
GROUPE BENETEAU
Meetings
FINANCIAL REPORT 2018-19

GROUPE BENETEAU

Annual Financial Report

2018-19

Combined General Meeting
February 7, 2020

BENETEAU S.A. - French limited company - Share capital: €8,278,984
Registered office: 16 boulevard de la Mer - 85803 Saint-Gilles-Croix-de-Vie - France
Trade & company register: La Roche-Sur-Yon B 487 080 194 - APE 6420Z
Financial year: September 1 to August 31

Contents

Management & supervisory bodies

BOARD OF DIRECTORS

CHAIRMAN
Jérôme de Metz

VICE-CHAIRMAN
Louis-Claude Roux

Annette Roux
Anne Leitzgen
Yves Lyon-Caen
Sébastien Moynot (Bpifrance)
Catherine Pourre
Claude Brignon*
Luc Dupé*
Christian de Labriffe*

* Observer

MANAGEMENT BOARD

CHIEF EXECUTIVE OFFICER
Jérôme de Metz

DEPUTY CEO
Christophe Caudrelier

Jean-Paul Chapeleau (appointed on Dec. 18, 2019)

Gianguido Girotti

STATUTORY AUDITORS

Atlantique Révision Conseil

KPMG Audit
Département de KPMG S.A.

PriceWaterhouseCoopers Audit

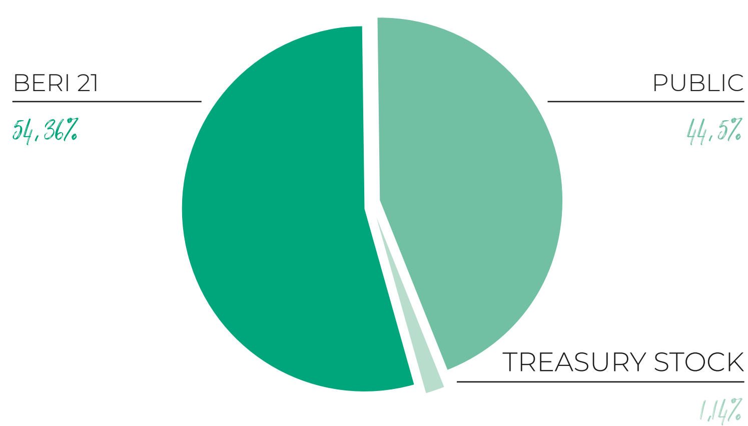
Share capital & shareholders

SHARE CAPITAL

82,789,840 shares
with a par value of **€0,10**
Share capital: **€8,278,984**

At August 31, 2019, BERI 21, a limited company owned by the family group, held 54.36% of BENETEAU S.A.'s capital.

To the best of our knowledge, no other shareholder holds more than 5% of BENETEAU S.A.'s capital.



STOCK MARKET PROFILE

Company name: BENETEAU
Listed on: Euronext Paris
Compartment: Eurolist Compartment A
Date listed: March 1984
Stock name: BENETEAU
ISIN code: FR0000035164
Listed share par value: €0,10
Number of shares: 82 789 840
Voting rights: Yes
Entitlement to ordinary dividend: Yes

CONTACTS:

Investor & Shareholder Relations

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Board of Directors' management report

Groupe Beneteau's full-year revenues at the end of 2018-19 are in line with its forecasts, while EBITDA is up +3.3% and remains at a high level (11.8% of revenues).

- Boats: business is up +3.2% at constant exchange rates, the fifth consecutive year of growth. This performance is driven by the dynamic segments for multihull sailing yachts, on which the Group is the world no.1, and outboard motorboats (European no.1), as well as the good results achieved for monohull sailing (world no.1);
- Housing: the Leisure Homes business is virtually stable at -0.4%, with strong export sales growth of +22.5%;

Income from ordinary operations is down linked to the increase in depreciation and provisions;

The level of net cash is still high, with €97 million, despite the acquisition of SJ Delphia and an increase in working capital requirements.

1. Division business and operating income

KEY INDICATORS FOR EACH BUSINESS

€m	2018-19	2017-18	Year-on-year change (reported data)	Year-on-year change (constant exchange rates)
Revenues	**1,336.2**	**1,287.2**	**+3.8%**	**+2.6%**
· Boats	1,143.7	1,093.7	+4.6%	+3.2%
· Housing	192.5	193.4	(0.4%)	(0.4%)
EBITDA*	**157.8**	**152.8**	**+3.3%**	(2.1%)
Income from ordinary operations	**82.0**	**87.6**	**(6.4%)**	(15.5%)
· Boats	68.9	73.1	(5.8%)	(16.7%)
· Housing	13.1	14.5	(9.4%)	(9.5%)
Net income (Group share)	**49.5**	**61.3**	**(19.3%)**	-

* EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS restatements (bonus share plans, retirement benefits)
- See details in point 3 – Financial structure
In connection with the adoption of IFRS 16 Leases at September 1, 2019, the impact of this first application on consolidated EBITDA on this same date would represent around +€2.5 million (corresponding to the estimated depreciation charge for rights-of-use).

1. BOAT BUSINESS

The Boat Division is reporting good performances thanks to the robust development of sales on the monohull and multihull sailing segments, as well as outboard motor-boats, making it possible to offset the drop in sales for the large motor yacht segment (over 60 feet) and the contraction for the American brands, penalized by the trade tariffs introduced in Canada and the European Union for boats produced in the United States. The lifting of these tariffs for Canada, in May 2019, did not have a significant impact on the end of the financial year.

€m	2018-19	2017-18	Variation vs. N-1 (reported data)	Variation vs. N-1 (constant exchange rates)
Revenues	1,143.7	1,093.7	+4.6%	+3.2%
Income from ordinary operations	**68.9**	**73.1**	(5.8%)	(16.7%)
EBITDA *	**139.8**	**135.1**	+3.5%	(2.6%)

* EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS restatements (bonus share plans, retirement benefits)
- See details in point III – Financial structure

Full-year **revenues** for the Boat business are up 4.6% year-on-year based on reported data (+3.2% at constant exchange rates). The Group is consolidating its global leadership on the monohull and multihull sailing segments. Its performances with charter professionals are excellent (+29.7% at constant exchange rates). Sales are continuing to progress on the two main boat markets, Europe (+5% at constant exchange rates) and North America (+4.8% at constant exchange rates), where the Group is further strengthening its positions on the segments for 30 to 60-foot outboard and inboard motorboats. Affected primarily by the contraction in sales for motor yachts over 60 feet, sales are down for the Rest of the World region.

The **acquisition and integration of Seascape and Delphia Yachts** generated combined revenues of €27.6 million for the year. In terms of services, the financial year was marked by the acquisition and successful integration of Digital Nautic, within the company Band of Boats, which offers services management tools for professionals.

Income from ordinary operations came to €68.9 million, down 5.8% on a reported basis (-16.7% at constant exchange rates), impacted by the increase in depreciation and the change in provisions for liabilities and charges.

The key figures for the Boat business entities are presented based on the parent company financial statements.

SPBI: (Chantiers Beneteau Chantiers Jeanneau BJ Technologie)	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (€m)	819.4	772.5	679.2	630.5	576.2
Operating income (€m)	61.6	66.6	44.7	31.2	8.2
Net income (€m)	36.6	40.6	36.0	22.8	14.9
Average headcount	4,423	4,175	4,019	3,934	3,426

Beneteau Inc*	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (USD m)	334.1	338.4	324.6	300.3	295.6
Operating income (USD m)	2.4	8.1	3.5	(5.9)	(0.5)
Net income (USD m)	(0.9)	4.0	0.9	(4.9)	(1.2)
Average headcount	821	816	697	685	597

* Including Rec Boat Holdings LLC, acquired in June 2014 by Beneteau Inc - Exchange rate at August 31, 2019: €1 = USD 1.1036 - Average exchange rate over the year: €1 = USD 1.1335

Ostroda Yachts	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (PLN m)	517.4	393.7	322.1	287.6	233.3
Operating income (PLN m)	33.6	34.9	25.3	23.9	7.0
Net income (PLN m)	29.2	31.1	23.1	16.8	10.1
Average headcount	1,007	857	742	677	617

SJ Delphia	2018-19*
Revenues (PLN m)	96.5
Operating income (PLN m)	(15.3)
Net income (PLN m)	(16.0)
Average headcount	707

* Nine months of business – acquired on November 30, 2018
Exchange rate at August 31, 2019: €1 = PLN 4.3812. Average exchange rate over the year: €1 = PLN 4.2962

CNB	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (€m)	305.4	271.4	236.4	187.3	156.6
Operating income (€m)	19.8	28.1	30.8	21.5	14.3
Net income (€m)	12.9	16.6	17.4	12.2	8.5
Average headcount	1,109	1,039	854	745	457

Monte Carlo Yachts	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (€m)	29.5	47.4	69.1	70.6	58.1
Operating income (€m)	(10.4)	-7.9	4.3	4.6	2.1
Net income (€m)	(11.4)	-8.1	3.1	3.6	4.1
Average headcount	263	295	344	261	220

Seascape	2018-19	2017-18
Revenues (€m)	5.1	0.4
Operating income (€m)	(0.2)	(0.1)
Net income (€m)	(0.3)	(0.1)
Average headcount	32.8	25

Seascape, a Slovenian company specialized in designing, building and marketing performance sailing yachts, was acquired by Groupe Beneteau in July 2018. It is further strengthening the range on the segment for mini-performance cruisers.

GBI Holding

The individual financial data for GBI Holding are not significant for the past five financial years, with less than €1 million on an absolute basis.

After year-end August 31, 2016, the Group decided to mothball its production operations in **Brazil**.

At August 31, 2019, all the assets and liabilities likely to be used in the Group's other companies were transferred to them In addition, as a probable sale is not being considered within the next 12 months, the remaining assets are not covered by IFRS 5 and are no longer presented on a separate line.

Beneteau Brasil: Construçao de Embarcaçoes sa	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (BRL m)	0.1	2.5	16.4	9.8	13.9
Operating income (BRL m)	(1.7)	(3.1)	(5.0)	(5.6)	(3.5)
Net income (BRL m)	2.3	(18.6)	(8.3)	(2.1)	(15.5)
Average headcount	0	0	5	30	31

Exchange rate at August 31, 2019: €1 = BRL 4.5879. Average exchange rate over the year: €1 = BRL 4.3829

The **activities of the sales and marketing subsidiaries** involve coordinating the local network of dealers. As such, changes in and the levels of their revenues are not representative of actual sales made in their region, since all boat sales are invoiced from France.

Jeanneau Italia srl	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (€m)	0.8	0.7	0.7	0.6	0.6
Net income (€m)	0.2	0.1	0.1	0.0	0
Average headcount	0	1	0	1	1

Beneteau Group Asia	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (HKD m)	-	-	-	-	-
Net income (HKD m)	0.2	0.1	0.1	0.1	-
Average headcount	11	9	11	4	3

Exchange rate at August 31, 2019: €1 = HKD 8.6549. Average exchange rate over the year: €1 = HKD 8.8829

The company **Band Of Boats**, created in December 2017, manages a digital platform for boat services.

It has been further strengthened by acquiring and integrating the Digital Nautic brand in 2018-19.

Beneteau Boat Club, the company created in August 2017 and integrated into Groupe Beneteau in FY 2017-18, is developing a network of Clubs managed under brand licensing by Beneteau dealers. These Clubs coordinate and manage their member communities and provide them with access to a fleet of boats that they can use very easily on demand.

2. HOUSING BUSINESS

€m	2018-19	2017-18	Variation vs. N-1
Revenues	**192.5**	**193.4**	**(0.4%)**
· Leisure homes	192.5	192.8	(0.2%)
· Residential housing	0.0	0.6	(99.7%)
EBITDA*	**18.0**	**17.7**	**+1.5%**
Income from ordinary operations	**13.1**	**14.5**	**(9.4%)**
· Leisure homes	12.8	14.5	(11.7%)
· Residential housing	0.3	0.0	(na)

* EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS restatements (bonus share plans, retirement benefits)
- See details in point 3 – Financial structure

The Housing Division, whose business is now focused exclusively on Leisure Homes, achieved good performances on export markets, with sales up +22.5%, driven by the Benelux region (+61.3%) in particular. Sales are down on the French market, which contracted slightly. Overall, full-year **revenues** for the Housing Division are virtually stable (-0.4%).

EBITDA is up slightly (+1.5%) thanks in particular to the implementation of the new industrial roadmap in Vendée during the fourth quarter. **Income from ordinary operations** totaled €13.1 million (-9.4%).

The key figures for the Housing business entities are presented based on the parent company financial statements.

BIO Habitat	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (€m)	190.0	193.9	175.9	165.5	137.7
Operating income (€m)	15.5	18.2	13.1	2.2	4.1
Net income (€m)	9.6	10.2	7.0	1.4	3.8
Average headcount	1,089.8	1,048	938	979	745

BIO Habitat Italia	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues (€m)	17.6	13.5	11.2	11.5	11.3
Operating income (€m)	0.7	0.5	(0.2)	(0.9)	(0.6)
Net income (€m)	0.4	0.2	(0.5)	(1.0)	(0.7)
Average headcount	64.4	61	65	44	36

All the assets and liabilities of the company **BH Services** were transferred to Bio Habitat in December 2018.

SGB Finance

SGB Finance, a financing company, is consolidated on an equity basis, with €4,832,000 in net income (Group share), versus €4,180,000 the previous year.

2. Transition from income from ordinary operations to net income

1. RECONCILIATION OF INCOME FROM ORDINARY OPERATIONS AND OPERATING INCOME

Operating income came to €77.9 million. It includes a €4.2 million non-current net expense corresponding primarily to the recognition of expenses incurred for the development of the Group ERP, which will not be continued, as losses for €1.8 million and the costs involved with an executive's departure for €1.4 million.

2. FINANCIAL INCOME / EXPENSE

€m	2018-19	2017-18
Financial income (expense)	(6.9)	1.0
Of which		
· Exchange rate gains (losses)	(3.9)	3.1
· Interest expense net of investment income	(3.0)	(2.1)

The €3.9 million net foreign exchange loss primarily reflects the difference between our forward purchase and sales positions and the accounting exchange rate for recording transactions in dollars.

Since 2016, the Group has hedged its commercial currency risk based exclusively on currency futures.

At August 31, 2019, the foreign exchange hedging positions were as follows:

- USD 125,000,000 of forward sales at the following average rate: €1 for USD 1.1190
- PLN 219,060,000 of forward purchases at the following average rate: €1 for PLN 4.3838

3. NET INCOME

Net income (Group share) came to €49.5 million, compared with €61.3 million the previous year.

Pre-tax income is down 19.9% to €71 million, with a nominal tax rate of 38.8%, compared with 36.6%, due to the end of the competitiveness and employment tax credit (CICE) during the year (negative impact of €2.7 million on tax) and the non-capitalization of losses for certain subsidiaries for €13.7 million in the tax base.

3. Financial structure

€m	2018-19	2017-18	Year-on-year change (reported data)
Income from ordinary operations	**82.0**	**87.6**	**(6.3%)**
Non-current operating income	(4.2)	0.0	+0.0%
Depreciation	74.4	65.7	+13.2%
Provisions *	5.8	(0.3)	(2,195.2%)
Other	(0.3)	(0.2)	+15.0%
EBITDA	**157.8**	**152.8**	+3.3%

(*) Including €1.6 million of expenses linked to the bonus share plan at August 31, 2019, compared with €2 million at August 31, 2018

€m	2018-19	2017-18	Year-on-year change (reported data)
Income from ordinary operations	82.0	87.6	(6.3%)
Non-current operating income	(4.2)	0.0	-
Depreciation	74.4	65.7	+13.2%
Provisions	5.8	(0.3)	-
Financial income (expense)	(6.9)	1.0	-
Tax	(26.4)	(35.8)	(26.1%)
Dividends from associates	3.9	1.5	+166.7%
Net value of assets sold	4.4	1.4	+206.7%
Operating cash flow	**133.1**	**121.2**	**+9.8%**
Net cash flow from investments	(81.8)	(81.3)	+0.7%
Change in working capital	(49.8)	33.6	(248.3%)
Other	0.0	0.0	+0.0%
Exchange gains or losses	(8.0)	(0.9)	+772.4%
Free cash flow	**(6.5)**	**72.6**	**(108.9%)**
Dividends	(21.4)	(20.4)	+4.5%
Treasury stock	(3.7)	2.1	(278.1%)
Change in scope	(33.4)	(1.9)	+1,619.6%
CHANGE IN NET CASH	**(64.9)**	**52.2**	**(224.2%)**
Opening net cash position(*)	161.9	109.7	+47.6%
Closing net cash position(*)	97.0	161.9	(40.1%)

* After financial debt (associate current accounts and finance-lease borrowings)

The Group generated €133.1 million of **operating cash flow**. Despite the increase in working capital requirements, due to non-recurring factors linked to the general economic environment, and taking into account €33.4 million of acquisitions and the stable level of capital expenditure of €81.8 million, net cash is positive at €97 million.

In addition, the Group's net cash position reflects the highly seasonal nature of its business and it is close to its highest monthly level on the balance sheet at August 31. The average cash position for the year is significantly lower than that recorded on the balance sheet at August 31.

The company has carried out a specific review of its liquidity risk and considers that it is in a position to cover its upcoming maturities.

The main industrial projects concerned product investments in line with the plan for releasing new models.

€m	2018-19	2017-18
Capital expenditure	79.8	82.7
Income from disposal of fixed assets	1.2	0.7
Change in fixed asset-related liabilities	(3.3)	(2.1)
Net investments	**81.8**	**81.3**

4. Post-balance sheet events

No events likely to alter the presentation of operations for FY 2018-19 have occurred between the close of accounts and the date on which this report was prepared.

5. Outlook

BOAT BUSINESS

The atmosphere has been positive at the season's first shows in Europe and this trend is expected to be confirmed in the US with the upcoming shows. Positioned primarily on the most dynamic market segments, the 34 new models launched for the 2019-20 season have received a promising response.

LEISURE HOMES BUSINESS

The new models presented at the autumn shows have received a positive response from camping industry clients and growth is expected for FY 2019-20.

6. Internal control procedures

6.1 INTERNAL CONTROL OBJECTIVES

Within Groupe Beneteau, internal control is defined as all the arrangements aimed at effectively managing activities and risks, while making it possible to ensure that operations are effective, secure and compliant.

Implemented by the Board of Directors and the Group's staff, internal control aims to obtain reasonable assurance and not an absolute guarantee concerning:

- The correct application of the company's general policy
- Compliance with the laws and regulations applicable for the Group
- The prevention, detection and effective management of risks inherent to the business, in addition to risks of fraud and errors
- The reliability of accounting and financial information

Risk management and internal control involve limitations resulting from numerous factors, including uncertainty about the outside world, the exercising of judgment and any errors that may arise due to technical or human shortcomings or simple mistakes.

6.2 GENERAL ORGANIZATION FOR INTERNAL CONTROL PROCEDURES

6.2.1 Key internal control participants

Board of Directors

In connection with the permanent control of the company's management and the remits granted to it under the bylaws, the Board of Directors regularly reviews the company's development strategy, including the product plan, the industrial plan, the three-year business plan and the pillars for the image and communications policy. Its work is prepared based on ad hoc meetings of the Strategic Committee.

It is regularly provided with reports on the company's accounting and financial information. In its analysis, the Board of Directors is supported by the Audit and Risk Committee, which meets several times during the year, as necessary, with the statutory auditors.

It also refers to work conducted by the Compensation, Appointments and Governance Committee for decisions relating to compensation and benefits packages for the Chairman of the Board of Directors, Chief Executive Officer and Deputy CEOs.

Audit and Risk Committee

The Audit and Risk Committee's role is to:

- Control the process for the preparation and distribution of accounting and financial information,
- Assess the relevance and consistency over time of the accounting methods and principles adopted for the preparation of the annual and half-year consolidated and parent company financial statements,
- Check the efficiency and effectiveness of the internal control and risk management procedures,
- Ensure, by any means, the quality of the information provided to the Board,
- Present its opinions to the Board.

The Audit and Risk Committee's deliberations and decisions are presented to the Board of Directors.

Operational committees

Focused on the following areas, these committees meet on a regular basis:

- Product development
- Innovation
- Industrial
- Information systems
- Financial

Subsidiary management committees

Regularly brought together by the Chairman of the Board of Directors and comprising operational and functional managers from the various companies concerned, the management committees coordinate the implementation of the Group's strategic objectives, while ensuring that they are rolled out correctly within the various departments.

Functional and operational managers

They are responsible for proposing action plans in line with the objectives set by the management committee, as well as setting up efficient and effective working methods for the main operational processes. Within this framework, they ensure that the measures adopted are effectively implemented with a view to reducing the likelihood of the main risks occurring and minimizing, if necessary, their consequences.

Financial management

The Group's financial management team, liaising with the management control and accounting teams in the various business units, is responsible for:

- Preventing and effectively managing any differences in relation to the objectives defined
- Ensuring the reliability of accounting and financial information

The financial management team prepares the documents requested by the Audit and Risk Committee and participates in its work.

Statutory auditors

As external parties, the statutory auditors supplement the Group's internal control system. Their work provides the Group with reasonable assurance concerning the reliability and accuracy of the accounting and financial information produced.

