

Corporate Governance

03

# The Board of Directors and its Committees

## The Board of Directors

The company is administered by a Board of Directors composed of ten members, four of whom are independent. The directors are appointed for a three-year period.

The organization of the works of the Board and its composition must be suited to the shareholding structure, to the size and the nature of the activity of Sartorius Stedim Biotech S.A. and the particular circumstances it can face.

Composition of the Board of Directors as of 31 December 2016

For historical reasons due to the shareholding structure of the Company, the composition of the Board of Directors and its Committees reflected the search by our reference shareholder of a long lasting balance between the Directors representing these shareholders, the Independent Directors and the executives.

Our reference shareholder takes its own responsibility towards the other shareholders, direct and distinct from the Board of Directors' one. He takes particular care to avoid possible conflicts of interests in the transparency of the information provided to the market and to fairly take all interests into account.

The Board of Directors should consider what would be the desirable balance in its membership and that of the Committees it has established, in particular in the representation of women and men, nationalities and diversity of skills by taking measures appropriate to guarantee to the shareholders and to the market that its missions are carried out with the necessary independence and objectivity. It makes public in the Reference Document the objectives, methods and results of its politics on these subjects.

## Joachim Kreuzburg

Chairman and Chief Executive Officer

Date of birth: 22 April 1965

Nationality: German

First appointment: 29 June 2007

Mandate renewed: 05 April 2016

Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for the fiscal year ending 31 December 2018

Number of Sartorius Stedim Biotech Shares held: 6

Other current directorships and positions within the Group:

Chairman of the Executive Board (Vorstand) of Sartorius AG;  
 Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;  
 Managing Director of Sartorius Lab Holding GmbH;  
 Managing Director of Sartorius Corporate Administration GmbH;  
 Managing Director of SI Weende-Verwaltungs-GmbH  
 Managing Director of SI Grone 1-Verwaltungs-GmbH  
 Member of the Board of Directors of Sartorius Stedim North America Inc.;  
 Member of the Board of Directors of IntelliCyt Corporation;  
 Member of the Board of Directors of Sartorius Stedim Filters Inc.;  
 Member of the Board of Directors of Sartorius Stedim Japan K.K.;  
 Member of the Board of Directors of Sartorius Stedim Lab Ltd.;  
 Member of the Board of Directors of Sartorius Stedim BioOutsource Ltd.;  
 Member of the Board of Directors of Denver Instrument (Beijing) Co. Ltd.;  
 Member of the Board of Directors of Sartorius North America Inc.;  
 President and Member of the Executive Committee of Sartorius Stedim FMT S.A.S.

Past directorships (held during the past five years) within the Group:

Vice Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH;  
 President of VL Finance S.A.S.;  
 Member of the Board of Directors of

Sartorius Stedim SUS Inc.;  
 Member of the Board of Directors of kSep Holdings, Inc.;  
 Member of the Board of Directors of ViroCyt, Inc.;  
 Member of the Board of Directors of Sartorius Hong Kong Ltd.;  
 Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;  
 Member of the Board of Directors of Sartorius Japan K.K.;  
 Member of the Board of Directors of Sartorius Biohit Liquid Handling Oy.

Other current directorships and positions outside the Group:

Member of the Supervisory Board (Aufsichtsrat) of Carl Zeiss AG, Germany;

Chairman of the Advisory Board (Beirat) of Otto Bock Holding GmbH & Co. KG, Germany;

Member of the Advisory Board (Regionalbeirat) of Commerzbank AG, Germany;  
 Member of the Economic Advisory Board (Wirtschaftsbeirat) of Norddeutsche Landesbank, Germany.

Past directorships (held during the past five years) outside the Group:

Member of the Advisory Board (Beirat) of Hameln Group GmbH, Germany.

Educational and professional background:

Diplom-Maschinenbau-Ingenieur, Dr. rer. pol.  
 (University degree in mechanical engineering, doctorate in economics)

1992–1995 Research associate at the Institute for Solar Energy Research in Hamelin, Germany

1995–1999 Research associate at the Faculty of Economics and Management at the University of Hanover, Germany

Since 1 May 1999 Sartorius AG, Goettingen, Germany  
 Most recent position before promotion to the Executive Board:  
 Vice President, Finances and Investor Relations

Since 11 Nov. 2002 Sartorius AG, Goettingen, Germany  
 1 May 2003, to 10 Nov. 2005 Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany

Since 11 Nov. 2005 CEO and Executive Board Chairman of Sartorius AG, Goettingen, Germany; currently responsible for Operations, Corporate Strategy, Legal Affairs, Compliance and Corporate Communications

### Volker Niebel

Executive member  
 Executive Vice President of Operations and IT  
 Date of birth: 14 August 1956  
 Nationality: German

First appointment: 29 June 2007

Mandate renewed : 05 April 2016

Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for the fiscal year ending 31 December 2018

Resignation: Mr Volker Niebel has resigned on the 31<sup>st</sup> December 2016 from its corporate mandates within the Company as *Directeur Général Délégué* and Director.

Number of Sartorius Stedim Biotech shares held: 656

Other current directorships and positions within the Group:

Member of the Board of Directors of Sartorius Stedim North America Inc.;  
 Member of the Board of Directors of Sartorius North America Inc.;  
 Member of the Board of Directors of Sartorius Stedim Filters Inc.;  
 Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;  
 Member of the Board of Directors of Sartorius Stedim Biotech (Beijing) Co. Ltd.;  
 Member of the Board of Directors of Sartorius Stedim Lab Ltd.;  
 Member of the Executive Committee of Sartorius Stedim Aseptics S.A.S.;  
 Managing Director of Sartorius Stedim Bioprocess S.A.R.L.;  
 Member of the Executive Committee of Sartorius Stedim FMT S.A.S.

Past directorships (held during the past five years) within the Group:

Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;  
 Member of the Board of Directors of Sartorius Weighing India Pvt. Ltd.;

Member of the Board of Directors of Biohit Biotech (Suzhou) Co. Ltd.;  
 Managing Director of Sartorius Stedim FMT S.A.S.;  
 Member of the Board of Directors of kSep Holdings, Inc.;  
 Member of the Board of Directors of ViroCyt, Inc.;  
 Member of the Board of Directors of IntelliCyt Corporation;  
 Member of the Board of Directors of Sartorius Stedim SUS Inc.;  
 Managing Director of Sartorius Stedim Biotech SARL;  
 Managing Director of Sartorius Stedim Integrated Services SARL;  
 Managing Director of Sartorius Stedim SUS SARL.

Educational and professional background:

Diplom-Betriebswirt (university degree in business administration and economics)

1983–1985	Schmidt & Clemens, Lindlar, Germany Sales Manager at Petro Chemical Industry (USA)
1985–1998	Gambro AB, Lund, Sweden
1998–2001	Skanska AB, Malmö, Sweden Member of the Executive Management Team of Poggenpohl GmbH in Herford, Germany
2001–2007	Sartorius AG, Goettingen, Germany Most recent position: Senior Vice President, Operations, Biotechnology Division
2007–2014	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2010	Member of the Group Executive Committee of Sartorius Group

#### Oscar-Werner Reif

Executive member  
 Executive Vice President of Research and Development  
 Date of birth: 11 November 1964  
 Nationality: German

First appointment: 21 April 2009  
 Mandate renewed: 7 April 2015  
 Appointed until: date of the Annual General Shareholders' Meeting in 2018 to approve the financial statements for the fiscal year ending 31 December 2017  
 Resignation: Oscar Werner Reif Niebel has resigned on the 31<sup>st</sup> December 2016 from its corporate mandates

within the Company as *Directeur Général Délégué* and Director.

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions within the Group:

Member of the Board of Directors of Sartorius Stedim Switzerland AG.

Past directorships (held during the past five years) within the Group:

Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH.

Educational and professional background:

Diplom-Chemiker, Dr. rer. nat. (university degree M.S. degree in chemistry and molecular biology, doctorate in chemical engineering)

1991–1995	Research associate at the Institute of Chemical Engineering at the University of Hanover, Germany
1995–2009	Sartorius AG, Goettingen, Germany Most recent position: Vice President of R&D and Technology
2007–2009	Sartorius Stedim Biotech GmbH Most recent position: Vice President of R&D and Technology
2009–2014	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2010	Member of the Group Executive Committee of Sartorius Group

#### Reinhard Vogt

Executive member  
 Executive Vice President of Marketing, Sales and Service  
 Date of birth: 4 August 1955  
 Nationality: German

First appointment: 29 June 2007  
 Mandate renewed: 05 April 2016  
 Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for the fiscal year ending 31 December 2018.

Resignation: Mr Reinhard Vogt has resigned on the 31<sup>st</sup> December 2016 from its corporate mandates within the Company as *Directeur Général Délégué* and Director.

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions within the Group:

Member of the Executive Board of Sartorius AG;  
Member of the Board of Directors of Sartorius Stedim North America Inc.;  
Member of the Board of Directors of Sartorius North America Inc.;  
Member of the Management Board of AllPure Technologies, LLC  
Member of the Board of Directors of Sartorius Stedim Australia Pty. Ltd.;  
Member of the Board of Directors of Sartorius (Shanghai) Trading Co. Ltd.;  
Member of the Board of Directors of Sartorius Stedim (Shanghai) Trading Co. Ltd.;  
Member of the Board of Directors of TAP Biosystems Group Ltd.;

Member of the Board of Directors of The Automation Partnership (Cambridge) Ltd.;  
Member of the Board of Directors of Sartorius Stedim BioOutsource Ltd.;  
Member of the Board of Directors of Sartorius Stedim Switzerland AG;  
Member of the Board of Directors of Sartorius Stedim Japan K.K.;  
Member of the Board of Directors of Sartorius Korea Ltd.

Past directorships (held during the past five years) within the Group:

Member of the Board of Directors of Sartorius Stedim SUS Inc.;  
Member of the Board of Directors of kSep Holdings, Inc.;  
Member of the Board of Directors of ViroCyt, Inc.;  
Member of the Board of Directors of IntelliCyt Corporation;  
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;  
Member of the Board of Directors of Sartorius Australia Pty. Ltd.;  
Member of the Board of Directors of Denver Instrument (Beijing) Co. Ltd.;  
Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;  
Member of the Board of Directors of Sartorius Stedim Biotech (Beijing) Co. Ltd.;  
Member of the Board of Directors of Sartorius Hong Kong Ltd.;  
Member of the Board of Directors of Sartorius Stedim Malaysia Sdn. Bhd.;  
Member of the Board of Directors of Sartorius Japan K.K.;

Managing Director (Geschäftsführer) of Sartorius Weighing Technology GmbH;  
Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;  
Managing Director (Geschäftsführer) of Sartorius Lab Holding GmbH.

Educational and professional background:

Industriekaufmann (vocational diploma in industrial business administration)

1979–1983	Sarstedt AG, Nuembrecht, Germany General Manager of Sarstedt AB, Sweden
1983–2007	Sartorius AG, Goettingen, Germany Most recent position: Senior Vice President, Sales & Marketing, Biotechnology Division
Since 2009	Member of the Executive Board of Sartorius AG in Goettingen, Germany; currently responsible for Marketing, Sales and Services
2007–2014	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

#### Liliane de Lassus

Non-executive member  
Independent Director  
Date of birth: 29 December 1943  
Nationality: French

First appointment: 19 May 2006 <sup>1)</sup>  
Mandate renewed: 05 April 2016  
Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for the fiscal year ending 31 December 2018

1) The mandate of Mrs Liliane de Lassus is continuous until today. Mrs Liliane de Lassus has been nominated member of the Board of Directors of Stedim S.A. on 19 May 2006, company which changed its name in Sartorius Stedim Biotech S.A. on 29 June 2007 when Sartorius AG acquired it.

