








The Board of Directors and its Committees

The Board of Directors

	Name	Mandate	Age	Independent ¹⁾	First appointment	Expiration of current mandate ²⁾	Audit Committee member	Remunerations & Nominations Committee member
	Joachim KREUZBURG	Chairman and Chief Executive Officer	53		2007	2019		
	Susan DEXTER	Director	63	•	2015	2021		
	Anne-Marie GRAFFIN	Director	57	•	2015	2021		
	Lothar KAPPICH	Director	61		2017	2019	•	•
	Liliane de LASSUS	Director	75	*)	2006	2019	•	•
	Bernard LEMAITRE	Director	80		1978	2019	•	•
	Henri RIEY	Director	57	•	2007	2019	•	•

¹⁾ In accordance with the recommendation N° 8 of the AFEP-MEDEF code

²⁾ Directors are appointed until the date of the Annual General Shareholders' Meeting called to approve the financial statement of the previous fiscal year ending.

^{*)} In accordance with the criteria exposed within the recommendation N°8.5.6 of the AFEP-MEDEF code, Ms. Liliane de Lassus lost her independency qualification on May 19th, 2018, date of the twelfth anniversary of her first appointment as director of the company.

The company is administered by a Board of Directors composed of seven members, three 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 2018:

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;

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 Sartorius Weighing Technology GmbH;

Managing Director of SWT Treuhand GmbH;

Managing Director of SI Weende-Verwaltungs-GmbH;

Managing Director of SI Grone 1-Verwaltungs-GmbH;

Managing Director of SIV Grone 2 GmbH;

Managing Director of Sartorius Ventures GmbH;

Chairman 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

Essen Instruments, Inc.;

Chairman 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.;

Chairman of the Board of Directors of

Sartorius North America Inc.;

President and Chairman 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 Stedim Biotech GmbH;
 President of VL Finance 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 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;
 Vice Chairman of the Supervisory Board (Aufsichtsrat) of Ottobock SE & Co. KGaA, Germany;
 Member of the Administrative Board (Verwaltungsrat) of Ottobock Management SE, Germany;
 Member of the regional 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;
 Chairman of the Advisory Board (Beirat) of Otto Bock Holding GmbH & Co. KG, 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 Member of the Executive Board of 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, Human Resources, Legal Affairs & Compliance, Corporate Communications

Liliane de Lassus

Non-executive member

Date of birth: 29 December 1943

Nationality: French

First appointment: 19 May 2006 ¹⁾

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:

None

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
2008–2018	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 ²⁾

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 27 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.
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Lothar Kappich

Non-executive member
Date of birth: 15 February 1957
Nationality: German

First appointment: 14 September 2017
Appointed until: the 2019 Annual General Shareholders' Meeting approving the financial statements for the fiscal year ending 31 December 2018

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

Chairman of the Supervisory Board of Sartorius AG.

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

Member of the Supervisory Board of Sartorius AG.

Other current directorships and positions outside the Group:

None

Past directorships outside the Group:
Managing Director of ECE Projektmanagement GmbH & Co. KG, Germany.

Educational and professional background:

Doctorate (Dr. rer. pol.) in economics (subject of the doctoral dissertation: Theory of International Business Activity)

1988 - 1990 Controller in the Central Controlling Department from Schering AG in Berlin

1990 - 2017 ECE Projektmanagement G.m.b.H. & Co. KG in Hamburg, latest position: Managing Director of ECE's HR & Corporate Services as well as Managing Director of numerous subsidiaries at the ECE group

2007 - 2017 Member of the Supervisory Board of Sartorius AG, Goettingen

Since 2017 Chairman of the Supervisory Board of Sartorius AG, Goettingen

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: 31

Other current directorships and positions outside the Group:

President of Aidea;
President of Groupe HR S.A.S.;
Director and secretary-treasurer 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 Hendyplan S.A.

Anne-Marie Graffin

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

First appointment: 7 April 2015
Mandate renewed: 03 April 2018
Appointed until: date of the Annual General Shareholders' Meeting in 2021 to approve the financial statements for the fiscal year ending 31 December 2020

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.