6.2.2 Main management decisions

All major management decisions, which involve a significant commitment for the company, are validated by the Board of Directors.

6.2.3 Risk management

FINANCE

Cash management

Each Group company's cash is centralized at holding level (Beneteau SA), under a cash pooling agreement.

The current accounts in euros accrue interest under the following conditions: 3-month Euribor +0.25% for lending and 3-month Euribor +1% for borrowing.

The current accounts in dollars accrue interest under the following conditions: 3-month US Libor +1.2% for borrowing.

The Group's cash is invested exclusively in risk-free vehicles, such as short-term certificates of deposit, with banks chosen by the Executive Management team following a review by the Board of Directors.

Foreign exchange and interest rates

The Group may hedge its medium-term borrowings using interest rate swaps.

The Group carries out foreign-exchange hedging operations on the US Dollar and Zloty, based on forward sales and purchases. Hedging decisions are taken by the Group's executive leadership team and operations are set up by the holding company.

Credit management

Recreational boats

A credit management procedure was put in place in 2007, based on written provisions. The Group has an advisory role and not a decision-making role in relation to the financial institutions.

A risk committee meets each month. The credit manager presents all the reports and an update on the situation for outstanding liabilities, as well as the risk assessment. The most important decisions are validated by the risk committee.

Ad hoc meetings may be held in addition to this monthly meeting if necessary.

Weekly monitoring of late payments and outstanding trade receivables makes it possible to effectively monitor financial risks. The Group is notified as soon as any late payments are recorded for credit lines.

Boats are paid for before departure or financing approval is obtained beforehand from the financing structures, SGB, Wells Fargo or LH Finance.

Outstanding customer payments are financed under an SGB, Wells Fargo or LH Finance credit line, the amount of which is determined jointly by these organizations and the management team in charge of the brands concerned. For SGB, it is based on four financial ratios, which determine a credit line representing up to 40% of the target set by the brand at the start of the season.

The brands have a contractual commitment to take back any new boats that have not been paid for. During this period, the financing organization depreciates the capital, with the boatyards' commitment then representing the difference between the amount financed (net of tax) and the amount of the capital depreciation.

The boatyards may approve an extension of this financing period, but will then request a further repayment.

At least once a month, a report is provided by the financing organizations and enables the credit manager to ensure the consistency of the various credit lines and the financing facilities granted, as well as compliance with partial repayments over the period.

The credit manager liaises with the various financing companies in order to anticipate any problems and reports on any difficulties to the risk committee.

Housing

Before opening a customer account, a financial analysis is carried out by the credit management department. This approach is systematically combined with a request for credit insurance cover with Coface for orders excluding financing. The conditions for payments are then defined based on the cover provided by Coface.

The credit manager regularly monitors the levels of liabilities outstanding and may block orders from being accepted and deliveries from being made.

A customer risk committee meets regularly, bringing together the credit manager, the commercial directors and the Chief Financial Officer. This committee is responsible for reviewing and handling critical cases.

IT

IT security

All IT security-related issues are overseen by the IT services security manager, who heads a dedicated unit focused on:

- IT backups,
- System security (secure access, firewall, antivirus, antispam, etc.),
- Network and system availability,
- Compliance with best practices and guidelines (internet use, proxy, IT guidelines).

The IT services security manager helps monitor emerging regulatory issues (French data protection agency), with this approach organized by the Legal Department.

Every month, the IT services security manager chairs an IT security committee, which looks back over the past period's events and defines the priorities and the actions to be carried out over the following period.

Vulnerability audits are regularly carried out by a specialized external company.

Business continuity management:

All the company's IT data are backed up daily. For the companies based in France, backups are made at two different locations. For the companies based in other countries, local backups are regularly outsourced. The data are then kept in line with a daily, weekly, monthly and yearly archiving plan determined based on the criticality and shelf life of the information concerned.

The Group is continuing to develop a business continuity plan (BCP) for its key management software enabling business to resume in the event of a disaster. This work is following on from the IT risk audit launched in June 2017 with an external firm.

PURCHASING AND LOGISTICS

Managing supplier risks effectively is essential in order to ensure the continuity of production.

This involves setting up means of control on several levels:

Checking the long-term viability of suppliers

Around 50 strategic or vulnerable suppliers are specifically monitored. The objective is to ensure the long-term viability of partner firms and anticipate any difficulties they may face as early as possible.

This approach is combined with financial monitoring: through subscriptions to accounting and financial monitoring services for a list of suppliers selected by the purchasing department, or a more detailed financial review requested by the purchaser from the credit manager.

The purchasing department and the financial departments work together to improve the monitoring of supplier risks.

Effectively managing quality risks

The main suppliers (around 100, representing nearly 80% of material purchases) have signed a quality, logistics and environment agreement.

This agreement sets out a framework for our requirements in terms of timeframes, traceability, environmental standards, flexibility and quality.

In addition, the Group defines a contractual framework for its relations with its major and strategic suppliers through purchasing agreements. These agreements may cover a number of years.

Effectively managing dependence on suppliers

There are always several sources for a given area of expertise. Nevertheless, the Group is not safe from the risk of certain products not being able to be replaced without a new development by the product development department. In such cases, there is a risk of certain productions being temporarily stopped or disrupted due to an interruption in the flow of supplies.

These risks are clearly identified, regularly assessed and restricted to a limited number of products.

Checking the continuity of supplies

Supplies are overseen on a daily basis using tools for monitoring the fulfilment rate, delays and interruptions. Safety stocks are set up depending on the product's critical nature and the supplier risk.

Supplies also benefit from a tool for forecasting requirements, which makes it possible to detect and address any capacity risks with a forward-looking approach.

Checking our suppliers' regulatory compliance

The purchasing and logistics departments work to review the procedures and controls intended to ensure the Group's compliance with the requirements of the French SAPIN II and Potier Laws.

Authorized economic operator (AEO) status

European customs authorities have approved Groupe Beneteau and its subsidiary SPBI as authorized economic operators. This certification is intended to facilitate international trade in goods, with a trust-based agreement between the customs authorities and our Group, obtained following an audit of our administrative and production sites.

LEGAL

Monitoring of cases

In line with the executive management team's instructions, faced with any significant issue and any contract to be set up with third parties, all managers are required to notify the legal department as quickly as possible.

Since the legal department primarily has an advisory role in relation to the executive management team and the company's various operational and functional departments, each of the company's departments has a responsibility to notify the legal department. Upstream from projects, the legal department is involved in drawing up and negotiating the company's main agreements and contracts, working closely with the operational units concerned, with a view to securing the interests of the company and its managers. The legal department, in its advisory role, is responsible for assessing and clarifying the choices of the executive management team and the various operational and functional departments in relation to the level of the legal risk taken by the company in connection with its operations: nevertheless, it is still dependent on the effective assessment of risks by the various managers concerned.

For the management and monitoring of litigation or pre-litigation cases, the legal department regularly informs the executive management team of the significant risks relating to these cases, to enable the executive management team to quickly understand the stakes involved, helping it with the management of the business, while minimizing the risks linked to these cases, which may sometimes be sensitive for the business.

Insurance

The legal department also seeks to optimize and ensure the long-term viability of the insurance policies taken out for Beneteau SA and all its subsidiaries to protect the company against potential incidents, while ensuring that the costs involved with this protection are and will continue to be at a level that safeguards the company's competitiveness on its global markets. This long-term insurance policy requires a trust-based partnership with insurers and a good quality broker.

In addition to the insurance policies required by law, Beneteau SA takes out liability insurance covering damages to third parties that its subsidiaries could be responsible for, as well as covering damages that either itself or its subsidiaries could sustain as a result of cyberattacks or fraud. As the subsidiaries are of various sizes, the amounts of cover are adapted in line with the risks faced.

For all the insurance policies, the deductibles are adapted based in particular on the type of risk covered to optimize the overall cost for Beneteau SA depending on the probability of claims occurring, while effectively negotiating the amount of premiums for each policy, aligned as closely as possible with the actual requirements.

Lastly, Beneteau SA and its subsidiaries, coordinating operations closely with certain insurers and its broker, are continuing to develop prevention and protection measures aimed at reducing the occurrence of accidents and claims and limiting their scope.

6.3 PROCEDURES FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The Group has adopted a set of rules and methods making it possible to provide reliable financial information, notably with a view to:

- Ensuring that financial information is reported within reasonable timeframes, and being able to take corrective actions if necessary
- Guaranteeing the quality of financial information provided for the Group's Board of Directors
- Ensuring that information is consistent across the Group's various companies
- Ensuring compliance with the various regulations applicable (accounting, tax, customs, etc.)
- Keeping the risk of errors occurring under control

The consolidated financial statements are presented in accordance with all the standards published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS).

To meet these objectives, each Groupe Beneteau company notably applies an identical budgetary process.

A projected income statement is drawn up at the start of the financial year. During the year, the initial estimates are adjusted on two or three occasions.

These adjustments are based on the internal reports drawn up by each Group company.

Several departments work together on the process to produce the Group's consolidated accounting and financial information:

- Accounting and consolidation
- Management control
- Information systems
- Cash management
- Legal

These departments ensure that the Group's various business units are kept informed of the latest developments in terms of legislation, recommendations issued by the French financial markets authority (AMF), or the Group's internal procedures and their application.

They provide information on the Group's financial policy, the standards and procedures to be applied, any corrective actions to be taken, and internal control relating to accounting and financial data.

Furthermore, monthly management committees have been set up for each business unit in order to analyze results and contribute to economic steering efforts, while helping create and maintain a financial culture within the Group.

The main management processes support the internal control system. This concerns the medium-term strategic plan, annual budget, quarterly estimates for annual earnings, monthly reports on management results, operational reporting charts and half-year close of accounts (parent company and consolidated).

To draw up its consolidated financial statements, Beneteau SA uses the common Group-wide standards, which ensures that the accounting methods and consolidation rules applied are consistent and that the reporting formats are standardized.

Beneteau SA draws up its consolidated financial statements under IFRS. The financial department issues memos with instructions, setting out the schedules for the close of accounts. Every six months, elements from the consolidated financial statements are reconciled with monthly reports in order to analyze and account for any differences. In connection with their mission, the statutory auditors conduct a limited review at the end of the first six months as a minimum, followed by an audit at August 31.

7. Sustainability performance report

Deployed in 2017, the Transform to Perform plan set Groupe Beneteau's strategic heading as it looks ahead to 2020. The Group's new strategic pillars will be presented on April 29, 2020. In a changing and demanding economic and societal environment, the aim is to engage all the Group's employees, suppliers, dealers and partners in its drive for sustainable and profitable growth.

To succeed with this ambitious transformation plan, Groupe Beneteau is capitalizing on its core values: passion, transmission, conquest and audacity. Rolled out in 2019, the Code of Ethics and Code of Conduct supplement the governance framework in place by setting out the core principles for individual and collective behavior that must guide all employees, the subsidiaries and the entities managed or controlled by Groupe Beneteau. For suppliers, customers and other business partners, a code has been drawn up to share the Group's expectations with them in terms of ethics.

1. OUR CSR POLICY

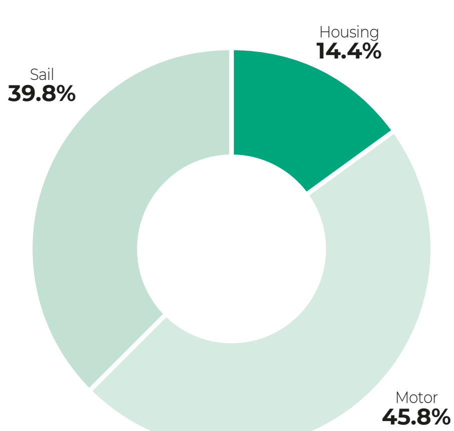
For over 130 years, across the generations, the Group's men and women have cultivated their passion for our products, their sense of innovation and their constant commitment to our customers and the environment. From amateurs to professionals and novices to regatta racers or experienced skippers, the Group puts the same energy into crafting its products in line with their diverse ambitions and expectations. Working with its dealers, it strives to continuously improve its support for customers, aligned with their navigational needs and uses.

This same commitment to its customers guides the teams in the Housing Division. Creating trends in the camping holidays sector, always looking for new ideas, the leisure home brands are constantly innovating and anticipating their customers' expectations, creating tomorrow's solutions with passion.

1.1 Business model

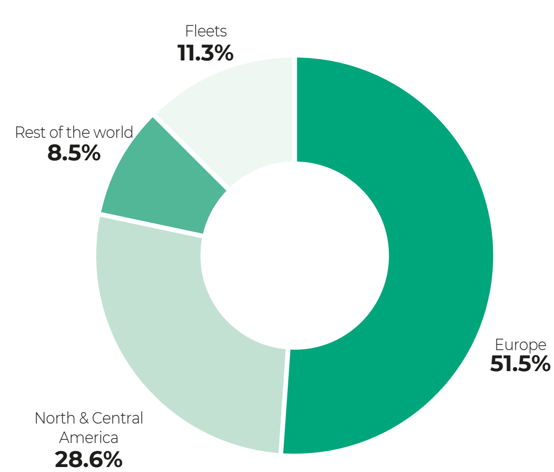
2018-19 Group revenues:: €1336.2 M

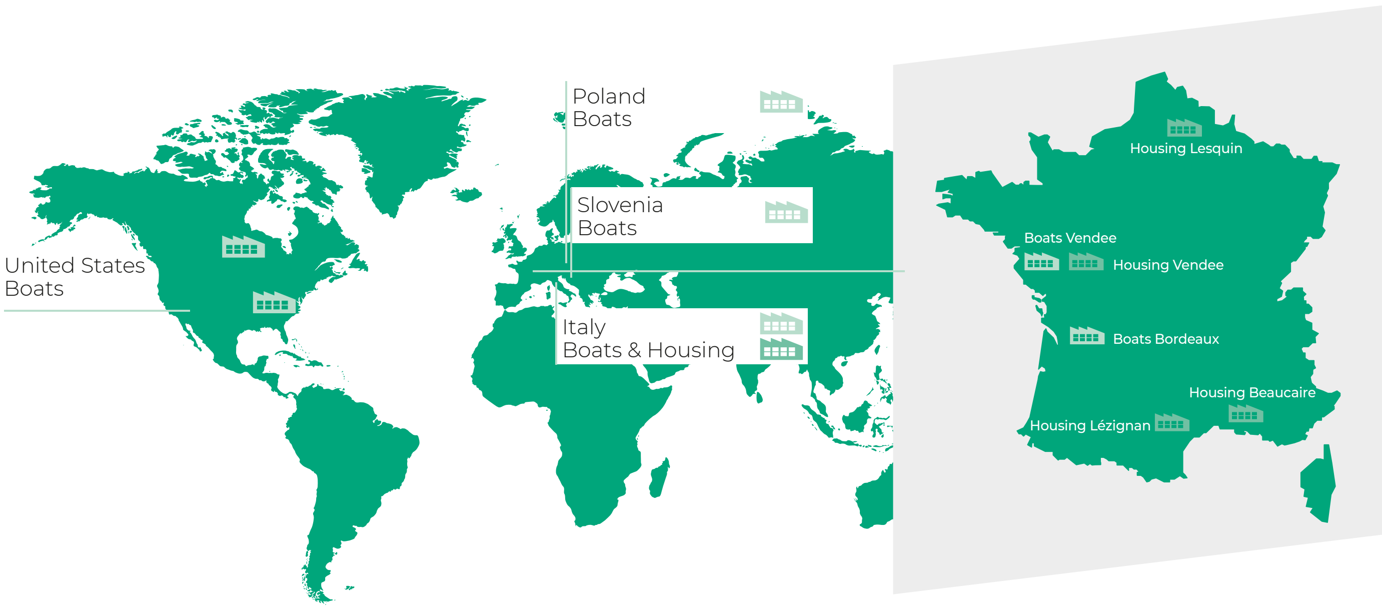
The Boat Division represents over 85% of revenues. A world leader on the sailing and multihull segments, the Group is continuing to strengthen its positions in the various motorboat segments and especially the core 30 to 60-foot market. The French market leader for leisure homes, the Housing Division is developing its business on European markets and particularly Italy, Benelux and Germany.



2018-19 Boat Division revenues: €1093.7 M

Europe represents more than half of the Boat Division's revenues (15% for France), with nearly one third for North and Central America and over 10% for charter fleets.





28 production sites
in France and in the world

20 Boat production sites in the world
14 in France: 13 in Vendee
2 in United States, 2 in Poland,
1 in Italy and 1 in Slovenia

8 Housing production sites in Europe
7 in France: 4 in Vendee
1 in Italy

The Boat Division represents 85% of the Group's workforce and revenues. Its business is linked exclusively to recreational boats. It includes designing the interior and exterior of sailing yachts and motor boats, from 4.5m to nearly 30m long, as well as their production and marketing. The Boat Division also produces, on demand, the spare parts required to maintain and repair the boats sold. The resources required are primarily reinforcing materials (fiberglass), polyester resins and timber (FSC sustainable certification). The hulls, decks and other parts, such as tanks, are built with composite materials (primarily fiberglass and polyester resins). The interior features in timber (plywood and solid wood) are designed and produced by the three woodwork units in France. For peak activity levels, the production sites may use subcontracting to produce timber and composite parts. The engines, electronic equipment and systems are purchased and installed at the Group's production sites. In 2018-19, the Boat Division had 14 production sites in France, two sites in the US, two sites in Poland (following the acquisition of SJ Delphia), one in Italy and one in Slovenia (following the acquisition of Seascape.) It is present in the Asia-Pacific region through its commercial representative office in Hong Kong (China). During the year, the Group acquired Digital Nautic, a French startup that is developing a services management tool for professionals. Digital Nautic has been integrated into the subsidiary Band of Boats, the online boat services platform, with operations in Europe. All the boats built are sold by networks of independent dealers, with the exception of the fleets of charter boats, which are sold directly to charter firms.

The Housing Division represents 15% of the Group's workforce and revenues. The Leisure Homes business involves designing, producing and marketing leisure homes for the campsite sector. All the leisure home components (chassis, interior fittings, roofing and external cladding) are built in our plants. For peak activity levels, the production sites may use subcontracting to produce chassis and furniture elements and install the electrics. The production process integrates the systems and appliances purchased from suppliers. All the leisure homes are sold directly to campsite managers and operators.

The Group also has a financing activity for its two Boat and Housing Divisions, through SGB Finance, in which it has a 49% stake.

Transform to Perform 2017-2020

Groupe Beneteau's strategic headings for 2017-2020 are set by the Transform to Perform plan. This global plan covers all Groupe Beneteau's activities, in France and around the world. It has paved the way for a number of transformation projects to be rolled out within the company and its subsidiaries, with a dynamic approach to change making it possible to collectively increase performance and agility.

The key areas for action are:

- Moving forward with international development in Europe and North America, as well as renewing charter fleets;
- Ramping up the development of the products and services offered, thanks to effective management of the brand portfolio (12 Boat brands and three Housing brands), a stronger focus on innovation and the deployment of the digital strategy;
- Further strengthening the organization, from its managerial culture to more transversality and collaborative work, and developing training programs for all employees (temporary staff and employees) thanks to the training centers set up in France, Poland and the US;
- The Group's environmental policy, based on ISO 9001, 14001 and 50001 certification, includes five key areas (eco-design, production, purchasing, use and maintenance, end of product lives);
- Reducing development costs thanks to the reorganization of product development in the Boat Division, targeting a better sharing of resources between brands and a stronger capacity for innovation;
- Improving industrial performance through safety, quality, efficiency, supply chain and purchasing, flexibility and multi-capability indicators for the production sites to effectively meet our customers' needs and respond to market opportunities.

1.2 Dashboard for CSR stakes

Areas	Stakes	Objectives	Explanations
GOVERNANCE	• Define a coherent strategy in line with sustainable development, reflected in an action plan for continuous progress	Currently being defined	Point 2
EMPLOYEES	• Guarantee a safe and healthy work environment • Develop know-how and skills	B-SAFE: halve the frequency rate, reducing it by 25% each year Percentage of internal recruitments	Point 3.1 Point 3.2
ECONOMIC	• Further strengthen product quality • Eco-design products	Customer satisfaction rate >85% Currently being defined	Point 4.1 Point 4.2
ENVIRONMENT	• Reduce the consumption of raw materials • Reduce energy consumption • Reduce environmental impacts	Consumption of raw materials and water Energy consumption VOC emissions rate Compliance rate for water discharges Quantity of industrial waste	Point 5.1 Point 5.2 Point 5.3 Point 5.3 Point 5.4
REGIONS	• Educate and train on our professions	Currently being defined	Point 6.1

2019 Gaia Index* overall ranking: 85/230

* Gaïa Rating, EthiFinance's ESG rating agency, conducts an annual data collection campaign covering most of the listed SMEs and mid-market firms. Based on this information, companies are rated on their level of transparency and performance. Rankings have been established by category of turnover in order to recognize the best performers from a restricted panel of 230 SMEs and mid-market firms that are listed on the Paris stock exchange and meet three criteria concerning their scale and one relating to their liquidity.