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group:

Managing Director of L2L Conseil SARL (management consulting services; human resources management)

## Educational and professional background:

Ph.D. in organic chemistry (1972)	
MBA (1966)	
Masters' degree in Sanskrit (1969)	
1969–1977	Scientific employee in charge of research at the French CNRS (National Center for Scientific Research), later at the University of California, Berkeley (California, USA)
1977–1981	PSA – Automobiles Citroën Head of department; in charge of overall manufacturing planning and programming
1981–1985	Renault Automation (Robotics) Vice President of Strategic Planning
1985–1989	CEO and Chairman of the Board of a high-tech start-up company specializing in artificial intelligence (Cognitech)
1989–2005	Consultant in human resources management for company executives, especially in a multi-cultural environment
2005–2007	CEO of Stedim Biosystems
2007–2008	Executive Vice President of Sartorius Stedim Biotech
Since May 2008	Managing Director of L2 L Conseil SARL (management consulting services; management of human resources)

**Bernard Lemaître**

Non-executive member  
Date of birth: 16 December 1938  
Nationality: French

First appointment: 27 September 1978 <sup>2)</sup>  
Mandate renewed: 05 April 2016  
Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for fiscal year ending 31 December 2018

2) The mandate of Mr Bernard Lemaître is continuous until today. Mr Bernard Lemaître has been nominated member of the Board of Directors of Stedim S.A. on 22 September 1978, company which changed its name in Sartorius Stedim Biotech S.A. on 29 June 2007 when Sartorius AG acquired it.

Number of Sartorius Stedim Biotech shares held: 6

## Other current directorships and positions outside the Group:

President of Financière de La Seigneurie S.A.S., La Ciotat;  
Member of the Board of Directors of Senova Systems Inc., USA;  
Member of the Board of Directors of Sycovest Asset Management, Paris;  
Member of the Supervisory Board of Azulis Capital S.A., Paris;  
Member of the Supervisory Board of Solon Ventures Ltd., London;  
Member of the Supervisory Board of Qualium Investments S.A.S., Paris.

## Educational and professional background:

1979–2007 Founder, CEO and Chairman of Stedim S.A.

**Arnold Picot**

Non-executive member  
Date of birth: 28 December 1944  
Nationality: German

First appointment: 29 June 2007  
Mandate renewed: 05 April 2016  
Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for the fiscal year ending 31 December 2018

Number of Sartorius Stedim Biotech shares held: 6

## Other current directorships and positions within the Group:

Chairman of the Supervisory Board of Sartorius AG;  
Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH.

## Past directorships (held during the past five years) within the Group:

Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH.

## Other current directorships and positions outside the Group:

Member of the Supervisory Board of Takkt AG;  
Member of the Supervisory Board of WIK Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH and WIK-Consult GmbH.

Educational and professional background:

Bankkaufmann, Diplom-Kaufmann (banker, university degree in business administration), Dr. rer. pol., post-doctoral lecture qualification | Venia Legendi (Betriebswirtschaftslehre) = authorization to teach business and managerial economics at a university

1970–1975	Research assistant and assistant professor, University of Munich
1976–1984	University professor, Faculty of Business Administration, University of Hanover, Germany Director of the Institute for Management and Organization
1980–1981	Visiting scholar, Stanford University, California, USA
1984–1987	University professor, Faculty of Business Administration, Technical University of Munich; Director of the Institute for General and Industrial Business Administration
1988–2013	University professor, Executive Director of the Institute of Information, Organization and Management, Faculty of Economics, Ludwig Maximilian University of Munich
2004–2005	Konrad Adenauer visiting professor, Georgetown University, Washington, D.C., USA
Since 2013	Research Position at the Center of Information, Organization and Management, Faculty of Business Adm, Ludwig Maximilian University of Munich

#### Henri Riey

Non-executive member  
Independent Director  
Date of birth: 5 November 1961  
Nationality: Monegasque

First appointment: 29 June 2007  
Mandate renewed: 05 April 2016  
Appointed until: date of the Annual General Shareholders' Meeting in 2019 to approve the financial statements for the fiscal year ending 31 December 2018

Number of Sartorius Stedim Biotech shares held: 100

Other current directorships and positions outside the Group:

President of Aidea;  
President of Groupe HR S.A.S.;  
Director of The Princess Grace Foundation (Monaco)

Educational and professional background:

Diplôme Institut Supérieur de Gestion (France)  
(degree earned at the French Higher Institute of Business Management "Institut supérieur de gestion")

1985–1988	Fund Manager at Paribas bank
1988–1996	Fund Manager, responsible for the European Equity Fund Management Team at Barclays Bank, France
1996–1999	Head of Research of Barclays Asset Management Europe
1999–2004	Executive Vice President of Barclays Asset Management; in charge of all fund management businesses
2004–2013	CFO of Hedyplan S.A.

#### Anne-Marie Graffin

Non-executive member  
Independent Director  
Date of birth: 3 May 1961  
Nationality: French

First appointment: 7 April 2015  
Appointed until: date of the Annual General Shareholders' Meeting in 2018 to approve the financial statements for the fiscal year ending 31 December 2017

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group:

Member of the Supervisory Board of Valneva SE;  
Member of the Supervisory Board of Nanobiotix S.A.;  
Managing Director of SMAG Consulting SARL.

Past directorships (held during the past five years) outside the Group:

Member of the Board of Directors of Themis Bioscience GmbH;  
Member of the Board of Directors of Portugal Sanofi Pasteur MSD;  
Member of the Board of Directors of Spain Sanofi Pasteur MSD;  
Member of the Board of Directors of

UK Sanofi Pasteur MSD;  
Member of the Board of Directors of  
Ireland Sanofi Pasteur MSD.

Educational and professional background:

Graduated from ESSEC (Ecole Supérieure des Sciences  
Economiques et Commerciales)

1984- 1987 International Distillers and Vinters,  
France Products Manager  
1988- 1990 URGO Laboratories Marketing Manager  
1991- 1995 RoC S.A (Johnson & Johnson) - Head of  
International Marketing Group  
1998- 2000 Sanofi Pasteur MSD - France Products  
Manager Adults Vaccines  
2001- 2005 Sanofi Pasteur - Head of range then  
Europe Adults Vaccines Marketing Di-  
rector  
2006- 2008 Sanofi Pasteur MSD - Executive Director  
Business Management  
2009- 2010 Sanofi Pasteur MSD - Vice President  
Business Management  
Since 2011 Managing Director SMAG Sàrl - Advice  
Biotech and Medtech Strategy Man-  
agement

#### Susan Dexter

Non-executive member  
Independent Director  
Date of Birth: 11 October 1955  
Nationality: American

First appointment: 7 April 2015  
Appointed until: date of the Annual General Share-  
holders' Meeting in 2018 to approve the financial  
statements for the fiscal year ending  
31 December 2017

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside  
the Group:

BioSense Technologies, Woburn, Massachusetts, USA-  
Clinical diagnostic technology based on cellular im-  
pedence

Past directorships (held during the past five years)  
outside the Group:  
Kalon Biotherapeutics, College Station, Texas, USA  
(retired) - CMO

Educational and professional background:

Degrees and Certifications:BS in Immunology and  
Marketing (double major, honors), American University,  
Washington, D.C., USA

Harvard University Negotiation Course for Lawyers,  
Harvard University, Cambridge, Massachusetts, USA  
Finance for non-financial Managers, Harvard Universi-  
ty through Dow Chemical Company internal training  
program

1975- 1980 University of Massachusetts Medical  
School, Research, mammalian cell cul-  
ture, animal toxicology studies,  
basic research

1980- 1986 Collaborative Research, Biotechnology  
Sales in emerging markets for biopro-  
cessing supplements and raw materials  
for biomanufacturing

1986- 1998 Celltech Biologics, Lonza Biologics,  
Business Development-bioprocessing  
and manufacturing of biotechnology  
based biotherapeutics

1998- 2004 Collaborative BioAlliance, Dow Chemical  
Company (Dow Biotechnology Contract  
Manufacturing Services) - Vice President,  
Business Development for microbial fer-  
mentation services, technologies  
and implementation of single use bio-  
processing technologies

2004- 2008 Xcellerex, Inc. (now GE Healthcare),-  
Chief Business Officer; CMO services us-  
ing fully integrated single-use biopro-  
cessing technology, sales of  
single use bioprocessing technologies

Since 2008 Latham Biopharm Group, Principal Con-  
sultant- VP Business Development for  
multiple CMO's offering contract manu-  
facturing services to the biotechnology  
life sciences industry, strategic consult-  
ing, single-use disposable technology  
implementation, project management  
and high-level business development  
and marketing, Advisor and speak for  
BioProcess International

#### Registered Addresses

With regards to their social mandates, the members of  
the Board of Directors and of the General Manage-  
ment are domiciled at the Company's headquarters.

#### Independent Directors

The Company being controlled by a majority share-  
holder, the portion of independent administrators  
board members should be at least a third of the Board.



As of 31 December 2016, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 40% of independent members under the independence criteria defined by the APEF-MEDEF code.

Pursuant to the principles of good corporate governance, the independent members may not be principal shareholders, employees, former Group employees, suppliers or bankers of the Group or major customers, nor may they have any other link likely to impair their judgment.

In accordance with the internal rules of the Board of Directors and in application of the APEF-MEDEF code, the independence of directors is assessed each year with respect to the following criteria.

An independent director:

- May not be an employee or senior executive employee or director of his or her parent company or of one of its consolidated companies and may not have been so during the five previous years (criterion 1);
- May not be a senior executive of a company in which the company directly or indirectly holds a director's position or in which an employee as such or a senior executive of the company (either currently or having been so for less than five years) holds a director's position (criterion 2);
- May not be a significant client, supplier, business banker or investment banker of the company or of its group, for which the company or its group represents a significant part of its business (criterion 3);
- May not have any close family ties with one of the senior executives (criterion 4);
- May not have been an auditor of the company for the five past years (criterion 5);
- May not have been a director of the company for more than twelve years (criterion 6).

In addition to the abovementioned criteria, the Board of Directors analyses other factors, such as length of service on the Board and the ability to understand the issues and risks, prior to making a decision on whether a director qualifies as independent.

- More specifically, concerning the length of service criterion, the Board does not strictly consider the latter to neutralize the independent nature of a director, but rather as a quality that improves critical thinking and openness, enabling in particular a greater ability to question, which is essential in

debating the directions taken by the company. For further information, see the section "Corporate Governance – APEF-MEDEF code recommendations that have not been followed" in the above Registration Document.

- As part of the Assessment of the Board of Directors, the Board of Directors goes through all the criteria listed above and currently it states that it has four independent directors: Mr. Susan Dexter, Mrs Anne-Marie Graffin, Mrs Liliane de Lassus and Mr Henri Riey.

### **Balanced representation of women and men**

Each year, the Board of Directors examines the desired balance in its composition and that of its committees, seeking in particular a balanced representation of men and women, and a wide diversity of skills and nationalities, reflecting as best it can both the highly technical and global nature of the company's business.

Specifically, as regards the target of 40% women to be reached under the provisions of Article L. 225-18-1 of the French Commercial Code, the Board of Directors has put significant effort into searching for skilled, independent and dedicated female directors with a proven level of expertise in biotechnologies or related industries.

### **Assessment of the Board of Directors**

The internal rules of the Board of Directors require that once a year the Board devotes an item on its agenda to discuss its functioning and ensures that a formal assessment is carried out. For this purpose, in late November 2016, all members of the Board completed a questionnaire on the following topics:

- the Board's composition;
- the mode and structure of governance;
- the effectiveness of the Board of Directors;
- the Board's working methods;
- the areas of competence of the Board's members;
- areas for improvement.

The results were satisfactory in terms of flow of information, reflecting the high quality teamwork of Board members and the convergence of views.

### Board of Directors' internal rules

The Board of Directors has adopted a set of internal rules that defines and includes rules of operation for this body relating to its powers, members' attendance, operations requiring approval and prior validation with a certain number of triggering thresholds. The directors' charter is included in the Annexe and defines the rights and obligations of directors, in particular regarding the code of ethics and prevention of conflicts of interest.

### Staggering of the mandate terms

According to the APEF MEDEF governance code for listed companies, the staggering of terms should be organized in order to avoid renewing a group mandates and promote harmonious renewing of the administrators' mandates. As of 31 December 2016, the afferent rule relating to staggering terms was respected. The Board of Directors has been renewed up to seven memberships in 2016. Seven mandates have thus been renewed at the Annual Combined Shareholders' Meeting on 5 April 2016, as ordinary resolutions.

