors Morocco (subsidiary subject to Moroccan law and 100% held by Wavestone Advisors)
- Wavestone Consulting Switzerland (subsidiary subject to Swiss law and 100% held by Wavestone Advisors)
- Wavestone HK (subsidiary subject to Hong Kongese law and 100% held by Wavestone Advisors)

At the operating level, the bulk of Wavestone's offering is organized around a set of domains representing the Company's main areas of expertise.

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 Wavestone Advisors and its subsidiaries acquired on 01/07/16 have not yet been harmonized. This will be achieved in 2017/18 once the "Being Wavestone" 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 "Being Wavestone" program has been completed, risk management procedures will be standardized across the new firm

- For recently acquired subsidiaries, Wavestone'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.

2.4. Components of the risk management system

Wavestone'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 Operational Committee (OPCOM) by the internal-audit and risk management steering committee
 - Annual updates made by the Executive Committee (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.

Wavestone'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 the 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 practice
- 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 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. On 07/20/16, the Supervisory Board chose the first option by setting up an ad hoc Audit Committee.

As defined by law, the main purpose of the Audit Committee is to monitor issues relating to the preparation and verification of accounting and financial information.

Thereafter, as defined by law, 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.

The Audit Committee must include at least one independent member having developed skills in accounting or finance.

The Audit Committee meets at least twice a year to review the Group's consolidated interim and annual financial statements, and as many times as necessary, notably for events judged important to the Company.

To carry out its mission, the Audit Committee may meet with Company auditors, managers and directors responsible for the preparation of accounts, the treasury and internal controls, without the presence of corporate officers.

A report of the work carried out at each Audit Committee is drawn up and included in the minutes of Supervisory Board meetings held to review the Audit Committee report.

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 Wavestone'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 Wavestone and its French and foreign subsidiaries, including Wavestone Advisors. The Executive Committee sets the objectives for the Company's operational activities, monitors their progress and delivers monthly progress reports.

For the sake of efficiency, however, the Executive Committee organizes smaller steering committee meetings to deal with certain topics such as operating performances and business development monitoring. The Operations Committee, an offshoot of the Executive Committee, meets once a month to analyze and monitor:

- Performance
- Key events
- The implementation of action plans
- Risks in all domains.

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 control 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
- Monitor incidents and remedial plans.

Finance Department

The Finance Department supervises the production of the accounting and financial data of Wavestone and the entities within the Group.

It oversees the preparation of management data and indicators supplied to the Directors of Operations and the Company's Operational and 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 Wavestone and the Group's consolidated financial statements. It also verifies the consistency of the financial statements of Wavestone Morocco, Wavestone Advisors UK, Wavestone Advisors Switzerland, Wavestone Belgium and Wavestone Advisors.

In addition, the Finance Department is responsible for the formalization of all internal procedures in force within Wavestone (excluding Wavestone Advisors).

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 controls.

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.

Risk owner

All generic risks identified in the risk map are designated a dedicated risk owner at management level.

Risk owner is responsible for:

- Understanding the risks in their entirety, at all levels of the organization.
- Fleshing out the description of the generic risk with specific and metric risks.
- Validating the implementation of actions to treat the risk.
- Designating appropriate agents to treat the risk.
- Assessing the net probability of the risk by taking into account the controls in place.
- Assessing the net financial, legal and HR impacts of the risk.
- Defending the position of the risk on the risk map before the Executive Committee.

The internal audit challenges the risk owner and communicates changes in the risk map to the internal-audit steering Committee and the Supervisory Board

Process owner

Every business process is attributed a process owner who is responsible for:

- Ensuring the correct deployment and efficiency of the process.
- Formalizing the process.
- Implementing remedial actions issued by the internal audit.

The internal control function challenges the process owner and reports the status of its actions to the Internal control steering Committee.

Company employees (excluding Wavestone Advisors)

Wavestone's central information repository containing all the applicable procedures is accessible to all of the firm's employees via the *Comm'unilink* intranet portal.

This platform also provides the employees concerned with the information they need to implement, at their particular level, the internal control and risk management procedures required to achieve the objectives assigned to them.

They are not, however, responsible for monitoring the actual implementation of these procedures.

Within the context of internal auditing activities, internal resources may be 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 control 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 Wavestone 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 Wavestone'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/domain 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 Wavestone's activity is prepared and submitted by the Management Board to the Supervisory Board.

Financial reporting periods (applicable to Wavestone Advisors)

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. Wavestone'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-demarcation 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 Wavestone to decide what provisions, if any, should be set up.

Consolidation of accounts (applicable to Wavestone Advisors)

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 Wavestone 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

Wavestone'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 Wavestone Advisors)

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 Wavestone Advisors)

All aspects of financial communication are prepared under the direct control of Wavestone's Management Board.

The Finance Department is also in charge of identifying changes in financial communication requirements that could impact Wavestone'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 Wavestone excluding Wavestone Advisors.

Wavestone'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

Wavestone's Quality Charter 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 Wavestone'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 Wavestone'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 and updated in September 2016. This Code is available on the MiddleNext website (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 Wavestone has implemented all the recommendations of the MiddleNext Corporate Governance Code.

Chairman of the Supervisory Board

05/30/17.

Executive Directors compensation report

The purpose of this report (drawn up in accordance with the provisions of Article L.225-82-2 of the French Commercial Code resulting from the Law no. 2016-1691, dated 12/09/16, on transparency, the fight against corruption and the modernization of the economy) is to present the principles and criteria to determine, distribute and allocate the fixed, variable and exceptional remuneration components of the total compensation package and benefits-in-kind due to members of the Management and the Supervisory Boards for fulfilling their mandates.

Pursuant to Article L.225-82-2 of the French Commercial Code, the remuneration principles and criteria presented in the present report are subject to the approval of the 07/27/17 Combined Extraordinary and Ordinary Shareholder Meeting. This approval is solicited in a specific resolution.

1. Compensation policy applicable to Management Board members

1.1. General principles

The elements taken into account by the Supervisory Board in the analysis of Management Board member compensation are as follows:

- Short-term elements (comprising a fixed and a variable component).
- If necessary, a long-term incentive element in the form of free allocation of shares contingent upon fulfilling a pre-determined set of performance targets.
- Other elements: welfare insurance, health coverage, and employment insurance for Non-Executive and Executive Company Directors.

The principles applied by the Supervisory Board to determine Director compensation are as follows:

- Comparability: the method used to determine compensation takes into account practices applied by groups and companies whose business activities are comparable with those of Wavestone.
- Coherence: trends in Management Board member compensation are pegged to the level of difficulty of their responsibilities and are coherent with the Group's standardized pay policy applied for all of its personnel.
- In addition, the Supervisory Board has based its 2017/18 compensation policy on the historical remuneration practices employed by Solucom for its top-level employees ("partners"), with regard to the amount of annual compensation, as well as the structure of, and the criteria applicable to the variable component. Note that, in the coming years, the Group plans to converge the remuneration practices applied for its "partners" with those defined in the Wavestone construction project. As such, this could prompt the Supervisory Board to modify the methods used to determine applicable compensation for the members of the Management Board.

1.2. Structure of the global annual compensation

In line with historical remuneration practices applied for Solucom partners, annual Company Executive Director compensation comprises a:

- fixed component, equivalent to 75% of the total
- target-based variable component, equivalent to 25% of the total
- variable component may vary between 50% and 200% of the target-based variable.

The structure of the variable component of the annual compensation was fixed by the Supervisory Board as follows:

- the amount of the variable component actually paid is based on the level of fulfilment of performance targets budgeted. This can be increased or decreased in accordance with the targets fixed at the beginning of the fiscal year and the actual results achieved: the conditions governing variations in performance-achievement allocation is fixed on an annual basis by the Supervisory Board
- the objectives underpinning the variable component include operating income on ordinary activities and Group share of net income: the results achieved relative to the objectives targeted is measured on a like for like basis.
- These break down as follows:
 - 50% of the variable component: based on operating income on ordinary activities
 - 50% of the variable component based on Group share of net income.

1.3. Determination of the 2017/18 compensation of Pascal Imbert for exercising his mandate as CEO

In accordance with the principles defined in notes 1.1 and 1.2 above, the criteria used to determine, distribute and allocate the remuneration components of the total compensation package of Mr. Pascal Imbert in 2017/18 are as follows:

1.3.1. Fixed component

Given the experience and level of responsibility of Pascal Imbert and applying the principles detailed in paragraph 1.1 above, he will receive an annual fixed gross compensation of €169,020 in 2017/18.

1.3.2. Variable component

The Supervisory Board also decided to allocate to Pascal Imbert a gross annual variable compensation of €56,330 in 2017/18 for fulfilling a set of performance-related objectives.

The variable component may vary between 50% and 200% of this amount depending on the degree of achievement of the performance targets fixed by the Supervisory Board. This information is not disclosed for reasons of confidentiality.

Pursuant to L.225-82-2 of the French Commercial Code, Mr. Imbert's 2017/18 variable compensation will be paid at the close of the Ordinary Shareholders' Meeting convened in 2018 to approve the Group's 2017/18 financial statements, if approved by the AGM.

1.3.3. Other remuneration elements

Pascal Imbert benefits from the same welfare insurance and health coverage scheme as Wavestone's employees.

1.4. Determination of the 2017/18 compensation of Patrick Hirigoyen for exercising his mandate as member of the Board and COO

On 03/06/17, the Supervisory Board decided to suspend Patrick Hirigoyen's employment contract as of 04/01/17 and this throughout his mandate as member of the Management Board, and to confer on him, as Chief Operating Officer of the Group, the power to represent the Company vis-à-vis third parties under the same conditions as those accorded to the Chairman of the Board.

In accordance with the principles defined in notes 1.1 and 1.2, the criteria used to determine, distribute and allocate the remuneration components of the total compensation package of Mr. Patrick Hirigoyen for exercising his mandate in 2017/18 are as follows:

1.4.1. Fixed component

Given the experience and the level of responsibility of Patrick Hirigoyen, and applying the principles detailed in paragraph 1.1, he will receive an annual fixed gross compensation of €168,408 in 2017/18.

1.4.2. Variable component

The Supervisory Board also decided to allocate to Patrick Hirigoyen a gross annual variable compensation of €56,136 in 2017/18 for fulfilling a set of performance-related objectives.

The variable component may vary between 50% and 200% of this amount depending on the degree of achievement of the performance targets fixed by the Supervisory Board. This information is not disclosed for reasons of confidentiality.

Pursuant to L.225-82-2 of the French Commercial Code, Mr. Hirigoyen's 2017/18 variable compensation will be paid at the close of the Ordinary Shareholders' Meeting convened in 2018 to approve the Group's 2017/18 financial statements, if approved by the AGM.

1.4.3. Long-term compensation elements

For the record, Patrick Hirigoyen was awarded free shares within the context of the 09/15/06, 10/15/10, 07/01/15 and 01/28/16 plans.

Given that the 2015 and 2016 free share plans are still ongoing, the number of shares related to these plans have yet to be acquired. Share acquisition is contingent upon fulfilling the following set of criteria:

- 07/01/15 free share plan
 - Presence within the Company at 06/30/18
 - Personal investment in Wavestone shares
 - Performance condition relative to the Group's 03/31/18 operating income on ordinary activities target. This performance condition is measured on a like-for-like basis, based on the firm's scope at 04/01/15.
- 01/28/16 free share plan
 - First tranche: 33% of shares
 - > Presence within the Company at 03/31/17
 - > Performance condition relative to the Group's 03/31/17 operating income on ordinary activities target. This performance condition is measured on a like-for-like basis, based on the firm's scope at 04/01/16.
 - Second tranche: 67% of shares
 - > Presence within the Company at 03/31/18
 - > Performance condition relative to the Group's 03/31/18 operating income on ordinary activities target. This performance condition is measured on a like-for-like basis, based on the firm's scope at 04/01/16.

1.5. Other remuneration elements

Patrick Hirigoyen benefits from the same welfare insurance and health coverage scheme as Wavestone's employees, as well as corporate-manager unemployment insurance. The charges related to this unemployment insurance are borne by the Company and reintegrated into Patrick Hirigoyen's compensation package in the form of benefits-in-kind.

2. Compensation policy reserved for the members and the Chairman of the Supervisory Board

2.1. Compensation paid to Supervisory Board members

Subject to conditions specified in paragraph 2.2 below concerning the Chairman of the Supervisory Board, compensation of members of the Supervisory Board allocated for exercising their mandates is restricted to the amount of attendance fees paid by the Company, for up to the maximum amount voted by the General Shareholders' Meeting, and distributed in the portions decided upon by the Supervisory Board.

The rules pertaining to attendance fee distribution comprise a fixed component and a larger variable component calculated on the basis of Director assiduity at Supervisory and Audit Committee meetings, and the number of meetings held.