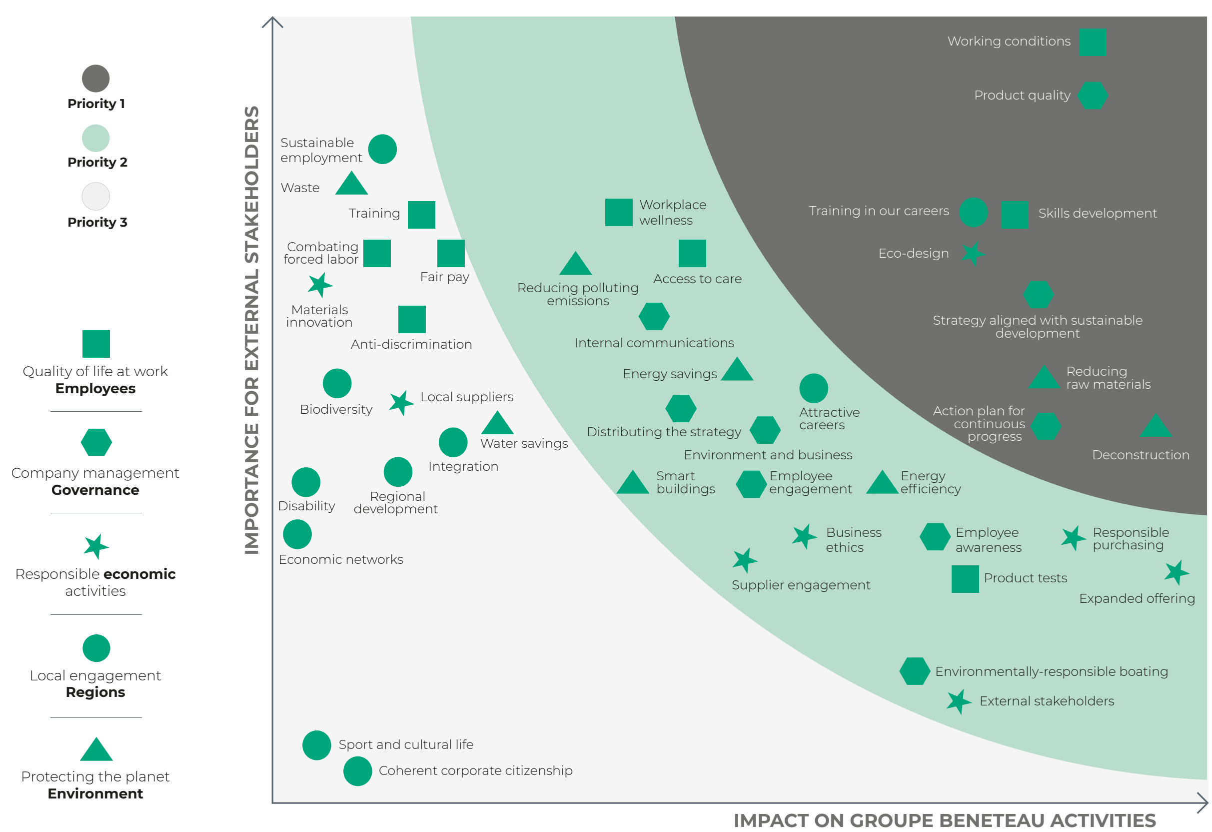
1.3 ESG risks and challenges

Materiality approach

As part of its corporate social responsibility (CSR) approach, Groupe Beneteau wanted to refine its strategy by engaging with its various stakeholders. This approach makes it possible to identify the stakes that are important and relevant for the Group, then to rank them based on how they impact the company's performance and ecosystem. These stakes concern environmental, social, economic, local engagement and governance aspects. The priority stakes will be covered by CSR action plans, which will be presented in this document.

In 2018-19, the Corporate and Financial Communications Department headed up the process to create the Groupe Beneteau materiality matrix (methodology presented in points 9.1 and 9.2). The 44 stakes identified with internal and external stakeholders are presented in the matrix. These results aim to incorporate the CSR approach into Groupe Beneteau's strategy.

GROUPE BENETEAU MATERIALITY MATRIX



The materiality matrix makes it possible to prioritize the CSR stakes in three sections:

- The first section – priority 1 – contains nine stakes that are classed as priorities for Groupe Beneteau and are currently covered by or will be subject to an action plan and related KPIs;
- The second section – priority 2 – includes 19 stakes that are medium priority, and some of them are already covered by an action plan and related KPIs;
- The third section – priority 3 – groups together 16 stakes that are classed as low priority.

In 2018-19, Groupe Beneteau also finished mapping the risks relating to its activities and adopted its vigilance plan (point 7.2). This approach has taken into account the Group's organization and the links with the CSR policy, making it possible to identify and assess all the risks and stakes identified to date.

Major risks and stakes

The materiality matrix drawn up for CSR stakes and the mapping of ESG risks have made it possible to identify 12 key areas, presented in decreasing order of priority:

1 - EMPLOYEES – Guarantee a safe and healthy work environment (working conditions and accident prevention)

2 - ECONOMIC – Further strengthen product quality for our customers

3 - EMPLOYEES – Develop the know-how and skills of all staff (career development path, training, mobility)

4 - REGIONS – Commit to supporting education and training in our professions (apprenticeships, internships, mentoring)

5 - ECONOMIC – Eco-design products

6 - GOVERNANCE – Define a coherent strategy aligned with sustainable development

7 - ENVIRONMENT – Reduce the consumption of raw materials and energy

8 - ENVIRONMENT – Contribute to setting up the decommissioning sector

9 - GOVERNANCE – Translate the strategy into an action plan for continuous progress

10 - ENVIRONMENT – Reduce the environmental impacts relating to industrial activities

11 - EMPLOYEES – Prevent psychosocial risks

12 - EMPLOYEES – Combat discrimination, gender inequality and harassment

In addition, Groupe Beneteau complies with the French law combating tax fraud and serious economic and financial crime by ensuring that it does not have any legal entities in tax havens and by having up-to-date transfer pricing documentation. This documentation defines the framework for all international transactions within the Group and is revised each year. Groupe Beneteau has prepared country-by-country reporting (CBCR) on transfer pricing since September 1, 2017 in accordance with the 2016 French Finance Act (Article 223 v C of the French general tax code), as clarified by a decree dated September 29, 2016. Groupe Beneteau declares and pays taxes in the countries where it is present, i.e. France, the US, Hong Kong, Italy, Poland and Slovenia. The following criteria were taken into account in the decision to locate the Asia-Pacific office in Hong Kong: the island's strong maritime and nautical tradition, its ideal geographical position for developing sales networks and meeting agents throughout the Asia-Pacific region, the technical and commercial qualifications of local staff, and the fact that English is its official, legal and accounting language. Hong Kong's advantageous tax system was not a criteria for setting up the structure for Beneteau Group Asia Pacific, which is a cost center that invoices its costs back to the Group's various brands and therefore generates a very low profit.

The risks relating to the fight against food insecurity and respect for animal welfare, as well as the risks relating to responsible, fair and sustainable nutrition, have not been analyzed because they are not considered to have any direct or indirect links with our activities.

2. GOVERNANCE STAKES

To define a coherent strategy aligned with sustainable development, the executive leadership team is working on the new governance model required to implement its CSR policy. This will be defined in 2019-20.

3. EMPLOYEE-RELATED STAKES

Against a backdrop of an economic recovery combined with a generational transition (particularly in France and the US), as well as a low volume of people initially trained for boat building careers, Groupe Beneteau is working on two major employee-related stakes.

AREAS	STAKES	OBJECTIVES
EMPLOYEES	• Guarantee a safe and healthy work environment • Develop know-how and skills	• B-SAFE: halve the frequency rate, reducing it by 25% each year • Percentage of internal recruitments

3.1 Guaranteeing a safe and healthy work environment by improving working conditions and accident prevention

Protecting the physical integrity and safety of each of its employees is an absolute priority for Groupe Beneteau. Adopted in 2016, the multi-year safety action plan BSAFE is being rolled out across all its sites in France and the US. The subsidiaries in Poland and Italy are deploying specific actions to improve staff safety (training programs and safety policy).

The target set with the BSAFE plan is to halve the number of accidents compared with FY 2015-16 for the Group's CSR scope*, reducing the frequency rate by 25% each year.

Performance indicator CSR scope	BSAFE target 2020-21	2018-19	Reference 2015-16
Frequency rate	16	24.6	32.7
Severity rate	N/A	0.99	1.63

* The CSR scope is defined in point 9.5 of the Sustainability Performance Report.

The BSAFE plan is based on training and building awareness among management and employees, notably conducting safety dialogue reviews, identifying possible production risks and correcting them immediately and/or subsequently, as well as taking these aspects into account from the design phase. Through its five key areas, the BSAFE plan positions safety management at the heart of the Group's Health and Safety policy.

BSAFE KEY FIGURES – FY 2018-19, French scope

6760 safety dialogue reviews carried out

Over **2000** people trained

Over **8000** hours of safety training provided

85%of deferred actions carried out

In France, the BSAFE plan is overseen by a steering committee made up of the three Health, Safety and Security managers from the French subsidiaries (SPBI, CNB and Bio Habitat), Human Resources, the executive leadership team and Group Internal Communications. This committee meets each month to take stock of the BSAFE plan's deployment, the results in terms of accident numbers and the transversal or ad hoc actions to be taken.

This policy is then rolled out:

- In the subsidiaries, during monthly production meetings with all the plant directors, support teams, the HSE director, the Production Human Resources manager, for the Boat Division, and during health-safety-environment committees, made up of the executive leadership team, support teams, HSE director and Human Resources Department, for the Housing Division;
- In the plants, by safety-environment managers at all the Boat Division's production sites in France, and by health-safety coordinators in most of the Housing Division's plants.

SIX KEY AREAS FOR ACTION

1 - Training up the leadership team

Since 2016, 850 managers trained over 2 days (French scope)

In 2018-19, 81 SPBI managers trained again

Training day on managerial requirements created and rolled out for around 20 managers from SPBI

2 - Building staff awareness

Training: 29,100 hours devoted to health and safety for the French scope, up +8% from 2017-18

With 28% for the BSAFE plan

On recruitment: risk and safety awareness module (10 golden rules) in the onboarding programs for new recruits (temporary staff and employees)

D+15: safety follow-up review

D+30: safety follow-up review

For everyone: half-day safety awareness session

In 2018-19, 1,700 staff trained by 75 correspondents in France

Movements and posture: 700 SPBI staff trained in 2018-19, training program rolled out for the entire production scope in France

Chemical risk (boat composites activity): 760 SPBI staff trained for two days on risks relating to the use of styrene, acetone and catalysts in 2018-19; inclusion of the training model in the onboarding program for new arrivals

Awareness operation carried out with apprentices and interns from the Composites Apprentice Training Center (CFA Matériaux Composites), working with the MFR rural socioeconomic development initiative in St Gilles Croix de Vie

3 - Working upstream from production

SPBI: 56 staff from the product development teams completed an ergonomics awareness module in 2018-19 (target: 160 people trained)

CNB: safety risk database created, which will help draft safety-ergonomics specifications for boat designs

Purchasing and logistics: regular dialogue to resolve risks relating to the products purchased

4 - Drawing up and clarifying guidelines

The production frame of reference, created based on the best practices identified at each production site, sets the level of excellence to be achieved by the plants in relation to 12 criteria, with safety as the first one. Each site is assessed in relation to this frame of reference. Following each assessment, the benchmark plant score, based on the best scores for each of the 12 categories, is updated. The change in this score makes it possible to track progress for the plants in each of the 12 key areas.

At August 31, 2019, the benchmark plant achieved a score of 73%, compared with 57% last year for the SPBI scope.

Continuing to draw up safety fundamentals

5 - Eradicating technical risks

The main health and safety risks relating to industrial activities are identified in the dedicated workplace risk assessment reports (DUERP). These risks are assessed and ranked based on their severity, frequency and occurrence, and are covered by action plans to reduce their impact on employees' health.

Main risks:

- Exposure to hazardous chemical agents and dust,
- Workstations,
- Plant organization and product configurations,
- Industrial accident.

Exposure to hazardous chemical agents:

More than half of safety investments in 2018-19

Closed molds: 46% of the boats produced by SPBI (39% in 2017)

Replacement: 32% of the resins used by SPBI (16% in 2017) and 15% of the parts produced by CNB are low-styrene

Use of lower-emission gelcoats in Cadillac, USA

Facilities: extraction-based ventilation systems, separation of areas for activities, provision of varied personal protective equipment adapted to pollutants, making it possible to limit ultimate levels of exposure for operators.

Workstations:

Investments to reduce manual load handling operations (scissor lifting platforms, suction grippers, articulated machines) and protect against falls from height (securing lifelines and setting up safer walkways)

Plant organization:

Launch of specific 5S initiatives at local level

Industrial accident: No accidents in 2018-19

6 - Adopting long-term budgets

In 2018-19, >€5m of safety investments for all the Group's sites

More than half of safety investments focused on reducing operators' exposure to hazardous chemical agents

Accident frequency[1] – CSR scope

	2018-19	2017-18	2016-17
Frequency rate – CSR scope[2]	24.6	25.0	22.2
Severity rate – CSR scope[2]	0.99	0.88	0.92
Number of days of absence due to occupational illness – French scope[3]	13,228	15,032	14,452

(1) Exclusively for companies with production activities.

(2) For 2018-19, the CSR scope includes SJ Delphia, from December 2018.

(3) The data for 2017-18 and 2016-17 have been adjusted.

3.2 Developing know-how and skills for all staff

« The transmission of our know-how and development of our talents is one of the core pillars from our strategic plan. We are proud to stand out in the boating industry through the quality of the resources we allocate for training all our staff, whether they are on permanent or temporary contracts »

Corinne Margot, Group Human Resources Director

The development of know-how and skills is built around three actions:

- Training staff throughout their careers
- Supporting skills development
- -Facilitating internal development paths

Training staff throughout their careers

The training plan has been created to support Groupe Beneteau's priority areas. It includes several sections: technical know-how, industrial excellence, managerial efficiency (presented in point 3.4 of this report), safety awareness (point 3.1) and quality (point 4.1).

Technical know-how

With complex professions and few training programs available outside of the company, the challenge of transferring knowledge is a key issue for developing skills. Groupe Beneteau has set up its own technical training centers in Vendée and Bordeaux in France, as well as the US and Poland. They make it possible to transfer technical know-how for building boats, molding hulls and decks in composite materials, and assembling boats. These centers also develop training programs for staff from the product development teams and engineers when they join the Group.

Performance indicator

Number of hours of training per employee	2018-19	2017-18	2016-17
French scope	10.9	12.2	10.6
CSR scope (1)	17.5		

(1) The indicator has been extended to include the subsidiaries outside of France for 2018-19

FRANCE

The programs provided in the technical training centers in Vendée and Bordeaux are led by 12 dedicated in-house trainers, all former operators within the Group, with extensive experience, ensuring that the Group's culture, fine craftsmanship and technical know-how can be passed on. Employees who have been trained up can then receive on-the-job support from their trainer to help ensure that the skills they have learned can be put into practice. The in-house training centers have been developing on-the-job training actions based on mentoring since this year to ensure that adapted technical skills are in place, while continuing to develop operational performance. The first on-the-job training actions started up in July 2019, focused on composite activities.

The training catalogue covers more than 100 topics and is continuing to grow. Each year, new modules are rolled out to ensure continued alignment with technological innovations for the boats produced by Groupe Beneteau.

The Vendée and Bordeaux training centers also provide certificates, valid for three years, for risky activities (quality and/or safety), such as installing gas circuits, sticking portlights and gluing decks. The accreditation process is based on a training program, followed by practical experience in the plants, which is validated with an audit that is carried out by trainers from the training center within two months. Since this year, the audit process has been further strengthened with the recruitment of a dedicated internal auditor in the Vendée training center to carry out certification audits.

FRENCH TRAINING CENTERS
FY 2018-19:

3,457 people trained

Including **1,846** through onboarding programs and **2,400** temporary staff

648 "risky activity" certificates awarded

POLAND

33 new operators trained on molding activities this year

20 days of training led by two permanent trainers, who were previously team leaders at the Ostroda Yacht plant, before starting work

UNITED STATES

Groupe Beneteau Boat Building Academy in Cadillac, Michigan

49 new recruits trained this year

4 training modules covering all the plant's activities

Each module is provided once a week during the first month of the onboarding process

In-house training center in Marion, South Carolina

4 days of training before starting work

Industrial excellence

In addition to the quality and manager career paths, the Group is continuing to put in place new professional training pathways to support employees with the development of industrial excellence.

Two methods professional pathways of around 10 days for staff from the plant methods and product development launch methods teams were developed this year, as well as a program for project leaders. 30 staff have already benefited from these programs.

Supporting skills development

Employees' professional development is a strong focus with the Group's transformation.

To better support each employee with the development of their skills, the following actions have been rolled out:

- Creation of new positions for human resources managers in order to have dedicated local correspondents in the plants to provide more targeted support for managers and their teams;
- Annual review of the entire management population in connection with the People Reviews in France and the US. The People Reviews enable managers to put their teams' development goals into perspective with the structures' needs, facilitating the preparation of succession plans, opening up career opportunities and supporting internal mobility.

Facilitating internal development paths

Internal mobility is a priority focus in the Group's human resources policy.

The list of the Group's vacancies for technicians, supervisors and managers is distributed in-house before being released externally. When they have similar skills, internal candidates are given priority over external applicants. This year, internal candidates accounted for 31% of the Group's recruitments.

To promote internal mobility, the Group is working to build specific technical training programs for professions. This year, a supervisor onboarding program was set up at SPBI. This technical and managerial training program is for gap leaders who are being promoted to supervisors, as well as supervisors recruited from outside the Group. It makes it possible to support new supervisors as they take on their role, helping develop skills and promoting internal mobility. This process has been integrated into SPBI's production system and may therefore be audited as part of site audits.

The deployment of B-ONE, the new human resources information system, covering all the Group's subsidiaries, is also expected to facilitate internal mobility by offering direct access to the Group's job offers for staff.

3.3 Training and integrating new staff

Since 2017, Groupe Beneteau has carried out several recruitment plans, with more than 1,000 people joining the Group. Training and integrating these new staff, whether they are on permanent or temporary contracts, has become a key challenge for ensuring that knowledge and skills can be passed on, while continuing to improve operational performance and quality. More than 90% of recruitments have focused on the Boat Division, with half covering operator profiles and half for employees, technicians, supervisors and managers.

In this context, the onboarding programs have been further strengthened for all staff, who systematically pass through the in-house training centers, which provide technical and safety courses, with pathways monitored by management.

The onboarding programs include:

- **Training in the internal training centers:** since 2018, operators joining the Boat Division, in France and other countries, on temporary or permanent contracts, have benefited from a training program from one day to two weeks, provided by the in-house training centers, presenting the tools, products, human organization for production, safety and basic practices. This year, nearly 2,000 new operators were trained in the training centers in Vendée, Bordeaux, Poland and the US.
- **Onboarding morning for SPBI's non-production staff:** since September 2018, the subsidiary SPBI has organized onboarding mornings for all non-production staff (permanent staff, interns, trainees / fixed-term contracts over six months), with a presentation of the Group, a visit of a production site and a safety induction session introducing the BSAFE plan. Each new employee then follows a personalized onboarding program, prepared by their manager, based on the requirements and features of their position. Over the year, 109 people took part in these onboarding mornings.
- **Specific business onboarding program for SPBI supervisors;**
- **Standard onboarding program at CNB:** since January 2018, CNB has put in place a standard onboarding program to ensure a core foundation of information for everyone from their first day. The program starts off with an onboarding day: presentation of CNB by a Management Committee member, discovery of the site, boat visit, welcome, safety and awareness of chemical risks. It then continues over two to three days set aside for professional training, integration in the units and safety. This year, CNB welcomed 1,159 new recruits on board.
- **Onboarding day for temporary staff in the Housing Division:** all temporary staff (285 people for the year) benefit from an onboarding day that covers quality, safety and process aspects. This onboarding day, held at the production sites, is led by plant health-safety correspondents or sector managers who have been specifically trained up to provide this course.

Promoting work-based training to pass on know-how

Groupe Beneteau trains a growing number of interns each year. As part of these training programs, each young person is mentored by a more senior employee, helping promote intergenerational cooperation. For certain activities, the Group's technical training centers supplement the in-company training.

In France, Groupe Beneteau organizes a dedicated day for recruiting interns on work-based training programs. The Internship Speed Dating event is open to everyone and combines meetings with managers, production unit visits and direct recruitments.

INTERNSHIP SPEED DATING
KEY FIGURES

1 day of meetings and exchanges

Over **50** contracts signed during the event in 2019

Over **300** participants

Over **50** managers deployed to welcome candidates

At August 31, 2019, the French subsidiaries had 128 internship contracts in place, representing 85% of the workforce on fixed-term contracts, compared with 127 at August 31, 2018. This year, 81 interns were recruited, compared with 73 the previous year. At the end of their internship period, 18% of the contracts signed in 2017-18 were transformed into permanent contracts (2018-19) for the subsidiary SPBI, representing 2/3 of its existing internship contracts. For the subsidiary Construction Navale Bordeaux, the figure came to 13% of its internship contracts.