### Plurality of mandates

In accordance with the APEF MEDEF governance code for listed companies, an executive Director can't exercise more than two other mandates of Director in listed companies outside its group, including foreign companies. It should in addition collect the notice from the Board before accepting a new Director mandate in a listed company.

Moreover, an administrator can't exercise more than four other mandates in listed companies outside its group, including foreign companies. This recommendation is applied during the nomination or the renewal of the administrator's mandate.

### Other Information

The Board of Directors met eight times during fiscal 2016.

In accordance with the bylaws of Sartorius Stedim Biotech S.A. company, each Director owns personally at least one share of the company.

All Directors fulfill the below mentioned thresholds with regards to numbers of mandates in listed companies:

- For the executive Directors: maximum of two mandates in companies not belonging to the group,
- For non executive Directors: maximum of four mandated in companies not belonging to the group.

To the company's knowledge, within the last five years, no member of the Board of Directors:

- has been convicted of fraud during the last five years or has been subject to any official public investigation or sanction by statutory regulatory authorities;
- has been associated in his | her capacity of manager in any bankruptcy, receivership or liquidation for the past five years;
- has been disqualified by a court from acting in the capacity of a member of an administrative, management or supervisory body of an issuer or from acting in the capacity of a management executive or conducting the business of any issuer for the past five years.

To the company's knowledge, no family relationships exist among the members of the company's Board of Directors.

Furthermore, to the company's knowledge, there is no conflict of interest between any duty of the members of the Board of Directors and their private interests and | or other duties. A Director must inform the Board as soon as he | she is aware of any conflict of interests, or even the possibility of a potential conflict, and must refrain from any participation in discussions on the relevant subject matter and from voting on any associated resolutions.

To the company's knowledge, no settlement or agreement has been reached with shareholders, clients, suppliers or others to appoint a member of the Board of Directors.

To the company's knowledge, there is no service contract linking a Board member to the Sartorius Stedim Biotech Group and granting him or her benefits.

Measures taken to ensure that control is not done in an abusive way are the following:

- Four independent members of the Board on ten are members of the Board of Directors.
- Two independent members of the Board on four are members of the Audit Committee.
- Two independent members of the Board on four are members of the Remuneration Committee.

## The Audit Committee

The Audit Committee assists the Board of Directors in areas relating to accounting policy, reporting, internal and external control, financial communication and management of the risks to which the company is exposed.

### Audit Committee duties

**Regarding accounting policy and internal control, the Audit Committee has the following duties:**

- To proceed as soon as possible, and in any event prior to examination of the annual parent company financial statements and, where appropriate, the consolidated financial statements by the Board of Directors, with the review of all the financial, interim and annual parent company and, where appropriate, consolidated financial statements, including their notes and, where appropriate, the management report presented by the Board of Directors to the General Meeting of Shareholders called to approve the financial statements for the year ended and to present its observations to the Board of Directors. During the examination of the financial statements, the Committee pays particular attention to significant transactions that could have given rise to a conflict of interests;
- To ensure the pertinence of the selected methods and accounting procedures chosen by the company and to check their proper application;
- To check the accounting treatment of any significant transaction made by the company;
- To ensure that the internal procedures for data collection and control are sufficient to ensure the quality and reliability of the annual parent company financial statements and, where appropriate, the company's consolidated financial statements;
- To examine the scope of the consolidated companies and, where appropriate, the reasons for which any companies are not included.

**Regarding external control, the Audit Committee has the following duties:**

- To submit to the Board of Directors recommendations concerning the Statutory Auditors in view of their appointment or renewal by the General Meeting of Shareholders, to analyse and issue an opinion on the definition, extent and timetable of their assignment and their fees. For this

purpose, the Committee steers the selection procedure for the Statutory Auditors and submits to the Board of Directors a recommendation on the Statutory Auditors proposed for appointment by the General Meeting of Shareholders. The Committee proposes to the Board the selection procedure and, in particular, whether a call for tender should be issued. It supervises the call for tender and approves the specifications and the selection of the companies consulted, taking care to select the "best bid" and not the "lowest bid";

- To ensure the independence of the Statutory Auditors.

**Regarding risk analysis and prevention, the Audit Committee has the following duties:**

- To analyse all disputes, including fiscal, that may have a significant impact on the parent company financial statements and, where appropriate, the company's consolidated financial statements, or its financial position;
- To examine the company's exposure to significant financial risks. The Committee examines the risks and significant off-balance sheet commitments and assesses the importance of malfunctions or weaknesses that it is made aware of and informs the Board, as appropriate;
- To review the conclusions of internal audit reports;
- To verify the satisfactory application of internal controls and information reporting procedures.

Regarding financial communication, the Audit Committee's duties include reviewing the company's financial communication projects relating to the annual and interim parent company financial statements, as well as quarterly sales.

Given the extent of its remit, the Audit Committee consults with the Statutory Auditors, but also with the Finance, Accounts and Treasury Directors. These meetings may be held, at the Committee's request, without the company's executive bodies being present.

**Composition of the Audit Committee:**

The Audit Committee comprises at least three members chosen by the Board of Directors for their accounting and finance expertise, of whom one must be an independent member.

The independence criteria retained by the Audit Committee's internal rules are based on those proposed by the recommendations of the AFEP-MEDEF code and the Ethics code and adapted to suit the company's size, organization and means.

**Audit Committee's internal rules**

The Audit Committee has adopted a set of internal rules designed to provide a framework for its duties and operation and, in particular, to ensure the implementation and application of independence criteria for its members. It also includes the conditions for remuneration of the latter.

As of 31 December 2016, the Audit Committee has four members:

Mr. Henri Riey, Chairman of the Committee since December 5, 2007

- Mr. Arnold Picot
- Mrs. Liliane de Lassus
- Mr. Bernard Lemaître

The Chairman of the Audit Committee and Mrs. de Lassus are independent.

The Chairman of the Board of Directors, who is also the CEO of the Group, is a permanent guest of the Audit Committee, but has no voting rights.

The Audit Committee met five times during fiscal 2016.

**Remuneration Committee****Remuneration Committee duties**

The Remuneration Committee's purpose is to assist the company's Board of Directors in setting the remuneration policy for corporate officers and, in particular, relating to incentive mechanisms (allocation of stock options and bonus shares) that the company may implement.

During the year, the Remuneration Committee may consult all the company's executive members, after it has informed the Chairman of the Board of Directors, and must report on this to the Board.

The Remuneration Committee's duties also include assisting the Board of Directors with the appointment of new Board members.

**Composition of the Remuneration Committee and functioning**

As of 31 December 2016, the Remuneration Committee has four members:

Mr. Arnold Picot, Chairman of the Committee since June 29, 2007

- Mrs. Liliane de Lassus
- Mr. Henri Riey
- Mr. Bernard Lemaître

Two of the four members of the Remuneration Committee are independent.

The Remuneration Committee met once in fiscal 2016.

For more information on the organization, functions and activities of each Committee during fiscal 2016, please refer to the Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code included in this publication (following pages).

## Chairman's Report Pursuant to Article L. 225 - 37

Pursuant to Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors uses this report, which covers the fiscal year ended December 31, 2016, to present the composition of the Board of Directors and the application of the principles of balanced representation between men and women, the conditions of the preparation and organization of the work of the Board of Directors and the internal controlling and control procedures implemented by the company within the Group.

Pursuant to the last paragraph of Article L. 225-235 of the French Commercial Code, the company's independent auditors prepare their own report concerning the report by the Chairman of the Board of Directors on the internal control and risk management procedures relative to the preparation and processing of accounting and financial information.

### **Corporate Governance Code**

Since fiscal 2008, the Sartorius Stedim Biotech S.A. Board of Directors therefore decided to adopt the AFEP-MEDEF recommendations as the reference code for corporate governance (see [www.medef.fr](http://www.medef.fr)).

The AFEP-MEDEF Corporate Governance Code (the "Code") defines a set of regulations for good and responsible corporate governance. It follows the "comply or explain" principle that is implemented in most countries of the European Union. If a listed company does not comply with a recommendation of this Code, it must explain this in its corporate governance report.

In accordance with article 25.1 of the Corporate Governance Code for listed companies in effect from the presented date (the "Code"); listed companies referring to the code are required to precisely identify, in their Reference Document, the application of these recommendations. In case on non-application of one of these provisions, companies are required to provide a comprehensible, relevant and circumstantial explanation according to the rule "apply or explain". It is recommended by the AMF (recommendation n°2014-08 of 22 September 2014) that companies indicate in a specific table each recommendation that are not applied and the related explanations.

## SPECIFIC TABLE ON RECOMMENDATIONS OF THE AFEP MEDEF CODE FOR THE GOVERNANCE OF LISTED COMPANIES

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
3.2	<p><b>Disclosure of the option selected</b></p> <p>In this respect, it is essential for the shareholders and third parties to be fully informed of the choice made between separation of the offices of Chairman and Chief Executive Officer and maintenance of these positions as a single office.</p>	<p>The Board of Directors has opted for the Chairman's functions meeting of the Board Committee and as Chief Executive Officer in order to simplify the company operational management and increase its effectiveness.</p> <p>This organization turned out to be a factor of efficient governance considering the organization of the Sartorius Stedim Biotech Group. Mr Joachim Kreuzburg is Chairman of the Board and CEO of Sartorius AG mother company of the group. He is on one hand bound to the controlling shareholder and on the other hand very involved in the business affairs of the Group which he particularly knows and experienced.</p> <p>In addition, the company which main goal is to keep a balance position between the CEO and the Board of Directors is proceeding to regular updates and amendments of the Board internal rules. Thus, the latter effective process, allocates various relevant competences to the Board of Directors.</p> <p>Therefore, la company has amended the Board of Directors internal ruling in the course of the annual shareholders meeting to allocate certain operations and missions to its prior approval.</p> <p>Also, the Board of Directors is proceeding to an annual evaluation of its functioning to identify the improvements that could be made.</p>
10.4	<p><b>Non-executive directors meeting</b></p> <p>It is recommended that the non-executive directors meet periodically without the executive or "in-house" directors. The internal rules of operation of the Board of Directors must provide for such a meeting once a year, at which time the evaluation of the Chairman's, Chief Executive Officer's and Deputy Chief Executive's respective performance shall be carried out, and the participants shall reflect on the future of the company's executive management.</p>	<p>Board meetings are organized in the presence of the executive members to maintain the same degree of information between the members of the Board and strengthen the open and transparent collective character. According to the Code AFEP-MEDEF planning that the non executive members have to meet annually without the presence of the executive or internal members, the internal rules of the Board mentions the possibility for the non executive members to organize this kind of meeting.</p>
16.1	<p><b>Independent directors within the audit Committee</b></p> <p>The proportion of independent directors on the audit committee (excluding the directors representing employee shareholders and directors representing employees, who are not taken into account) should be at least equal to two-thirds, and the committee should not include any executive director.</p>	<p>.This measure has not been chosen because the company is controlled by a majority shareholder. Moreover, the Remuneration Committee is composed of 50% of independent members which insures the independence required to achieve a smooth running.</p> <p>Moreover, the Chairman of this committee is an independent member.</p>
16.2.1	<p><b>Examination deadline of the accounts between the Audit committee and the Board</b></p> <p>The appointment or extension of the term of office of the audit committee's Chairman is proposed by the appointments/nominations committee, and should be specially reviewed by the Board.</p>	<p>For practical reasons, connected in particular to the presence within the Committee of a majority of non resident members, the meetings of the Audit committee usually take place the same days as those of the Board of Directors. Taking into consideration this obligation, and in order to give to the Audit committee the possibility of achieving completely its missions, the internal rules of the Board mentions that any documents and useful information must be communicated to the Board by the Chairman and Chief Executive Officer upfront and in a sufficient delay. The files are like this transmitted to the members of the Audit Committee with a sufficient upstream delay and at the latest three days before every meeting of the Committee or of the Board allowing them to have a sufficient delay for the examination of the statements before these meetings.</p> <p>Therefore, each member of the said committee is spending the necessary time to examine each topic and is duly enabled to require such information if needed.</p>
18.	<b>THE COMMITTEE IN CHARGE OF COMPENSATION</b>	
18.1	<p>Independent directors within the compensation Committee</p> <p>It should be composed of mainly independent directors</p>	<p>For historical reasons related to the company share options, the composition of the specialized committee was reflecting the research by our shareholder in order to reflect a balance between the directors representing the shareholders and the independent directors.</p> <p>It is composed of 50% independent directors</p> <p>The Chairman of the compensation committee of the Sartorius Stedim Biotech Group, non-independent, is also the Chairman of the compensation committee of the Sartorius Group AG for</p>