Payment of attendance fees is made once the variable component for each Supervisory Board member has been determined.

The annual global envelope of Supervisory Board attendance fees voted by the 07/20/16 Combined Extraordinary and Ordinary Meeting was €74,000. On 07/27/17, the Supervisory Board will propose that the Combined Extraordinary and Ordinary Meeting fix the 2017/18 attendance fee ceiling at €85,000 to take into account the appointment of a second employee-representative member.

Applying the aforementioned compensation policy reserved for Supervisory Board members, the Supervisory Board has decided to divide up attendance fees as follows:

- individual amounts of €11,000, based on the assumption that members attend 6 Board meetings a year. This comprises a fixed component equivalent to 40% of the total amount, and a variable component representing 60% for each member, distributed prorata based on the number of Supervisory Board meetings attended relative to the total amount of meetings held

- annual attendance fees corresponding to 4/6ths of €11,000 are also paid to each Supervisory Board member appointed to serve on the Audit Board; this amount is calculated on the hypothesis of 4 Audit Committee meetings per annum; this attendance fee is multiplied by 1.5 times for the Chairman of this Committee and comprises a fixed component equivalent to 40% of the total amount and a variable component equal to 60%, distributed prorata based on the number of Audit Committee Board meetings attended
- these amounts are aligned with the financial year, and may be distributed on a prorata basis according to the duration of the mandate served during said period
- the amount to be paid to each member, taking into account the duration of their mandate during the fiscal period and their presence at Board meetings, is determined by the Supervisory Board meeting convened to examine the Company's full-year financial statements; when a director's mandate expires during the fiscal year, the amount to be paid is determined at the first Supervisory Board meeting held after the end of the mandate of the Board member in question.

In addition to receiving attendance fees and in accordance with the provisions of Article L.225-84 of the French Commercial Code, Supervisory Board members may receive compensation for carrying out exceptional assignments.

2.2. Compensation allocated to the Chairman of the Supervisory Board

2.2.1. General principles

The compensation allocated to the Chairman of the Supervisory Board factors in:

- his degree of involvement in defining and developing Group strategy
- practices applied by groups and companies whose business activities are comparable with those of Wavestone.

By virtue of the compensation allocated for his mandate as Chairman of the Supervisory Board, he does not receive attendance fees.

2.2.2. Implementation of method used to determine the 2017/18 compensation of Michel Dancoisne

In accordance with the principles defined in notes 2.2.1 above, for exercising his mandate as Chairman of the Supervisory Board in 2017/18 fiscal year, Michel Dancoisne will receive a gross annual compensation of €34,728 to be paid in two instalments: July 2017 and January 2018.

For the record, Michel Dancoisne also holds an employment contract for the provision of expert financial, development and external-growth consulting services.



Statutory Auditors' report, prepared in accordance with Article L.225-235 of French company law (Code de Commerce) on the report prepared by the Chairman of the Supervisory Board of the company

For the year ended 03/31/17

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 Wavestone and in accordance with Article L.225-235 of the French company law (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L.225-68 of the French company law (*Code de Commerce*) for the year ended 03/31/17.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-68 of the French company law (*Code de Commerce*), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L.225-68 of French company law (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of French company law (*Code de commerce*).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-68 of French company law (*Code de commerce*).

Neuilly-sur-Seine and Paris La Défense, on May 31st, 2017

The Statutory Auditors
French Original signed by

Deloitte & Associés
Dominique Laurent

Mazars
Paul-Armel Junne

Interests of members of the Management and Supervisory Boards

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 1 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 1 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 Mrs. 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 2 of the present document).

Other interests of members of the Management and Supervisory Boards

All of the members of Wavestone's Management and Supervisory Boards are also shareholders in the Company. They have no interests in any company that has a controlling stake in Wavestone, 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

Wavestone implemented an employee profit-sharing scheme for 2016/17.

No subscription or purchase options were granted to the issuer's corporate officers during the 2016/17 fiscal year.

No free shares were granted to the Company's corporate officers in 2016/17 fiscal year.

In 2015/16, free shares were allocated to Mr. Patrick Hirigoyen, member of the Wavestone Management Board and to Mrs. Sarah Lamigeon, member of the Wavestone Supervisory Board.

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



Legal Book

04

GENERAL INFORMATION CONCERNING WAVESTONE AND ITS SHARE CAPITAL_ **214**

EXCEPTIONAL EVENTS AND DISPUTES_ **227**

General information concerning Wavestone and its share capital

1. General information concerning Wavestone

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 retail and consumer goods) in January 2016.

Solucom changes its legal name and creates the Wavestone brand.

2017

Wavestone finalizes operational merger with the European activities of Kurt Salmon and presents the "Wavestone 2021" strategic plan.

1.2. Company name and registered office

Wavestone

Tour Franklin

100-101 terrasse Boieldieu

92042 Paris La Défense Cedex

1.3. Legal form

French public limited company (*Société Anonyme*) with a Management Board and a 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

Wavestone (ex Solucom) 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, Wavestone'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 1st of every year to March 31st 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 dividend 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 12/06/99.

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 buybacks

Details concerning the share buyback program in force throughout the fiscal year ended 03/31/17, and the share buyback program submitted for shareholder approval at the Combined Ordinary and Extraordinary Shareholders' Meeting called to approve the Group's financial statements for the fiscal year ended 03/31/17 are given in chapters 1 and 5 respectively, of the present registration document.

2. General information concerning the share capital

2.1. Share capital

At 03/31/17, Wavestone'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 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting are still valid. More details on these authorizations are given in the additional notes of the Management Board Report in Chapter 1 of the present document.

2.4. Pledges, guarantees and sureties

Registered shares pledges in 03/31/17

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
Total						

Issuer asset pledges at 03/31/17 (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 assets	None	None	None	45.4	n/a	None
On fixed assets	None	None	None	15.7	n/a	None
On financial assets ⁽¹⁾	01/07/16	01/20/22	78.6 ⁽²⁾	98.1	80.1%	See comments
Total			78.6	159.2	49.4%	

(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 Wavestone Advisors shares, intra-group receivables held by Wavestone Advisors and its subsidiaries and receivables arising from the exercise of liability guarantees.

(2) The amount in question corresponds to the pledge related to Wavestone Advisors shares and the assignment of intra-group receivables. The pledge on receivables which might be held by Wavestone on Management Consulting Group PLC under the liability guarantee cannot be measured since these pledged assets are not, at this time, considered part of Wavestone'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. Wavestone shareholders

The list of Wavestone shareholders at 03/31/17 is given in the table below:

Shareholders	Shares	Capital (%)	Theoretical voting rights	% of theoretical voting rights ⁽¹⁾	Exercisable voting rights	% of exercisable voting rights ⁽²⁾
Executives and corporate officers	2,488,561	50.10%	4,967,575	63.63%	4,967,575	64.15%
<i>Pascal Imbert</i>	1,447,284	29.14%	2,894,568	37.08%	2,894,568	37.38%
<i>Michel Dancoisne</i>	1,005,672	20.25%	2,011,344	25.76%	2,011,344	25.97%
<i>Patrick Hirigoyen</i>	24,256	0.49%	48,227	0.62%	48,227	0.62%
<i>Other directors and corporate officers</i>	11,349	0.23%	13,436	0.17%	13,436	0.17%
Shareholders with more than 5% of company shares	349,600	7.04%	479,200	6.14%	479,200	6.19%
<i>Delphine Chavelas</i>	349,600	7.04%	479,200	6.14%	479,200	6.19%
Employees	255,988	5.15%	356,955	4.57%	356,955	4.61%
Treasury stock	62,947	1.27%	62,947	0.81%		
Free float	1,809,786	36.44%	1,940,372	24.85%	1,940,372	25.06%
Total	4,966,882	100.00%	7,807,049	100.00%	7,744,102	100.00%

(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: 5,736,537 (1) for 2,886,370 shares.

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

Total number of bearer shares with single voting rights: 4,966,882 - 2,886,370 = 2,080,512 (2).

Total number of theoretical voting rights (1) + (2) = 7,807,049.

Number of treasury shares = 62,947 (3).

Total number of exercisable voting rights ((1) + (2) - (3)) = 7,744,102.

A TPI analysis conducted on 03/31/17 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.

29.14% of Wavestone's shares are held by Pascal Imbert, the Chairman of the Management Board, and 20.25% by Michel Dancoisne, the Chairman of the Supervisory Board. Acting in concert, these two shareholders jointly own 49.39% of the Company's capital.

A TPI analysis conducted on 03/31/17 revealed that Mrs. Delphine Chavelas owns 7.04% of the Company's share capital. To the best of the Company's knowledge, no other shareholder owns 5% or more of Wavestone'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 Wavestone Company.

Other executive directors and corporate officers include Jean-François Perret (Vice-Chairman of the Supervisory

Board), Marie-Ange Verdickt, Sarah Lamigeon and Rafaël Vivier (members of the Supervisory Board).

Note that Marie-Ange Verdickt is also the Chairman of the Audit Committee and that Michel Dancoisne and Rafaël Vivier are members of the Audit Committee.

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 Wavestone's 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 the fiscal year ended 03/31/09.

3.3. Changes in the Company's shareholding structure over the last three years

	03/31/17 ⁽³⁾				04/11/16 ⁽³⁾			03/31/15 ⁽³⁾		
	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
Executives and corporate officers^{(1) (2)}	2,488,561	50.10%	63.63%	64.15%	2,619,509	52.74%	67.72%	2,613,118	52.61%	67.03%
<i>P. Imbert</i>	1,447,284	29.14%	37.08%	37.38%	1,447,284	29.14%	37.48%	1,447,284	29.14%	37.20%
<i>M. Dancoisne</i>	1,005,672	20.25%	25.76%	25.97%	1,135,272	22.86%	29.40%	1,135,272	22.86%	29.17%
<i>P. Hirigoyen</i>	24,256	0.49%	0.62%	0.62%	26,148	0.53%	0.67%	28,562	0.58%	0.64%
<i>Other executive directors and corporate officers</i>	11,349	0.23%	0.17%	0.17%	10,805	0.22%	0.16%	2,000	0.04%	0.03%
Shareholders with more than 5% of Company shares	349,600	7.04%	6.14%	6.19%	0	0.00%	0.00%	0	0.00%	0.00%
<i>Delphine Chavelas</i>	349,600	7.04%	6.14%	6.19%	0	0.00%	0.00%	0	0.00%	0.00%
Employees⁽⁴⁾	255,988	5.15%	4.57%	4.61%	261,009	5.25%	3.75%	243,910	4.91%	4.04%
Treasury stock	62,947	1.27%	0.81%		67,120	1.35%	0.87%	75,336	1.52%	0.97%
Free float	1,809,786	36.44%	24.85%	25.06%	2,019,244	40.65%	27.67%	2,034,518	40.96%	27.96%
Total	4,966,882	100.00%	100.00%	100.00%	4,966,882	100.00%	100.00%	4,966,882	100.00%	100.00%

(1) Wavestone corporate officers.

(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 03/31/17, in accordance with AMF position-recommendation no. 2014-14.

In 2016/17 fiscal year, Mr. Michel Dancoisne reduced his stake in the Company from 22.86% on 04/11/16 to 20.25% on 03/31/17 after donating some of his shares to Mrs. Delphine Chavelas, who subsequently broke through the statutory threshold (see 4.1.2 of the present report).

There was no other significant material change in the Company's shareholder structure in 2016/17 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 directors	Date of transaction	Type of transaction	Number of shares	Transaction share price
Mr. Rafaël Vivier	06/06/16	Acquisition	475 shares	€75.33
Mr. Rafaël Vivier	06/07/16	Acquisition	25 shares	€75
Mr. Patrick Hirigoyen	06/08/16	Sale	362 shares	€71.6298
Mr. Patrick Hirigoyen	06/09/16	Sale	472 shares	€71.50
Mr. Patrick Hirigoyen	06/21/16	Sale	1,166 shares	€71.50
Mr. Michel Dancoisne	01/10/17	Donation	129,600 shares	€90.25

3.4. Threshold crossings

Threshold crossing No. 1

In a letter received on 07/11/16, Messrs. Pascal Imbert and Michel Dancoisne declared that, acting in concert, they had crossed below the 66% voting-rights threshold and that, together, they owned 2,582,556 Wavestone shares, representing 5,164,912 voting rights (equivalent to 52.00% of the Company's share capital and 66.11% of its voting rights). This breaks down as follows:

	Shares	Capital (%)	Voting rights	Voting rights (%)
Pascal Imbert	1,447,284	29.14%	2,894,568	37.05%
Michel Dancoisne	1,135,272	22.86%	2,270,344	29.06%
Total concert	2,582,556	52.00%	5,164,912	66.11%

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

Threshold crossings No. 2

In a letter received on 01/13/17, Messrs. Pascal Imbert and Michel Dancoisne declared that, acting in concert, they had crossed below the 50% capital threshold on 01/10/17 and that together they owned 2,452,956 Wavestone shares, representing 4,905,912 voting rights (equivalent to 49.39% of the Company's share capital and 62.78% of its voting rights). This breaks down as follows:

	Shares	Capital (%)	Voting rights	Voting rights (%)
Pascal Imbert	1,447,284	29.14%	2,894,568	37.04%
Michel Dancoisne	1,005,672	20.25%	2,011,344	25.74%
Total concert	2,452,956	49.39%	4,905,912	62.78%

This threshold crossing stems from the donation of shares by Michel Dancoisne to members of his family.