3.4 Transforming the managerial culture

The managerial culture needs to evolve for the organization to be transformed. The opinion survey conducted with all staff in 2017 highlighted the need for changes to the managerial culture in place. A global action plan has been launched to build the frame of reference for managerial behaviors and adapt the manager training plan.

"The strengthening of Groupe Beneteau's organization and managerial culture is a core focus in its transformation strategy. Uniting all our talents and all our energies is the most natural way to build our collective performance together".

Jérôme de Metz, Chairman and CEO

Building a frame of reference for managerial behaviors

This year, the Group finished building its frame of reference for managerial behaviors, based on three key commitments:

- Be benevolent to build confidence and trust
- Give direction and meaning
- Be exemplary to be demanding

This frame of reference will be integrated into the processes for recruiting and assessing managers.

The key commitments were defined during the manager seminar in March 2018 by 110 managers from all the Group's subsidiaries. They were then translated into observable key behaviors by a working group made up of six managers and two employees, overseen by a HR correspondent and an external consultant. The three key commitments and 30 key behaviors defined in this way were presented during the manager seminar in March 2019.

A self-assessment questionnaire looking at these commitments was launched at the end of September 2019 for all the Group's managers. The answers to this questionnaire will make it possible to guide and adapt the manager training plan.

Developing management skills

The range of manager training programs is based around several tools.

Visa Manager

Organized in partnership with Audencia Business School, this training program aims to prepare and support the Group's managers for their managerial missions.

Since it was launched, 44 managers with production or support roles in the Boat and Housing Divisions have taken this training.

Beneteau Corporate MBA

Organized with Audencia Business School, this accredited Level 1 "Operational Unit Manager-Director" training program, provided in English, aims to prepare managers who are "recognized contributors" for new missions or positions within the Group. There were no graduates this year.

Operational managers

Intended for supervisors, production site managers and support function managers, the operational manager training program was fully reviewed last year in line with the new Profession Manager approach, which has replaced the production operational management school. Its content has been redefined: the technical subjects have been removed and the training has been realigned to focus on management and communication. This training is spread over five days, organized in three sessions.

In 2018-19, around 50 operational managers from the Boat and Housing Divisions benefited from this training. The feedback from these first training sessions has been very positive.

Other training

Groupe Beneteau offers adapted training programs for certain positions or professions to help develop managerial maturity and skills at every level throughout the organization. This year, 80 gap leaders from SPBI benefited from specific training to support them with their role. This selection of training programs will continue to be strengthened over the coming years. All of CNB's non-production managers have completed a six-day training program. This course is now provided for non-production managers when they join the company. At the Cadillac plant, 80 managers received two to four days of leadership training with an external consultant.

3.5 Improving workplace wellness

In response to the findings from the internal opinion survey conducted in 2017, Groupe Beneteau has launched various initiatives to improve quality of life at work.

Performance indicators

Turnover rate	2018-19	2017-18	2016-17
France	4.51%	3.69%	2.83%
CSR scope	8.09%	5.91%	4.78%

Absenteeism rate – CSR scope [1]	2018-19	2017-18	2016-17
Illness	5.69%	5.73%	5.61%
Occupational accidents / illnesses	1.14%	1.39%	1.39%
Other [2]	0.71%	0.63%	0.39%
Total absenteeism rate	**7.54%**	**7.75%**	**7.39%**

[1] The data for 2017-18 and 2016-17 have been recalculated to ensure better consistency with the data for 2018-19

[2] Maternity leave, leave for personal reasons and unjustified absences.

Various actions are being rolled out to reduce the absenteeism rate linked to illness and making it easier for staff on long-term leave or regular absentees to return to work. 40 managers from SPBI were trained during the year, in partnership with a specialist company, to set up interviews for welcoming these staff back to work.

Psychosocial risks

Over the past two years, the Group has been rolling out an action plan to enable the managerial culture to evolve and the managers to better detect psychosocial risks and manage risky situations.

Tackling harassment

The Group is committed to tackling psychological and sexual harassment in order to ensure a healthy workplace environment within which each employee can fulfil their potential. The prevention of discrimination and harassment is set out in the Code of Ethics and Code of Conduct, rolled out in 2019. Since January 1, 2019, the Group's French subsidiaries have all appointed a harassment correspondent, in accordance with French anti-sexual harassment and sexism legislation.

A training program is planned for these eight correspondents with a specialist provider at the end of December 2019.

In the US, staff have been shown harassment awareness videos

Work environment – France

This year, digital devices were set up at all the Group's plants, in France and internationally, to enable all staff to benefit from access to the B WEB intranet. The Group is also rolling out actions to ensure that all staff can benefit from a work email address and therefore access the Yammer company social network.

A collective Group agreement introducing the right to disconnect from digital tools for all the Group's French subsidiaries was signed in September 2018 to ensure that employees' personal and family lives and rest and holiday times are respected. CNB and SPBI have a social assistant who can intervene at the company's sites to provide support for employees who need social assistance.

In France, various initiatives have been rolled out to promote the boating culture. The approach put in place by the technical training center, which has already trained nearly 1,000 employees on the boating culture, also includes offering opportunities for employees to use boats.

The second Trophées B event was held on September 7, 2018, bringing together 1,500 staff, with 95 teams, for a day of sport in Vendée.

3.6 Tackling discrimination

Groupe Beneteau is opposed to all forms of discrimination, both at the time of recruitment and during employment contracts. It is committed to ensuring equal opportunities and treatment in terms of recruitment, promotions, professional training, working conditions and social protection, irrespective of ethnic origins, gender, disability, age, sexual orientation, political views or religious beliefs. To make equal opportunities effective, it also takes action to support people with disabilities and professional restrictions.

These values are set out in the Group's Code of Ethics and Code of Conduct.

Gender equality

Percentage of female staff per category CSR scope	Aug 31, 2019	Aug 31, 2018	Aug 31, 2017
Other [1]	28.7%	26.4%	25.4%
Employees / operatives	27.5%	26.5%	26.4%
Total headcount – CSR scope	**27.8%**	**26.5%**	**26.1%**

[1] The "other" category groups together technicians / supervisors and managers.

Women represent 27.8% of the total CSR workforce, in line with the data published by INSEE for the manufacturing industry.

In connection with its workplace equality agreements, Groupe Beneteau ensures that gender equality is respected through a benchmarked and detailed annual analysis, working with its employee representative partners, concerning the situations for men and women. Following this analysis, specific action plans have been rolled out to ensure gender equality.

This year, the Group's French subsidiaries published the gender equality index at end-2018. It represents 84% for SPBI and CNB and 77% for Bio Habitat. The gender equality index measures the differences in pay between women and men, identifying a 9% unjustified pay gap.

Bio Habitat signed a new gender equality agreement in June 2018. The action plan, based on this agreement, is currently being rolled out. It sets targets for recruiting women and covers various aspects, including a process for managing returns from periods of leave, as well as actions to reduce pay and promotion gaps.

Disabled people

French scope	Aug 31, 2019	Aug 31, 2018	Aug 31, 2017
Number of units of value recognized for disabled people	370.1	352.7	356.0
% of the average French headcount	7.0%	7.0%	7.4%

The subsidiary SPBI works in partnership with the SAMETH support service to offer solutions for ensuring continued employment for disabled staff by adapting their working times or workstations. SPBI's disability committee supports disabled staff to complete administrative formalities relating to their situation and works with the ergonomist to adapt their workstations. This year, CNB has appointed a disability correspondent.

The Group is committed to supporting the integration of communities who may face various difficulties by promoting the use of work-based support centers and charities for disabled workers. In Poland, Ostroda Yacht works with companies that exclusively employ disabled people for its security and cleaning services.

4. ECONOMIC STAKES

The materiality matrix drawn up in 2019 has made it possible to identify two priority economic stakes.

Areas	Stakes	Objectives
ECONOMIC	• Further strengthen product quality • Eco-design products	• Customer satisfaction rate >85% • Currently being defined

4.1 Further strengthening product quality

Product quality is an essential issue for the Boat and Housing activities.

Boat Division

Certifications – Boat Division	At August 31, 2019	Objective
ISO 9001	100% of SPBI's sites 100% of the Polish subsidiaries	Analysis underway to assess the opportunity to also get the CNB, US and Italian subsidiaries certified

For the SPBI scope (45% of Boat revenues), the Group has rolled out a quality roadmap focused on six key areas. The aim is to achieve a customer satisfaction rate of over 85% each year. For 2018-19, this rate was 82%, with a reduction in the level of dissatisfied customers (less than 5%).

Quality career path rolled out – SPBI, France

To support the quality plan's deployment, the Group has put in place a quality career path. This program is organized around four key areas for training:

- Developing skills for all quality correspondents: 48 quality correspondents trained over two days in 2018-19;
- Training production site managers on the QRQC - Quick Response Quality Control - method to incorporate problem resolution into day-to-day management: nearly 50 managers from the Boat and Housing Divisions trained in 2018-19;
- Supporting the quality and HSE teams to implement the ISO 9001 and 14001 standards: 41 staff trained over four days in 2018-19;
- Training internal auditors to carry out quality audits: 14 internal auditors trained over two days in 2018-19.

Supplier quality audits

The quality and solidity of its network of suppliers are essential. Groupe Beneteau is committed to building partnership-based relationships with its suppliers, founded on confidence and trust, with a long-term focus, while closely monitoring suppliers' reliability and sustainability, as well as the risk of mutual dependence.

A schedule is drawn up each year for supplier quality audits (30 suppliers audited in 2018-19). It is based on the importance and critical nature of the various suppliers (level of dependence on the supplier, ability to replace the supplier, severity of the risk if the supplier does not deliver for production, or recurring quality issues). These audits are carried out by teams from the Purchasing and Quality Departments. They make it possible to assess the performance of the Group's suppliers, ensure that the internal procedures put in place are aligned with the Group's requirements, and identify and correct potential shortcomings before they become critical.

For purchases classed as "sensitive", suppliers are selected based on a recommendations matrix, making it possible to assess supplier performance. The purchasing teams are made aware of the Group's regional responsibility. Local suppliers represent 40% of production purchases for the French sites each year.

Technical training for dealers

The Group offers four-day technical training programs for its dealers, hosted in the Group's training center and led by the after-sales service teams, with support from certain suppliers. This year, 109 technical staff from its dealer networks were trained up by the Group. The technical leaders from the after-sales service teams also host specific training sessions for dealers once or twice a year in the US and Asia. The brands all have a dedicated mobile after-sales service team made up of six or seven staff who visit dealers worldwide to provide them with support and training on technical aspects.

Housing Division

The quality approach is a priority ambition within the continuous improvement plan. Its mission is to share a common quality culture and goals for results with all staff. Exchanges of best practices between the seven production sites are promoted through constant communications and regular reviews to take stock of developments. For several years, the Housing business has rolled out a structured quality approach, with an industrial monitoring plan, based on compulsory checkpoints throughout the production process: safety, functional and design checks during production and on existing products. From a technical perspective, qualification tests are carried out upstream from production to validate all the components and products: salt fog testing, materials resistance measurements and endurance testing. This approach makes it possible to reduce faults and non-compliance issues, and to improve the reliability of our products. In 2018-19, the criteria for calculating the customer satisfaction rate were reviewed and extended to make it possible to implement more relevant action plans.

4.2 Eco-designing products

Eco-designing boats

In 2018-19, the subsidiary SPBI carried out a lifecycle analysis for boats (motorboats and sailing). This approach aims to determine the impacts of these two types of products "from the cradle to the grave" and to identify the areas for progress with a view to reducing their environmental footprint. This year, the Group built a tool to calculate the recyclability rate for boats, which it tested on one of the Group's models, the Beneteau Oceanis 38.1 sailing yacht.

From the boat design phase, the Group looks into solutions to reduce their consumption at sea: reducing the boats' weight, designing hulls to improve buoyancy on water, optimizing the bonding systems for anti-fouling paint on the gelcoat. The Group is also working to design boats with more environmentally-responsible equipment (solar panels, electric engines). Currently, 87% of the greenhouse gas emissions generated by motorboats during their lifecycle are linked to their use. The proportion is 45% for sailing yachts. Motorboats are equipped with engines that meet the highest performance standards for consumption and greenhouse gas emissions.

This year, the Beneteau, Jeanneau and Prestige brands further strengthened their environmental communications for boat users to raise their awareness of environmental issues relating to boat use and maintenance. Documentation on good practices for boat use is available on the websites of the various brands, presenting the environmentally-responsible steps, behaviors and best practices to adopt when in port, navigating or moored. The maintenance manual distributed to customers and dealers now includes the environmental best practices to be adopted for boat use, upkeep and maintenance.

Being part of the boat decommissioning sector

The French energy transition for green growth act 2015-992 and Decree 2016-1840 define the national regulatory framework required for the financing and accreditation of the decommissioning sector for recreational boats in France. Since January 1, 2019, all companies that put recreational or sports boats, subject to registration, on the French market are required to contribute towards or provide for the processing of the waste resulting from these products.

Since March 2018, the APER is the French decommissioning sector's official eco-organization. Groupe Beneteau actively contributes to its work and sits on its management bodies. Its activities are funded with a mandatory eco-contribution paid by the companies that put each new boat sold and registered in France on the market, as well as a share of the French annual registration and navigation duty (DAFN) paid by the state.

This sector aims to decommission 20,000 to 25,000 boats by 2023. To date, no other countries have put similar obligations in place.

Eco-designing leisure homes

All the leisure homes are built using recyclable materials and all benefit from advances with eco-design to reduce their environmental impact throughout the product's lifecycle. The eco-design approach put in place is based on the definition of an eco-profile, which includes over 100 criteria, for each product range. A rating by a multidisciplinary group enables improvements to be assessed for all aspects during the design phase.

The eco-design approach is based on the choice of eco-friendly materials, energy-efficient equipment and solutions to facilitate the decommissioning process, focusing on the following areas:
- Living comfort (healthy accommodation and accessibility),
- Simple cleaning and maintenance,
- Integration of homes within their landscaped environment,
- Optimization of leisure home deployment (reversibility, waste generated),
- Responsible purchasing policy for materials and components,
- Optimization of water and energy consumption for leisure homes: use of LEDs, A or A+ appliances, centralized technical management solutions for energy, timers for external lighting,
- Choice of more environmentally-responsible and healthier materials and components: phthalate-free products, timber from eco-managed and PEFC certified forests, recyclable cladding, fiberglass and steel,
- Reduction of impacts relating to upstream and downstream transportation,
- Environmental optimization at the end of product lives through the limited use of non-ecological products.

Leisure homes at the end of their lives are dismantled by Eco Mobil-Home, an eco-organization partner of Bio Habitat.

5. ENVIRONMENTAL STAKES

For several years, the Group has been working to get all the Boat Division's production sites ISO 9001, 14001 and 50001 certified. The Housing Division's sites are following an ISO 14001 approach, although without aiming to renew their certification.

Certifications – Boat Division	At August 31, 2019
ISO 9001	100% of SPBI's sites certified 100% of the Polish sites certified
ISO 14001	100% of SPBI's sites certified representing 14 out of 17 sites in Europe representing 38% of the Group's revenues and 44% of Boat revenues 100% of the Ostroda subsidiary certified
ISO 50001	100% of SPBI's sites certified
ICPE declarations*	20 out of 21 sites in France

* Regulated environmental protection facilities (ICPE)

The materiality matrix developed in 2019 has made it possible to identify the Group's priority environmental stakes. They all relate to the environmental impact of industrial activities and correspond to the objectives from the environmental management program rolled out with the ISO 14001 and ISO 50001 certification.

Areas	Stakes	Objectives
ENVIRONMENT	• Reduce the consumption of raw materials • Reduce energy consumption • Reduce environmental impacts	• Consumption of raw materials and water • Energy consumption • VOC emissions rate • Compliance rate for water discharges • Quantity of industrial waste

The other stakes concern the reduction of polluting emissions, the impacts of transportation and the handling of waste collection.

Actions to prevent pollution and environmental risks are driven by environmental management plans, which are defined by the management team and deployed within the plants. All the Boat Division sites and the majority of the Housing Division sites have a health-safety-environment correspondent or coordinator who is responsible for ensuring compliance with local regulations and the application of the Group's environmental policy in the various plants.

Most of the environmental indicators are presented as a ratio in relation to the number of hours worked. Since this year, the figures for hours worked include temporary staff. The data presented for previous years have been updated to take this change into account. For FY 2018-19, the indicators, unless otherwise specified, include the company SJ Delphia from December 2018.

5.1 Reducing the consumption of water and raw materials

Water

CSR scope [1]	2018-19	2017-18	2016-17
Water consumption m^3 / million hours worked	6,743	7,734	8,939

(1) Data based on calendar year for SPBI

Water consumption primarily concerns the Boat business, for filling its test tanks and carrying out water-tightness testing, as well as sanitation purposes. The water used comes from the public network and wells for certain sites. At the sites where this is possible, water consumption levels are monitored on a regular basis with a view to minimizing the risk of leaks.

Raw materials

The main raw materials used by the Group are petroleum-based products and timber.

CSR scope [1]	2018-19	2017-18	2016-17
Resin / gelcoat consumption Tons / million hours worked	998	1,097	1,173

[1] Data based on calendar year for SPBI and Ostroda. These data relate exclusively to the Boat business, excluding SJ Delphia.

The Group is moving forward with its actions to deploy more efficient machines making it possible to ensure effective control over the use of resins and gelcoats in the injection phase.

French scope [1]	2018-19
Timber consumption Tons / million hours worked	3,620
Quantity of scrap timber / quantity of timber consumed	23%

[1] Due to changes in the method for calculating the indicator, comparative data are not available

The majority of the timber used is sourced from environmentally-managed forests and is therefore PEFC or FSC certified. The quantity of timber used is linked directly to activity levels and varies depending on the product models.

5.2 Improving site energy efficiency

CSR scope [1]	2018-19	2017-18	2016-17
Electricity consumption kWh / 1,000 hours worked	3,620	3,939	4,134
Gas consumption kWh GCV / 1,000 hours worked	7,352	7,860	8,120
CO_2 emissions linked to energy consumption $kgCO_2$ eq / 1,000 hours worked	2.41	2.50	2.59

Electricity is used to run the production facilities and lighting. Gas is used to heat the industrial buildings and certain administrative buildings.

The Group is rolling out actions at all the sites to improve energy performance.

Thermal insulation for buildings	All the buildings subject to work are re-insulated (in their roof or cladding).
Centralized energy monitoring	Makes it possible to adapt the level of use of the various energies depending on activity levels, thanks to the central technical management systems set up. Improvement of the operational monitoring of energy consumption with energy meters, through the central technical management systems, each time equipment is added with a potential impact on consumption levels. 100% of SPBI's energy uses covered by sub-meters for gas or electricity. 100% of SPBI's sites have staff trained to maintain this equipment.
Fitting destratification fans	In most of the molding units (60% of gas consumption), to ensure a better consistency of heat within the units, avoid the highest temperatures below the ceiling and prevent heat loss.
Detecting compressed air leaks	Regular monitoring of consumption levels and regular inspections of facilities by maintenance teams in the units. On average, compressed air represents 10% of consumption.
Optimizing ventilation in the units	Fitting speed adjusters on the rotating machines. 100% of SPBI's rotating machines (>2 KW) fitted with variable speed adjusters.
Reducing fuel consumption	Setting up a system for booking vehicles and ride-sharing
Fitting more energy-efficient lighting (LED)	CNB site, France Lesquin site, France Ostroda Yacht site, Poland Marion site, USA
Integrating energy performance criteria into purchases	
Optimizing the use of heating	
Carrying out actions to raise awareness	Regular awareness campaigns

5.3 Reducing polluting emissions (water, ground, air) and limiting the impacts of transportation

Reducing volatile organic compound (VOC) emissions

CSR scope [1]	2018-19	2017-18	2016-17
Production site VOC emissions kg / 1,000 hours worked	79.2	85.1	94.3

[1] Data based on calendar year for SPBI and Ostroda Yacht. Excluding SJ Delphia

Volatile organic compound (VOC) emissions are linked mainly to composite activities (use of resins, gelcoats, adhesive sealants and solvents) and woodwork activities (varnishing wood).

SPBI scope

Target: reduce VOC emissions by 12% to 18% (period from 2012 to 2017) compared with 2010, based on an equivalent level of activity

Emissions effectively reduced by 25%

To limit VOC emissions and exposure for its staff, the Group is putting in place the following actions:

COMPOSITES Focus in priority on injection and infusion techniques	Saving materials compared with the standard processes SPBI: 46% of the boats produced in 2018 (39% in 2017) CNB: 85% of parts produced with infusion
COMPOSITES Replace resins and adhesive sealants with low-styrene products (LSE)	SPBI: +206% increase in the use of LSE resins +23% increase in the use of "closed mold" resins -51% reduction in the use of contact resins SPBI: industrial deployment of an LSE first-phase resin (hard coating) CNB: 15% of parts produced with LSE resins
COMPOSITES Reduce acetone consumption	Use of replacement products Recycling of acetone
TIMBER Reduce varnish consumption	Changes in vanishing techniques Use of a specific technology with very low solvent rates (4% instead of 60% previously)

Each year, the material assessments and solvent management plans are communicated on with the stakeholders concerned.