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
		management and coherency reasons.
<b>20.</b>	<b>THE DIRECTOR'S ETHICS</b>	
20.	<p><b>Attendance fees / retained actions</b></p> <p>The director should be a shareholder personally and hold a fairly significant number of shares to the received attendance fees: by default if he does hold the shares upon assuming his functions, he must use the acquired attendance fees when acquired. It is the responsibility of the Board to complete otherwise this list of directors' basic obligations</p>	<p>Beyond the application of the article L 225-25 of the French Code of Commerce, The Board of Directors has left until now the freedom to each director to invest insignificantly for the company. He has also subscribed these ethic principals in its internal ruling</p> <p>The executive members not perceiving attendance fees, therefore no stock options purchase obligations have been formulated to them.</p>
<b>22.</b>	<b>TERMINATION OF EMPLOYMENT CONTRACT IN CASE OF APPOINTMENT AS EXECUTIVE DIRECTOR</b>	
22.	<p>TERMINATION OF EMPLOYMENT CONTRACT IN CASE OF APPOINTMENT AS A EXECUTIVE DIRECTOR</p> <p>When an employee is appointed as executive director, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the group, whether through contractual termination or resignation<sup>23</sup></p>	<p>This recommendation is only applied to 2 out of 4 of the directors.</p> <p>Mr Volker Niebel has still his employment contract with Sartorius Stedim Biotech GmbH an affiliate company held entirely by Sartorius Stedim Biotech SA, that was put in place when he started to work for Sartorius Group. According to German law it is not necessary to change such employment contract when someone becomes a Managing Director of the company he works for. It should be also considered that Sartorius Stedim Biotech Group is controlled by a German majority shareholder and the biggest group company is a German company, therefore in this respect German rules and regulations are very common in the whole group and have to be observed at the respective group level.</p>
<b>23.</b>	<b>COMPENSATION OF EXECUTIVE DIRECTORS</b>	
23.2.4	<p><b>Award</b></p> <p>Awards of options and shares to executive directors must be conditional on the attainment of performance targets.</p>	<p>Not applicable for Mr Oscar Werner Reif and Mr Volker Niebel</p> <p>Mr Joachim Kreuzburg and Mr Reinhard Vogt are representing the Group Sartorius AG, their compensation policy is deliberated and decided at the level of the mother house of Sartorius Stedim Biotech.</p> <p>The performance action elements are detailed in the document reference within the parts of the company's governance Report and the internal control (cf. p96). All particular topics related to these awards are duly detailed in the reference document remuneration report.</p>
	<p>An executive director may not be awarded any stock option or performance share at the time of his or her departure.</p> <p>In accordance with legal provisions, if stock options or performance shares are not awarded to all employees, then it is necessary to provide for another scheme involving them in corporate performance (incentive scheme, profit-sharing scheme other than the mandatory scheme, granting of bonus shares, etc.).</p> <p>The total amount of the stock option plans and performance shares must represent a small fraction of the capital, and the right balance must be struck according to the benefits derived by shareholders from the management. The level of dilution must be taken into account.</p>	<p>The shares Mr Joachim Kreuzburg has received in course of December 2015 are not subject to any performance criteria. Nevertheless he has to give back all of the shares if he leaves the Sartorius AG before 11 November 2017 and half of the shares if he leaves Sartorius AG before 11 November 2019.</p> <p>The stock option policy is run exclusively under the application of German Law provisions and the code of governance that shall apply.</p>
	<p>Furthermore, it is necessary to ensure that:</p>	
	<p>The awarded stock options and performance shares valued in accordance with IFRS standards do not represent a disproportionate percentage of the aggregate of all compensation, options and shares awarded to each executive director. To that end, the Board must systematically review the award of new stock options and performance shares in view of all compensation items awarded to the executive director concerned. The Board shall then be responsible for determining the percentage of the compensation (in accordance with market standards) not to be exceeded by the said award;</p>	
	<p>Awards are not overly concentrated on executive directors. According to the situation of each company (size, industry, broad or narrow scope of the award, number of officers, etc.), the Board must define the maximum percentage of options and performance shares that may be awarded to executive directors, as compared with the aggregate award approved by shareholders. The resolution for authorizing the award plan submitted to a vote at the meeting of shareholders must</p>	

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
	mention this maximum percentage in the form of an award sub-ceiling for executive directors;	
	Awards are made at the same calendar periods, e.g. after the disclosure of the financial statements for the previous financial year, and probably each year, in order to limit any windfall effects;	
	Any windfall effects associated with a bear market are prohibited. The value of awarded options and performance shares may not be markedly different from the company's earlier practices, unless a material change in the scope of business justifies a revision of the scheme;	
	In accordance with terms determined by the Board and announced upon the award, the performance shares awarded to executive directors are conditional upon the acquisition of a defined quantity of shares once the awarded shares are available.	
	<b>Price</b> No discount should be applied upon the award of stock options and in particular for stock options awarded to executive directors.	
	Executive directors who are beneficiaries of stock options and/or performance shares must make a formal commitment not to engage in any hedging transactions in respect of their own risks, either on options or on shares resulting from the exercise of options or on performance shares, until the end of the period determined by the Board of Directors for holding shares.	
	<b>Exercise</b> The exercise by executive directors of all of the options and the acquisition of the shares must be related to serious and demanding performance conditions that are to be met over a period of several consecutive years. These conditions may be internal and/or external performance requirements, i.e. related to the performance of other companies, a benchmark sector, etc. Where it is possible and relevant, these internal and external performance requirements are combined.	
	It is necessary to determine periods preceding the disclosure of the annual and interim financial statements, during which the exercise of the stock options is not possible. The Board of Directors or Supervisory Board must determine these periods and where applicable determine the procedure to be implemented by executive directors prior to any exercise of the stock options in order to ensure that they do not hold any information likely to prevent such exercise.	
<b>23.2.5</b>	<b>Termination payments</b> It is not acceptable that executive directors whose company has failed or who have personally failed may receive termination payments upon departure.	Severance payments for Joachim Kreuzburg, Reinhard Vogt and Oscar-Werner Reif are capped at the maximum of a two years annual remuneration. Reference is made in this respect to remuneration that has been agreed in the service contract. As lined out in the remuneration report approximately half of the remuneration is fix remuneration and half of the remuneration is a variable remuneration. The performance targets of the variable remuneration have to be taken into account when calculating the severance payment at the effective date of termination of the service contract.
	The law gives a major role to shareholders by making these predefined benefits, paid on termination of office of the executive director, subject to the procedure for related parties agreement. It imposes total transparency and makes termination payments conditional upon performance requirements. These performance requirements must be assessed over at least two financial years.	
	These performance requirements set by the Board must be demanding and may not allow for the indemnification of an executive director, unless his or her departure is imposed, regardless of the form of this departure, and linked to a change in control or strategy.	
	The payment of any termination benefits to an executive director must be excluded if the said executive director elects to leave the company in order to hold another position or is assigned to another position within the same group or is able to benefit in the near future from pension rights.	



ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
	The termination payment should not exceed when applicable two years of compensation (fixed and variable). If a NO-competition clause is additionally applied, the aggregate of these two benefits must not exceed this ceiling (see hereafter).	
	Any artificial increase in compensation during the period preceding the departure should be prohibited.	

The group also communicates in the appendix the applied recommendations in order to give an overall idea on practices concerning corporate governance.

### Conditions for Preparation and Organization of the Work of the Board of Directors

#### Internal Rules and Regulations

The procedures governing the organization and functioning of the Board of Directors are defined by the Internal Rules and Regulations of the Board which is published on the website of Sartorius Stedim Biotech S.A. as of the publication of this particular report.

The internal rule has been modified by the Board of Directors of 5 April 2016 in order to bring it into line with the new provisions of the AFRP MEDEF governance code for listed companies.

The Board of Directors deals with all matters concerning the proper operation of the company and takes decisions on subjects that concern it.

#### Its Missions

The main missions of the Board of Directors are as follows:

- The Board of Directors shall define the company's strategic goals and assess them from an overall perspective at least once a year, as proposed by the CEO, and ensure that these goals are implemented. It shall also appoint the corporate officers responsible for managing the company in pursuit of this strategy and review all delegations of authority;
- The Board of Directors shall review the management of the Group and monitor the quality of information provided to shareholders and to the market through the financial statements or when material events occur, especially about the company's shareholdings;
- The Board of Directors is responsible for approving all strategic investment projects and any transaction, in particular acquisitions or disposals, likely to materially affect the company's results, the structure of its balance sheet or risk profile;
- The Board of Directors will beforehand decide for each significant transaction outside the scope of the announced strategy;

- The Board of Directors shall deliberate prior to making any changes to the management structure of the company, and shall be informed of the principal organizational changes;
- The Board of Directors shall examine the corporate and consolidated accounts and approve the management report and the sections of the annual report dealing with corporate governance and those setting out the company's policies with respect to remuneration and stock options;
- Although it is not a modification with a social purpose, the Board of Directors must seize the Shareholders' Meeting if the transaction concerns a preponderant share of the assets or the activities of the group;
- The Board of Directors shall convene annual shareholders' meetings and propose changes to the articles of association.

The missions mentioned above summarize the internal bylaws of the Board of Directors.

#### Activity Report of the Board of Directors for Fiscal 2016

The Board of Directors met eight times during the fiscal year. The average attendance was 98.75%.

The Board reviewed and approved the corporate and consolidated accounts for 2015.

The Board of Directors considered and debated on the following at its meetings:

1. Strategic direction and major Group projects.
2. The annual, half-year and quarterly financial statements.
3. Budgets presented by executive management.
4. Information on the financial structure and cash flow items.
5. Significant off-balance sheet commitments.
6. Risk indicators for the Group.
7. Internal organization projects.
8. Stock market performance.
9. Self-assessment of the Board members.
10. Elements of remuneration due or attributed.
11. Modification of the bylaws.
12. Internal rules modifications of the Board of Directors.
13. Renewal of the mandate of Board Member of the CEO, two Executive Vice Presidents and four Members of the Board of Directors.

14. Renewal of the mandates of four members of the Audit Committee.
15. Renewal of the mandates of four members of the Remuneration Committee.
16. Operations on the share capital.
17. Financial authorizations given to the Board of Directors.
18. Merger with VL Finance.
19. Split by six the par value of the Company's share
20. Increase of the share capital of the Company in order to have the individual par value of the share up to €0.20.
21. Proposition of dissolution without liquidation of Sartorius Stedim Financière SAS.
22. Projects on acquisition and follow up of recent acquisitions.
23. Gender quota.

In 2016, the Board members carried out a formal assessment of the work of the Board of Directors. A questionnaire was sent to each Board member. A summary of the results shows a very positive overall assessment of board performance. The self-assessment shows that the Directors consider to be well informed by the executive management of the company and believes that the CEO is moderating properly the discussions during Board of Directors.

This evaluation has three objectives:

- Take stock on the modalities of the performance of the Board.
- Verify that important questions have properly been prepared and debated.
- Measure the effective contribution of each Administrator at the Board's work due to its competency and involvement in the debate.

The committee chairmen submitted their work reports to the Board for discussion.

The independent auditors were invited to two Board meetings.

### Information to be Provided to Directors

Before each Board Meeting, Directors receive a report on the agenda items that require prior consideration, in due time and following notification.