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 Director
2006 - 2008	Sanofi Pasteur MSD - Executive Director Business Management
2009 - 2010	Sanofi Pasteur MSD - Vice President Business Management
Since 2011	Managing Director SMAG Consulting SARL - Advice Biotech and Medtech Strategy Management

Susan Dexter

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

First appointment: 7 April 2015
Mandate renewed: 03 April 2018
Appointed until: date of the Annual General Shareholders' Meeting in 2021 to approve the financial statements for the fiscal year ending 31 December 2020

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group:
None

Past directorships (held during the past five years) outside the Group:
Kalon Biotherapeutics, College Station, Texas, USA - CMO;
BioSense Technologies, Woburn, Massachusetts, USA - Clinical diagnostic technology based on cellular impedance.

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 University through Dow Chemical Company internal training program

1975 - 1980	University of Massachusetts Medical School, Research, mammalian cell culture, animal toxicology studies, basic research
1980 - 1986	Collaborative Research, Biotechnology Sales in emerging markets for bioprocessing 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 fermentation services, technologies

	and implementation of single use bioprocessing technologies
2004 – 2008	Xcellerex, Inc. (now GE Healthcare), Chief Business Officer; CMO services using fully integrated single-use bioprocessing technology, sales of single use bioprocessing technologies
Since 2008	Latham Biopharm Group, Managing Director; Due Diligence, Acting VP Business Development for multiple CMO's offering contract manufacturing services to the biotechnology life sciences industry, strategic consulting, single-use disposable technology implementation, project management and high-level business development and marketing, Advisor and speak for BioProcess International, Outsourced Pharma

Registered Addresses

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

Independent Directors

The Company being controlled by a majority shareholder, the portion of independent administrator board members should be at least a third of the Board. As of 31 December 2018, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 43% 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 a statutory 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 the ability to understand the issues and risks, prior to making a decision on whether a director qualifies as independent.

– 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 three independent directors: Mr. Susan Dexter, Mrs Anne-Marie Graffin, and Mr Henri Riey.

	Not an employee or executive officer	No cross-directorships	No significant business relationships	No family links	Not a statutory auditor	First appointment	Not a director for over 12 years	Classification adopted
Joachim Kreuzburg	No	No	Yes	Yes	Yes	2007	Yes	Not independent
Liliane de Lassus	Yes	Yes	Yes	Yes	Yes	2006	No ²⁾	Independent
Bernard Lemaître	Yes	Yes	Yes	Yes	Yes	1978	No	Not independent
Henri Riey	Yes	Yes	Yes	Yes	Yes	2007	Yes	Independent
Susan Dexter	Yes	Yes	Yes ¹⁾	Yes	Yes	2015	Yes	Independent
Anne-Marie Graffin	Yes	Yes	Yes	Yes	Yes	2015	Yes	Independent
Lothar Kappich	Yes	No	Yes	Yes	Yes	2017	Yes	Not independent

¹⁾ Particular attention was paid to the situation of Mrs. Susan Dexter, who holds a position at Latham Biopharm Group Inc., a company with whom Sartorius Stedim Biotech GmbH signed a consultancy agreement, which expired on December 31, 2017 and has not been renewed. The Board noted that the relation between these two companies were not significant in terms of their volume. In addition, the possibility for Sartorius to use a panel of providers having similar expertise than Latham Biopharm Group, in a competitive context, rules, out all relationship of dependence.

²⁾ Mrs. Liliane de Lassus first mandate as director of the company occurred on May 19, 2006. As a consequence, the criteria N°6 of the recommendation N°8 of the AFEP MEDEF code (not being a director of the company for more than twelve years) is not fulfilled anymore since May 19, 2018. Therefore, Mrs. Liliane de Lassus correlatively lost her quality of independent director as of that date.

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 threshold 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. As of 31 December 2018, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 43% of women.

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 December 2018, 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.