Maintaining the compliance rate for water discharges

French scope	2018-19	2017-18	2016-17
Compliance rate for water discharges	93.4%	95.8%	86.7%

All the Group's sites have oil interceptors which are regularly maintained and make it possible to treat water before it is discharged into the natural environment. Water discharges are monitored with regular measurements.

Preventing spillage risks

All the sites have the capacity to contain a potential spillage accident, leak or fire-extinguishing water thanks to the equipment in place. This equipment includes water-tight discharge areas and secure storage areas, as well as shutter mechanisms, containment ponds and intervention kits. This equipment is further enhanced each year to improve the prevention of spillage risks. For newly built facilities, from new sites to extensions or changes to existing sites, a containment system is systematically set up for all flammable liquids.

Limiting the impacts of transportation

Groupe Beneteau exports nearly 80% of the boats built in Europe. The exceptional dimensions of the Group's boats and the need to safeguard their quality at every stage during their transportation makes this flow a real logistics challenge. The United States is the main destination for these exports and the North American market represents almost 30% of the Group's revenues. In this context, Groupe Beneteau is looking into the NEOLINE project for the transatlantic transportation of its boats. NEOLINE is developing a highly energy-efficient transatlantic transport line with innovative cargo sailing ships specialized in rolling and out of gauge freight. Scheduled to start up in 2021, this route will link Saint-Nazaire in France to America's East Coast and Saint-Pierre & Miquelon. Groupe Beneteau has found a solution with the service offered by NEOLINE to facilitate its exports, while significantly reducing its environmental impact.

In addition, SPBI has launched an initiative to optimize and reduce internal transport. Two indicators (number of kilometers covered by internal shuttles and diesel consumption for internal shuttles per hour of added value) have been defined and are regularly monitored internally.

Preventing fire-related risks

All the sites have the technical and human organizations required to prevent the risk of accidental pollution relating to fires. These are defined in internal emergency plans, which are updated on a regular basis. In France, the "ETARE" plans for listed facilities, covering all the Boat Division's sites, are regularly updated, particularly following any significant changes to sites, and are reported to and approved by the local and regional emergency services for SPBI's sites.

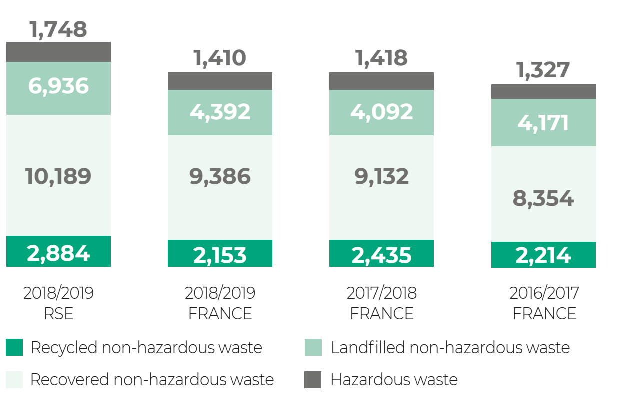
Specific first-response teams are trained up on how to use the emergency equipment (extinguishers, fire hose stations) and receive regular training during exercises. Some sites also have Level 2 fire-fighting teams authorized to tackle larger fires. The sites are all equipped with fire detection systems, in addition to sprinklers for the most sensitive sites. Weekly tests to check that the sprinkler pumps are working correctly for fire protection areas are carried out at each production site and audits to ensure that these checks are correctly followed up on are regularly carried out by the insurers at the various sites.

In France, the Boat Division is working with its insurers with a view to achieving the "highly protected risk" label. To date, 10 of the 14 production sites in France are covered by this "highly protected risk" label.

5.4 Ensuring effective control over waste generation

Performance indicators

The collection scope for waste-related indicators was extended this year to include the non-French subsidiaries.



Non-hazardous waste recovery / recycling rate	2018-19	2017-18	2016-17
French scope	72.4%	73.9%	71.7%
CSR scope	65.3%		

Tons of waste generated per million hours worked	2018-19	2017-18	2016-17
French scope	1,726	1,746	1,806
CSR scope	1,435		

Managing waste effectively

The Group aims to continuously improve its monitoring and collection of waste with a view to:

- Increasing the recovery rate for valuable materials;
- Ensuring effective control over waste emissions by reducing materials consumption;
- Adopting solutions to reduce the transportation of waste.

All the Group's sites have sorted their waste for several years, with various channels for recovery and reclamation, particularly for packaging (cardboard, plastics, metals) and wood waste. Part of the non-hazardous waste that cannot be recycled is used to produce energy in incinerators. Each ton of waste processed enables the provider to produce 30 KWh of electricity. The rest of the non-hazardous waste that cannot be recycled or recovered is sent to accredited regional landfill facilities (CET), making it possible to limit the carbon impact during transportation. This year, CNB set up new compactors for non-hazardous waste to reduce the volume of waste and limit the transportation of containers. An additional container was also set up to be able to sort untreated timber and chipboard.

Actions are rolled out by the Group to increase the level of hazardous waste recovery (regeneration of acetone-contaminated waste, WEEE and batteries, recycling or reuse of containers after washing). Most of the hazardous waste is incinerated with energy recovery systems by our providers.

5.5 Tackling food waste

Groupe Beneteau works with external providers for catering services at its production sites. All the providers are committed to tackling food waste, and they carry out prevention and awareness actions in the Group's restaurants.

6. REGIONAL STAKES

Both in France and internationally, the Group is a leading local employer. The materiality matrix produced in 2019 has made it possible to identify education and training on our professions as a priority stake.

Areas	Stakes	Objectives
REGIONS	Educate and train on our professions	Currently being defined

6.1 Committing to supporting education and training in our professions

Groupe Beneteau has a longstanding commitment to creating and safeguarding industrial jobs in the regions where its production sites are located, in France, the US, Poland and Italy. The Group has further strengthened its partnerships with external training centers in the regions where it operates. Alongside its recruitment and training partners, the Group takes part in a number of boating industry and professional events to promote the career opportunities available with boatbuilding and generate public interest in these often relatively unknown careers.

Facilitating career changes leading to employment (France)

Figures since 2016 – scope: Pays de Loire region

- **324** candidates trained
- **292** jobseekers integrated after training, with a 90% integration rate
- **221** employees integrated and still employed after 3 years, with a 76.5% retention rate

With financial support from the Pays de la Loire Region, the Pôle Emploi employment agency and Groupe Beneteau have developed various free and paid pre-recruitment training programs since 2016. Faced with a lack of initial training programs on boat building professions in Vendée, the "POEC" operational preparation for collective employment initiative has proven to be particularly well suited to Groupe Beneteau's requirements. This immersive approach enables candidates who do not have initial specific skills to discover the careers available with boat building, to get training in these activities and to secure an employment contract. As part of this program, Groupe Beneteau supports and welcomes candidates for production careers during their training. Following a three-day immersion period at a production site to discover their professions, work environment and future mentors, the candidates follow a 400-hour training program (8 to 14 weeks) after which they are integrated into Groupe Beneteau, on a long-term temporary, fixed-term or permanent contract. Seven activities are covered: digital control operator, repairer, composites operator, timber fitter, options fitter, joiner and fittings specialist.

In Italy, in partnership with the Friuli Venezia Giulia region, Monte Carlo Yachts organized a production careers recruitment day for unemployed people. The company met with 104 people and around 15 of them were recruited following this day. These new recruits are then trained for two weeks and covered by specific follow-up and monitoring arrangements for the first six months after joining the company.

Valuing and promoting the Group's careers

The Group regularly gives presentations to audiences of all ages covering the boating world and sharing its career opportunities:

- Welcoming high school or college students: all the plants, in France and around the world, welcome high school or college students each year for discovery placements lasting three to four weeks
- Welcoming trainees: over 200 trainees each year
- Giving presentations in schools and universities
- Organizing open days
- Ensuring the HR teams' presence at sports events and shows

In France, Groupe Beneteau has supported the creation of a boating careers campus in the Pays de Loire region. Corinne Margot, Groupe Beneteau HR Director, was elected as Campus President during the general meeting on February 6, 2019. Based in Les Sables d'Olonne, in the Eric Tabarly vocational college, the boating qualifications and careers campus has been set up alongside the five campuses that already exist in this region (aerospace, fashion, construction, food and tourism). Sponsored by the Pays de la Loire Region and the local education authority, this campus unites and engages a whole network of public and private stakeholders with a view to developing, strengthening and ensuring the appeal of the training programs available for the boating sector.

The Group took part in the fourth Maritime Employment Week in March 2019. This national event, organized by the Pôle Emploi employment agency and its partners, aims to meet the challenge of ensuring the appeal of careers relating to the sea.

7. DOING BUSINESS ETHICALLY

7.1 Ethics within Groupe Beneteau

In a changing global environment, with citizens' strong expectations for integrity, Groupe Beneteau has structured its ethics approach in France and internationally. The Ethics Committee was set up at the end of October 2018 with a mission to deploy the Group's ethics approach and promote best practices. Since being set up, it is chaired by Claude Brignon, who is also an observer on the Board of Directors. Its operations are governed by a set of guidelines approved by the Board of Directors. It meets at least twice a year.

During 2018-19, to build employees' awareness and promote respect for its company culture, the Ethics Committee worked in priority on producing the Code of Ethics and Code of Conduct, as well as rolling out the whistleblowing procedure.

Setting out the Group's core values, the Code of Ethics guides its employees, executives and corporate officers to adopt responsible behaviors each day and apply them in their professional practices. It covers all the Group's staff and subsidiaries worldwide. Available on the Group site, in five languages (French, English, Italian, Polish and Slovenian), it will be regularly updated in line with the Group's organization and legal developments.

The Code of Ethics is supplemented by the Code of Conduct, which covers all of the Group's employees, suppliers, dealers, customers and partners. It guides these stakeholders and explains how to behave in various situations that may arise. The Code of Conduct has been distributed to all the Group's staff and employee representatives, in accordance with the regulations applicable.

As set out in its Code of Ethics, the Group is committed to working with the employee representative structures in the business units where they are present. It is particularly committed to maintaining a relationship based on continuous and constructive exchanges with its employee representative partners. In France, the members of the Works Councils and the staff representatives have exchanges with the human resources team on a monthly basis. Alongside these meetings, a Central Boat Committee also meets at Group level, covering the Boat business, while a Group Committee covers all the activities in France. Two Group agreements were signed this year: an amendment to the Group profit-sharing agreement and an agreement on the right to disconnect. Economic and social committees (CSE) have been set up at Bio Habitat, since May 2018, and CNB, since June 2019. The scope agreement was signed for SPBI, with its rollout planned before the end of 2019.

7.2 Vigilance plan

The Groupe Beneteau vigilance plan meets the obligations set by French Law 2017-399 of March 27, 2017 relating to the duty of vigilance for parent companies and companies that subcontract work. It presents the measures put in place within the Group to identify risks and prevent serious infringements of human rights, fundamental freedoms, personal health and safety, and the environment. It covers the major risks resulting from the activities of all the Group's subsidiaries, suppliers and subcontractors.

The approach put in place in connection with the duty of vigilance is based on all the arrangements supporting the Group's corporate social responsibility policy: the Code of Ethics, the Code of Conduct, the whistleblowing procedure, the materiality matrix for CSR stakes, the environmental policy and the BSAFE safety plan.

The definition and implementation of the vigilance plan are coordinated by the Internal Control Department, with support from the Group Human Resources, Purchasing and Health, Safety and Environment Departments.

Risk mapping: identifying and assessing the risks generated by Groupe Beneteau's activities

Scope

In 2018-19, Groupe Beneteau carried out a Group risk mapping process incorporating the risks relating to the areas covered by the vigilance plan. The risks relating to its suppliers and subcontractors are currently being mapped.

This approach has been led by the Internal Control Department, in partnership with an external provider. The scope for this mapping covers the Boat and Housing activities, and all the subsidiaries located in France and other countries. SJ Delphia, the company acquired in December 2018, was not included in the mapping scope when it was carried out.

The specific mapping of risks relating to the duty of vigilance is based on the same methodology and scales as for the Group risk mapping.

Methodology

The methodology involved initially identifying the risks relating to the Group's activities for each of the following categories:

- Environmental impact of activities
- Environmental impact of products
- Environmental impact of third parties
- Workplace health and safety
- Respect for human rights

These risks were then assessed by around 100 internal stakeholders. The list of staff consulted was defined working with the executive management teams and Human Resources Departments in each subsidiary to effectively represent the population exposed to these risks and cover all the Group's subsidiaries.

The risks were assessed based on four criteria: financial impact, frequency, reputational impact and effectiveness of the controls put in place to reduce these risks. The findings from this assessment have made it possible to identify the most critical risks, which combine the strongest financial impacts and highest frequency. These critical risks were then assessed in terms of their reputational impact and level of control.

The Group risk mapping was carried out before drawing up the materiality matrix. The results of this risk mapping have been presented to the Audit Committee and action plans are currently being drawn up.

Continuous improvement and updates

The risk mapping (Groupe Beneteau activities) will be updated on a regular basis.

Organization and prevention of major risks

Subsidiaries

The following table presents the measures put in place to prevent the risks identified as major during the risk mapping process. For each major risk, this table refers to the Sustainability Performance Report sections that present the risk management policies and their results in more detail.

Major risks	Mitigation or prevention actions	Monitoring arrangements	Sustainability Performance Report reference
Human rights and fundamental freedoms			
Discrimination Gender inequality Harassment	• Code of Ethics • Code of Conduct • HR policy for gender equality • Training on workplace harassment and sexist behavior	Departments: • Human Resources • Internal Control	Point 3.6 Point 3.5
Environment			
Environmental impacts	• Environmental policy • ISO 14001 and 50001 certification	HSE Manager in each subsidiary	Point 5.3
Insufficient or inappropriate treatment of waste	• Environmental policy • ISO 14001 and 50001 certification	HSE Manager in each subsidiary	Point 5.4
Non-recyclability of product components / materials	Eco-design approach	• Product development teams • HSE Manager in each subsidiary	Point 4.2
Personal health and safety			
Occupational accidents	BSAFE plan	• HR Department • HSE Manager in each subsidiary	Point 3.1
Raising awareness on insufficient or inappropriate personal safety	BSAFE plan	• HR Department • HSE Manager in each subsidiary	Point 3.1
Psychosocial risks	• Developing the managerial culture • Quality of life at work plan • Code of Ethics • Code of Conduct	Departments: • HR • Internal Control	Point 3.5

Human rights and fundamental freedoms

Groupe Beneteau is committed to ensuring compliance with legislation relating to the freedom of association and right to collective bargaining. It is opposed to all forms of discrimination, whether they are linked to ethnic origins, gender, political views or religious beliefs, and is committed to tackling psychological and sexual harassment in order to ensure a healthy workplace environment within which each employee can fulfil their potential. Although it has limited direct exposure to this risk due to its industrial presence in Europe and the US, Groupe Beneteau is committed to combating forced labor and child labor.

The Code of Conduct sets out guidelines on appropriate behavior for employees to adopt in order to respect these commitments. The Ethics Committee, which meets at least twice a year, has a mission to promote the best practices from the Code of Conduct.

Environment

To ensure the regulatory compliance of its production sites, and reduce their environmental impacts, Groupe Beneteau has been committed to an ISO 14001 certification approach for several years covering the Boat Division's production sites. At August 31, 2019, 14 of the 17 sites in Europe were ISO 14001 certified. This certification, renewed every three years by an independent organization, makes it possible to ensure the quality of the environmental management systems (EMS) of the subsidiaries certified. The Housing Division's sites are also following an ISO 14001 approach without certification. All of SPBI's sites have been ISO 50001 certified since 2015.

Personal health and safety

Groupe Beneteau has set itself a target to halve the number of occupational accidents for 2020 compared with the frequency rate from 2015-16, with an annual reduction of 25%.

For several years, it has been rolling out the BSAFE plan across all the Group's sites in France and internationally. The BSAFE plan is focused on providing training and building awareness among management and employees, particularly with the safety dialogue approach, factoring in possible risks during production and correcting them immediately, as well as taking these aspects into account from the design phase.

It is headed up by a Group steering committee, made up of three Health-Safety-Environment (HSE) managers from the French business units, Human Resources and the executive leadership team. This committee meets each month to take stock of the BSAFE plan's deployment, the results in terms of accident numbers and the transversal or ad hoc actions to be taken.

Suppliers and subcontractors

This year, the Group updated all its general purchasing conditions to incorporate a specific Duty of Vigilance clause into its contracts. All of the Housing Division's contracts have been amended to include this clause. For the Boat Division, only new contracts have been updated.

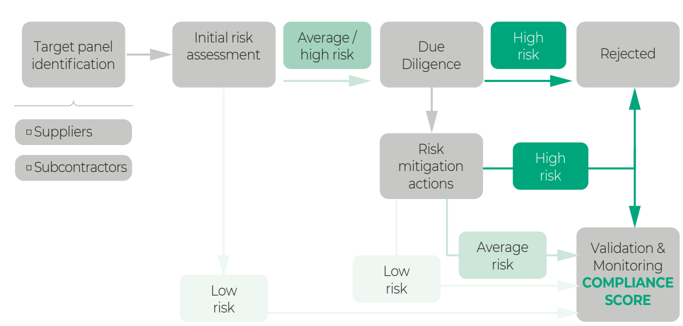
The Group has mapped out two priority objectives for 2019-20:

- Implementing a supplier and subcontractor assessment procedure covering all production purchases and incorporating the stakes relating to the Duty of Vigilance,
- Formalizing a supplier and subcontractor code of conduct incorporating the guidelines from the Group Code of Conduct.

Groupe Beneteau is currently working to put in place a methodology for assessing all its suppliers and subcontractors for the production purchases scope, from the start to the end of business relationships.

Third parties will be subject to an initial risk assessment. Each supplier will be assigned an overall risk taking into account the specific risks for its purchasing category and the country risk, assessed based on the Environmental, Social and Governance (ESG) index produced by Global Risk Profile. The ESG index makes it possible to incorporate issues relating to the environment, human rights, personal health and safety. Aligned with the requirements of the new French law relating to the duty of vigilance for parent companies and companies that subcontract work, it comprises 45 variables from internationally recognized sources in order to offer a relevant index for 177 countries.

This initial assessment will make it possible to identify third parties with potential risks, which will be subject to a more in-depth evaluation based initially on due diligence questionnaires and requests for additional documents. The risk will be reassessed depending on the type and quality of the answers provided in these questionnaires by the Purchasing Department, which may then decide to audit the third party. The entire assessment procedure will be subject to a second level of control by the Internal Control Department.



The Group is also working to draw up a specific Code of Conduct for its suppliers and subcontractors, setting out the social, societal and environmental commitments required by the Group. Modeled on the Group Code of Conduct, which is aimed more specifically at employees, the Supplier Code of Conduct will cover the following areas:

- Human rights and fundamental freedoms,
- Workplace health and safety,
- Environment,
- Ethical business practices and anti-corruption.

This Code of Conduct will need to be signed by all the suppliers and subcontractors that the Group has established business relationships with.

For 2019-20, the Group is committed to assessing its strategic suppliers, incorporating the risks relating to the duty of vigilance.

Whistleblowing procedure

Groupe Beneteau has chosen to have one dedicated whistleblowing procedure that meets the requirements of both the French Sapin 2 law and the French duty of vigilance law. Alerts are collected using an online platform that is open to all the Group's staff and all its internal and external stakeholders. These arrangements guarantee the confidentiality of the identity of the whistleblower, the facts reported and the people concerned by each case.

The scope of the whistleblowing procedure covers:

- Any breach of the Group Code of Ethics and Code of Conduct,
- Any crime or offence,
- Any clear and serious breach of legislation or regulations,
- Any serious threat or prejudice to public interests.

It covers the following areas in particular:

- Conflicts of interest and corruption,
- Fraud, embezzlement and theft,
- Any serious infringement or risk of serious infringement of human rights, fundamental freedoms, personal health and safety or the environment resulting from the activities of the Group or its subcontractors or suppliers,
- Protection of personal data.

The whistleblowing platform is available at alert.beneteau-group.com in the Group's five languages (French, English, Polish, Italian and Slovenian).

As part of the procedure for handling alerts, the Ethics Committee and Audit Committee are provided with information based on statistical reports on the alerts collected.

8. HR DATA

Group's workforce

Headcount at Aug 31 (permanent and fixed-term contracts)	2018-19	2017-18	2016-17
France (1)	5,526	5,338	4,979
Poland (1)	1,668	893	746
United States	811	795	702
Italy	317	314	329
Slovenia (1)	40		
Headcount - CSR scope	8,362	7,340	6,756
Headcount - Group	**8,361**	**7,379**	**6,778**

(1) The scope has been extended to include the companies SJ Delphia, Seascape and Band of Boats for 2018-19

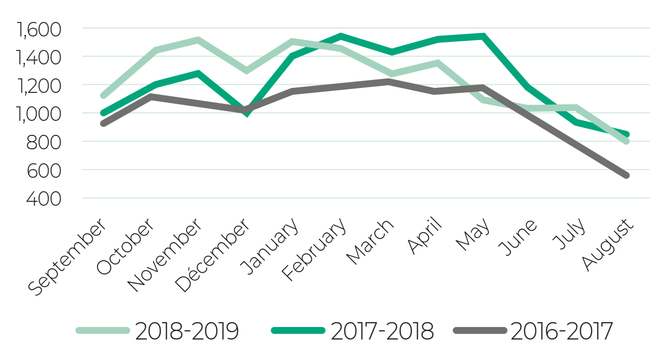
With its international focus, Groupe Beneteau has employees from more than 50 different nationalities in its European subsidiaries.