Preliminary figures of the annual and interim statements are generally sent to all Directors at least one week before the meeting of the Audit Committee, which is always held on the day of or on the day before the Board meeting.

In addition to Board meetings, the Chairman regularly informs the Directors of any event or development that may have a material impact on Group operations or on any information previously communicated to the Board.

The members of the Board of Directors receive a copy of each press release published by the Company. The Directors may, at any time, request further information from the Chairman of the Board, who shall assess the relevance of the request.

### Board Committees

The Audit Committee and the Remuneration Committee are responsible for studying and making preparations for the Board's main deliberations in order to improve the Board's efficiency.

Under no circumstances do these committees relieve the Board which has the only legal power of decision nor are allowed to cause division within its college which is and stays responsible of the accomplishment of its missions. The committees don't replace but are an emanation of the Board of Directors facilitating its work.

The Committees of the Board may consult, in the performance of their functions, any of the main company's executive members after having informed the Chairman of the Board of Directors and subject to reporting back to the Board.

The Committee of the Board may request external technical studies relating to matters within their competence, at the expense of the Company, after having informed the Chairman of the Board of Directors or the Board of Directors itself and subject to reporting back to the Board.

In case of making use of external consultancy services (for example a remuneration advice in order to obtain information concerning systems and levels of remuneration in force in the main markets), the Committees should ensure the objectivity of the concerned services.

Each Board meeting is preceded by a meeting of at least one of the two Committees, depending on the items on the agenda. The Committees report to the Board on their work and observations and submit their opinions, proposals and recommendations.

The procedures of each Committee are also defined by Internal Rules and Regulations.

Members of the Committees of the Board are chosen by the Board of Directors. The appointment or renewal of the president of the Audit Committee's mandate, proposed by the Remuneration Committee, is subject to a specific review by the Board of Directors.

Duties of the Audit Committee:

The Audit Committee assists the Board of Directors with the company's accounting policy, reporting, treasury and hedging instruments, internal and external controlling, financial communication and risk management.

Members of the Audit Committee therefore have either a financial or accountant expertise.

The proportion of independent administrators in the audit committee is lower than two thirds.

The Committee does not include any executive director.

In this respect, the Audit Committee shall consult the statutory auditors, as well as the financial, accounting and financial investment directors. It shall be possible for such interviews to take place when the Committee requires them, without the presence of the Management of the Company.

The Committee can ask external experts if needed ensuring their expertise and independence.

The Audit Committee's duties in the field of accounting policy and internal controlling consist mainly of:

- Review the annual corporate and consolidated accounts: reviewing half-yearly and annual corporation and consolidated accounts, including the notes to the financial statements and the management report presented by the Board of Directors to the Annual General Shareholders' Meeting convened to approve the statements for fiscal 2016, and presenting its observations and recommendations to the Board of Directors. During the review of the accounts, the Committee consider important operations through which a conflict of interest could have occurred;
- Ensuring the suitability and consistent application of the accounting methods and procedures chosen by the company, and guaranteeing their correct application;
- Review the accounting treatment of any significant transactions carried out by the company;
- Review the scope of the consolidated companies, and if necessary, the reasons why certain companies are not included.

The Audit Committee's duties in the area of external controlling consist of:

- Submitting recommendations to the Board of Directors concerning the statutory auditors and their appointment or reappointment by the Annual Shareholders' Meeting. To that end, the Committee steers the statutory auditor's selection procedure and submits a recommendation to the Board of Directors proposed to the Shareholders' Meeting. The Committee proposes to the Board of Directors the selection procedure and particularly if a tender might be necessary. It supervises the tender and validates the tender specifications and also approves the choice of the consulted firms, while ensuring that the "highest" and not the "lowest" bidder is selected.
- Analyzing and issuing an opinion on the definition, scope and timetable of their assignment and fees.
- Analyzing the independence of the legal auditors.

To that end, the committee is informed each year by the statutory auditors:

- Their declaration of independence;
- The amount of the fees paid to the network of the statutory auditors by the companies controlled by the firm or entity which it holds, on accrued benefit that is not directly linked to the mission of the auditors;
- Information concerning benefits accomplished under the audit directly linked to the auditors' mission.

The committee examines with the statutory auditors risks threatening their independence and protective measures made to reduce these risks. It should also ensure that the amount of the fees paid by the Company and its group, or the portion that it represents in the revenue of these offices and networks, are not likely to impair the statutory auditors' independence.

The Audit Committee's duties in the field of risk analysis and prevention consist of:

- Defining the internal audit plan for the Group companies, obtaining a report on the audits carried out and defining, if necessary, action plans for implementing new procedures in the respective companies;
- Examining the company's exposure to significant risks (risk mapping). The Committee reviews risks and off balance sheet commitments, appreciates the importance of the weaknesses received and informs the Board when appropriate.
- Verifying appropriate application of internal controls and accounting and financial reporting procedures.

The Audit Committee's duties in the area of financial communication consists of reviewing the company's proposed financial communication with respect to publication of the parent's company and consolidated half-yearly and annual corporate accounts and its quarterly results.

The Committee may also perform any other activities deemed necessary or appropriate by the Committee and the Board of Directors.

Activity Report of the Audit Committee on Fiscal 2016:

The Audit Committee met five times during the fiscal year. The average attendance was 100%.

The activity reports of the Audit Committee at the Board of Directors help the Board to be fully informed, facilitating its deliberations.

The main subjects the Audit Committee reviews are the following:

1. Examining the corporate and consolidated annual accounts: reviewing all financial statements, quarterly, half-yearly and annual corporate and consolidated accounts, including the implementation of specific actions related to IFRS standards;
2. Working on hedging instruments.
3. Review of the internal audit work.
4. Review of the quarterly risk management report.
5. Approval of the auditors' fees.
6. On 30 June and 31 December 2016 audits of accounts, the auditors have presented the essential results of the audits and the options decided.
7. Merger of VL Finance S.A.S. with / Sartorius Stedim Biotech S.A.
8. Split of the par value of the actions of the Company.

Duties of the Remuneration Committee:

The purpose of the Remuneration Committee is to help the company's Board of Directors to establish the remuneration policy for corporate officers and, in particular, the incentive mechanisms (granting of share subscription options, share purchase options or free allotment of shares) that the company may introduce.

The Remuneration Committee must put the Board of Directors in the best conditions to determine the overall remunerations and benefits of the executive directors, the Board of Directors being responsible of this decision. Otherwise, the Committee must be informed of the remuneration policy of the non-executive directors. On this occasion, the Committee associates with the executive directors.

The Remuneration Committee has also the responsibility to give recommendations with regards to the new potential Directors and Committees members after having circumstantially considered each element that needs to be taken into account in its deliberation: desirable balance in the membership of the Board with regard to the composition and the evolution of the shareholding of the Company, balance between men and women within the Board, identification and evaluation of potential candidates, desirability of

extensions of terms. It needs in particular to organize a procedure in order to select future independent administrators and achieve its own studies on potential candidates before taking any measure regarding these others.

Activity Report of the Remuneration Committee for 2016:

The Remuneration Committee met once during the fiscal year. The average attendance was 100%.

Its activity reports to the Board of Director help the Board to be fully informed, facilitating its deliberations. During the presentation of these reports made by the Remuneration Committee, it is necessary that the Board deliberate on remunerations of the executive directors, without their presence.

The Remuneration Committee deliberated on the main following topics:

1. Targets achievement.
2. Reviewing the remuneration of the executive members of the Board of Directors.
3. Reviewing payment of directors' fees.

Remunerations of Mr Joachim Kreuzburg and Mr Reinhard Vogt are not discussed within the Remuneration Committee of Sartorius Stedim Biotech. They are determined by the Remuneration Committee of Sartorius AG.

Within this scope, the Remuneration Committee is consulted by the Board of Directors on any proposal concerning:

- The total budget allocated to directors' fees and the terms of allocation thereof, taking into account the actual presence of the Directors at Board meetings and possibly at Committees meetings.
- The fixed remuneration for corporate officers and the terms of variable remuneration.
- The general policy on the granting of share subscription options, share purchase options or free allotment of company shares.
- Its policy of Directors' nomination or renewal.

### **Limitations on the Powers of the Chairman and Chief Executive Officer**

On June 29, 2007, the Board of Directors voted to combine the functions of Chairman and Chief Executive Officer without any limitations on powers other than those included in the internal regulations of the Board of Directors, which are mainly strategic investment projects and any transactions, especially acquisitions or disposals, which may lead to a material profit and loss impact. This procedure concerns operations above one million euros. This corporate governance structure, adopted by an overwhelming majority of French companies that have a Board of Directors, allows simplifying the operational management of the company in order to further increase its efficiency, while taking into account the presence of controlling shareholders of the company's capital as well as the continued application by the company of the best principles of corporate governance.

### **Remuneration of Senior Executive and Senior Non-Executive Board Members ("Mandataires sociaux")**

The total remuneration, including all benefits paid during the year to each senior executive (Chairman of the Board of Directors, Chief Executive Officer, Directors) including share-based payments, is disclosed in the Corporate Governance Report of the Sartorius Stedim Biotech Group.

A Remuneration Committee has been set up to review the remuneration of Board of Directors' executive members. Furthermore, the Remuneration Committee is also responsible for checking the annual directors' fees paid to directors.

Mr Joachim Kreuzburg's and Mr Reinhard Vogt's remuneration are determined annually by the Sartorius AG's Supervisory Board. Their remuneration consists of fixed and variable components and is in line with their respective areas of responsibility. The variable portion contains short-, mid- and long-term components. The short-term components are paid out every year. The mid term component is paid out every three years based on the average of the achieved target for the three-year term. The long term component is comprised of a phantom stock plan that is subject to risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least four (formerly three years) years and is payable only if this price exceeds at least 7.5% (formerly 10%) per year relative to the time the phantom stock was assigned or if the share price

outperformed the TecDAX® as a comparative index. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned. The use of a component that is designed to have a long-term incentive effect and entails risk is a recommendation adopted from the German and French Corporate Governance Codes. To date, no payment has been made to Mr Joachim Kreuzburg or Mr Reinhard Vogt according to this phantom stock plan.

A part of this remuneration is cross charged annually to the Sartorius Stedim Biotech Group.

The remuneration for Mr Oscar-Werner Reif and Mr Volker Niebel is discussed within the Remuneration Committee and subsequently voted on by the Annual Shareholders' Meeting of Sartorius Stedim Biotech GmbH, with which Mr Oscar-Werner Reif and Mr Volker Niebel have employment contracts. Their remuneration consists of fixed and variable components and is in line with their respective degrees of responsibility.

## Internal Control Procedures

### Introduction

The objectives defined by the Chairman for the internal control system of Sartorius Stedim Biotech are as follows:

- Prevent risks that would endanger the quality of the assets of Sartorius Stedim Biotech or even its existence;
- Ensure that the executive management activities, the transactions completed and the conduct of employees comply with the guidelines defined by executive management, applicable laws and regulations, the fundamental values, standards and internal rules of the business and the ethical codes and conventions of the healthcare industry;
- Ensure that accounting and financial information and management data provided to the executive management of the company accurately reflect the operations of Sartorius Stedim Biotech;
- Prevent risks arising from operations, errors or fraud, especially in the accounting and financial area.

### Scope of Internal Control

The internal control system described covers the parent company and its affiliates.

### Components of Internal Control

#### Environment for Internal Control

The core of any business is its people (their individual attributes, including integrity, ethical values and expertise) and the environment in which they operate. They are the engine that drives the organization and the foundation that supports the company.

#### Risk Assessment Process – Risk Mapping

The company must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate them into its sales, production, marketing, financial and other activities so that the organization operates in concert. It must also establish mechanisms to identify, analyze and manage the related risks.

#### Control Activities

These control activities are undertaken at every level of the Group to ensure that internal control is efficient: checking the accuracy, completeness, authorization, validation and recording of transactions and ensuring that different people discharge different duties so as to reduce the risk of errors or fraud.