Threshold crossing No. 3

In a letter received on 01/13/17, Mrs. Delphine Chavelas declared that she had broken through the 5% capital and voting rights thresholds of the Wavestone Company on 01/10/17 and owned 369,600 shares, representing 499,200 voting rights (equivalent to 7.44% of the Company's share capital and 6.39% of its voting rights).

This threshold crossing stems from a donation of Wavestone shares.

4. Issuer as a member of another group

Wavestone 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

Wavestone has distributed dividends to its shareholders since the fiscal year ended 03/31/95.

Fiscal-year ended	Number of shares	Dividends paid per share (in euros)	Portion of dividend eligible for 40% deduction
03/31/16	4,912,936	€0.41	100%
03/31/15	4,911,457	€0.39	100%
03/31/14	4,909,331	€0.33	100%

5.3. Dividend paid out for the fiscal year ended 03/31/17

The General Shareholders' Meeting called to approve the financial statements for the year ended 03/31/17, will be asked to approve a distribution of €0.61 to be drawn from the Company's reported 2016/17 earnings.

Treasury shares owned by the Company within the context of the share buyback 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 1 of the present document.

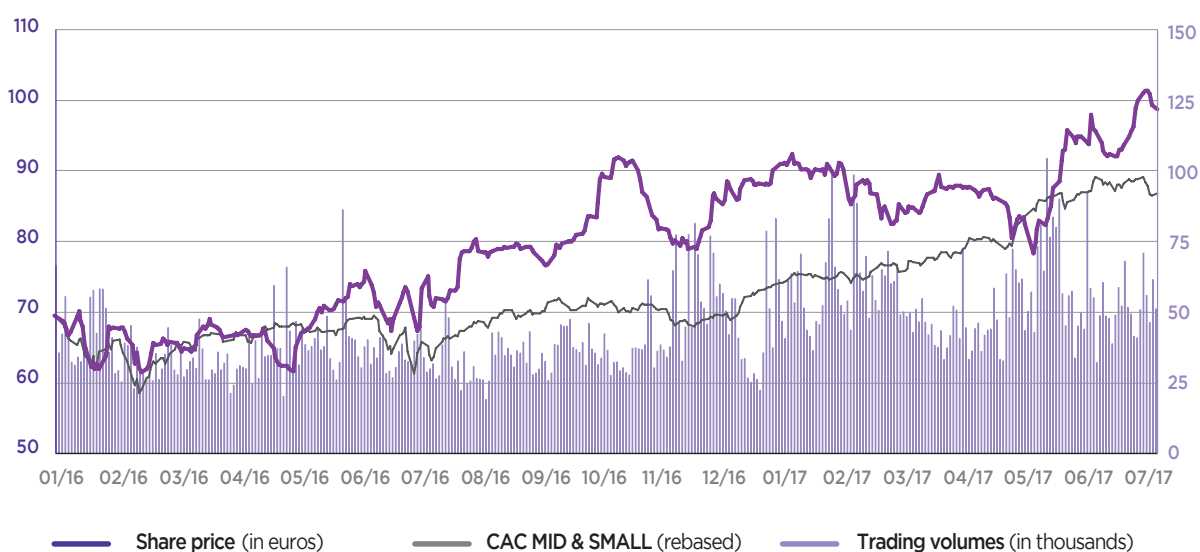
6. Market for Wavestone shares

Wavestone is listed on compartment B of Euronext in Paris.

Trends in the Wavestone share price from 04/01/16 to 06/30/17

Date	Highest price	Lowest price	Last listed price	Total trading volumes	Average monthly share price
04/16	67.90	61.50	64.96	92,044	65.08
05/16	75.25	65.00	73.50	89,155	70.36
06/16	76.20	61.44	68.00	101,849	70.78
07/16	81.58	67.90	78.57	53,189	74.69
08/16	79.80	76.75	76.75	21,114	78.73
09/16	89.99	76.60	89.20	46,438	81.50
10/16	97.34	81.40	81.77	103,833	87.98
11/16	89.50	75.10	88.50	81,294	81.82
12/16	91.94	82.29	90.80	43,172	88.55
01/17	94.50	82.88	85.35	76,215	89.94
02/17	90.00	80.50	84.16	95,272	85.41
03/17	89.40	83.00	87.80	43,728	86.85
04/17	87.95	80.27	82.50	48,189	85.21
05/17	98.50	78.39	97.92	64,598	89.36
06/17	102.25	91.91	99.40	83,100	95.84

Trends in the Wavestone share price from 01/01/16 to 07/01/17



7. Legal organizational chart of Wavestone at 04/01/17

At 04/01/17, the Wavestone Group comprised the Wavestone parent company and four subsidiaries:

- Wavestone Morocco Sàrl (fully owned)
- Wavestone Advisors UK limited (fully owned)
- Wavestone Advisors Switzerland Sàrl (fully owned)
- Wavestone Advisors SAS (fully owned)

At 04/01/17, Wavestone also had indirect stakes in 6 subsidiaries:

- Wavestone US incorporated (100% owned by Wavestone Advisors SAS)
- Wavestone Luxembourg SA, (100% owned by Wavestone Advisors SAS)
- Wavestone Belgium SA/NV (100% owned by Wavestone Advisors SAS)
- Wavestone Advisors Morocco Sarl (100% owned by Wavestone Advisors SAS)
- Wavestone Consulting Switzerland Sarl (100% owned by Wavestone Advisors SAS)
- Wavestone HK limited (100% owned by Wavestone Advisors SAS).

More details concerning the key income-statement data of each subsidiary at 03/31/17 and the description of the mergers carried out in 2016/17 are given in the Management Board Report in chapter 1 of the present registration document.

Within the Group, the Wavestone 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 considered necessary for them to carry out their own operations they do not hold any assets that are strategic for the Company.

Within the context of synergies set up between Company' subsidiaries, several partnerships have been forged, for the most part to run joint operations involving several Wavestone companies which are carried out by way of internal subcontracting agreements. The breakdown of the Group's internal invoicing for the fiscal year ended 03/31/17 is given in the table below:

(in thousands of euros)	Suppliers											
	Wavestone SA	Wavestone Morocco (SARL)	Wavestone Advisors UK Ltd	Wavestone Advisors Switzerland Sàrl	Solucom (SA) - Belgium	Wavestone Advisors (SAS)	Wavestone US Inc	Wavestone Luxembourg SA	Wavestone Belgium SA/NV	Wavestone Advisors Morocco (SARL)	Wavestone Consulting Switzerland Sàrl	Wavestone HK Ltd
Clients												
Wavestone SA		2	1,092	757	85	5,908	41	209	50		147	69
Wavestone Morocco (SARL)	1,132					428		15		108		
Wavestone Advisors UK Ltd	6											
Wavestone Advisors Switzerland Sàrl	226		58			1					62	
Solucom (SA) - Belgium	555					35			72			
Wavestone Advisors (SAS)	4,901						285	2,406	1,512	5	1,156	232
Wavestone US Inc	4					0						
Wavestone Luxembourg SA	0					28			209		1,318	
Wavestone Belgium SA/NV	78											
Wavestone Advisors Morocco (SARL)						315						
Wavestone Consulting Switzerland Sàrl								825				
Wavestone HK Ltd	3					5						

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

8. Investments and asset policy

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

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

Investments (in thousands of euros)	03/31/15	03/31/16	03/31/17
Tangible and intangible assets	913*	9,148**	14,843***

* o/w €598k lease-financed.

** o/w €1,307k lease-financed.

*** o/w €1,432 k lease-financed.

9. Offices

Head office

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

Wavestone's fully-owned subsidiaries

Belgium

Square Stéphanie
Avenue Louise 65, 1050 Brussels

US

1330 Avenue of the Americas, 9th floor
New York, NY 10019

France

81, boulevard Stalingrad
Immeuble Park Avenue - CS 30235
69608 Villeurbanne Cedex - France

N°100 chemin de l'Aumône Vieille
Actiburo 1, Building A
13400 Aubagne

Immeuble Le Viviani
2 rue René Viviani
Ile Beaulieu
44200 Nantes

All office premises occupied by the firm and its subsidiaries are rented from independent owners.

Hong Kong

21/F On Hing Building
1 On Hing Terrace,
Central,
Hong Kong

Luxembourg

41 Zone d'activité Am Bann
L-3372 Leudelange

Morocco

157, Bd Anfa, Immeuble Racine d'Anfa
20100 Casablanca

UK

Warnford Court, 29 Throgmorton Street
London, EC2N 2AT

Switzerland

105, rue de Lyon
1203 Geneva

Exceptional events and disputes

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, Wavestone has not been subject to any government, legal or arbitration proceedings during the last twelve months.



2017 Combined Ordinary and Extraordinary General Meeting

05

SUPERVISORY BOARD REPORT_ **230**

DESCRIPTION OF SHARE BUYBACK PROGRAM TO BE SUBMITTED FOR APPROVAL
AT THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING ON 07/27/17_ **232**

RESOLUTIONS PRESENTED TO THE 07/27/17 ANNUAL GENERAL MEETING_ **234**

Supervisory Board Report

To the Shareholders,

We have the honor of presenting our observations on the Management Board report and the financial statements for the fiscal year ended 03/31/17 presented to the Combined Ordinary and Extraordinary Shareholders' Meeting on 07/27/17 (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 03/31/17 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 03/31/17 which are submitted to you for approval were communicated to us by your Management Board within the legally prescribed time-frame.

The Supervisory Board has been regularly informed by Management on issues concerning the business of the Company and the Group and carried out the necessary verifications and controls.

The Supervisory Board drew up this report on the basis of the work carried out by the Audit Committee, it being specified that, on 07/20/16, the Supervisory Board decided to create an Audit Committee independent of the Supervisory Board (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, 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 03/31/17, 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 resolution proposals presented by your Management Board. The Supervisory Board also asks that you to approve the consolidated financial statements.

2. Proposal to appoint Mr. Jean-Noël Mermet as a new member of the Supervisory Board

The Management Board submits for your approval the proposal to appoint Mr. Jean-Noël Mermet as a member of the Supervisory Board for a period of four years, until the close of the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/21.

All legally-required information concerning Mr. Jean-Noël Mermet, including his biography, is disclosed in section 5.1.3. of the Management Board Report we invite you to consult.

At its meeting convened on 05/30/17, the Supervisory Board reviewed the independence of Mr. Jean-Noël Mermet on the basis of the director-independence qualification criteria defined by the MiddleNext Code and adopted in the Supervisory Board's internal rules which stipulate the absence of any material financial, contractual or family relationships likely to impair the independence of board members' judgement.

In accordance with independent-director qualification criteria specified in the MiddleNext Code, Wavestone's independent directors must not:

- be an employee in, or hold an executive mandate with the Company or one of its subsidiaries, or have been in such a position in the past three years
- be a major client, supplier or 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 family ties with another corporate officer or reference shareholder
- have been an auditor of the Company during the previous three years.

The Supervisory Board concluded that Mr. Jean-Noël Mermet fulfilled all of these independence-qualification criteria and approved the Management Board's proposal to appoint him member of the Supervisory Board.

Accordingly, the Supervisory Board requests that you vote in favor of 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 05/30/17, 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 buyback program
- resolutions concerning capital reduction by way of share cancellation
- resolutions concerning financial operations on the Company's share capital
- statutory amendments.

The Supervisory Board specifies that the resolutions 6, 7 and 8 were drawn up by the Supervisory Board in accordance with Article L.225-82-2 paragraph 2 of the French Commercial Code.

The Supervisory Board wishes to express its gratitude to the Management Board and all of Wavestone's employees for their hard work and efforts in the past fiscal year.

Paris la Défense

05/30/17

The Supervisory Board

Description of share buyback program to be submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on 07/27/17

In accordance with Articles 241-1 to 241-5 of the General Regulations of the French Financial Market Regulator (AMF), and European Regulation no. 596/14, dated 04/16/14, the following description of the Company's share buyback program outlines the purpose, as well as the terms and conditions of the share buyback program that will be submitted for shareholder approval at the Combined Ordinary and Extraordinary Shareholders on 07/27/17.