Breakdown of the workforce by status	2018-19	2017-18	2016-17
Permanent contracts	90.0%	92.9%	93.7%
Fixed-term contracts	10.0%	7.1%	6.3%

Temporary staff – French scope

Headcount at August 31	2018-19	2017-18	2016-17
Permanent contracts	5,376	5,186	4,847
Fixed-term contracts	150	152	132
Registered headcount	**5,526**	**5,338**	**4,979**
Temporary staff	800	848	571
Total headcount	**6,326**	**6,186**	**5,550**

Number of temporary staff at the end of each month



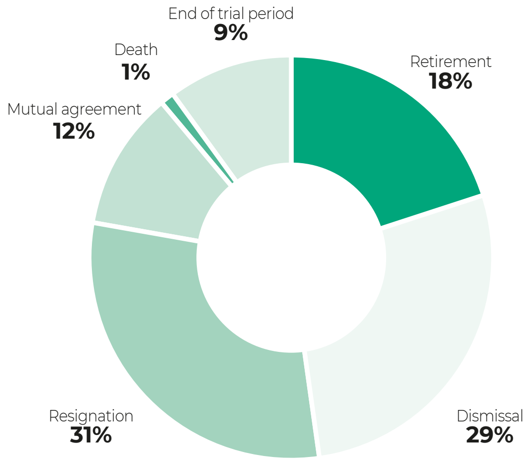
Recruitments and departures

Change in workforce on permanent contracts	2018-19	2017-18	2016-17
Recruitments on permanent contracts – France	+ 555	+ 616	+ 403
Recruitments on permanent contracts – Poland	+ 207	+ 95	+ 28
Recruitments on permanent contracts – USA	+ 240	+ 261	+ 171
Recruitments on permanent contracts – Italy	+ 48	+ 17	+ 26
Recruitments on permanent contracts – Slovenia	+ 3		
Recruitments on permanent contracts - Total	**+ 1,053**	**+ 989**	**+ 628**
Departures of permanent contracts – France	(365)	(277)	(241)
Departures of permanent contracts – Poland	(122)	(26)	(28)
Departures of permanent contracts – USA	(224)	(168)	(131)
Departures of permanent contracts – Italy	(33)	(27)	(17)
Departures of permanent contracts – Slovenia	-		
Departures of permanent contracts - Total	**(748)**	**(498)**	**(417)**
Change in scope	+ 406		+ 281
Change in workforce on permanent contracts	**+ 711**	**+ 491**	**+ 492**

Change in workforce on permanent contracts	2018-19	2017-18	2016-17
Recruitments on fixed-term contracts	+ 643	+ 540	+ 363
Departures of fixed-term contracts	(586)	(447)	(271)
Change in scope	+ 254		+ 36
Change in workforce on fixed-term contracts	**+ 311**	**+ 93**	**+ 128**

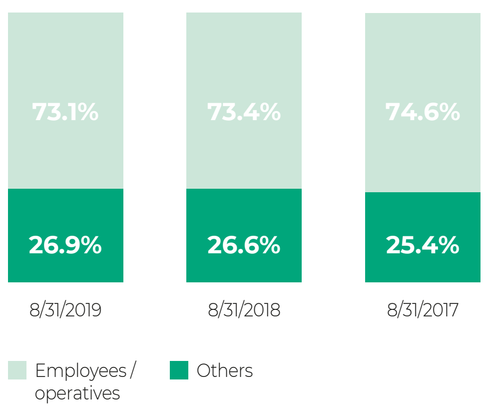
The CSR scope has been extended to include SJ Delphia, based in Poland, Band of Boats, based in France, and Seascape, based in Slovenia, for 2018-19.

Reasons for departures - Permanent staff

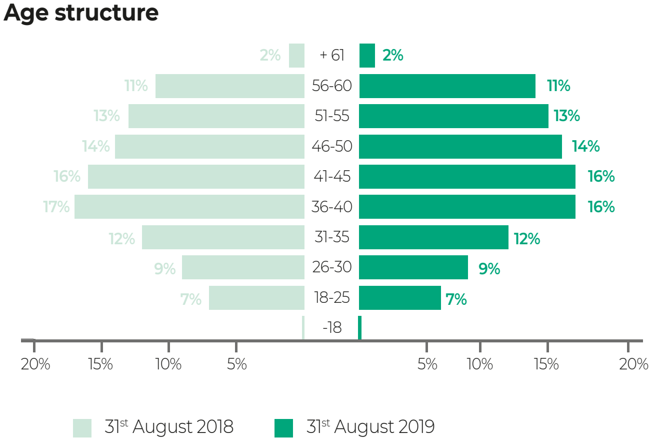


Breakdown of the workforce by status and age range

Breakdown of the workforce by status



Age structure



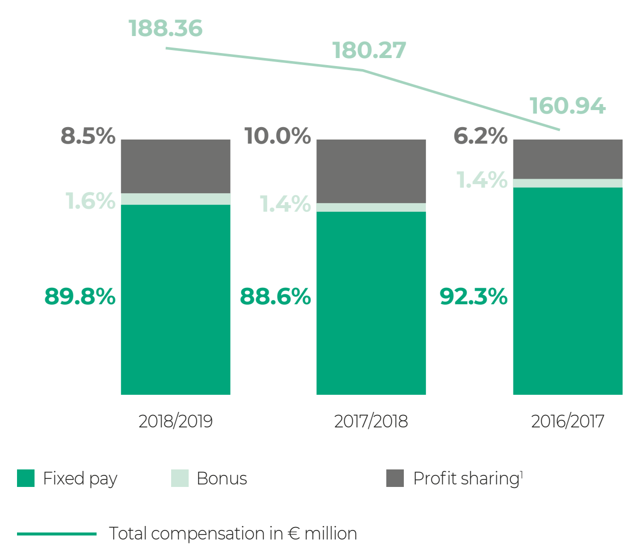
Work-time organization

CSR scope	2018-19	2017-18	2016-17
Percentage of part-time staff	3.7%	4.1%	4.5%
Staff working nights [1]	147	175	

(1) Indicator's first year of publication for the CSR scope in 2017-18. The data published for 2017-18 have been recalculated to ensure better consistency with the data for 2018-19.

Team-based work, in shifts or overnight, primarily concerns molding / composite activities in the Boat business, in line with the production cycles and processes used. To be classed as working nights, staff had to work for more than 120 nights during the year.

Compensation – French scope



(1) Amounts provisioned. The data for the previous year have been adjusted.

Groupe Beneteau's global compensation policy aims to optimize the balance between the various forms of compensation. It is based around three core principles: the market value for positions based on a local market benchmark, the level of inflation and individual performance.

In addition to their fixed pay, staff benefit from a system of profit-sharing and performance-related bonuses; alongside this, executive-grade staff are entitled to a variable compensation package based, depending on their positions, on the company's results and their individual or commercial performances. To harmonize payments for company performance-related bonuses, and ensure consistency between the Group's employees, the Group performance-related bonus agreement was reviewed this year to raise the percentage for

Group objectives in the total calculation of company performance-related bonuses from 40% to 50%.

Agreements relating to the mandatory annual negotiations were signed in all of the Group's French companies this year.

Use of subcontracting

The Boat business subcontracts its composites and fine woodwork operations. In the Housing business, subcontracting primarily concerns furniture, wiring bundles and frameworks. Production purchases with subcontractors are defined as all the services purchased to replace work in the plants. For 2018-19, subcontracting represented the equivalent of 202 FTEs for all the Group's companies.

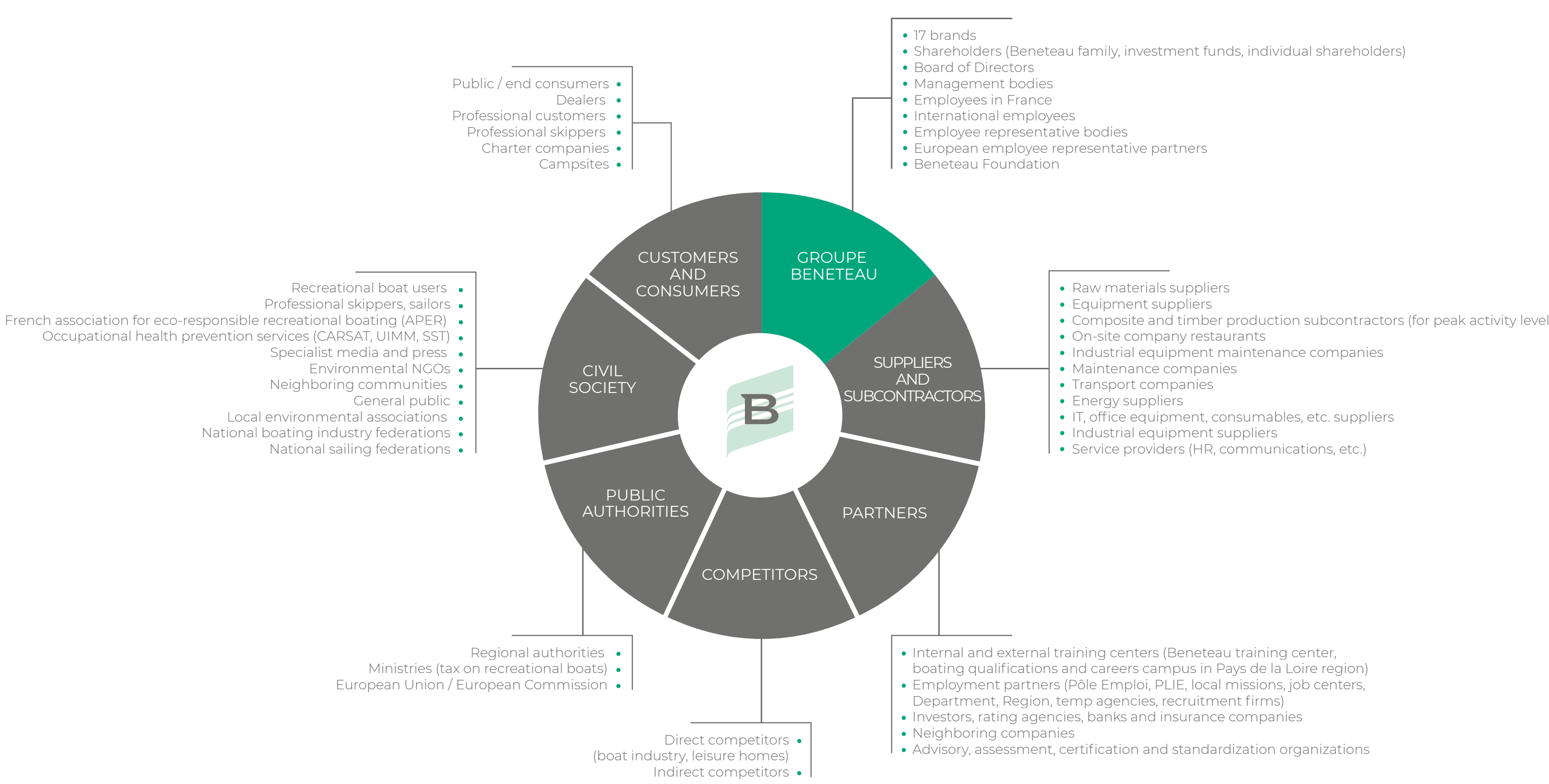
9. CSR REPORTING METHODOLOGY AND SCOPE

9.1 Mapping of stakeholders

Before drawing up the materiality matrix, Groupe Beneteau and Audencia Business School's CSR Chair mapped the various stakeholders. This approach makes it possible to identify all the elements that could affect the success of the initiative to identify the company's strategic CSR stakes. Mapping stakeholders is an important step for launching a Corporate Social Responsibility (CSR) project within which stakeholder engagement is a success factor.

Stakeholder: an entity or party concerned by Groupe Beneteau's projects and activities. It may be concerned directly or indirectly because the Group may influence or impact its activity (positively or negatively), and vice versa.

GROUPE BENETEAU
STAKEHOLDERS



9.2 Procedure for drawing up the materiality matrix

The materiality matrix was drawn up in 2019 by Audencia Business School's CSR Chair in four phases.

1 - Identifying existing stakes: exploratory consultation and analysis of documentation (company's sustainability reporting, competitive benchmark, specialized press, etc.) to identify a first list of non-prioritized stakes that are then broken down into five areas.

2 - Consulting with stakeholders: identification of the 44 most important stakes for Groupe Beneteau through a qualitative review with 134 stakeholders (10 internal focus groups and 17 semi-structured interviews).

3 - Prioritizing stakes based on their impact on stakeholders: consulting with internal and external stakeholders on the importance of these 44 stakes with a questionnaire (1,882 employees and 156 external stakeholders).

4 - Prioritizing stakes based on their impact on the company's performance: exchanges with the Executive Management Committee on the importance of the 44 stakes for the company's performance.

The 44 stakes are broken down into categories based on their impact on the Group's activity and their importance for its stakeholders. This makes it possible to highlight the stakes that are priority, because they are aligned with the expectations of the various stakeholders, while contributing to the company's performance.

9.3 Reporting procedure

The procedures to be implemented for measuring and reporting on Groupe Beneteau's corporate social responsibility indicators are described and developed in a methodological guide. This guide aims to ensure the reliability of data collection and consistency between the data collected from the various subsidiaries. It is updated each year.

The data are entered by the various contributors in the dedicated collection matrixes (one matrix for each section). The data collected in these matrixes are consolidated, analyzed and validated by the CSR leader, who coordinates the writing of the CSR performance report. Various checks, some of which are automatic, are carried out to ensure the reliability of the data.

The methodological guide and collection matrixes are translated into English for the international subsidiaries.

9.4 Reporting period

The data collected cover the period from September 1, 2018 to August 31, 2019.

However, to correlate the information provided in this report with the data from the various regulatory environmental disclosures, SPBI, Ostroda Yacht and SJ Delphia report on VOC emission and resin and gelcoat consumption indicators based on the calendar year (January 1 to December 31, 2018). As SJ Delphia has been consolidated since December 2018, its data are not included in the VOC emission and resin and gelcoat consumption indicators for this financial year. The contribution by these companies represents around 75% for each of these indicators. The data relating to water consumption are reported based on the calendar year for SPBI. The indicators relating to the number of units of value recognized for disabled staff are also reported based on the calendar year for all the companies.

9.5 Reporting scope

The reporting scope has gradually been extended with a view to covering the Group's financial scope.

The scope for companies included in the CSR reporting framework at August 31, 2019 includes:

- The French companies,
- The subsidiaries located in Poland, the United States, Italy and Slovenia.

The companies SJ Delphia, Seascape and Band of Boats have been incorporated into the reporting scope this year.

The companies included in the CSR reporting scope represent 100% of the Group's total workforce at August 31, 2019, compared with 99.5% at August 31, 2018.

9.6 Scope for indicators

To ensure the relevance and reliability of the data published, the non-French companies have been excluded from the scope for certain indicators. The scope for each indicator is presented in the indicator's heading. The French scope corresponds to 66% of the Group's workforce and is notably used for the timber indicator.

For this financial year, the changes in the scope concern the extension of certain HR indicators to include the international subsidiaries:

- Number of hours of training during the year per employee,
- Use of subcontracting – FTEs.

Various indicators have been identified as not being relevant for some of the companies from the scope and as such do not cover the full scope. More specifically, this concerns:

- Safety indicators, environmental indicators and indicators relating to suppliers and subcontractors that exclusively concern companies with production activities (the indicators relating to suppliers and subcontractors are linked to production purchases and therefore industrial activities),
- The indicator relating to resin and gelcoat consumption: only the companies from the Boat Division, which use resins and gelcoats, have been taken into account.

9.7 Clarifications concerning certain indicators

Human resources section

Workforce: this concerns staff linked by an employment contract to one of the companies from the scope, whether they are full time or part time, remunerated or non-remunerated positions. The workforce figures taken into consideration are those recorded at August 31.

Staff made available to another company and still employed by a company from the CSR scope (seconded staff and expatriates), professional development and apprenticeship contracts, international work placements (VIE), work-based training contracts, staff on maternity, paternity and parental leave, as well as staff on sabbatical leave, unpaid leave, business start-up leave, long-term leave or sick leave are recorded in the workforce. Corporate officers, temporary staff, staff seconded by another company, retired staff, subcontractors and interns are not taken into account here.

Recruitment: a recruitment corresponds to any fixed-term or permanent employment contract entered into during the period in question. Transfers from fixed-term contracts to permanent positions, transfers from professional development contracts to permanent or fixed-term contracts, transfers from temporary contracts to permanent or fixed-term contracts, and transfers from internships to permanent positions are treated as recruitments on permanent contracts. Two successive fixed-term contracts, set up for the same purpose, are counted as two recruitments if there is a break between the two contracts. Otherwise, only one recruitment is recorded. Two successive fixed-term contracts that have been renewed for different reasons are treated as two recruitments. Internal transfers within the CSR scope are not considered to be recruitments.

Turnover: turnover for permanent staff corresponds to departures by permanent employees during the period in question, initiated by the employer or employee, divided by the average permanent headcount for the period.

The following reasons for departures are taken into account: resignation, dismissal, breaches of contracts and termination of probation periods.

Permanent headcount: the permanent headcount comprises staff with a permanent employment contract. It therefore excludes people employed by an external company, fixed-term contracts, apprenticeship or professional development contracts and interns.

Absenteeism: the figures cover absences due to illness, occupational illness, part-time arrangements for people receiving treatments, occupational accidents (including time when people have had to stop work on the day of their accident), as well as unpaid absences (leave for personal reasons and unjustified absences).

Leave entitlements for family events are excluded.

The theoretical number of hours worked corresponds to the number of hours theoretically worked in accordance with the employment contracts, excluding paid leave, "RTT" days off in lieu under the French reduced working week system, and public holidays.

Occupational accidents: accidents travelling to and from work are not taken into account. Temporary staff, trainees, expatriates and service providers are excluded from this calculation.

Accidents that have only resulted in work being stopped on the day of the accident are not taken into account. Relapses relating to an initial occupational accident are not counted as a new occupational accident. Occupational accidents that have not been recognized by the administrative authorities are not taken into account. Occupational accidents that have been disputed by the employer are taken into account, unless they have not been recognized by the administrative authorities.

Actual time worked: time worked includes all the hours of presence within the company (including training time, time spent as staff representatives and any time in the infirmary), in addition to time for training outside the company. The theoretical number of hours per day for employees working on a day basis has been defined by each company based on the employee's category.

Number of days off work following an accident: any cases when employees have to take time off work are taken into account, irrespective of the period for which they may be off work, but the day of the accident itself is not counted, unless the date when the work stoppage is reported coincides with the date of the accident. Days off work during the reporting period relating to relapses following an initial occupational accident are taken into account. In such cases, the day of the relapse is also counted. Days off work following an occupational accident that has not been recognized by the administrative authorities are not taken into account. Days off work following an occupational accident that has been disputed by the employer are taken into account, unless they have not been recognized by the administrative authorities. Days off work are counted on a calendar day basis.

Frequency rate: the frequency rate is the number of occupational accidents resulting in time off work x 1,000,000 / actual number of hours worked.

Severity rate: the severity rate is the number of days off work for occupational accidents x 1,000 / actual number of hours worked.

Training: training includes any operations provided for a company employee, whether they are provided by an external party or not, and which are subject to a certificate of presence formalized with an attendance sheet and program. The number of hours of training per employee is calculated based on the average permanent headcount.

Recognized number of units of value for disabilities: the scope includes people with recognized disabilities in connection with the annual declaration filed with the French association for the management of funding for the integration of disabled people (AGEFIPH). The number of units of value is calculated on the company scope, including temporary staff and subcontractors.

Production purchases with subcontractors: Production purchases with subcontractors are defined as all the services purchased to replace work in the plants.

Environmental section

ISO 14001 certification: the sites or subsidiaries taken into account are those with a valid ISO 14001 certificate at August 31 of the year in question. For a multi-site certificate, all the sites are recorded as certified.

Volatile organic compound (VOC) emissions: any organic compound, excluding methane, with a steam pressure of 0.01 kPa or more at a temperature of 293.15 Kelvin or corresponding volatility under specific usage conditions. As a minimum, organic compounds contain the element carbon and one or more of the following elements: hydrogen, halogens, oxygen, sulfur, phosphorus, silicon or nitrogen (with the exception of carbon oxides and inorganic carbonates and bicarbonates). They are emitted either through combustion or evaporation. Emissions are assessed by calculating a material assessment based on the quantities of products containing VOCs. The emission factors are taken from the guide for preparing a framework for effectively managing VOC emissions in the composites sector (Guide de Rédaction d'un Schéma de Maîtrise des Emissions de COV dans le Secteur des Composites), published in 2004 and drawn up with the technical inter-industry center for atmospheric pollution research (CITEPA), the composites and plastics processing industry association (GPIC), the boating industry federation (FIN) and the plastic materials producers union (SPMP).