Consistent with last year's efficiency review, the results are satisfactory in terms of flow of information, active participation of each Board members, quality of the Committee's work. Those answers are reflecting the high quality teamwork of Board members and their 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 of mandates and to promote harmonious renewing of the directors' mandates. The afferent rule relating to staggering terms is respected, as such, on December 31, 2018 two memberships have been renewed. Five membership renewals will be submitted to the Annual Combined Shareholders' Meeting on March 26, 2019, 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.

Procedures established and followed by the Committees are set up within their respective internal regulations.

Committees' members are appointed by the Board of Directors. A special attention is paid by the Board of Directors to the nomination of renewal of the mandate of the Chairman of the Audit Committee, upon recommendation of the Remunerations and Nominations Committee.

Other Information

The Board of Directors met six times during fiscal 2018.

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:

- Three members of the Board of Directors out of seven are Independent Directors.
- One independent member of the Board out of three is a member and Chairman of the Audit Committee.
- One independent member of the Board out of three is a member of the Remunerations and Nominations Committee.

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 Rules and Regulations currently applicable has been adopted on 5 April 2016 and will be updated by the Board of Directors in 2019 in order to bring it into line with the new provisions of the AFEP 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 2018

The Board of Directors met six times during the fiscal year. The average attendance was 97.62%.

The Board reviewed and approved the corporate and consolidated accounts for 2017.

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

- Strategic direction and major Group projects.
- The annual, half-year and quarterly financial statements.
- Budgets presented by executive management.
- Information on the financial structure and cash flow items.
- Significant off-balance sheet commitments.
- Risk indicators for the Group.
- New internal organization.
- Stock market performance.
- Self-assessment of the Board members.
- Elements of remuneration due or attributed.
- Renewal of the mandates of members of the Board of Directors
- Follow up on recent acquisitions.

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.

The Audit Committee and the Remuneration and Nominations 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 Committees 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 the event the Committees solicit the services of external counsels (e.g. the Remuneration Committee for the purpose of gathering information related to systems and levels of remunerations applicable within the main markets), the Committees shall ensure the objectiveness of the sought advice.

Each Board of Directors meeting is preceded with at least one meeting of one of the two committees, depending on the addressed topics. The Committees remain accountable to the Board of Directors and address to them their position, advice and recommendations.

Procedures established and followed by the Committees are set up within their respective internal regulations.

Committees' members are appointed by the Board of Directors. A special attention is paid by the Board of Directors to the nomination or renewal of the mandate of the Chairman of the Audit Committee, upon recommendation of the Remunerations and Nominations 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 2018, the Audit Committee has four members:

- Mr. Henri Riey, Chairman of the Committee since December 5, 2007
- Mr. Lothar Kappich
- Mrs. Liliane de Lassus
- Mr. Bernard Lemaître

The Chairman of the Audit Committee is independent. The Board of Directors will meet after the Annual Shareholders Meeting called to approve the financial statement of fiscal year ending on December 31, 2018 in order to modify the membership of the Audit Committee and ensure that the composition of the Committee complies with the recommendation N°15.1 of the AFEP MEDEF code for the fiscal year 2019.

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 2018.

Remunerations and Nominations Committee

Remunerations and Nominations Committee duties

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

Composition of the Remunerations and Nominations Committee and functioning

As of 31 December 2018, the Remunerations and Nominations Committee has four members:

Mr. Lothar Kappich, appointed member of the Remunerations of Nominations Committee during the Board of Directors meeting that took place on October 10, 2017, was appointed Chairman of the Committee by its members during the meeting held on 15 February 2018.

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

One of the four members of the Remunerations and Nominations Committee is independent. The Board of Directors will meet after the Annual Shareholders Meeting called to approve the financial statement of fiscal year ending on December 31, 2018 in order to modify the membership of the Remunerations and Nominations Committee and ensure that the composition of the Committee complies with the recommendations N°16.1 and N°17.1 of the AFEP MEDEF code for the fiscal year 2019.

The Remunerations and Nominations Committee met once in fiscal 2018.