#### Information and Communication

The availability of accurate, reliable and complete information is essential both to achieve business objectives and to enable proper reporting to all parties concerned in compliance with the applicable laws and regulations.

#### Monitoring, Control and Management

Responsibilities and authorities must be defined and understood at all levels of a company for internal control to function effectively. Duties must be assigned in such a way that a person's work is always checked and approved by a different person. Where the size of the local unit concerned permits, responsibility for initiating, authorizing, recording and processing transactions must always be assigned to different individuals.

Unit management is responsible for maintaining internal checks and internal control at all times.

## Internal Controlling Roles

### Executive Management

The Chairman and Chief Executive Officer is responsible for the internal control system and management at all levels. He is also responsible for the development, operation, monitoring and management of the internal control and controlling systems and for providing the necessary assurances that these steps have been implemented.

### Audit Committee

The Audit Committee is responsible for carrying out any necessary reviews and evaluations of the internal controlling procedures, including those relating to financial information, and also assists with the preparation of the Group's consolidated financial statements. For further information about the Audit Committee.

### Risk Management

The Sartorius Stedim Biotech Group is inevitably exposed to a wide variety of risks by the nature of its operations around the world. Accordingly, an internal risk management system has been set up to help identify, assess and manage these risks efficiently. Within this risk management system, an ad hoc committee comprised of representatives of different departments regularly studies current issues of risk management. This enables the committee to provide executive management with an overview of the risk to which the company is exposed, enabling it to take appropriate action when required.

### Internal Auditing Department

The Internal Auditing Department is in charge of monitoring the effectiveness and suitability of risk management and the internal control system in Sartorius Stedim Biotech Group companies, as well as compliance of all activities and processes with internal and external rules and standards. It provides independent auditing and consulting services that focus primarily on compliance with all relevant legal provisions and the improvement of business processes at the company. To ensure the independence of the internal auditors, the Audit Committee receives at least once a year a report from the Internal Auditing Department on the work they have done (according to the audit plan established by this committee) and their findings with regard to Group affiliates.

### Finance and Controlling Departments

The Finance and Controlling Departments track and monitor operations and projects to optimize the Group's profitability and cash flow, providing both internal and external stakeholders with reliable information.

These two departments define the Group's accounting rules and methods and its principle financial processes (five-year business plan, budget, etc.) as well as reporting tools, in order to monitor the day-to-day business.

### Procedures for Preparing the Group Financial Statements and Other Accounting and Financial Information

The accounts of affiliates are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to produce company accounts that comply with the applicable local legal and tax provisions. Integrated consolidation software is used both for management reporting purposes and to produce the Group financial statements.

Since 2013, the Group has decided to implement a hard close process as of 30 November in order to anticipate and improve the annual audit.

### Accounting Standards

The consolidated financial statements are prepared in accordance with IFRS accounting standards as currently adopted by the European Union. The consolidated financial statements comply with accounting rules and methods as detailed in the Notes to the Consolidated Financial Statements.

### Roles of the Group's Finance and Controlling Departments

The Finance and Controlling Departments check the quality of the reporting packages submitted by affiliates, focusing primarily on the following elements: checking corporate data and consolidated adjustments entered locally, inter-company eliminations, the accounting treatment of non-recurring transactions for the reporting period, and verifying principal movements between the opening and closing balance sheets to prepare the cash flow statement.



The Finance Department also verifies the results of procedures, including currency translation, intercompany eliminations, etc.

Key points of review include the preparation and validation of the statement of changes in shareholders' equity and the cash flow statement.

#### Financial Information and Reporting

The Group's rules and procedures in relation to financial reporting and accounting are set out in the Accounting and Reporting Manual. Application of and compliance with these principles, rules and procedures are the direct responsibility of the finance director of each affiliate. They must ensure that information provided via the Management Information System complies fully with all applicable disclosure requirements.

Executive Management reviews the effectiveness of the internal controlling of financial reporting regularly. In particular, it verifies that transactions have been recorded consistently, in accordance with IFRS international accounting standards as applied by the Group and as set out in the Accounting and Reporting Manual, in order to ensure the pertinence of transactions and assets recognized within the times set.

#### Internal Control in 2016

From an internal control perspective, the Group focused on the following this year:

#### Code of Conduct and Anti-Corruption Code

The collaborators can consult the Sartorius Code of Conduct and the Sartorius Anti-Corruption Code, the initial training process has been closed and transferred to controlled operation.

These codes are subject to reviews and revisions depending on the evolution of the Law. In addition, all employees of the Company and of the Group are aware of these codes and have to ensure compliance with them on a daily basis.

#### Corporate transactions

The Company complies with the recommendation of the Autorité des Marchés Financiers of 3 November 2010 and with the AFET-MEDEF Code. Thus, transactions involving the purchase or sale of the company's securities or financial instruments are prohibited during the periods between, the date on which the managers, persons treated as managers, and any person who has regular or occasional access to privileged information is aware of precise information on the course of business or prospects which, if made public, could have a significant influence on the price; and the date on which the information is made public.

In addition they are also prohibited for a period of:

- fifteen calendar days prior to the date of publication of the annual and semi-annual financial statements of the Company,
- fifteen calendar days, preceding the date of publication of the quarterly information, this day included.

The Company prepares and distributes at the beginning of each calendar year a schedule setting out the periods during which trading in the Company's securities is prohibited, specifying that the days indicated don't prejudge the existence of other closed periods resulting from the knowledge of specific information which directly or indirectly concerns the Company, which, if it were made public, could have a significant influence on the share price of the Company's shares.

In accordance with the recommendations of the AFEP-MEDEF Code (paragraph 23.2.4) and the Autorité des Marchés Financiers recommendation n° 2010-07 of 3 November 2010, hedging transactions of any kind, on the Company's shares, with regards to stock options are prohibited.

#### Mid-term Prospects

The Group will continue to work on Internal Control issues by strengthening its approach to risk mapping and risk management. This process will be based on elements of the AMF Internal Control Reference Framework.

In addition the process of defining mandatory minimum standards of internal controls applying to all Group companies has been followed by publishing the Group Internal Controls Handbook and will be pursued further in 2016.

Aubagne, 16 February 2017

The Chairman

Mr Joachim Kreuzburg

# Remuneration of the Executive and Non-executive Members of the Board

## Information about the Remuneration of the Executive Board Members

Some elements and parameters of the remuneration of the Executive Board Members differ between those members who are at the same time members of the Executive Board of the major shareholder Sartorius AG and those members who are not. Those who are members of Sartorius AG's Executive Board receive their fixed and variable remuneration from Sartorius AG. A portion of their fixed remuneration is charged to Sartorius Stedim Biotech S.A., reflecting their role as Directors of the Company. This portion is defined in the scheme for Director's meeting attendance fees, which is part of the bylaws of the Company. A further portion of their total remuneration is charged to the SSB Group for their management services based on their proportional work for Sartorius Stedim Biotech (please refer also to section "Related Parties" of the "Financial Statements and Notes"). This allocation key is applied to all components of their remuneration.

### 1. Remuneration of Executive Members of the Board who are members of the Executive Board of the major shareholder Sartorius AG (Joachim Kreuzburg | Reinhard Vogt)

#### General and Fixed Remuneration

The total amount of the remuneration of an Executive Board member of Sartorius AG reflects the scope of the responsibilities of the Executive member concerned, the Executive member's personal performance, the company's economic situation and sustainable progress. In addition, this amount is benchmarked with those at peer companies and with the vertical remuneration structure within the company as well as at peer companies. Remuneration is comprised of both fixed non-performance-based components and of variable performance-based components, and is reviewed annually to ensure that it remains appropriate. The variable performance-based remuneration components consist of those to be paid annually and of multi-year components intended to have a long-term incentive. Fixed non-performance-based remuneration is paid in the year in which it is granted. For 100% target achievement, the variable annual and long-term performance-based components generally represent half of total remuneration, which excludes pension commitments under a defined benefit plan as well as fringe benefits. The targets set for the performance-

based remuneration refer to financial key figures of the Sartorius Group in which the Sartorius Stedim Biotech Group is fully consolidated. Specifically, Sartorius Stedim Biotech represents approx. 80% of the business and assets of the Sartorius Group. Therefore, the development of Sartorius Stedim Biotech has a significant influence on the financial results of the Sartorius Group and thus on the variable remuneration of Sartorius AG's Executive Board members who also are executive members of the Board of Sartorius Stedim Biotech. However, all components of the remuneration of those members described below refer to parameters and financial key figures of the Sartorius Group in total.

#### Variable Remuneration

The variable portion of this remuneration contains components that are paid annually (subordinate targets measured against sales revenue|order intake, underlying EBITDA and ratio of net debt to EBITDA) and components determined by multi-year assessment (measured against consolidated net profit and the phantom stock plan). The components to be annually paid and the elements determined by multi-year assessment each make up one half of the target achievement that is possible. A cap is provided for all variable components to be paid.

Of the total that can be awarded for 100% target achievement, the subordinate targets of the components to be annually paid are weighted as follows: sales revenue|order intake 15%; underlying EBITDA 20%; and ratio of net debt to underlying EBITDA 15%. The subordinate targets constituted by consolidated net profit and the phantom stock plan as components determined by multi-year assessment are each weighted at 25%.

#### a) Annually paid variable remuneration

The portion of the variable remuneration that is to be paid annually depends on the degree to which the target is achieved, which the Supervisory Board of Sartorius AG defines by setting each individual subordinate target. Thus, target achievement is subdivided into the previously mentioned three subordinate targets, which are each separately paid.

### Sales Revenue | Order Intake

If the degree of target achievement is below 90%, no remuneration is paid. If 90% is achieved, 50% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 104%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

### underlying EBITDA

If the degree of target achievement is below 70%, no remuneration is paid. If 70% is achieved, 70% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 120%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

### Ratio of Net Debt to underlying EBITDA

No remuneration is paid if the ratio of net debt to underlying EBITDA achieved is below the lower limit defined. If this defined value is achieved, 50% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 120%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

#### b) Variable remuneration with multi-year components

On the one hand, components determined by multi-year assessment depend on the degree to which the target is achieved, which the Supervisory Board of Sartorius AG defines by setting the subordinate target constituted by consolidated net profit. On the other hand, these multi-year components depend on the value of the monetary sum ascribed to the Executive Board member at the beginning of each year.

### Consolidated Net Profit

For this subordinate target, the basis for assessment is the consolidated net profit after non-controlling interest excluding amortization (amortization of the value of intangible assets, such as customer databases or patents, which results from purchase price allocation within the scope of business combinations pursuant to IFRS 3). Target achievement for assessing annual variable remuneration is based on the average taken over a period of three fiscal years, beginning with the present fiscal year.

To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for a fiscal year will be effected. Any overpayments as a result of these partial payments will be offset in the following year against other remuneration components (fixed or variable). No partial payment will be made in the year prior to an Executive Board member's resignation. Full account is thus taken of any negative results, and the effects thereof continue to have an impact on the remuneration of the Executive Board member concerned even after he or she has left the company. If a defined minimum value is attained, payment of the awarded sum will increase linearly from 0% to a maximum of 120% of the subordinate target achievement value defined by the Supervisory Board. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

### Phantom Stock Plan

Only Joachim Kreuzburg and Reinhard Vogt are eligible to participate in a phantom stock plan because of their responsibilities at the Sartorius AG level.

Through the issue of shadow shares, called phantom stocks, these Executive Board members are treated as if they were owners of a certain number of shares in Sartorius AG, without, however, being entitled to receive dividends. The development of the value of these phantom stocks are linked with the development of the Sartorius share; both increases and decreases in the share price are taken into account. Later, this phantom stock is valued based on the share price at the time and its equivalent is paid out, provided that the associated conditions are met. Phantom stocks cannot be traded and does not entail any share subscription rights.

According to the Sartorius phantom stock plan, each Executive Board member is credited at the beginning of every year with phantom stock units valued at an agreed monetary sum. The value of these phantom stocks can be paid out only as an entire annual tranche. Payment can be requested, at the earliest, after a period of four years and no later than after eight years.