Waste: the following classification is applied:

- Recycled non-hazardous waste: cardboard, PVC, paper, copper, plastic, scrap metal, plaster,
- Reclaimed non-hazardous waste: waste timber and sawdust for the Boat business,
- Non-hazardous landfill waste: all other items, inert waste,
- Hazardous waste: glues, paints, resins, batteries, bulbs / neon lighting, medical waste.

Recycling: reprocessing of materials or substances contained in waste through a production process in such a way that they are used to create or incorporated into new products, materials or substances for their initial purpose or other functions. This includes the reprocessing of organic materials, but notably excludes reclamation for energy, conversion for use as a fuel, processes involving combustion or use as an energy source, including chemical energy, or backfilling operations.

Reuse: direct use of waste, without applying any techniques to process it, such as the reuse of pallets for instance.

Recovery: use of waste to produce an energy source or to replace an element or material.

Burial: storage underground or disposal in landfill.

Water consumption: quantity of water specifically used for the site's requirements (domestic or industrial use).

Energy consumption: total quantity of electricity (kWh) or gas (kWh GCV) purchased or produced and consumed by the sites. With regard to gas consumption, only natural gas is taken into account. Propane consumption is excluded from the calculation.

Greenhouse gas emissions: this concerns energy-related emissions. The emission factors are taken from the ADEME Carbon Base. These factors take into account upstream emissions and combustion levels for the facility.

Timber consumption: timber consumption is measured based on the quantities consumed or purchased during the year in question, with stock levels generally not significant at year-end.

Resin and gelcoat consumption: resin and gelcoat consumption is measured based on the quantities consumed during the period in question.

Economic section

Local suppliers: local suppliers are suppliers located in the Brittany, Pays de la Loire, Poitou-Charentes and Aquitaine regions of France. The reference address is the billing address.

BENETEAU S.A.

Breakdown of earnings

BENETEAU S.A., the holding company at the head of Groupe Beneteau, has an activity that is not significant in relation to its industrial subsidiaries.

ITS EARNINGS CAN BE BROKEN DOWN AS FOLLOWS:

€m	2018-19	2017-18
Revenues	**19.8**	**17.9**
Operating income	(8.4)	(7.9)
Financial income (expense)	22.9	18.6
Net income	14.3	8.2

During the year, BENETEAU S.A. received €26.3 million in dividends from CNB SA, BIO Habitat SAS, SPBI SA and SGB. The company's total net banking resources represented €122.3 million at August 31, 2019, compared with €166.4 million at August 31, 2018.

Information on terms of payment for suppliers and customers

BY PERIOD FOR LATE PAYMENTS (A)

€'000	Unpaid invoices received at Aug 31, 2019 in arrears					
Late payment brackets	0 days	1 to 30 days	31 to 60 days	61 to 91 days	Longer	TOTAL
Total amount of invoices concerned including VAT	0	689	70	12	26	797
Percentage of total amount of purchases including VAT	0.0%	3.9%	0.4%	0.1%	0.1%	4.5%
Number of invoices						181

€'000	Unpaid invoices issued at Aug 31, 2019 in arrears					
Late payment brackets	0 days	1 to 30 days	31 to 60 days	61 to 91 days	Longer	TOTAL
Total amount of invoices concerned including VAT	272	1	0	1	154	427
Percentage of revenues including VAT	1.2%	0.0%	0.0%	0.0%	0.7%	1.8%
Number of invoices						196

INVOICES EXCLUDED FROM POINT (A) RELATING TO DISPUTED OR UNRECORDED PAYABLES AND RECEIVABLES

	Unpaid invoices received at Aug 31, 2019 in arrears	Unpaid invoices issued at Aug 31, 2019 in arrears
Number of invoices excluded	na	5
Total amount of invoices excluded (€'000)	na	132

REFERENCE TERMS OF PAYMENT USED

	Unpaid invoices received at Aug 31, 2019 in arrears	Unpaid invoices issued at Aug 31, 2019 in arrears
Number of invoices excluded	Legal	Legal

Other items

To the best of our knowledge, with the exception of BERI 21 S.A., three other legal entities hold more than 2.5% of the capital of BENETEAU S.A, with 3.8610% for the Franklin Ressources Inc fund, 3.6479% for Financière de l'Echiquier and 2.70% for Norges Bank.

The Board of Directors would like to add that 476,457 shares, representing 0.576% of the capital, are held by current and former staff under the BENETEAU ACTION company mutual fund, in accordance with Article L.225-102 of the French commercial code.

The expenditure covered by Article 39-4 of the French general tax code (Code Général des Impôts, CGI) came to €43,076 for the year.

The general meeting did not grant any delegations for capital increases during the year.

During the year, the company bought and sold Beneteau shares under the following conditions:

- Buying a total of 1,112,067 shares at an average price of €10.79 per share
- Selling a total of 719,103 shares at an average price of €11.67 per share
- Trading costs: €74,000.

This gives a balance of 943,706 treasury shares at August 31, 2019, with a par value of €0.10, representing 1.14% of the capital, with 1.14% for shares awarded. The net balance sheet value represents €8,238,000, while the value at August 31, 2019, based on the average share price for August 2019, came to €8,238,000.

The reasons for acquisitions are included in the treasury stock buyback program approved at the general meeting on Friday, February 8, 2019.

Appropriation of earnings

The Board of Directors proposes the following appropriation of the €14,297,759.96 in net income for BENETEAU S.A. for the year ended August 31, 2019, plus €164,772.52 in prior retained earnings:

- Other reserves: €14,462,532.48

Increasing other reserves from €114,060,983.28 to €128,523,515.76

And deducting €19,041,663.20 from other reserves for:

- Dividends: -€19,041,663.20

In this way, other reserves will be reduced from €128,523,515.76 to €109,481,852.56.

The portion of profits corresponding to dividends not paid out for shares held as treasury stock by the company will be allocated to retained earnings.

The proposed dividend represents €0.23 for each of the 82,789,840 shares, with a par value of €0.10.

It will be paid out on Friday February 14, 2020, after deducting social security charges.

As required under French law, shareholders are reminded that the dividends paid out over the last three years were as follows:

	2015-16	2016-17	2017-18
Share par value	€0.10	€0.10	€0.10
Number of shares	82,789,840	82,789,840	82,789,840
Net dividend	€0.10	€0.25	€0.26

Acquisitions of significant capital stakes and controlling interests

During the year, Beneteau SA subscribed for the capital increase carried out by GBI Holding for €4.5 million, enabling the latter to subscribe for the full amount of the capital increase of its Italian subsidiary Monte Carlo Yachts, increasing its interest from 90% to 98.18%.

Indirectly, through its interest held by its fully-owned subsidiary SPBI, BENETEAU SA took control of BENETEAU Boat Club SAS, raising its initial stake from 6.94% to 61.93% on October 23, 2018;

In addition, BENETEAU SA further strengthened its subsidiary Band of Boats by acquiring Digital Nautic, which provides online solutions for boat industry professionals enabling them to improve their quality of service. All the assets and liabilities were then transferred to Band of Boats, taking BENETEAU SA's interest up to 66.67% of Band of Boats' capital, with the remaining 33.33% held by Digital Nautic's founding shareholders.

Five-year financial summary for BENETEAU S.A.

€	2014-15	2015-16	2016-17	2017-18	2018-19
Capital at year-end					
Share capital	8,278,984	8,278,984	8,278,984	8,278,984	8,278,984
Number of shares	82,789,840	82,789,840	82,789,840	82,789,840	82,789,840
Operations and earnings for the year					
Revenues (net of tax)	13,562,132	14,359,635	15,126,363	17,900,536	19,799,730
Earnings before tax, profit-sharing, depreciation and provisions	(12,546,473)	(7,779,580)	9,181,307	16,137,137	8,375,048
Corporate income tax	(5,561,452)	(5,447,177)	(602,351)	2,271,212	(1,499,866)
Employee profit-sharing	7,638	42,387	69,578	170,725	3,545
Net income	(6,911,283)	(1,706,206)	(211,015)	8,239,164	14,297,760
Distributed earnings	4,967,390	8,278,984	20,697,460	21,525,358	19,041,663
Earnings per share					
Earnings after tax and profit-sharing, but before depreciation and provisions	(0.08)	(0.03)	0.12	0.17	0.12
Net income	(0.08)	(0.02)	(0.00)	0.10	0.17
Dividend per share	0.06	0.10	0.25	0.26	0.23
Workforce					
Average headcount	24	27	30	38	39
Payroll	2,670,953	3,458,392	3,281,244	4,394,253	5,192,930
Employee benefits	1,226,214	7,326,158	1,525,858	5,354,910	2,100,411

Groupe Beneteau consolidated financial statements

Consolidated financial statements

Consolidated income statement

€'000	Note	FY 2018-19	FY 2017-18
Revenues	Note 18	**1,336,227**	**1,287,197**
Change in inventories of finished products and work-in-progress		29,734	7,136
Other income from operations		1,959	1,247
Purchases consumed		(647,141)	(623,294)
Staff costs	Note 19	(397,822)	(367,595)
External expenses	Note 20	(138,587)	(127,189)
Tax		(24,251)	(22,907)
Depreciation		(74,205)	(65,299)
Other current operating expenses	Note 21	(7,976)	(4,468)
Other current operating income	Note 21	4,112	2,794
Income from ordinary operations	Note 18	**82,049**	**87,620**
Other non-current operating income and expenses	Note 22	(4,179)	0
Operating income		**77,870**	**87,620**
Income from cash and cash equivalents	Note 23	1,030	164
Gross finance costs	Note 23	(3,954)	(3,024)
Net finance costs	Note 23	**(2,924)**	**(2,860)**
Other financial income	Note 23	0	4,086
Other financial expenses	Note 23	(3,978)	(202)
Financial income (expense)	Note 23	**(6,902)**	**1,024**
Share in income of associates		4,832	4,180
Corporate income tax	Note 24	(27,559)	(32,434)
Consolidated net income		**48,240**	**60,390**
Minority interests		(1,248)	(932)
Net income (Group share)		**49,488**	**61,322**
€			
Net income (Group share) per share	Note 25	0.60	0.74
Diluted net earnings per share	Note 25	0.60	0.74

Statement of comprehensive income

€'000	FY 2018-19	FY 2017-18
Items that will not be subsequently reclassified to profit or loss		
Actuarial gains or losses	(6,354)	469
Tax effect	1,839	(136)
Subtotal	(4,515)	333
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	(113)	(10)
Fair value adjustments on financial hedging instruments	(2,350)	(2,571)
Fair value adjustments on available-for-sale financial assets	0	0
Share of gains and losses recognized directly in equity for associates	0	0
Tax effect	677	756
Subtotal	(1,787)	(1,826)
Subtotal for gains and losses recognized directly in equity	**(6,302)**	**(1,492)**
Net income for the period	**48,241**	**60,390**
Net income and gains and losses recognized directly in equity	**41,939**	**58,898**
Of which, share attributable to owners of the parent	43,178	59,829
Of which, share attributable to non-controlling interests	(1,241)	(932)

Consolidated balance sheet at August 31, 2019

Assets €'000	Notes	Aug 31, 2019	Aug 31, 2018 restated *
Goodwill		91,095	81,394
Other intangible assets	5	27,352	28,352
Property, plant and equipment	5	346,489	330,224
Investments in associates	5	40,040	39,099
Non-current financial assets	5	218	336
Deferred tax assets	24	9,364	7,656
Non-current assets		**514,558**	**487,061**
Inventories and work-in-progress	6	278,161	239,777
Trade receivables and related	7	90,262	67,656
Other receivables	8	46,619	45,773
Floor plan-related dealer receivables *	3.23	228,073	210,979
Current tax assets		6,407	1,413
Cash and cash equivalents	9	233,809	265,258
Current assets		**883,331**	**830,856**
Assets held for sale	10	**200**	**1,315**
Total assets		**1,398,089**	**1,319,232**

*Note 2-b – "Change of presentation of the accounts relating to dealer floor plans"

Consolidated balance sheet at August 31, 2019 (contd.)

Shareholders' equity and liabilities €'000	Notes	Aug 31, 2019	Aug 31, 2018 restated *
Share capital	11	8,279	8,279
Additional paid-in capital		27,850	27,850
Treasury stock	11	(8,960)	(5,299)
Consolidated reserves		568,534	539,484
Consolidated income		49,488	61,322
Shareholders' equity (Group share)		**645,191**	**631,636**
Non-controlling interests		(1,073)	1,663
Total shareholders' equity		**644,118**	**633,299**
Provisions	12	6,472	4,168
Employee benefits	13	33,736	26,022
Financial liabilities	14	29,867	32,192
Deferred tax liabilities		142	0
Non-current liabilities		**70,217**	**62,382**
Short-term loans and current portion of long-term loans	14	106,934	71,167
Floor plan-related financial debt with financing organizations *		228,073	210,979
Trade payables and related	15	114,335	106,632
Other liabilities	15	204,033	196,492
Other provisions	12	30,379	28,847
Current tax liabilities		0	8,844
Current liabilities		**683,754**	**622,961**
Liabilities held for sale	10	**0**	**590**
Total shareholders' equity and liabilities		**1,398,089**	**1,319,232**

*Note 2-b – "Change of presentation of the accounts relating to dealer floor plans"

Statement of changes in shareholders' equity

€'000	Capital stock	Additional paid-in capital	Treasury stock	Consolidated reserves	Translation adjustments	Earnings	Shareholders' equity (Group share)	Minority interests	Total sharehol-ders' equity
Net position at Aug 31, 2017	**8,279**	**27,850**	**(10,603)**	**513,928**	**(9,858)**	**59,709**	**589,305**	**1,335**	**590,641**
Earnings for 2017-18						61,322	61,322	(932)	60,389
Other comprehen-sive income				(1,482)	(10)		(1,493)	0	(1,493)
Comprehensive income for 2017-18				(1,482)	(10)	61,322	59,828	(932)	58,896
Appropriation of earnings for 2016-17				59,709		(59,709)	0		0
Dividends paid				(20,432)			(20,432)	1	(20,431)
Foreign cur-rency translation adjustments					112		112		112
Change in scope				(1,231)			(1,231)	1,260	29
Changes in trea-sury stock			5,304	(3,270)			2,034	0	2,034
Other [1]				2,022			2,022	0	2,022
Net position at Aug 31, 2018	**8,279**	**27,850**	**(5,299)**	**549,241**	**(9,758)**	**61,322**	**631,636**	**1,663**	**633,299**
Earnings for 2018-19						49,488	49,488	(1,248)	48,240
Other comprehen-sive income				(6,185)	(123)		(6,308)	7	(6,301)
Comprehensive income for 2018-19				(6,185)	(123)	49,488	43,180	(1,241)	41,939
Appropriation of earnings for 2018-19				61,322		(61,322)	0		0
Dividends paid				(21,360)			(21,360)	(0)	(21,360)
Foreign cur-rency translation adjustments					(180)		(180)		(180)
Change in scope [1]				(5,956)			(5,956)	(1,495)	(7,451)
Changes in trea-sury stock			(3,662)	(12)			(3,675)	0	(3,675)
Other [2]				1,545			1,545	0	1,545
Net position at Aug 31, 2019	**8,279**	**27,850**	**(8,961)**	**578,595**	**(10,061)**	**49,488**	**645,191**	**(1,073)**	**644,118**

[1] 1 Change in scope (Note 3.1.4) - see «next page»
[2] Detailed breakdown of other changes - IFRS 2 -€1,545,000 (Note 19)

Change in scope detail

€'000	Group	Minority interests	Total
Put on minorities	(6,287)		(6,287)
Band of Boats	(1,065)		(1,065)
SJ Delphia	(4,642)		**(4,642)**
Seascape	(580)		(580)
Finalization of Seascape goodwill		(1,120)	(1,120)
Other	331	(374)	(44)
Change in scope	**(5,956)**	**(1,494)**	**(7,451)**

Cash flow statement

€'000	Notes	FY 2018-19	FY 2017-18
Operating activities			
Net income for the year		47,300	57,669
Consolidated net income		48,241	60,390
Share in income of associates (restated for dividends received)		(941)	(2,721)
Elimination of income and expenses without any impact on cash flow or unrelated to operations		85,761	63,551
Depreciation and provisions		80,202	65,455
Capital gains or losses on disposals		4,442	1,449
Deferred tax		1,117	(3,353)
Operating cash flow		**133,061**	**121,220**
Change in working capital requirements		(49,751)	33,534
Inventories and work-in-progress		(32,691)	(18,090)
Receivables		(2,758)	13,423
Current tax		(13,750)	23,693
Payables		(552)	14,508
*Change in floor plan-related dealer receivables**	3.23	(17,094)	(34,923)
Total 1 - Cash flow from operating activities		**66,216**	**119,831**
Investment activities			
Fixed asset acquisitions	5	(79,757)	(82,727)
Fixed asset disposals		1,232	(719)
Fixed asset-related receivables - payables		(3,287)	2,155
Impact of changes in scope	3.1.4	(22,937)	(1,781)
Total 2 - Cash flow from investment activities		**(104,749)**	**(83,072)**
Financing activities			
Change in share capital		0	0
Other cash flow from financing activities		0	(1)
Treasury stock		(3,674)	2,066
Dividends paid to shareholders		(21,360)	(20,432)
Payments received for financial debt	14	5,439	5,251
Repayments of financial debt	14	(13,351)	(11,677)
Change in floor plan-related financial debt with financing organizations*	14	17,094	34,923
Total 3 - Cash flow from financing activities		**(15,852)**	**10,130**
CHANGE IN CASH POSITION (1+2+3)		(54,398)	46,889
Opening cash position	9	256,297	209,347
Closing cash position	9	202,740	256,297
Impact of changes in exchange rates		828	61
Change		(54,398)	46,889
Of which, Other transferable securities		40,736	25,000
Cash at bank and in hand		193,073	240,258
Bank overdrafts		(31,070)	(8,961)

* Note 2-b – "Change of presentation of the accounts relating to dealer floor plans"

NOTE 1 - COMPANY INFORMATION

Listed on Euronext Paris, BENETEAU S.A. is a French-law limited company (société anonyme).

The Group has two main activities:

- Designing, producing and selling sailing yachts and motor boats through an international network of dealers, with this activity grouped together under the "Boat" sector. As the boating industry's global market leader, Groupe Beneteau, through its Boat division's 12 brands, offers over 200 recreational boat models serving its customers' diverse navigational needs and uses, from sailing to motorboating, monohulls and catamarans;
- Designing, manufacturing and selling leisure homes, with this activity grouped together under the "Housing" sector. Leading the European leisure homes market, the three brands from the Group's Housing Division offer a comprehensive range of leisure homes, lodges and pods that combine eco-design with high standards of quality, comfort and practicality.

The Group's other activities are ancillary and considered as reconciliation items in terms of the segment reporting given in Note 18.

The consolidated financial statements at August 31, 2019 reflect the accounting position of the company and its subsidiaries (hereafter "the Group"). They were approved by the Board of Directors on December 18, 2019, which authorized their publication. These accounts will be submitted for approval at the next general shareholders' meeting on February 7, 2020.

NOTE 2 -A- HIGHLIGHTS OF THE YEAR

On November 30, 2018, the Group finished acquiring an 80% controlling interest in the Polish company Stocznia Jachtowa Delphia sp z.o.o. (S.J. Delphia) concerning the activities of Delphia Yachts. This company designs, builds and sells boats, particularly for the Delphia Yachts and Maxi Yachts brands. This company's accounts are fully consolidated since December 1, 2018 (nine months of business) – (see Note 3.1.4).

In addition, the Group further strengthened its subsidiary Band of Boats by acquiring Digital Nautic, which provides online solutions for boat industry professionals enabling them to improve their quality of service. All the assets and liabilities were then transferred to Band of Boats, taking Groupe Beneteau's interest up to 66.67% of Band of Boats' capital, with the remaining 33.33% held by Digital Nautic's founding shareholders).

NOTE 2- B – CHANGE OF PRESENTATION OF THE ACCOUNTS RELATING TO DEALER FLOOR PLANS

Groupe Beneteau's client dealers benefit from floor plan bank financing arrangements for their boat inventory. Under collaboration agreements between Groupe Beneteau and the financing organizations concerned, Groupe Beneteau is committed to buying back from the financing organizations any boats that the financing organizations repossess if dealers default on repayments for their floor plan loans.

In the accounts published at August 31, 2018, it was considered that the receivable from the dealer was extinguished by the payment from the financing organizations to the Group and the guarantees given by the Group were then presented as off-balance sheet commitments.

For the first application of IFRS 9 at September 1, 2018, the Group reviewed the accounting treatment and concluded that the payment of the invoice by the financing organization does not extinguish the receivable, but transfers it to the financing organization under IFRS 9. In such cases, whether or not the receivable is derecognized depends on the risks and benefits retained by the Group or transferred to the financing organization. As a result of the Group's commitment to buy back boats, it takes on almost all of the risks relating to the receivable. The Group therefore concluded that the receivables from dealers that were transferred to the financing organizations under floor plan mechanisms needed to be kept on the balance sheet, with the corresponding financial liability recognized.

As the expected credit losses relating to these trade receivables were not estimated to be significant, this financial liability is equal to the amount of the trade receivables transferred and kept on the balance sheet.