This new program cancels and replaces the program adopted by Company shareholders on 07/20/16.

1. Date of the General Shareholders' Meeting called to approve the share buyback program

The share buyback program described below will be submitted for Shareholder approval at the 07/27/17 Combined Ordinary and Extraordinary Shareholders' Meeting.

2. Distribution of equity and debt securities held by Wavestone at 04/28/17

On 04/28/17, Wavestone owned 60,955 shares, equivalent to 1.2% of the Company's share capital. These shares were distributed in the following manner:

- 7,671 shares were allocated for the purposes of stimulating the secondary market or enhancing the liquidity of Wavestone shares via a liquidity contract concluded with an investment services provider in accordance with the ethics charter approved by the AMF. For the record, Wavestone 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.
- 53,284 shares were allocated to Group employees and/or corporate officers 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.
- No 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.

Wavestone did not take recourse to any derivative instruments to implement this share buyback program.

3. Objectives of the new share buyback program

Wavestone will use the new share buyback program authorized under the seventh resolution submitted for approval at the Combined Ordinary and Extraordinary Shareholders on 07/27/16, for the following purposes:

- to stimulate the market for Wavestone 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
- honor its obligations related to the issue of shares and other securities giving access to the Company's share capital
- to allocate or sell shares (depending on the case) to employees and/or corporate officers 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 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 Shareholders' 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 tenth resolution submitted for Shareholder approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on 07/27/17, the Management Board will be authorized to buy Wavestone shares equivalent to up to 10% of the Company's share capital at 04/28/17 (i.e. a maximum of 496,688 shares). Given the amount of treasury stock held by the Group at 04/28/17, Wavestone would be able to buyback a total of 435,733 shares, equivalent to around 8.77% 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 price is capped at:

- €167 per share (excluding trading charges) within the context of an operation to stimulate trading on the secondary market for, and notably to ensure the liquidity of, Wavestone shares via a liquidity contract concluded with an independent investment services provider
- €125 per share (excluding trading charges) for all other authorizations granted to the Management Board under by virtue of the 10th resolution.

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 of the operation is capped at:

- €72,767,411 (435,733 units x €167 per share) within the context of an operation to stimulate trading on the secondary market for Wavestone shares, notably to ensure liquidity, via a liquidity contract concluded with an independent investment services provider
- €54,466,625 (435,733 shares x €125) for all other authorizations granted to the Management Board by virtue of the 10th resolution.

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 buyback plan

Under the terms of the 10th resolution to be submitted for Shareholder approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on July 27 2017, the Management Board will be authorized to buyback Company shares for a period of eighteen months following the date of the 2017 Combined Ordinary and Extraordinary Shareholders' Meeting. This authorization cancels the authorization granted to the Management Board by the Combined Ordinary and Extraordinary General Meeting on 07/20/16.

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 Wavestone website.

The present publication is available on the Wavestone website: <https://www.wavestone.com/>

Resolutions presented to the 07/27/17 Annual General Meeting

1. Ordinary Shareholders' Meeting

1st Resolution

Approval of Wavestone's reports and annual financial statements for the fiscal year ended 03/31/17

Summary

Objective:

Approve Wavestone's annual financial statements at 03/31/17 for which the Company reported a net profit of €23,689,378.

The General Meeting ruling under the quorum and majority conditions required for Ordinary Shareholders' 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 03/31/17 showing a net profit of €23,689,378, 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 €25,453 and a theoretical tax rate related to expenses and charges of €8,764.

2nd resolution

Approval of Wavestone's consolidated financial statements and reports for fiscal year ended 03/31/17

Summary

Objective:

Approve the Group's consolidated financial statements for the fiscal year ended 03/31/17

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 03/31/17, as well as the transactions recorded therein and summarized in said reports.

3rd resolution

Allocation of net income and setting of the dividend and distribution date

Summary

Objective:

After appropriation of net income in the amount of €23,689,378, to approve a gross dividend of €2,991,400, equivalent to a per-share dividend €0.61 on shares eligible to receive dividends.

Distribution payout policy:

The gross dividend represents a payout ratio of 15% of Group share of net income in line with previous years.

Distribution date: As of 08/04/17

The General Meeting ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, approves the proposal of the Management Board to appropriate the profit of €23,689,378 generated in the 2016/17 fiscal year as follows:

Dividend payout: € 2,991,400

Retained earnings: €20,697,978

Accordingly, the per-share dividend for the 2016/17 fiscal year is set at €0.61 for shares eligible to receive dividends (it being specified that the Company owned 62,947 treasury shares at 03/31/17).

If at the time of payout, the number of shares eligible to receive dividends differs from the 4,903,935 shares making up the share capital at end-March 2017, 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 08/02/17 with payment as of 08/04/17. 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 ⁽¹⁾	Dividend per share (DPS) ⁽²⁾	Portion of dividend eligible for 40% deduction ⁽³⁾
03/31/16	4,912,936	€0.41	100%
03/31/15	4,911,457	€0.39	100%
03/31/14	4,909,331	€0.33	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.

4th resolution

Approval of regulated agreements and commitments

Summary

Objective:

Acknowledge that no new regulated agreements or commitments were authorized, concluded or signed during the fiscal year ended 03/31/17.

Acknowledge the information pertaining to the only agreement that was approved in a fiscal year prior to 2016/17 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 Shareholders' 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 03/31/17;
- that the information relating to the previously approved agreement was still in effect during the fiscal year ended 03/31/17;
- the absence of previously signed agreements by the Company.

5th resolution

Appointment of Mr. Jean-Noël Mermet as a member of Supervisory Board

Summary

Objective:

Appoint Mr. Jean-Noël Mermet member of the Supervisory Board. The biography of Jean-Noël Mermet and the reasons for proposing his appointment as member of the Supervisory Board are given in the Management Board Report.

Term of office: 4 years until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/21.

The Annual General Meeting ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Management Board Report decides to appoint Mr. Jean-Noël Mermet as member of the Supervisory Board for a mandatory period of four years until the close of the Annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/21.

6th resolution

Vote on the remuneration components of the compensation attributable to the Chairman of the Management Board/CEO

Summary

Objective:

Approve the principles and criteria used to determine, distribute and allocate the remuneration components of the total compensation and benefits-in-kind attributable to Mr. Pascal Imbert for exercising his mandate as Chairman of the Management Board/CEO.

The General Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, having reviewed the report prepared in accordance with Article L.225-82-2 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of the total compensation and benefits-in-kind, as presented in the aforementioned report, attributable to the Chairman of the Management Board.

7th resolution

Vote on the remuneration components of the compensation attributable to the other member of the Management Board, the COO

Summary

Objective:

Approve the principles and criteria used to determine, distribute and allocate the remuneration components of the total compensation and benefits-in-kind attributable to Mr. Patrick Hirigoyen for exercising his mandate as member of the Management Board / COO

The General Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, having reviewed the report prepared in accordance with Article L.225-82-2 of the French Commercial Code, approved the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of the total compensation and benefits-in-kind, as presented in the aforementioned report, attributable to the other member of the Management Board / COO.

8th resolution

Vote on the remuneration components of the compensation attributable to the members and the Chairman of the Supervisory Board

Summary

Objective:

Approve the principles and criteria used to determine, distribute and allocate the remuneration components of the total compensation and benefits-in-kind attributable to the members and the Chairman of the Supervisory Board for exercising their mandates.

The General Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, having reviewed the report prepared in accordance with Article L.225-82-2 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of the total compensation and benefits-in-kind, as presented in the aforementioned report, attributable to the members and the Chairman of the Supervisory Board.

9th resolution

Determine the global annual amount of attendance fees to be awarded to the Supervisory Board members

Summary

Objective:

Set the global annual amount of attendance fees to be awarded to the members of the Supervisory Board for the 2017/18 fiscal year. In its previous decision, the 07/20/16 General Meeting fixed the global annual amount of attendance fees for the Supervisory Board members at €74,000.

The General Meeting, acting with the quorum and majority required for Ordinary Shareholders' Meetings, having noted that the amount of director attendance fees is notably determined on the basis of their level of assiduity at Supervisory Board meetings, decides to fix the global annual amount of attendance fees attributed to the Supervisory Board directors at €85,000 for 2017/18 fiscal year, it being specified that of this global amount €11,000 be reserved uniquely for the co-optation of a new member of the Board during the fiscal year and/or the appointment of a new employee-representative member of the Supervisory Board. This is subject to the presence and number of said members at Supervisory Board meetings.

10th resolution
Authorization delegating powers to the Management Board to trade in Company shares

Summary

Objective:

Delegate to the Management Board the power to buyback Company shares. The maximum purchase price is capped at €167 (excluding trading charges) for transactions carried out to stimulate trading on the secondary market of Wavestone shares to ensure liquidity, and at €125 (excluding trading charges) for all other transactions. The maximum number of purchasable shares is capped at 10% of the share capital less the amount of treasury stock already owned by the Company.

The Management Board may buyback 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 of Wavestone shares by concluding a liquidity contract with an independent investment services provider in accordance with the ethics charter recognized by the AMF*
- *to implement all market practices and objectives permitted by law.*

The purchase, sale or transfer of 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 or transfer or by way of derivatives and any other financial instruments.

This authorization is valid for a period of 18 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Management Board Report, grants all powers to the Management Board, including that of sub-delegation to any legally authorized person, to have the Company buyback 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 set by the directly applicable provisions of European Commission regulation no. 596/14 dated 04/16/14 and the market practices accepted by the AMF.

The Management Board may use this authorization for the following purposes:

- to stimulate trading on the secondary market of Wavestone shares, notably to ensure liquidity by concluding a liquidity contract with an independent investment services provider in accordance with the ethics charter recognized by the AMF
- to honor obligations related to the issue of shares and other securities giving access to the Company's share capital
- to allocate or 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 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 Shareholders' 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 buyback 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)

- 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 buyback authorizations granted by the Ordinary Shareholders' Meeting, it being specified that when shares are bought for the purposes of a liquidity contract, the 10% calculation mentioned above applies to the number of shares acquired, less the number sold during the term of the present authorization
- the maximum purchase prices is capped at (i) €167 per share (excluding trading charges), for transactions carried out to stimulate trading on the secondary market of Wavestone shares, and notably to ensure liquidity, via a liquidity contract concluded with an independent investment services provider, and at (ii) €125 (excluding trading charges) for all other transactions, 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 amount of funds allocated for treasury share purchase is capped at €72,767,411, subject to available reserves
- the present authorization cancels and replaces the previous authorization granted to the Management Board by the Combined Ordinary and Extraordinary Shareholders' Meeting on 07/20/16 in the 7th resolution for the same purpose. This authorization is valid for a period of eighteen (18) months as of today.

The General Meeting grants all powers to the Management Board, including that of sub-delegation to any legally authorized person, to set up and implement a share buyback plan, and notably to:

- launch and implement the present buyback plan
- 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 organizations, 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
- fulfil all other formalities and, in general, do everything else that is necessary
- ensure 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 shareholders are informed at the next Annual General Meeting of the precise allocation of the shares purchased for the specific purposes indicated.

2. Extraordinary Shareholders' Meeting

11th resolution

Authorization delegating powers to the Management Board to reduce the share capital by cancelling treasury shares

Summary

Objective:

Delegate to the Management Board the power to cancel Company shares acquired under the authorization granted under the 10th 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 07/27/17 Annual General Meeting.

The General Meeting ruling under the quorum and majority conditions required for Extraordinary Shareholders' 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 cancel on one or several occasions treasury shares held or acquired by the Company within the context of the implementation of the 10th 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 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 2017 Annual General Meeting, and cancels and replaces the previous authorization for the same purpose granted to the Management Board by the 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting.

12th resolution

Authorization delegating powers to the Management Board to issue shares and marketable securities giving access to the Company's share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued, with pre-emptive subscription rights maintained

Summary

Objective:

Delegate powers to the Management Board to increase the share capital by issuing, with shareholders' pre-emptive subscription rights maintained, ordinary shares and/or marketable securities, as well as all types of marketable securities giving immediate or deferred access, by any means, to the Company shares, debt securities and/or marketable securities giving access to the Company shares to be issued, it being specified that this delegation cannot be used in the event of a public tender offer filed by a third-party for the Company shares and this until the end of the acceptance period. Shareholders shall have, in proportion to the number of shares they own, pre-emptive subscription rights on an irreducible basis, and, should the Management Board decide, on a reducible basis, to ordinary shares and marketable securities which could be issued by virtue of this resolution.

Ceilings:

Capital increase: nominal value of €248,344.10, equivalent to 50% of the current share capital.

Debt securities giving access to the Company's share capital: €40,000,000.