An Executive Board member is entitled to receive payment for phantom stock units only if the share price at the time of the payment request has appreciated at least 7.5% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The phantom stock plan rules out subsequent changes to the parameters used for comparative stock valuation. The amount to be paid is capped at a

maximum of 2.5 times the share price at the time the phantom stocks were assigned, based in each case on the actual annual tranche concerned.

Assignment of this phantom stock and payment of its monetary equivalent depend on the mean value calculated from the average prices of both classes of Sartorius AG shares until financial year 2015 and from 2016 from the average of the preference share in the closing auction of Xetra trading on the Frankfurt Stock Exchange over the last 20 days of trading of the previous year or over the last 20 days of trading prior to submission of the payment request. This serves to compensate for any short-term fluctuations in the share price.

Payment for phantom stocks is blocked for the four weeks preceding the scheduled publication date of quarterly and preliminary year-end results and for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These blackout periods are intended to prevent Executive Board members from profiting from their insider knowledge.

### c) Pension Commitments

According to the company's remuneration policy, Executive Board members of Sartorius AG receive performance-related benefit commitments under a defined benefit plan when reappointed for the first time. In addition to including a basic pension, these commitments provide for the Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount. An Executive Board member may choose to receive such defined benefits in the form of a monthly retirement pension for old age or as a one-time payment to cover the member's retirement pension for old age and invalidity as well as in the form of survivor's benefits for the surviving spouse and children of the decedent.

Beyond such commitments, Joachim Kreuzburg is additionally entitled under a former company pension scheme to receive performance-based retirement benefits based on the salary of a German federal civil servant classified as grade 10 of salary class B for ministry officials according to the Federal Civil Service Remuneration Act [Bundesbesoldungsgesetz]. Such benefits are paid in the form of a retirement pension for old age and invalidity as well as in the form of survivors' benefits for the surviving spouse and children of the decedent.

After a member has turned 65, this shall be considered the regular age limit at which this member shall automatically be entitled to receive all such benefits.

### d) Other Remuneration Components

The remuneration system provides that the Supervisory Board of Sartorius AG at its discretion may grant an Executive Board member special compensation based on that member's exceptional performance.

### Severance Caps

The service contracts include a severance pay cap of a maximum of two annual salaries to cover cases in which Sartorius AG Executive Board membership is terminated prematurely. Potential amounts have to be paid by Sartorius AG.

### Non-competition Clause

All Executive Board members of Sartorius AG have a post-contractual non-competition obligation, which is in accordance with German law. This obligation will last for two years after an Executive Board member has left the Group. During this time, if the non-competition clause is not waived or terminated, this Executive Board member may claim half of his most recent annual remuneration received from the company.

### Fringe Benefits

The members of the Executive Board of Sartorius AG are each entitled to use a company car, reclaim expenses incurred on business travel and to be covered by accident insurance and D&O insurance as fringe benefits in addition to receiving the remuneration components mentioned. The D&O insurance provides for the application of a deductible or excess in the amount required by law.

### Share-based Payment

The remuneration policy for Executive Board members of Sartorius AG does not provide for the transfer of Sartorius AG shares as compensation for members. An exception to this was made in December 2014 for Joachim Kreuzburg.

Joachim Kreuzburg's third appointment as a member of the Executive Board and its Chairman and CEO expired on November 10, 2015. By resolution of the Supervisory Board on December 16, 2014, Joachim Kreuzburg was reappointed as a member of the Executive Board and its Chairman and CEO of the company for the term of November 11, 2015, to November 10, 2020. His employment contract that entered into force on November 11, 2015, provides for granting Joachim Kreuzburg 25,000 ordinary shares and 25,000 preference shares in the company as a supplementary compensation component. These shares were transferred to him on December 18, 2015 and are thus considered granted in 2015. Since these shares were subject to a share split in 2016 with the ratio of 1 to 4, they are now amounting to 100,000 shares of each class of shares. The shares transferred are subject to a holding period that will end on November 10, 2019. Should Joachim Kreuzburg leave the company prior to November 11, 2017, at his own request, he shall be required to transfer all such shares back to the company; if Joachim Kreuzburg leaves the company after November 11, 2017, and before November 11, 2019, at his own request, Joachim Kreuzburg shall be required to transfer half of the shares granted to him back to the company. The amount resulting since December 16, 2014, for the shares granted are to be spread as an employee benefits expense over the full vesting period and recognized as such in profit or loss. In fiscal 2015, an amount of €542 K was accordingly recognized in the accounts of Sartorius Stedim Biotech.

## 2. Remuneration of Executive Members of the Board who are only part of the Sartorius Stedim Biotech Group (Oscar-Werner Reif | Volker Niebel)

### General and Fixed Remuneration

The total amount of the remuneration of an executive member reflects the role as a Director of the company and the scope of the responsibilities of the executive member concerned, the executive member's personal performance, the company's economic situation and sustainable progress. In addition, this amount is benchmarked with those at peer companies and with the vertical remuneration structure within the company as well as at peer companies. The remuneration is comprised of both fixed and variable components and is reviewed annually to ensure that it remains appropriate. In the case of 100% target achievement, the variable remuneration components represent approximately half of the total remuneration, excluding fringe benefits. A portion of the fixed component is allocated to the role as a Director of the company. This portion is

defined in the scheme for Director's meeting attendance fees, which is part of the bylaws of the company.

The variable portion of this remuneration contains components that are paid annually and a component determined by a multi-year assessment.

#### a) Annually paid variable remuneration

The portion of the variable remuneration that is to be paid annually depends on the degree to which the target is achieved. Thus, target achievement is subdivided into the previously mentioned three subordinate targets, which are each separately paid.

### Sales Revenue | Order Intake

If the degree of target achievement is below 90%, no remuneration is paid. If 90% is achieved, 50% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 104%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

### EBITDA

If the degree of target achievement is below 70%, no remuneration is paid. If 70% is achieved, 70% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 120%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

### Ratio of Net Debt to EBITDA

No remuneration is paid if the ratio of net debt to EBITDA achieved is below the lower limit defined. If this defined value is achieved, 50% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 120%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

#### b) Long-term incentive

For this subordinate target, the basis for assessment is the consolidated net profit after non-controlling interest excluding amortization (impairment of the value of intangible assets, such as customer databases or patents, which results from purchase price allocation within the scope of business combinations pursuant to

IFRS 3). Target achievement for assessing annual variable remuneration is based on the average taken over a period of three fiscal years, beginning with the present fiscal year. To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for a fiscal year will be effected. Any overpayments as a result of these partial payments will be offset in the following year against other remuneration components (fixed or variable). No partial payment will be made in the year prior to an Executive Board member's resignation. Full account is thus taken of any negative results, and the effects thereof continue to have an impact on the remuneration of the Executive Board member concerned even after he or she has left the company. If a defined minimum value is attained, payment of the awarded sum will increase linearly from 0% to a maximum of 120% of the subordinate target achievement value defined by the Supervisory Board. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

### Severance Cap

Oscar-Werner Reif's contract includes a severance pay cap of a maximum of two annual salaries. Potential amounts would be paid by Sartorius Stedim Biotech GmbH. Volker Niebel is employed by Sartorius Stedim Biotech GmbH according to a German labor contract. In case of termination, German labor laws would apply to a potential severance to be due, amounting to half of his monthly salary, based on the total package, per year of employment as a minimum.

### Non-competition Clause

All executive directors have a post-contractual non-competition obligation, which is in accordance with German law because Sartorius Stedim Biotech S.A. is controlled by a German company. This obligation will last for two years after a director has left the Group. During this time, if the non-competition clause is not waived or terminated, this director may claim half of his most recent annual remuneration received from the company.

### Fringe Benefits

The executive members are each entitled to use a company car, reclaim expenses incurred on business travel and to be covered by accident insurance and D&O insurance as fringe benefits in addition to receiving the remuneration components mentioned.

### Tables Summarizing the Remuneration and Options and Shares Granted to Each Executive Board Member

Joachim Kreuzburg  
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2016	Year 2015
Remuneration due	3,196	3,439
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	402
<b>Total</b>	<b>3,196</b>	<b>3,841</b>

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Joachim Kreuzburg is €1.404K, the amount charged to Sartorius Stedim Biotech S.A. is submitted to the vote of the Annual Shareholders' Meeting in accordance with the AFEP-MEDEF code and amounted to €702 K.

Volker Niebel  
(Executive Vice President of Operations and IT)

€ in K	Year 2016	Year 2015
Remuneration due	732	716
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	0
<b>Total</b>	<b>732</b>	<b>716</b>

### Pension Commitments:

in T€	Expected pension p. a.	Present value of obligation		Service cost (IFRS)	
		31.12.2016	31.12.2015	2016	2015
Dr. Joachim Kreuzburg	235	2,741	2,143	233	234
Reinhard Vogt	39	475	351	96	71
	<b>274</b>	<b>3,216</b>	<b>2,494</b>	<b>329</b>	<b>305</b>

Oscar-Werner Reif  
(Executive Vice President of Research and Development)

€ in K	Year 2016	Year 2015
Remuneration due	729	713
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	0
<b>Total</b>	<b>729</b>	<b>713</b>

Reinhard Vogt  
(Executive Vice President of Marketing, Sales and Services)

€ in K	Year 2016	Year 2015
Remuneration due	1,108	1,201
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	244
<b>Total</b>	<b>1,108</b>	<b>1,445</b>

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Reinhard Vogt is €1.060K, the amount charged to Sartorius Stedim Biotech S.A. is submitted to the vote of the Annual Shareholders' Meeting in accordance with the AFEP-MEDEF code and amounted to €530 K



## Summary of the Remuneration for Each Executive Board Member

Joachim Kreuzburg<sup>1)</sup>  
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2016		Year 2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	800	800	726	726
Variable remuneration				
Annually paid	418	436	436	373
Long-term incentive	1,963	574	2664	490
Exceptional remuneration				
Director's attendance fees				
Benefits in kind <sup>2)</sup>	15	15	15	15
<b>Total</b>	<b>3,196</b>	<b>1,825</b>	<b>3,841</b>	<b>1,604</b>

<sup>1)</sup> Joachim Kreuzburg receives his salary from Sartorius AG for his duties performed for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

<sup>2)</sup> Company car

Volker Niebel<sup>1)</sup>  
(Executive Vice President of Operations and IT)

€ in K	Year 2016		Year 2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	360	360	330	330
Variable remuneration				
Annually paid	290	297	297	256
Long-term incentive	71	71	78	54
Exceptional remuneration				
Director's attendance fees				
Benefits in kind <sup>2)</sup>	11	11	11	11
<b>Total</b>	<b>732</b>	<b>739</b>	<b>716</b>	<b>651</b>

<sup>1)</sup> Volker Niebel receives his salary from Sartorius Stedim Biotech GmbH for his duties performed for the Sartorius Stedim Biotech Group.

<sup>2)</sup> Company car

Oscar-Werner Reif<sup>1)</sup>  
(Executive Vice President of Research and Development)

€ in K	Year 2016		Year 2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	360	360	330	330
Variable remuneration				
Annually paid	290	297	297	256
Long-term incentive	71	71	78	54
Exceptional remuneration				
Director's attendance fees				
Benefits in kind <sup>2)</sup>	8	8	8	8
<b>Total</b>	<b>729</b>	<b>736</b>	<b>713</b>	<b>648</b>

<sup>1)</sup> Oscar-Werner Reif receives his salary from Sartorius Stedim Biotech GmbH for his duties performed for the Sartorius Stedim Biotech Group.

<sup>2)</sup> Company car

Reinhard Vogt<sup>1)</sup>  
(Executive Vice President of Marketing, Sales and Services)

€ in K	Year 2016		Year 2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	500	500	440	440
Variable remuneration				
Annually paid	262	264	264	226
Long-term incentive	326.7	349	722	300
Exceptional remuneration				
Director's attendance fees				
Benefits in kind <sup>2)</sup>	19	19	19	19
<b>Total</b>	<b>1,108</b>	<b>1,132</b>	<b>1,445</b>	<b>985</b>

<sup>1)</sup> Reinhard Vogt receives his salary from Sartorius AG for his duties performed for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

<sup>2)</sup> Company car

### Information about the Remuneration of the Non-executive Board Members

The remuneration for non-executive board members is defined in the Board of Directors internal rules of Sartorius Stedim Biotech S.A. and comprises fixed remuneration, meeting attendance fees and reimbursement of out-of-pocket expenses. Members also serving as a member of a committee of the Board receive higher fixed remuneration.