Transactions carried out under the present delegation shall be deducted from the ceiling set in the 19th resolution. This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report and the Special Report of the Statutory Auditors, pursuant to Articles L.225-129 and seq. and notably Articles L.225-129-2, L.225-132, L.225-134, L.228-91 and L.228-92 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of powers conferred by the Combined Ordinary and Extraordinary Shareholders on 07/22/15 for the same purpose.

2. Delegates to the Management Board the power to decide the proportions related to and the times to carry out one or several capital increases in France and abroad (in euros or any other currency), via the issue of ordinary shares and/or marketable securities giving immediate or deferred access by any means to shares to be issued by the Company or debt securities and/or marketable securities giving access to the Company shares to be issued, for which subscription may be made either in cash or by the compensation of receivables, it being specified that all issues of preference shares and marketable securities giving access to preference shares be excluded.
3. Caps the nominal amount of immediate or deferred capital increases that could be carried out by virtue of the present delegation at €248,344.10 (i.e. 50% of the Company's current share capital) plus the nominal amount of any additional shares that may be issued, as required by law, to preserve the rights of bearers of marketable securities giving access to share capital, subject to provisions specified in the 19th resolution.
4. Caps the nominal amount of debt securities that could be issued by virtue of the present delegation at €40,000,000, or its foreign-currency equivalent, subject to provisions specified in the 19th resolution; this ceiling is independent from the amount of debt securities, the issuance of which shall be decided or authorized by the Management Board pursuant to Article L.228-40 of the French Commercial Code (straight bonds).
5. Decides that shareholders may, in accordance with conditions defined by law, exercise their irreducible pre-emptive subscription rights on ordinary shares to be issued and on marketable securities giving access to ordinary shares to be issued by the Company. In addition, the Management Board may grant shareholders the right to subscribe to more shares or market securities giving access to the Company shares on a reducible basis than on an irreducible basis, in proportion to the number of their subscription rights and for up to the limit of the number they request.

If the amount of irreducible, and, where applicable, reducible subscriptions do not absorb all of the shares and marketable securities issued, as defined above, the

Management Board may, as it deems fit, make use of one of the options provided under Article L.225-134 of the French Commercial Code.

6. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
7. Acknowledges that the present delegation waives shareholders' pre-emptive subscription rights to ordinary shares to which marketable securities issued under this delegation give access.
8. Authorizes the Management Board to sub-delegate powers to any legally qualified persons to:
 - determine the conditions of the increase(s) in share capital and/or issuance(s)
 - determine the number of shares and/or market securities to be issued, their issue price and the amount of the premium that could be requested at the time of the issuance
 - determine the dates and the terms and conditions of the issue, as well as the nature, form and characteristics of the securities to be issued, which may, but not necessarily, take the form of subordinated securities, with or without a fixed term, and notably in the event of marketable securities representing debt securities, their interest rate, term, fixed or variable redemption price, with or without a premium, and amortization terms and conditions
 - determine the terms of payment for the shares and/or securities issued
 - determine, where applicable, the terms and conditions of exercising the rights attached to securities issued or to be issued by virtue of the present resolution, and, notably, set the date (which may be retroactive) as of when the new shares become eligible to receive dividends, as well as all other terms and conditions of completion of the issuance(s)
 - determine the terms and conditions under which the Company shall have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued

- provide for an option to suspend, if applicable, the exercise of rights for a maximum period of up to three months attached to the securities issued
 - determine the procedures to ensure that, where applicable, the rights of holders of marketable securities giving access to the share capital be preserved, in accordance with legal, and regulatory provisions, and, where applicable, under contractual terms
 - at its sole discretion, deduct the fees, charges and rights attached to the capital increase(s) from the amount of the related premium(s) and, where applicable, the sums required to increase the legal reserve to one tenth of the new share capital after each capital increase
 - determine the terms and conditions under which the Company shall be permitted to purchase subscription warrants on the stock exchange, at any time or during specific periods, for the purposes of cancelling them, in the event of an issue of marketable securities giving access to Company shares upon presentation of a warrant
 - in general, enter into any agreements notably for the purpose of successfully carrying out the transaction(s) envisaged, and take all measures and fulfill all the appropriate formalities relative to the financial services related to the shares issued by virtue of this delegation and the exercising of rights attached to them.
9. The Management Board shall report to the shareholders on the use that shall be made of this delegation in accordance with conditions specified under Article L.225-100 of the French Commercial Code.
10. This authorization is valid for a period of twenty-six (26) months as of today.

13th resolution

Authorization delegating powers to the Management Board to issue shares and marketable securities giving access to the Company's share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued, without pre-emptive subscription rights maintained, within the framework of a public offering

Summary

Objective:

Delegate to the Management Board the power to increase the share capital by way of a public offering without shareholders' pre-emptive subscription rights maintained, by issuing ordinary shares and all types of marketable securities giving immediate or deferred access, by any means, to shares to be issued by the Company or giving entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued, with priority rights of five days for shareholders other than in legal cases, it being specified that this delegation cannot be used in the event a public tender offer filed by a third-party for the Company shares and this until the end of the acceptance period.

Ceilings:

Capital increase: nominal value capped at €99,337.64, equivalent to 20% of the current share capital, and an issue price of ordinary shares that is at least equal to the minimum authorized by legislative and regulatory provisions in force, i.e. at least equal to the average weighted price for Wavestone shares over the last three trading sessions prior to pricing the issuance, minus a discount of up to 5%.

Debt securities giving access to the Company's share capital: €15,000,000.

Transactions carried out under the present delegation shall be deducted from the ceiling set in the 19th resolution. This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the Management Board report and the Statutory Auditors Special Report pursuant to Articles L.225-129 and seq., and notably Articles L.225-129-2,

L.225-132, L.225-134, L.225 135, L.225-136, L.228-91 and L.228-92 and seq. of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of powers conferred by the Combined Ordinary and Extraordinary Shareholders on 07/22/15 for the same purpose.
2. Delegates to the Management Board the power to decide the proportions related to and the times to carry out one or several capital increases in France and abroad (in euros or any other currency), by way of a public offering, via the issue, without shareholders' pre-emptive subscription rights maintained, of ordinary shares of the Company and/or marketable securities, giving immediate or deferred access by any means to shares to be issued by the Company or debt securities and/or marketable securities giving access to the Company shares to be issued, for which subscription may be made either in cash or by the compensation of receivables, it being specified that all issues of preference shares and marketable securities giving access to preference shares be excluded.
3. Caps the nominal amount of capital increases that could be carried out, either immediately or in the future by virtue of the present delegation at €99,337.64 (i.e. 20% of the current share capital) plus the nominal amount of any additional shares that may be issued as required by law to preserve the rights of bearers of marketable securities giving access to share capital, subject to provisions specified in the 19th resolution.
4. Caps the nominal amount of debt securities that could be issued by virtue of the present delegation at €15,000,000, or its foreign-currency equivalent, subject to provisions specified in the 19th resolution; this ceiling is independent from the amount of debt securities, the issuance of which shall be decided or authorized by the Management Board pursuant to Article L.228-40 of the French Commercial Code.
5. Decides to waive shareholders' pre-emptive subscription rights to ordinary shares and marketable securities giving access to the Company share capital, it being understood that the Management must confer upon shareholders a priority subscription right for a period of not less than five days. This priority right shall not give rise to the creation of negotiable rights, but, should the Management Board think fit, may be exercised for irreducible and reducible amounts.
6. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
7. Acknowledges that the present delegation waives shareholders' pre-emptive subscription rights to ordinary shares to which marketable securities issued under this delegation give access.
8. Decides that, if subscriptions of shareholders and of the public do not absorb the issue of all shares or marketable securities as defined above, the Management Board may use, in the order it deems appropriate, one or several of the options provided by Article L.225-134 of the French Commercial Code.
9. Decides that the issue price of ordinary shares shall be at least equal to the minimum authorized by legislative and regulatory provisions in force at the time of issuance.
10. Caps the maximum discount that could be applied to a capital increase at 5%: the issue price of ordinary shares to be decided on the date of the present General Shareholders' Meeting, shall be at least equal to the average weighted share price for Wavestone shares over the last three trading sessions on the Euronext Paris market prior to setting the capital increase subscription price, which may be reduced by a discount capped at 5% after making any adjustment to this average in the event of a difference in the dividend eligibility dates.
11. Authorizes the Management Board to sub-delegate powers to any legally qualified persons to:
 - determine the terms and conditions of the increase(s) in share capital and/or issuance(s)
 - determine the number of shares and/or market securities to be issued, their issue price and the amount of the premium that could be requested at the time of the issuance
 - determine the dates and the terms and conditions of the issue, as well as the nature, form and characteristics of the securities to be issued, which may, but not necessarily, take the form of subordinated securities, with or without

a fixed term, and notably in the event of marketable securities representing debt securities, their interest rate, term, fixed or variable redemption price, with or without a premium, and amortization terms and conditions

- determine the terms and conditions of payment for the shares and/or securities issued
 - determine, where applicable, the terms and conditions of exercising the rights attached to securities issued or to be issued and, notably, set the date (even retroactive) as of when the new shares become eligible to receive dividends, as well as all other terms and conditions of completion of the issuance(s)
 - determine the terms and conditions under which the Company shall have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued
 - provide for an option to suspend, if applicable, the exercise of rights for a maximum period of up to three months attached to the securities issued
 - determine the procedures to ensure that, where applicable, the rights of holders of marketable securities giving access to the share capital be preserved, in accordance with legal, and regulatory provisions, and, where applicable, under contractual terms
 - at its sole discretion, deduct the fees, charges and rights attached to the capital increase(s) from the amount of the related premium(s) and, where applicable, the sums required to increase the legal reserve to one tenth of the new share capital after each capital increase
 - determine the terms and conditions under which the Company shall be permitted to purchase subscription warrants on the stock exchange, at any time or during specific periods, for the purposes of cancelling them, in the event of an issue of marketable securities giving access to Company shares upon presentation of a warrant
 - in general, enter into any agreements for the purpose of successfully carrying out the transaction(s) envisaged, take all measures and fulfill all the appropriate formalities relative to the financial services related to the warrants issued by virtue of the present delegation and the exercising of rights attached to each capital increase, formally acknowledge the realization of each capital increase, modify the Articles of Association accordingly and, generally, do all that is necessary.
12. The Management Board shall report to the shareholders on the use that shall be made of this delegation in accordance with conditions specified under Article L.225-100 of the French Commercial Code.
13. This authorization is valid for a period of twenty-six (26) months as of today.

14th resolution

Authorization delegating powers to the Management Board to issue shares and marketable securities giving access to the Company's share capital or entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued, without pre-emptive subscription rights maintained, within the framework of a private placement

Summary

Objective:

Delegate to the Management Board the power to increase the share capital by way of a private placement without pre-emptive rights maintained, by issuing ordinary shares of the Company and all types of marketable securities giving immediate and/or deferred access by any means to shares to be issued or giving entitlement to the allotment of debt securities and/or marketable securities giving access to the Company shares, without priority rights, it being specified that this delegation cannot be used in the event a public tender offer filed by a third-party for the Company shares and this until the end of the acceptance period.

Ceilings:

Capital increase: equivalent to 10% of the current share capital, and an issue price of ordinary shares that is at least equal to the minimum authorized by legislative and regulatory provisions in force, i.e. at least equal to the average weighted price for Wavestone shares over the last three trading sessions prior to pricing the issuance, minus a discount of up to 5%.

Debt securities giving access to Company's share capital: €15,000,000.

Transactions carried out by virtue of the present delegation will be deducted from the ceilings set in the 13th and 19th resolutions.