### Table on Directors' Meeting Attendance Fees and Other Remuneration Received by Non-executive Board Members

€ in K	Year 2016	Year 2015
<b>Liliane de Lassus</b>		
Director's attendance fees	49.8	51.0
Other remuneration		
<b>Bernard Lemaître</b>		
Director's attendance fees	49.8	49.8
Other remuneration		
<b>Arnold Picot</b>		
Director's attendance fees	53.8	55.0
Other remuneration		
<b>Henri Riey</b>		
Director's attendance fees	53.8	55.0
Other remuneration		
<b>Susan Dexter</b>		
Director's attendance fees	38.6	36.2
Other remuneration		
<b>Anne-Marie Graffin</b>		
Director's attendance fees	38.6	36.2
Other remuneration		
<b>Total</b>	<b>284.4</b>	<b>283.2</b>

### Performance Shares Available for Each Board Member

#### Performance shares available for each corporate officer

Performance shares available for each corporate officer <sup>1)</sup>	Date of the plan	Number of shares available during the reporting period	Acquisition conditions
Joachim Kreuzburg		Not applicable	
Volker Niebel		Not applicable	
Oscar-Werner Reif		Not applicable	
Reinhard Vogt		Not applicable	
Liliane de Lassus		Not applicable	
Bernard Lemaître		Not applicable	
Arnold Picot		Not applicable	
Henri Riey		Not applicable	
<b>Total</b>			

1) The performance shares are bonus shares allocated to the Board members within the framework of the L225-197-1 articles and following of the commercial law, and which are subjected to additional requirements laid down by the recommendations AFEP/MEDEF of October 2008.

### Performance Shares Granted to Board Members

There is no performance share program in place for the board members of Sartorius Stedim Biotech S.A.

The information provided in the table below refers to the phantom stock plan of Sartorius AG. This plan only relates to Joachim Kreuzburg and Reinhard Vogt who are Executive Board members of Sartorius AG.

Performance shares granted by the AGM during the reporting period to any corporate officer by the issuer or any other company of the Group	Date of the plan	Number of shares granted during the year	Valuation of the shares according to the consolidated accounts methodology	Date of acquisition	Date of availability	Performance conditions <sup>1)</sup>
Joachim Kreuzburg		3,484	192	Jan. 1, 2016	Jan. 1, 2020	
Volker Niebel						
Oscar-Werner Reif						
Reinhard Vogt		2,176	120	Jan. 1, 2016	Jan. 1, 2020	
Liliane de Lassus						
Bernard Lemaître						
Arnold Picot						
Henri Riey						
<b>Total</b>		<b>5,660</b>	<b>312</b>			

	2016 € in K	2015 € in K
<b>Total</b>	<b>1,668</b>	<b>2,731</b>
Phantom Stocks	312	1,375
Sartorius AG shares granted	1,356	1,356
<b>Dr. Joachim Kreuzburg</b>	<b>1,548</b>	<b>2,212</b>
Phantom Stocks	192	856
Sartorius AG shares granted	1,356	1,356
<b>Reinhard Vogt</b>	<b>120</b>	<b>519</b>
Phantom Stocks	120	519
Sartorius AG shares granted	0	0

	Number of phantom stock units	Subscription price in €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2015 € in K	Fair value at year-end on Dec. 31, 2016 € in K	Paid out € in K	Change in fair value in 2016	Exercisable
<b>Dr. Joachim Kreuzburg</b>								
Tranche of phantom stock units for 2012	17,664	8.28	146	365	0	365	0	paid out in 2016
Tranche of phantom stock units for 2013	9,156	17.34	159	397	397	0	0	no
Tranche of phantom stock units for 2014	8,032	21.01	169	422	422	0	0	no
Tranche of phantom stock units for 2015	7,360	24.70	182	454	454	0	0	no
<b>Total tranches previous years</b>	<b>42,212</b>		<b>656</b>	<b>1,638</b>	<b>1,273</b>	<b>365</b>	<b>0</b>	
Tranche of phantom stock units for 2016	3,484	57.41	200	0	192	0	-8	no
<b>Total</b>	<b>45,696</b>		<b>856</b>	<b>1,638</b>	<b>1,465</b>	<b>365</b>	<b>-8</b>	
<b>Reinhard Vogt</b>								
Tranche of phantom stock units for 2012	10,796	8.28	89	223	0	223	0	paid out in 2016
Tranche of phantom stock units for 2013	5,588	17.34	97	242	242	0	0	no
Tranche of phantom stock units for 2014	4,880	21.01	103	256	256	0	0	no
Tranche of phantom stock units for 2015	4,456	24.70	110	275	275	0	0	no
<b>Total tranches previous years</b>	<b>25,720</b>		<b>399</b>	<b>996</b>	<b>773</b>	<b>223</b>	<b>0</b>	
Tranche of phantom stock units for 2016	2,176	57.41	125	0	120	0	-5	no
<b>Total</b>	<b>27,896</b>		<b>524</b>	<b>996</b>	<b>893</b>	<b>223</b>	<b>-5</b>	

**Stock Options Granted During the Reporting Period to the Board Members by the Issuer or Any Other Company of the Group**

Not applicable

**Stock Options Granted | Historical Information**

Not applicable

**Stock Options Exercised During the Reporting Period by Each Board Member**

Not applicable

**Stock Options Granted to the Top Ten Non-corporate Officers and Exercised by Them**

Not applicable

Corporate officer	Employment contract		Additional pension plan		Indemnities or compensation due with regard to termination of contracts or positions		Non-competition clause indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
Joachim Kreuzburg CEO and Chairman	[1]		[3]		2,700		675	
Volker Niebel	[2]			None	350		300	
Oscar-Werner Reif	[2]			None	800		300	
Reinhard Vogt	[1]		[3]		1,640		410	

**Additional Information about the Executive Board Members**

Joachim Kreuzburg and Reinhard Vogt have a service contract (without social security components) with Sartorius AG for their duties performed as members of the Executive Board of the major shareholder Sartorius AG. This is standard practice in Germany. The contracts include a cap regarding potential severance payments at the maximum of a two years annual remuneration. Furthermore there is a post-contractual non-competition clause obligation, that will last for two years after an Executive Board member has left the Group. During this time, if the non-competition clause is not waived or terminated, this Executive Board member may claim half of his most recent annual remuneration received from the company.

Additionally there is a general pension plan in place at the Sartorius AG level for Joachim Kreuzburg and Reinhard Vogt. The level of their entitlement to benefits paid under a company pension plan depends on their respective tenure.

Oscar-Werner Reif and Volker Niebel have an employment contract with Sartorius Stedim Biotech GmbH. These contracts include a post-contractual non-competition obligation that will last for two years after the have left the Group. During this time, if the non-competition clause is not waived or terminated, they may claim half of his most recent annual remuneration received from the company.

Furthermore Oscar-Werner Reif's contract includes a severance pay cap of a maximum of two annual salaries. Volker Niebel's contract does not include any regulations regarding potential severance payments.

# Statutory Auditors' Report Prepared in Accordance with Article L. 225 - 235

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2016

To the shareholders,

In our capacity as Statutory Auditors of Sartorius Stedim Biotech S.A., and in accordance with Article L.225-235 of the French Commercial Code ("Code de commerce"), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors 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.225-37 particularly in terms of the corporate governance measures.

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.225-37 of the French Commercial Code ("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 on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These 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 existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and 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 Board in accordance with Article L.225-37 of the French Commercial Code ("Code de Commerce").

## Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code ("Code de commerce").

Marseille, February 17, 2017

The Statutory Auditors  
French original signed

KPMG Audit  
A division of KPMG S.A.

John Evans  
Partner

Deloitte & Associés

Christophe Perrau  
Partner

# Independent Auditors' Fees

## Principal Independent Auditors

### KPMG S.A.

480, avenue du Prado – CS 90021 – 13272 Marseille  
Cedex 08 – France

Represented by John Evans.

First commissioned by the Combined General Shareholders' Meeting on 7 April 2015.

Date commission expires: 2021 Annual General Shareholders' Meeting to approve the 2020 financial statements.

Member of the Compagnie régionale de Versailles.

### Deloitte et Associés

10, Place de la Joliette – Les Docks – Atrium 10.4 –  
BP 64529 - 13567 Marseille Cedex 02 – France

Represented by Christophe Perrau.

First commissioned by the Annual General Shareholders' Meeting on 19 May 2006.

Date commission expires: 2018 Annual General Shareholders' Meeting to approve the 2017 financial statements.

Member of the Compagnie régionale de Versailles.

## Independent Auditors' Fees

€ in K	KPMG				Deloitte			
	2016		2015		2016		2015	
<b>Audit</b>								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	83	11.6%	56	7.8%	73	30.9%	75	27.0%
Subsidiaries	627	87.3%	510.8	71.1%	137	57.8%	161.4	58.1%
Services directly related to audit services								
Parent company								
Subsidiaries								
<b>Subtotal</b>	<b>710</b>	<b>98.9%</b>	<b>566.8</b>	<b>78.9%</b>	<b>210</b>	<b>88.8%</b>	<b>236.4</b>	<b>85.0%</b>
<b>Other services</b>								
Legal, tax, corporate	0	0.0%	1.8	0.3%	2	0.6%	10.5	3.8%
Information technology, other	8	1.1%	0	0.0%	25	10.6%	31.1	11.2%
<b>Subtotal</b>	<b>8</b>	<b>1.1%</b>	<b>1.8</b>	<b>0.3%</b>	<b>27</b>	<b>11.2%</b>	<b>41.6</b>	<b>15.0%</b>
<b>Total</b>	<b>718</b>	<b>100.0%</b>	<b>568.6</b>	<b>79%</b>	<b>236</b>	<b>100.0%</b>	<b>278</b>	<b>100%</b>

## Substitute Independent Auditors

### SALUSTRO REYDEL

3, cours du Triangle – Immeuble Le Palatin -92939  
Paris-La Défense Cedex – France

Represented by Jean-Claude Reydel.

First commissioned by the Annual General Shareholders' Meeting on 7 April 2015.

Date commission expires: 2021 Annual General Shareholders' Meeting to approve the 2020 financial statements.

Member of the Compagnie régionale de Versailles.

### BEAS

7/9, Villa Houssay – 92200 Neuilly sur Seine – France

Represented by Alain Pons.

Commissioned by the Annual General Shareholders' Meeting on 19 May 2006.

Date commission expires: 2018 Annual General Shareholders' Meeting to approve the 2017 financial statements.

Member of the Compagnie régionale de Versailles.

		Ernst & Young		Other				Total			
		2016	2015	2016		2015		2016		2015	
		13	52.0%					156	14.1%	144	13.7%
		12	48.0%	118	76.3%	131.8	74.9%	881	79.5%	816	77.9%
		<b>25</b>	<b>100.0%</b>	<b>118</b>	<b>76.3%</b>	<b>131.8</b>	<b>74.9%</b>	<b>1,037</b>	<b>93.6%</b>	<b>960</b>	<b>91.6%</b>
		0		18	11.4%	17.7	10.1%	19	1.7%	30	2.9%
		0	0.0%	19	12.2%	26.5	15.1%	52	4.7%	57.6	5.5%
		<b>0</b>	<b>0.0%</b>	<b>37</b>	<b>23.7%</b>	<b>44.2</b>	<b>25.1%</b>	<b>71</b>	<b>6.4%</b>	<b>87.6</b>	<b>8.4%</b>
		<b>25</b>	<b>100%</b>	<b>155</b>	<b>100.0%</b>	<b>176</b>	<b>100%</b>	<b>1,109</b>	<b>100.0%</b>	<b>1,048</b>	<b>100%</b>