This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report and the Special Report of the Statutory Auditors, pursuant to Articles L.225-129 and seq. and notably Articles L.225-129-2, L.225-135, L.225-136, L.228-91 and seq. of the French Commercial Code:

1. Authorizes the Management Board to sub-delegate powers to any legally qualified persons to: increase the share capital within the context of an offer defined in paragraph II of Article L.411-2 of the French Monetary and Financial Code

- by twelve-month periods, on one or several occasions, and in the proportions and at the times said person judges fit, via the issue, in France and abroad (in euros or any other currency) without shareholders' pre-emptive subscription rights maintained, of ordinary Company shares and/or marketable securities giving immediate or deferred access by any means to shares to be issued by the Company or debt securities and/or marketable securities giving access to Company shares to be issued, for which subscription can be made either in cash or by the compensation of receivables, it being specified that all issues of preference shares and marketable securities giving access to preference shares be excluded.
2. Caps the nominal amount of capital increases that could be carried out, either immediately or in the future by virtue of the present delegation at 10% of the current share capital, plus the nominal amount of any additional shares that may be issued, as required by law, to preserve the rights of bearers of marketable securities giving access to share capital. The nominal value of shares attributed by virtue of this delegation shall be deducted from the ceiling fixed in the 13th resolution and within the limits of the global ceiling fixed in the 19th resolution.
 3. Caps the nominal amount of debt securities that could be issued by virtue of the present delegation at €15,000,000, or its foreign-currency equivalent, subject to provisions specified in the 13th and 19th resolutions; this ceiling is independent from the amount of debt securities, the issuance of which shall be decided or authorized by the Management Board pursuant to Article L.228-40 of the French Commercial Code.
 4. Decides to waive shareholders' pre-emptive subscription rights on ordinary shares and marketable securities giving access to the Company's share capital.
 5. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
 6. Acknowledges that the present delegation waives shareholders' pre-emptive subscription rights to ordinary shares to which marketable securities issued under this delegation give access.
 7. Decides that, if subscriptions do not absorb all of the shares or marketable securities as defined above, the Management Board may use, in the order it deems appropriate, one or several of the options provided by Article L.225-134 of the French Commercial Code.
 8. Decides that the issue price of ordinary shares shall be at least equal to the minimum authorized by legislative and regulatory provisions in force at the time of issuance.
 9. Caps the maximum discount that could be applied to a capital increase at 5%: the issue price of ordinary shares decided upon on the date of the present General Shareholders' Meeting, will be at least equal to the average weighted share price for Wavestone shares over the last three trading sessions on the Euronext Paris market prior to setting the capital increase subscription price, which may be reduced by a discount capped at 5% after making any adjustment to this average in the event of a difference in dividend eligibility dates.
 10. Authorizes the Management Board to sub-delegate powers to any legally qualified persons to:
 - determine the terms and conditions of the increase(s) in share capital and/or issuance(s)
 - determine the number of shares and/or market securities to be issued, their issue price and the amount of the premium that could be requested at the time of the issuance
 - determine the dates and the terms and conditions of the issue, as well as the nature, form and characteristics of the securities to be issued, which may, but not necessarily, take the form of subordinated securities, with or without a fixed term, and notably in the event of marketable securities representing debt securities, their interest rate, term, fixed or variable redemption price, with or without a premium, and amortization terms and conditions
 - determine the terms and conditions of payment for the shares and/or securities issued

- determine, where applicable, the terms and conditions of exercising the rights attached to securities issued or to be issued and, notably, set the date (even retroactive) as of when the new shares become eligible to receive dividends, as well as all other terms and conditions of completion of the issuance(s)
- determine the terms and conditions under which the Company shall have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued
- provide for an option to suspend, where applicable, the exercise of rights for a maximum period of up to three months attached to the securities issued
- determine the procedures to ensure that, where applicable, the rights of holders of marketable securities giving access to the share capital be preserved, in accordance with legal, and regulatory provisions, and, where applicable, under contractual terms
- at its sole discretion, deduct the fees, charges and rights attached to the capital increase(s) from the amount of the related premium(s) and, where applicable, the sums required to increase the legal reserve to one tenth of the new share capital after each capital increase
- determine the terms and conditions under which the Company shall be permitted to purchase subscription warrants on the stock exchange, at any time or during specific periods, for the purposes of cancelling them, in the event of an issue of marketable securities giving access to the Company shares upon presentation of a warrant
- in general, enter into any agreements for the purpose of successfully carrying out the transaction(s) envisaged, take all measures and fulfill all the appropriate formalities relative to the financial services related to the warrants issued by virtue of the present delegation and the exercising of rights attached to each capital increase, formally acknowledge the realization of each capital increase, modify the Articles of Association accordingly and, generally, do all that is necessary.

15th resolution

Authorization delegating powers to the Management Board to increase the number of shares to be issued in the event of a capital increase with or without pre-emptive subscription rights maintained being oversubscribed by up to 15% of the initial issue

Summary

Objective:

Delegate powers to the Management Board to increase the share capital, with or without pre-emptive subscription rights, by issuing additional ordinary shares and/or marketable securities giving access to the Company's share capital within thirty (30) days of the closing of the subscription period. This issue is capped at 15% of the initial issue and is subject to the same ceiling fixed in the resolution under which the initial issue was authorized, and at the same price as that set for the initial issue.

This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report and the Special Report of the Statutory Auditors, pursuant to Articles L.225-129 and seq. and notably Articles L.225-129-2, L.225-135, L.225-135-1 and seq., L.228-91 and L.228-92 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of powers conferred by the Combined Ordinary and Extraordinary Shareholders on 07/22/15 for the same purpose.
2. Delegates to the Management Board the power, in the event of oversubscription to a capital increase carried out by virtue of the 12th, 13th and 14th resolutions of the present Shareholders' Meeting, to increase the number of ordinary shares and/or marketable securities to be issued in accordance with conditions specified under Article L.225-135-1 of the French Commercial Code within thirty days of the end of subscription period, at the same price and for up to 15% of the initial issue, subject to the ceilings set in the resolution authorizing the initial issue and in the 19th resolution.

3. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
4. Decide that the Management Board with the power to sub-delegate to any legally authorized persons has the same powers as those conferred in the 12th, 13th and 14th resolutions cited above, subject to the applicable legal and regulatory dispositions.
5. This authorization is valid for a period of twenty-six (26) months as of today.

16th resolution

Authorization delegating powers to the Management Board to issue shares and/or marketable securities giving access to the Company's share capital or entitlement to the allocation of debt securities and/or marketable securities giving access to Company shares for up to 10% of the share capital, without pre-emptive subscription rights 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, it being specified that this delegation cannot be used in the event an IPO

Summary

Objective:

Delegate powers to the Management Board to increase the share capital on the basis of the Commissioner's Report, 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 or entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued in situations other than IPOs initiated by the Company.

The purpose of this resolution is to facilitate acquisitions carried by Wavestone and mergers with other companies that do not involve a cash consideration.

Ceilings:

Capital increase: 10% of the share capital

Debt securities giving access to the Company's share capital: €15,000,000.

Transactions carried out by virtue of the present delegation will be deducted from the ceilings set in the 13th and 19th resolutions.

This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report and the Special Report of the Statutory Auditors, pursuant to Articles L.225-129 and seq. and notably Articles L.225-129-2 and L.225-147 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of powers conferred by the Combined Ordinary and Extraordinary Shareholders on 07/22/15 for the same purpose.

2. Delegates powers to the Management Board to issue on one or more occasions, on the basis of the Commissioner's Report, ordinary shares and/or marketable securities giving immediate or deferred access by any means to ordinary shares to be issued by the Company or entitlement to the allotment of debt securities and/or marketable securities giving access to Company shares to be issued, 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 and/or marketable securities or debt securities and/or marketable securities giving access to shares to be issued when Article L.225-148 of the French Commercial Code is not applicable.
3. Caps the nominal amount of capital increases that could be carried out, either immediately or in the future by virtue of the present delegation at 10% of the share capital on the date of the present General Shareholders' Meeting. The nominal value of shares attributed by virtue of this delegation shall be deducted from the ceiling fixed in the 13th resolution and within the limits of the global ceiling fixed in the 19th resolution.
4. Caps the nominal value of debt securities issued under the present delegation at €15,000,000, or its foreign-currency equivalent, or any other units of account on the date the issue is decided upon, it being specified that this amount does not factor in the reimbursement of above-par premium(s), if this provision had been planned. The nominal value of shares attributed by virtue of this delegation shall be deducted from the ceiling fixed in the 13th resolution and within the limits of the global ceiling fixed in the 19th resolution.
5. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
6. Acknowledges that, where applicable, this delegation waives shareholders' pre-emptive subscription rights to ordinary shares and/or marketable securities to which the securities to be issued on the basis of this delegation may provide entitlement.
7. Grants full powers to the Management Board, with the option to delegate or sub-delegate such powers to authorized persons in accordance with legal and regulatory provisions, to implement the present delegation, notably to determine, on the basis of the Commissioner's Report, the valuation of contributions and, where applicable, the granting of specific advantages, set the number of shares and/or marketable securities giving access to the Company's share capital to be issued and, where applicable, make all adjustments in their values, acknowledge the definitive realization of capital increases carried out by virtue of the present delegation, amend the Articles of Association accordingly, carry out all formalities and file all declarations related to these modifications, and, where applicable, deduct any charges related to issue premiums, notably those concerning trading charges incurred on share issues, and more generally do all that is necessary.
8. This authorization is valid for a period of twenty-six (26) months as of today.

17th resolution

Authorization delegating powers to the Management Board to issue shares and/or marketable securities giving access to the Company's share capital or entitlement to the allocation of debt securities and/or marketable securities giving access to Company shares to be issued for up to 10% of the share capital, without pre-emptive subscription rights maintained, for the purposes of remunerating contributions-in-kind granted to the Company and comprising shares and/or marketable securities giving access to third-party share capital, within the framework of an IPO initiated by the Company

Summary

Objective:

Delegate powers to the Management Board to increase the share capital on the basis of the Commissioner's Report, 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 or entitlement to the allotment of debt securities and/or marketable securities giving access to shares to be issued within the framework of an IPO initiated by the Company.

Ceilings:

*Capital increase: 10% of the share capital.
Transactions carried out by virtue of the present delegation will be deducted from the ceilings set in the 13th and 19th resolutions.
This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.*

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings

having reviewed the Management Board report and the Statutory Auditors Special Report, pursuant to Articles L.225-129 and seq. and notably Articles L.225-129-2 and L.225-148 of the French Commercial Code:

1. Delegates powers to the Management Board to issue ordinary shares and/or marketable securities giving immediate or deferred access by any means to ordinary shares to be issued by the Company or entitlement to the allotment of debt securities and/or marketable securities giving access to the Company shares to be issued, for the purposes of remunerating contributions-in-kind granted to the Company within the framework of a public offering comprising share swaps initiated by the Company in France or (depending on local qualifications and laws) abroad on the shares of another listed company admitted for trading on a regulated market as defined in Article L.225-148 of the French Commercial Code.
2. Caps the nominal amount of capital increases that could be carried out, either immediately or in the future by virtue of the present delegation at 10% of the share capital on the date of the present Annual General Meeting, plus the nominal amount of any additional shares that may be issued, pursuant to applicable legislation and regulations and, where applicable, to contractual provisions allowing for other adjustment cases, to preserve, the rights of bearers of marketable securities or other rights giving access to share capital. The nominal value of shares attributed by virtue of this delegation shall be deducted from the ceiling fixed in the 13th resolution and within the limits of the global ceiling fixed in the 19th resolution.
3. Caps the nominal amount of debt securities that could be issued by virtue of the present delegation at €15,000,000, or its foreign-currency equivalent, it being specified that this amount shall not include the reimbursement of above-par premium(s), if this provision had been planned. The nominal value of shares attributed by virtue of this delegation shall be deducted from the ceiling fixed in the 13th resolution and within the limits of the global ceiling fixed in the 19th resolution.
4. Acknowledges that, where applicable, this delegation waives shareholders' pre-emptive subscription rights to (i) ordinary shares and/or marketable securities issued, and to (ii) Company shares to which marketable securities issued by virtue of this delegation could give access.
5. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
6. Grants all powers to the Management Board, including that of sub-delegation to any legally authorized person, to implement the present resolution, and notably to:
 - determine the terms, conditions and details of the operation, within the limits fixed by applicable legal and regulatory provisions and the present derogation
 - determine the parity rates and, where applicable, the amount of the cash payment
 - record the number of securities tendered for exchange,
 - determine issuance dates and conditions, and notably the price and dividend-eligibility date (even retroactive) of new shares, and, where applicable, marketable securities giving immediate or deferred access to a stake in the Company's share capital
 - suspend, where applicable, the exercise of rights attached to these securities for a maximum period of three months
 - register the difference between the price and the nominal value of new share issues, as a liability on the balance-sheet under "contribution premiums" which includes the rights of all shareholders
 - at its sole discretion, deduct the fees, charges and rights attached to the capital increase(s) from the amount of the related premium(s), as well as the sums required to increase the legal reserve to one tenth of the new share capital after each capital increase, and
 - more generally, take all necessary steps, sign any agreements (notably to ensure the success of the issue), apply for all authorizations, carry out all formalities and do everything necessary to ensure the success of, or delay, the envisaged issues, and notably acknowledge the capital increase(s) arising from all security issues carried out by virtue of the present delegation, modify the Company's Articles of Association accordingly, request admission for trading on the Paris Euronext and NYSE Euronext markets for all marketable securities issued by virtue of the present delegation and ensure the financial servicing for such securities and the exercise of the associated rights.
7. This authorization is valid for a period of twenty-six (26) months as of today.

18th resolution**Authorization delegating powers to the Management Board to raise the capital by issuing ordinary shares and/or marketable securities giving access to the Company's share capital reserved for eligible employees and Company Directors who are subscribers to the Company's employee savings schemes****Summary****Objective:**

Delegate powers to the Management Board to increase the share capital reserved for eligible employees and Company Directors who are subscribers to the Company's employee savings schemes for up to 5% of the Company's share capital. Transactions carried out under the present delegation shall be deducted from the ceiling set in the 19th resolution.

This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report and the Special Report of the Statutory Auditors, pursuant to Articles L.3332-1 and L.3332-18 and seq. of the French Labor Code and Articles L.225-129 and seq. and notably Articles L.225-129-2 to L.225-129-6 and seq. and L.225-138-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of powers conferred by the Combined Ordinary and Extraordinary Shareholders on 07/22/15 for the same purpose.
2. Delegates powers to the Management Board to increase the share capital on one or several occasions when it deems fit, by issuing ordinary shares and/or marketable securities giving access to the share capital, reserved for employees and Company Directors of the Company and/or a company within the Group who, pursuant to Articles L.225-180 of the French Commercial Code L.3344-1 of the French Labor Code, are subscribers to (i) the Company's employee savings scheme (PEG) and/or (ii) the Group's employee savings scheme, for up to 5% of the share capital on the date the present delegation is activated and within the limit of the global ceiling set in the 19th resolution, plus the nominal amount of any additional shares that may be issued as required by law to preserve the rights of bearers of marketable securities giving access to the Company's share capital.
3. Removes, in favor of the aforementioned beneficiaries, the pre-emptive subscription rights of shareholders to new ordinary shares and/or marketable securities to be issued and to shares and securities issued by virtue of this delegation, and waives all rights to ordinary shares and marketable securities giving access to the Company's share capital that would be granted by virtue of the present delegation.
4. Caps the subscription price of all new share issues fixed by the Management Board, in accordance with provisions laid down in Article L.3332-19 of the French Labor Code, at 20% or at 30% in cases specified by law, of the average opening prices of Wavestone shares over the last twenty trading on the Euronext Paris market preceding the Management Board's decision to set the subscription period opening date.
5. Delegates powers to the Management Board to issue ordinary shares and/or marketable securities giving immediate or deferred access to ordinary shares to be issued by the Company by way of substitution for all or part of the discount and/or where applicable, the contribution, it being understood that the total benefit arising from this allotment and/or contribution may not exceed the legal or regulatory limits.
6. Delegates powers to the Management Board, under the conditions of the present delegation, to sell shares to eligible employees and Company Directors who are subscribers to the Company's employee savings schemes, in accordance with Article L.3332-24 of the French Labor Code, it being specified that all share disposals carried out with a discount in favor of subscribers of one or more of the employee savings schemes concerned by the present delegation shall be deducted from the nominal amount of shares thus deducted from the amount of the ceiling cited in paragraph 2 above.
7. Decides that the characteristics of the marketable securities giving access to the Company's share capital shall be fixed by the Management Board in accordance with the conditions set by legal and regulatory provisions.
8. Grants all powers to the Management Board, including that of sub-delegation to any legally authorized person, to implement the present resolution, and notably to:
 - Determine the terms and conditions of the issue, and the allocation of free shares and marketable securities giving access to the Company's share capital, authorized by virtue of the present delegation
 - Determine the amount of the capital increase, the issue price and the terms and conditions of each issue

- determine the subscription opening and closing dates
 - determine, within the limits defined by law, the time frame granted to subscribers to pay up their shares and/or marketable securities giving access to the Company's share capital
 - set the date (even retroactive), as of when the new shares and/or marketable securities giving access to the Company's share capital become eligible to receive dividends
 - determine the terms and conditions of operations that could be carried out by virtue of the present delegation and request admission for trading of the newly created securities on a regulated market of the Group's choosing.
9. The Management Board shall also have full powers, including that of sub-delegation to any legally authorized persons, to record the completion of a capital increase for the amount of shares actually subscribed and modify the Articles of Association, accordingly; to carry out, directly or through an intermediary, any transactions and formalities related to the share capital increases and at its sole decision, and if it deems appropriate, charge the expenses related to these share capital increases against the amount of related premiums and deduct from these premiums the amounts necessary to ensure that the legal reserve is equal to one-tenth of the new amount of share capital after each increase.
10. This authorization is valid for a period of twenty-six (26) months as of today.

19th resolution Global ceiling of delegations

Summary

Objective:

Cap the nominal amount of immediate or deferred capital increases authorized by virtue of resolutions 12 to 18 cited above (the individual ceilings of which being included in the global ceiling) and resolutions 9 and 10 of the 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting (granting powers to the Management Board to freely allocate Company shares) at €248,344.10, equivalent to 50% of the share capital.

Cap the nominal amount of debt securities that could be issued by virtue of resolutions 12 to 18 cited above (the individual ceilings of which being included in the global ceiling) at €40,000,000.

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings having reviewed the Management Board report and consequently been informed of the adoption of the 12th, 13th, 14th, 15th, 16th, 17th and 18th resolutions, decides to:

- cap the nominal amount of immediate or deferred capital increases authorized by virtue of resolutions numbers 12 to 18 cited above, as well as numbers 9 and 10 of the 07/20/16 Combined Ordinary and Extraordinary Shareholders' Meeting at €248,344.10 (equivalent to 50% of the share capital), to which may be added the nominal amount of additional shares issued, as required by law, to preserve the rights of bearers of marketable securities giving access to share capital
- cap the nominal amount of debt securities that could be issued by virtue of the authorizations cited above at €40,000,000, or its foreign-currency equivalent.

20th resolution**Authorization delegating powers to the Management Board to increase the share capital by incorporation of reserves, profits, issue premiums and contributions****Summary****Objective:**

Delegate powers to the Management Board to increase the capital share capital, with a nominal value capped at €400,000, by incorporation of reserves, profits, premiums and other amounts, the capitalization of which may be permitted under law or the Articles of Incorporation, via the free allocation of shares, increasing the nominal value of existing shares, or a combination of the two methods. This authorization is valid for a period of 26 months as of the 07/27/17 Annual General Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report and pursuant to Articles L.225-129 and seq. and notably Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of powers conferred by the Combined Ordinary and Extraordinary Shareholders on 07/22/15 for the same purpose.
2. Delegates powers to the Management Board to increase the share capital with a nominal value capped at €400,000, on one or several occasions in the proportions and at the times it deems fit, by way of successive or simultaneous, total or partial incorporation of reserves, profits or issue, merger or contribution premiums achieved either by creating and attributing new shares, or by increasing the nominal value of existing shares, or by a combination of both methods, it being specified that this ceiling will be increased by the capital necessary, as required by law, to preserve the rights of bearers of marketable securities giving access to the Company's share capital, subscription or purchase options, or free shares.

This ceiling is independent, autonomous and distinct from those fixed in the 19th resolution.

3. Decides that unless prior authorization has been granted by the Annual General Meeting, the Management Board cannot use this delegation of powers once a public tender offer has been filed by a third-party for the Company shares and this until the end of the acceptance period.
4. Decides that rights forming odd lots shall be neither tradable nor assignable and that the corresponding securities shall be sold and sums generated by the sale allocated to the holders of the rights within the regulatory deadline.
5. Delegates all powers to the Management Board, including that of sub-delegation to any legally authorized person, to implement the present delegation, and notably to determine the dates, as well as the terms and conditions of share issues, make all adjustments necessary, preserve shareholders rights, fix the prices, conditions and amounts of share issues, and, more generally, enter into any agreements for the purpose of successfully carrying out the transaction(s) envisaged, take all measures and carry out all formalities to ensure the definitive realization of capital increase(s) carried out by virtue of the present delegation, and modify the Articles of Association accordingly.
6. This authorization is valid for a period of twenty-six (26) months as of today.

21st resolution**Modify prior authorizations granted to the Supervisory Board and Article 20 of the Articles of Association accordingly****Summary****Objective:**

Modify the powers of the Supervisory Board to limit the number of decisions requiring its prior authorization and Article 20 of the Articles of Association, accordingly.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report decides to modify the powers of the Supervisory Board to limit the decisions requiring the Board's prior authorization to the creation of pledges, security deposits and guarantees.

Henceforth, paragraph 6 of Article 20 of the Articles of Association, entitled "POWERS OF THE SUPERVISORY BOARD", shall read as follows:

"ARTICLE 20 - POWERS OF THE SUPERVISORY BOARD

Paragraph 6 - original text

Pursuant to Article L.225-68 of the French Commercial Code, the following transactions require prior approval from the Supervisory Board:

- the sale of real estate
- the total or partial sale of equity investments
- the creation of sureties, pledges, security deposits and guarantees.

Paragraph 6 - modified text

Pursuant to Article L.225-68 of the French Commercial Code, the creation of sureties, pledges, security deposits and guarantees require prior approval from the Supervisory Board."

The rest of the Article remains unchanged.

The General Meeting delegates powers to the Management Board to carry out all formalities related to this modification with the commercial and companies register.

22nd resolution

Compliance of Articles of Association

Summary

Objective:

Amend the Articles of Association to comply with new provisions of Article L.225-65 the French Commercial Code and, as such, (i) modify the powers of the Supervisory Board to transfer the Company's registered office to any location in France, subject to ratification by the next Ordinary Shareholders' Meeting, and (ii) authorize the General Meeting to delegate powers to the Supervisory Board to modify the Articles of Association to bring them in line with legal and regulatory provisions, subject to ratification by the next Extraordinary Shareholders' Meeting.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report decides to amend the Company's Articles of Association to comply with the new legal provisions laid down in the Sapin Law, dated 12/09/16, and modify Article 4 of the Articles of Association relative to the transfer of Company headquarters and Article 32 of the Articles of Association relative to the powers of the Extraordinary Shareholders' Meeting, as follows:

Henceforth, paragraph 2 of Article 4, entitled "REGISTERED OFFICE" shall read as follows:

"ARTICLE 4 - REGISTERED OFFICE Paragraph 2 - original text

The registered office may be transferred to any other location in the same department or an adjoining department by a decision of the Supervisory Board, subject to ratification at the next Ordinary Shareholders' Meeting, or to any other location subject to the approval of the Extraordinary Shareholders' Meeting.

Paragraph 2 - modified text

The registered office may be transferred to any other location in France upon decision of the Supervisory Board, subject to ratification at the next Ordinary Shareholders' Meeting, or to any other location subject to the approval of the Extraordinary Shareholders' Meeting."

The rest of the Article remains unchanged.

A 2nd paragraph will be added to Article 32 of the Articles of Association, entitled:

"EXTRAORDINARY SHAREHOLDERS' MEETINGS". Henceforth, this shall read as follows:

"ARTICLE 32 - EXTRAORDINARY SHAREHOLDERS' MEETINGS [...]"

The Extraordinary Shareholders' Meeting may grant powers to the Supervisory Board to amend the Articles of Association to bring them into line with legislative and regulatory provisions, subject to ratification at the next Extraordinary Shareholders' Meeting."

The rest of the Article remains unchanged.

The General Meeting delegates powers to the Management Board to carry out all formalities related to this modification with the commercial and companies register.

23rd resolution**Delegation of powers granted to the Supervisory Board to bring the Articles of Association into line with new legal and regulatory provisions****Summary****Objective:**

Delegate powers to the Supervisory Board to amend the Articles of Association to bring them into line with legislative and regulatory provisions, subject to ratification at the next Extraordinary Shareholders' Meeting.

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the Management Board report delegates all powers to the Supervisory Board to amend the Articles of Association to bring them into line with legislative and regulatory provisions, subject to ratification at the next Extraordinary Shareholders' Meeting.

24th resolution**Statutory modification to determine the conditions for designating employee-representative directors serving on the Supervisory Board and subsequent modification of Article 18 of the Articles of Association****Summary****Objective:**

Determine the conditions applied to designate employee-representative directors to the Supervisory Board and modify Article 18 of the Articles of Association accordingly.

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the Management Board report decides to fix the conditions applied to designate employee-representative directors on the Supervisory Board.

Henceforth, a 3rd paragraph, entitled "III - EMPLOYEE-REPRESENTATIVE DIRECTORS SERVING ON THE SUPERVISORY BOARD" shall be added to Article 18 of the Articles of Association, entitled: "COMPOSITION OF, AND APPOINTMENT OF DIRECTORS SERVING ON THE SUPERVISORY BOARD." Henceforth, this shall read as follows:

" ARTICLE 18 - COMPOSITION OF, AND APPOINTMENT OF DIRECTORS SERVING ON THE SUPERVISORY BOARD [...],

III- EMPLOYEE-REPRESENTATIVE DIRECTORS SERVING ON THE SUPERVISORY BOARD

Pursuant to Article L.225-79-2 of the French Commercial Code, one or two employee-representative directors must be designated by the Works Council to serve on the Company's Supervisory Board.

- If, at the date of employee-representative Director appointment, the number of Supervisory Board members appointed by the General Shareholders' Meeting is equal to, or less than twelve, one of its members must be an employee-representative Director.
- If, at the date of employee-representative Director appointment, the number of Supervisory Board members appointed by the General Shareholders' Meeting is more than twelve, two of its members must be employee-representative Directors.

Contrary to the provisions laid down in Article 18 of the present Articles of Associations, employee-representative Directors are not required to hold Company shares.

Employee-representative members of the Supervisory Board are appointed to serve a renewable term of four years.

Employee-representative Director mandates may be terminated before the end of the four-year mandatory term, in accordance with legal and regulatory provisions, and are subject to incompatibility rules as provided for by law.

In the event a seat of an employee-representative Director on the Supervisory Board becomes vacant, a new employee-representative board member shall be designated at the first ordinary meeting of the Works Council following confirmation given by the Supervisory Board that said seat has been vacated.

The provisions of this Article will automatically cease to apply if, at the close of the fiscal year, the Company no longer fulfils the conditions making the appointment of employee-representative Directors on the board compulsory, it being specified that the mandates of all employee-representative directors appointed under the terms of the present Article to serve on the Supervisory Board expire at the end of their mandatory term. "

The General Meeting delegates powers to the Management Board to carry out all formalities related to this modification with the commercial and companies register.

25th resolution**Statutory modification to enable the Supervisory Board to hold board meetings via audio and video-conferencing and subsequent modification of Article 19****Summary****Objective:**

Authorize the Supervisory Board to use audio and video-conferencing systems for all board meetings other than those held to verify and control the Company's annual and consolidated financial statements.

The General Meeting, ruling under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Management Board Report decides to amend the Company's Articles of Association to authorize the Supervisory Board to use audio and video-conferencing systems for all board meetings other than those held to verify and control the Company's annual and consolidated financial statements.

Henceforth paragraph 10 of Article 19 of the Articles of Association, entitled "SUPERVISORY BOARD ORGANIZATION AND MEETINGS", shall read as follows:

"ARTICLE 19 - SUPERVISORY BOARD ORGANIZATION AND MEETINGS

Paragraph 10 - original text

Subject to the provisions of the internal rules of procedure and for all operations other than those specified in Article L.225-68 of the French Commercial Code, the internal rules of procedure of the Supervisory Board stipulates that board members participating via video-conferencing and other telecommunication systems enabling their identification and their effective participation may be included in calculating the quorum required to hold meetings.

Paragraph 10 - modified text

The internal rules of procedure specified in Article L. 225-68 of the French Commercial Code stipulates that board members participating via video-conferencing and other telecommunication systems enabling their identification and their effective participation may be included in calculating the quorum required to hold meetings, other than those convened to verify and control the Company's annual and consolidated financial statements."

The rest of the Article remains unchanged.

The General Meeting delegates powers to the Management Board to carry out all formalities related to these modifications with the commercial and companies register.

26th resolution**Statutory modification to raise the age limit of Supervisory Board members and subsequent modification of Article 18 of the Company's Articles of Association****Summary****Objective:**

Modify the age limit of members serving on the Supervisory Board from 70 to 75; henceforth, the number of members over 75 years old, as to 70 previously, cannot exceed one third of the total number of members serving on the Board.

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the Management Board report votes to modify the method used to raise the age limit of directors serving on the Supervisory Board from 70 to 75 years.

Henceforth, paragraph 4, entitled "I - DIRECTOR APPOINTMENT" of Article 18, entitled "COMPOSITION OF, AND APPOINTMENT OF DIRECTORS SERVING ON THE SUPERVISORY BOARD" shall read as follows:

"ARTICLE 18 - COMPOSITION OF, AND APPOINTMENT OF DIRECTORS SERVING ON THE SUPERVISORY BOARD

I - DIRECTOR APPOINTMENT

Paragraph 4 - original text

The number of members serving on the Supervisory Board aged over 70 cannot be more than one third of the total number of members on the Board. When this percentage is exceeded, the oldest member (other than the Chairman) must resign at the next Ordinary Shareholders' Meeting.

Paragraph 4 - modified text

“The number of members serving on the Supervisory Board aged over 75 cannot be more than one third of the total number of members on the Board. When this percentage is exceeded, the oldest member (other than the Chairman) must resign at the next Ordinary Shareholders’ Meeting.”

The rest of the Article remains unchanged.

The General Meeting delegates powers to the Management Board to carry out all formalities related to these modifications with the commercial and companies register.

27th resolution
Powers for formalities

Summary

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 Shareholders’ Meetings, grants all powers to the bearer of a copy or the original of these minutes, to carry out all legal formalities.



Additional information

06

DOCUMENTS AVAILABLE TO THE PUBLIC_ **258**

PERSONS RESPONSIBLE_ **259**

REGISTRATION DOCUMENT CROSS-REFERENCE TABLE_ **260**

ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE_ **263**



Documents available to the public

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

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 54 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, 07/12/17.

Pascal Imbert, CEO

Persons responsible for the Statutory Audit

Statutory Auditors

Mazars, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie Régionale de Versailles*), 61, rue Henri Regnault - 92075 Paris La Défense Cedex, appointed by the 07/11/14 Ordinary Shareholders' Meeting; mandate due to expire at the close of the Ordinary Shareholders' 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 de Versailles*), 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, appointed by the 09/25/13 Ordinary Shareholders' Meeting; mandate due to expire at the close of the Ordinary Shareholders' 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 de Versailles*), appointed by the 07/11/14 Ordinary Shareholders' Meeting; mandate due to expire at the close of the Ordinary Shareholders' 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 Shareholders' Meeting; mandate expires at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/19.

Persons responsible for financial information

Pascal Imbert, CEO

Wavestone

Tour Franklin

100-101, terrasse Boieldieu

92042 Paris La Défense Cedex

Phone: +33 1 49 03 20 00 - Fax: +33 1 49 03 20 01

Email: action@wavestone.com

Registration Document cross-reference table

In compliance with European Commission Regulation (EC) no. 809-2004

Sections	Pages
1	Persons responsible
1.1	Names and functions of persons responsible for the Registration Document 259
1.2	Statements by the persons responsible 259
2	Statutory Auditors
2.1	Names and addresses of Statutory Auditors 259
2.2	Information concerning Statutory Auditors who have either resigned or whose mandates were not renewed 259
3	Selected financial information
3.1	Historical information 08 and 55 to 59
3.2	Intermediary information na
4	Risks factors 120 to 128
5	Information concerning the issuer
5.1	Company background and development
5.1.1	Company name 214
5.1.2	Place of registration and registration number 214
5.1.3	Date of incorporation and lifetime 214
5.1.4	Registered office and legal structure 214
5.1.5	Key events in the development of the Company 214
5.2	Investments, investment strategy
5.2.1	Major investments carried out 226
5.2.2	Major ongoing investments 56 and 58
5.2.3	Major investments to be carried out 58
6	Overview of activities
6.1	Core activities
6.1.1	Nature of operations 24, 25, 214 and 215
6.1.2	New services launched na
6.2	Core markets 30 and 31
6.3	Exceptional events 227
6.4	Issuer dependence 124 and 127
6.5	Competitive position 30
7	Organisational chart
7.1	Summary description of the Group 44 to 47
7.2	Major subsidiaries 60, 117, 141, 183, 197 and 225
8	Property, plant & equipment
8.1	Tangible assets 137, 145, 169, 171, 175 and 226
8.2	Environmental issues 38, 39 and 102 to 110
9	Financial situation and results
9.1	Financial situation 55 to 59
9.2	Operating income
9.2.1	Key elements 55 to 59

na: not applicable

Sections	Pages	
9.2.2	Important changes relative to revenues	55 to 59
9.2.3	Other factors impacting operations	na
10	Capital resources	
10.1	Issuer's capital	
10.2	Source and amount of cash flow	138
10.3	Borrowing requirements and financial structure	121 and 160 to 164
10.4	Information concerning all restrictions on the use of capital resources that have had or could have a significant influence on the issuer's operations	121 and 122
10.5	Expected sources of financing	121
11	Research and development, patents & licences	61, 127, 147 and 175
12	Trends	
12.1	Major recent trends	56 and 133
12.2	Trends likely to influence the share price	56 and 123 to 127
13	Earnings forecasts and estimates	
13.1	Assumptions	na
13.2	Statutory Auditors' report	na
13.3	Forecasts and estimates	na
13.4	Previous forecasts and estimates still ongoing	na
14	Administrative, management and supervisory bodies	
14.1	Administrative, management and supervisory bodies	46, 47, 61 to 64 and 190 to 192
14.2	Conflicts of interest of members of administrative and management bodies	63
15	Company director compensation	
15.1	Compensation and benefits-in-kind	64 to 68, 173, 195 and 205 to 210
15.2	Pensions, retirement and other benefits	64 to 68 and 209
16	Functions of the administrative and management bodies	
16.1	Expiry dates of current mandates	
16.2	Service agreements binding members of administrative bodies	186 and 209
16.3	Audit and compensation Committees	194 and 195
16.4	Corporate Governance Code	116 and 204
17	Employees	
17.1	Staff	89 to 91
17.2	Employee profit-sharing and stock options	92, 129, 209 and 210
17.3	Agreement allowing employees to invest in the issuer's capital	72 and 73
18	Main shareholders	
18.1	Names of shareholders with voting rights	69 to 71 and 220 to 222
18.2	Different voting rights	217
18.3	Issuer's control	220 to 223
18.4	Agreements which could result in a change of control	na
19	Related-party transactions	225

na: not applicable



Sections	Pages	
20	Financial information concerning the issuer's assets and liabilities, financial situation and financial statements	
20.1	Historical financial information	08
20.2	Proforma financial information	147 to 150
20.3	2016/17 financial statements	136 to 139, 168 and 169
20.4	Auditing of financial information	
20.4.1	Statutory Auditors' report on historical financial information	166, 167 and 185
20.4.2	Other information audited by the Statutory Auditors	186
20.4.3	Unaudited financial information	na
20.5	Date of most recent financial information	141
20.6	Intermediary and other financial information	
20.6.1	Post-closure quarterly and interim financial information	na
20.6.2	Post-closure intermediary financial information	na
20.7	Dividend payout policy	61 and 223
20.8	Legal and arbitration proceedings	227
20.9	Significant changes in the Group's financial and commercial situation	227
21	Additional information	
21.1	Share capital	
21.1.1	Subscribed capital	218
21.1.2	Non-equity shares	na
21.1.3	Treasury stock	09 and 72
21.1.4	Convertible bonds	na
21.1.5	Commitments to increase the share capital	219
21.1.6	Options	219
21.1.7	Historic trends in share capital	221
21.2	Deed of incorporation and Articles of Association	
21.2.1	Corporate purpose of the issuer	214 and 215
21.2.2	Provisions concerning members of administrative bodies	218
21.2.3	Rights relative to categories of shares	217
21.2.4	Actions required to modify shareholders' rights	215 to 218
21.2.5	Conditions for calling General Meetings	215 to 217
21.2.6	Dispositions relative to a change in control	na
21.2.7	Statutory thresholds	na
21.2.8	Conditions for amending the capital	219
22	Material contracts	na
23	Third-party information, expert statements and declarations of interest	
23.1	Third-parties	na
23.2	Certification of the accurate reproduction of the information	259
24	Documents available to the public	258
25	Information on equity holdings	60 and 183


na: not applicable

Annual Financial Report cross-reference table

Sections	Pages
1. Annual financial statements	168 to 184
2. Consolidated financial statements	136 to 165
3. Management report (French Monetary and Financial Code)	
Article L.225-100 of the French Commercial Code	
• Analysis of business activity trends	55 to 59
• Analysis of Wavestone's results	55 to 59
• Analysis of Wavestone's financial situation	55 to 59
• Major risks and uncertainties	120 to 128
• Valid authorisations granted to the Management by the Annual General Meeting to increase Company share capital granted	130 to 132
Article L.225-100-3 of the French Commercial Code	
• Items likely to have an impact on the Company in the event of a public offering	73 to 74
Article L.225-211 of the French Commercial Code	
• Share buybacks	232 to 233
4. Statement by the person responsible for the Annual Financial Report	259
5. Statutory Auditors' report on the annual financial statements	185
6. Statutory Auditors' report on the consolidated financial statements	166 to 167
7. Statutory Auditors' special report on regulated agreements and commitments	186
8. Statutory Auditors' fees	165
9. Report of the Chairman of the Supervisory Board on corporate governance, internal controls and risk management (Article L.225-37 of the French Commercial Code)	190 to 204
10. Statutory Auditors' report on the report of the Chairman of the Supervisory Board	208

Tour Franklin
100-101, terrasse Boieldieu
92042 Paris La Défense Cedex
France
Tel.: + 33 1 49 03 20 00
Fax: + 33 1 49 03 20 01

www.wavestone.com

 [@wavestone_](https://twitter.com/wavestone_)

WAVESTONE