Since the analysis presented above is based on the terms of IFRS 9 that have not changed compared with IAS 39, the change of treatment for floor plans is considered to be an error correction under IAS 8.

This correction has not had any impact on the Group's consolidated net income or consolidated shareholders' equity and has not impacted the calculation of earnings per share. Neither has it had any impact on net cash flow for the year or the covenants for the Group's loan agreements. The impacts on the presentation of the consolidated balance sheet at August 31, 2017 and 2018 and the cash flow statement for 2017-18 are summarized below.

Consolidated balance sheet at August 31, 2018

€'000	Aug 31, 2018 reported	Floor plan correction	Aug 31, 2018 estated
Floor plan-related dealer receivables		210,979	210,979
Current assets	**619,877**	**210,979**	**830,856**
Total assets	**1,108,253**	**210,979**	**1,319,232**
Floor plan-related financial liabilities		210,979	210,979
Current liabilities	**411,982**	**210,979**	**622,961**
Total shareholders' equity and liabilities	**1,108,253**	**210,979**	**1,319,232**

Consolidated balance sheet at August 31, 2017

€'000	Aug 31, 2017 reported	Floor plan correction	Aug 31, 2017 estated
Floor plan-related dealer receivables		176,056	176,056
Current assets	**569,718**	**176,056**	**745,774**
Total assets	**1,033,652**	**176,056**	**1,209,708**
Floor plan-related financial liabilities		176,056	176,056
Current liabilities	**366,664**	**176,056**	**542,720**
Total shareholders' equity and liabilities	**1,033,652**	**176,056**	**1,209,708**

Consolidated cash-flow statement 2017-18

€'000	FY 2017-18 reported	Floor plan correction	FY 2017-18 restated
Change in floor plan-related dealer receivables	-	(34,923)	(34,923)
Total cash flow from operating activities	**154,754**	**(34,923)**	**119,831**
Change in floor plan-related financial liabilities	-	34,923	34,923
Total cash flow from financing activities	**(24,793)**	**34,923**	**10,130**
Change in cash position	**46,889**	**-**	**46,889**

NOTE 3 - ACCOUNTING METHODS

3.1 General principles

3.1.1. Standards and interpretations applied

The consolidated financial statements are presented for the year ended August 31, 2019 in line with the IFRS published by the International Accounting Standards Board (IASB) and adopted by the European Union on the reporting date. A full list of the IFRS adopted by the European Union is available on the European Commission site (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en).

The Group's present financial statements are the first to take into account IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments". These changes to the accounting methods applied have not had any significant impact on the Group's consolidated annual financial statements.

The Group opted against the early application of the standards or interpretations whose application is not compulsory for FY 2018-19.

With regard to IFRS 16 – "Leases", the Group is required to adopt this standard from September 1, 2019. IFRS 16 introduces a single model for lessees to recognize leases on their balance sheets. The lessee records a "right to use" asset, which represents its right to use the underlying asset, and a lease liability for its obligation to pay the lease charges. The standard includes exemptions for short-term leases or leases for low-value assets. IFRS 16 replaces the existing standards for leases, including IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

The Group will record new assets and liabilities relating to its operating leases for buildings, industrial equipment and vehicles. The type of expenses relating to these leases is expected to change because the Group will now record depreciation for "right of use" assets and financial expenses for its lease liabilities.

No significant impact is expected for the Group's finance leases.

The Group plans to apply the standard from September 1, 2019 using the simplified retrospective method. It will therefore record the combined impact of the adoption of IFRS 16 as an adjustment to the opening balance for retained earnings at September 1, 2019, without restating the comparative information.

The Group plans to apply the simplification measure, which makes it possible to keep the previous definition of a lease during the transition. It will therefore apply IFRS 16 for all leases entered into before September 1, 2019 and identified as leases under IAS 17 and IFRIC 4.

The Group will use the following simplification measures:

- Exclusion of leases with a term of less than 12 months
- Exclusion of leases concerning assets with a value of $5,000 or less

The Group has estimated the impact of the first application of this standard on its consolidated financial statements. Based on the information currently available, the Group plans to record €8 million to €10 million of additional assets and liabilities for leases at September 1, 2019. The assets concerned comprise real estate and related leases, as well as leases for industrial equipment and vehicles. This evaluation could be modified slightly depending on the interpretations published concerning the application of IFRS 16.

The interpretation IFRIC 23 - Uncertainty over Income Tax Treatments applies to the Group from the financial year started September 1, 2019. This interpretation clarifies the application of the provisions of IAS 12 - Income Taxes concerning the determination of elements relating to income tax, when there is any uncertainty concerning the treatments retained in this area, in view of the tax provisions applicable. The potential impacts of this interpretation are currently being analyzed.

3.1.2. First application of IFRS 9 - Financial Instruments

At September 1, 2018, the Group adopted IFRS 9 Financial Instruments, applicable for financial years starting on or after January 1, 2018, replacing IAS 39 - Financial Instruments: Recognition and Measurement. It introduces new requirements for the classification and measurement of financial instruments, as well as the impairment of financial assets and hedge accounting. Considering the non-significant impact of the application of this new standard on the consolidated financial statements, the Group has chosen to not restate the comparative data in accordance with the simplified approach from IFRS 9.

Classification and measurement of financial assets and liabilities

IFRS 9 includes three main accounting categories for financial assets: those measured at amortized cost, at fair value through other comprehensive income and at fair value through profit and loss. The classification of financial assets under IFRS 9 is generally based on the business model for holding assets and the characteristics of its contractual cash flows.

IFRS 9 eliminates the "held to maturity", "loans and receivables" and "available for sale" categories that were applicable under IAS 39. Under IFRS 9, derivatives embedded in leases for which the host is a financial asset within the scope of the standard are never separated from it. These hybrid financial instruments are therefore considered from an overall perspective in terms of their classification.

- Financial assets measured at amortized cost: these financial assets are held with a view to receiving contractual cash flows. At initial recognition, they are measured at their fair value on their acquisition date, which is generally the transaction price. Subsequently, if they are not covered by a hedging transaction, these assets are measured at their amortized cost in line with the effective interest rate method. They correspond primarily to the following balance sheet items: loans, deposits and guarantees, customer receivables, other receivables and supplier receivables.
- Financial assets at fair value through other comprehensive income: these financial assets are held both for collecting contractual cash flows and for sale. These instruments are recorded on the balance sheet at their fair value through other comprehensive income. For equity instruments (shares), only the interest or dividends received and the changes in fair value resulting from changes in the exchange rates are recognized in profit and loss. With regard to debt securities (bonds), capital gains and losses are recognized in profit and loss. Changes in fair value are recognized in the statement of other comprehensive income. When the financial asset is removed from the balance sheet, the changes in fair value are recycled to other comprehensive income.
- Financial assets at fair value through profit and loss: these assets are those that are held for trading and those whose initial recognition is based on fair value through profit and loss. A financial asset is included in this category if it has been acquired primarily with a view to being sold in the short term, or if it does not have any predetermined contractual cash flows.

To a great extent, IFRS 9 retains the recommendations from IAS 39 concerning the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had any material impact on the Group's accounting methods concerning financial liabilities and derivative financial instruments.

The following table and the corresponding notes detail the initial measurement categories from IAS 39 and the new categories with IFRS 9 for each category of the Group's financial assets from September 1, 2018.

€'000	Initial classification under IAS 39	New classification under IFRS 9	Initial book value under IAS 39	New book value under IFRS 9
Interest rate swaps and currency forwards used as hedging	Fair value – hedging instrument	Fair value – hedging instrument	511	511
Loans and deposits	Loans and receivables	Amortized cost	140	140
Trade and other receivables	Loans and receivables	Amortized cost	112,918	112,918
Cash and cash equivalents	Loans and receivables	Amortized cost	265,258	265,258
Financial assets			**378,827**	**378,827**
Interest rate swaps and currency forwards used as hedging	Fair value – hedging instrument	Fair value – hedging instrument	105	105
Bank overdrafts	Other financial liabilities	Other financial liabilities	8,961	8,961
Secured and unsecured bank loans	Other financial liabilities	Other financial liabilities	91,250	91,250
Other financial debt	Other financial liabilities	Other financial liabilities	3,148	3,148
Trade payables	Other financial liabilities	Other financial liabilities	106,632	106,632
Financial liabilities			**210,096**	**210,096**

Impairment of financial assets

IFRS 9 replaces the "incurred losses" model from IAS 39 with the "expected credit losses" model. The new impairment model concerns financial assets measured at amortized cost and debt instruments at fair value through other comprehensive income, but does not cover investments in equity instruments. Credit losses are recognized earlier with IFRS 9 than under IAS 39.

At September 1, 2018, the management team reviewed and valued the Group's financial assets, taking into account all reasonable and justifiable information, including forward-looking information. No significant impacts were identified and no additional impairments were recorded at September 1, 2018.

Hedge accounting

In accordance with the transition measures proposed by IFRS 9, the Group has applied the hedge accounting measures prospectively from its first application date, i.e. September 1, 2018.

The Group's operations included in the hedge accounting scope under IAS 39 are also included under IFRS 9 and no rebalancing of hedging relationships was required at September 1, 2018. The hedging relationships remain effective under IFRS 9. No significant impact has been identified.

The Group uses currency forwards to hedge the variability of the cash flows attributable to changes in exchange rates for loans, receivables, inventory purchases and sales, in foreign currencies. The Group has chosen to apply the option offered by IFRS 9 to immediately recognize in net income the change in the fair value of the "forward" element of the currency forwards (forward points), without changing the principles applied previously under IAS 39.

3.1.3. First application of IFRS 15 – Revenue from Contracts with Customers

Considering the nature of its activities, the impact of the application of IFRS 15 on the Group is very limited. This standard has not had any significant impact on the consolidated accounts. The Group has chosen to not restate the comparative data. The main points for analysis are presented in Note 3.19.

3.1.4. Impact of changes in scope

Takeover of Stocznia Jachtowa Delphia sp z.o.o.

On November 30, 2018, the Group acquired an 80% controlling interest in Stocznia Jachtowa Delphia sp z.o.o. (SJ Delphia) through its subsidiary OSTRODA YACHT.

In accordance with IFRS 3 (revised), the Group has identified the assets acquired and liabilities assumed, measuring them at fair value on the acquisition date. The following table presents the fair value on the acquisition date of the identifiable assets and liabilities of Stocznia Jachtowa Delphia sp z.o.o.

€'000	Fair value on acquisition date
Net intangible assets	654
Net property, plant and equipment	13,809
Other non-current assets	141
Deferred tax assets	180
Non-current assets	**14,783**
Inventories and work-in-progress	3,656
Trade receivables and related	2,181
Other receivables	675
Current assets	**6,513**
TOTAL ASSETS	**21,296**
Employee benefits	61
Financial liabilities	2,978
Deferred tax liabilities	9
Non-current liabilities	**3,049**
Short-term loans and current portion of long-term loans	2,777
Trade payables and related	4,476
Other current liabilities	229
Other provisions	411
Current liabilities	**7,916**
TOTAL NET ASSETS	**10,355**
Consideration transferred (*)	19,925
Goodwill	9,570

* See – Cash flow linked to acquisitions

The assets and liabilities recognized may be adjusted subsequently within 12 months of the acquisition date. The goodwill is recorded on a provisional basis to date and will be definitive by November 30, 2019.

Under the shareholders agreement relating to SJ Delphia, the Group has an option to buy the 20% held by the minority shareholders. The minority shareholders have an option to sell their interest to the Group and this can be exercised from November 30, 2020 to November 30, 2022. The Group has therefore recorded a €4,642,000 financial liability corresponding to the estimated future exercise price in the Group's shareholders' equity.

Digital Nautic's takeover by Band of Boats

On October 31, 2018, Digital Nautic was acquired by then merged into Band of Boats. Following these operations, the capital of the new combined structure, controlled by the Group, is 66.67% owned by the Group and 33.33% by Digital Nautic's former shareholders. Under the shareholders agreement relating to Band of Boats, the Group has an option to buy the 33.33% held by the minority shareholders. The minority shareholders have an option to sell their interest to the Group and this can be exercised from November 1, 2023 to April 30, 2024. The Group has therefore recorded a €1,065,000 financial liability corresponding to the estimated future exercise price in the Group's shareholders' equity.

Cash flow linked to acquisitions

€'000	Aug 31, 2019	SJ Delphia	Band of Boats	Other
Amount paid	(19,925)	(19,925)	0	0
Net cash acquired with the subsidiaries	(3,012)	(2,777)	(367)	132
Net cash flow	**(22,937)**	**(22,702)**	**(367)**	**132**

3.2. Presentation of the consolidated financial statements

The following notes and tables are presented in thousands of euros, unless otherwise indicated.

Current assets comprise assets intended to be sold off or consumed in connection with the normal operating cycle, or within 12 months of the close of accounts, as well as cash and cash equivalents.

Current liabilities comprise debt falling due during the normal operating cycle or within 12 months of the close of accounts for the year.

Other assets or liabilities are considered to be non-current.

In order to prepare the consolidated financial statements, the Group's management team must exercise their judgment when making estimates and assumptions that have an impact on the application of the accounting methods and the amounts recorded in the financial statements.

These underlying assumptions and estimates are drawn up and reviewed on an ongoing basis in light of past experience and other factors that are considered to be reasonable in view of the circumstances. The actual values recorded may be different from the estimated values.

The underlying assumptions and estimates are reexamined on a continuous basis. The impact of changes in accounting estimates is recorded during the period of the change if it only affects this period or during the period of the change and subsequent periods if they are also affected by this change.

Notes	Estimate	Type of disclosure
Note 3.5.2 and 3.6	Principal acquisitions, disposals and changes in scope	As relevant, presentation of the principal valuation assumptions and methods applied for the identification of intangible assets in connection with business combinations, and assumptions retained for annual impairment tests
Note 3.7	Development costs	If applicable, presentation of impairment methods
Note 13	Employee benefits	Discount rate, inflation, yield for plan assets, rate for increase in wages
Note 11.2 and 19	Share-based payments	Underlying assumptions and model for determining fair values
Note 12	Provisions	Underlying assumptions for assessing and estimating risks
Note 24.2	Corporate income tax	Assumptions retained for recognizing deferred tax assets and the conditions for application of tax legislation

3.3 Consolidation methods

Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed or entitled to variable returns as a result of its links with the entity and it has the capacity to influence these returns as a result of its power over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control is obtained up until the date when it ceases to have control over them. When assessing control, the Group takes into consideration the potential voting rights that may currently be exercised, if applicable.

Non-controlling interests

Non-controlling interests are valued prorata based on the identifiable net assets of the company acquired on the acquisition date.

Changes to the percentage held by the Group in a subsidiary that do not result in a loss of control are recognized as transactions in equity.

Interests in associates or joint ventures

The Group's interests in equity affiliates comprise interests in associates or joint ventures.

Associates are entities for which the Group has a significant influence over their financial and operational policies, although without having control or joint control over them.

Joint ventures are partnerships under which the Group has joint control, giving it rights to the partnership's net assets, but not rights to its assets and obligations to be assumed in connection with its liabilities.

The Group's interests in associates and joint ventures are recorded on an equity basis. They are initially recognized at cost, including transaction costs. Following their initial recognition, the consolidated financial statements include the Group's share of net income and other comprehensive income for entities recorded on an equity basis until the date when the significant influence or joint control ends.

Methods applied for the Group

At August 31, 2019, the Group's companies were exclusively controlled by BENETEAU S.A. As such, the accounts of these companies are fully consolidated. Only SGB Finance, over which the Group has joint control, with a 49% controlling interest, is consolidated on an equity basis.

Any unrealized income, expenses and balance sheet items resulting from intragroup transactions are eliminated when preparing the consolidated financial statements. Any unrealized gains and losses resulting from transactions with associates are eliminated under equity-consolidated securities.

The basis for consolidation and the list of subsidiaries are presented in Note 4.

3.4 Conversion method

The financial statements of foreign subsidiaries are converted based on the exchange rate applicable at the close of accounts for the balance sheet, and at the average exchange rate over the year for the income statement. This average rate is an approximate value for the exchange rate on the transaction date if there are no significant fluctuations.

Translation differences linked to intercompany transactions are recognized in financial income and expenses, as relevant.

3.5 Business combinations and goodwill

3.5.1 Valuation of business combinations and goodwill

To record the acquisition of subsidiaries, the Group uses the acquisition method. The fair value of the consideration transferred corresponds to the fair value of the assets submitted, the equity instruments issued by the acquirer and the liabilities assumed on the date of the exchange. The costs linked directly to the acquisition are recognized as expenses for the period during which they are incurred.

When a subsidiary or associate is consolidated for the first time, the Group measures all the identifiable elements acquired at their fair value on this date. This measurement is carried out in the currency of the company that has been acquired.

Value adjustments for assets and liabilities relating to acquisitions recorded on a provisional basis (due to additional analyses or appraisals underway) are recognized as retrospective adjustments to goodwill if they occur within the allocation period, which may not exceed one year from the acquisition date, and if they result from facts and circumstances that existed on the acquisition date. Beyond this period, the effects are recognized directly in profit and loss, unless they correspond to corrections for errors, notably with regard to deferred tax assets, which, if they are recognized more than one year after the acquisition date, generate tax income. Goodwill relating to acquisitions of joint ventures and associates is included in the value of interests in companies consolidated on an equity basis.

Goodwill is not amortized, but is subject to impairment tests when there are indications of impairment and at least once a year. The conditions for impairment tests are presented hereafter in Note 3.6 "Impairment of assets". The impairments recognized in profit and loss cannot be reversed.

3.5.2 Goodwill

The residual difference corresponding to the surplus for the fair value of the consideration transferred (e.g. the amount paid), plus the amount of non-controlling interests in the company acquired (measured at either their fair value or for their share in the fair value of the identifiable net assets acquired), compared with the fair value on the acquisition date of the assets acquired and liabilities assumed is recorded as an asset in the consolidated financial position statement under "goodwill".

The option to measure non-controlling interests at their fair value or for their share in the fair value of the identifiable net assets acquired is available on a case-by-case basis for each business combination operation.

When the fair value of the assets acquired and liabilities assumed for the company acquired on the acquisition date exceeds the acquisition price plus the amount of the non-controlling interests, the negative goodwill is recognized immediately in profit and loss during the acquisition period, after checking the process to identify and measure the various items taken into account to calculate it.

3.5.3 Transactions concerning non-controlling interests

Changes in non-controlling interests, which do not involve obtaining or losing control, are recognized in equity. For instance, for an additional acquisition of securities in an entity that is already controlled by the Group, the difference between the securities' acquisition price and the additional share in consolidated equity acquired is recognized in equity - Group share. The consolidated value of the subsidiary's identifiable assets and liabilities (including goodwill) remains unchanged.

3.5.4 Price adjustments and/or earnouts

Potential price adjustments or earnouts for business combinations are measured at their fair value on the acquisition date if they are considered likely to be achieved. Following the acquisition date, changes to the fair value estimates for price adjustments result in adjustments to goodwill only if they occur within the allocation period (maximum of one year from the acquisition date) and if they result from facts and circumstances that exist on the acquisition date. In all other cases, changes are recognized in profit and loss unless the consideration transferred represents an equity instrument.

3.6 Impairment of assets

3.6.1 Impairment of assets with a finite useful life

Property, plant and equipment and intangible assets with a finite useful life are subject to impairment tests when there are indications of impairment. These impairments are recognized in profit and loss and can be reversed.

3.6.2 Impairment of assets with an indefinite useful life

Goodwill and other intangible assets with an indefinite useful life, such as certain brands that have been acquired, are subject to impairment tests when any indications of impairment appear and as a minimum once a year at the financial year-end.

3.6.2.1 Cash generating units

Fixed assets that do not generate largely independent cash inflows that allow them to be tested individually are grouped together in cash generating units (CGU).

Impairment tests are carried out for each CGU or CGU group at the lowest level at which goodwill is tracked by the Group. Goodwill impairment tests are not carried out at a higher level than the operating segment before consolidation for segment reporting purposes.

The assets of the CGU or CGU group include:

- The goodwill that is allocated to them insofar as the CGU or CGU group are likely to benefit from the business combination;
- Other intangible assets, property, plant and equipment, and net working capital requirements.

3.6.2.2 Cash generating units

The main indications of impairment retained for the CGUs concern a significant decrease in the CGU's revenues and operating income, as well as changes in the markets on which the Group operates.

3.6.2.3 Method for determining the recoverable value

An impairment is recognized in profit and loss when the book value of the asset or CGU is higher than its recoverable value.

The recoverable value of an asset is the higher of the following values:

- Its fair value less sales costs corresponding to the amount for which the Group would be able to sell the asset (net of sales costs) in a normal transaction between market participants on the valuation date; and
- Its value-in-use, corresponding to the present value of the estimated future cash flows from the continued use and ultimately the sale of an asset or CGU.

The value-in-use of the CGUs or CGU groups is determined based on the cash flow after tax taken from the business plans and a terminal value calculated by extrapolating the data from the last year. The business plans are generally drawn up over one to five years.

The Management team of the Group and its subsidiaries has budgeted operating income based on past performance and its market development forecasts.

The growth rate retained after the period covered by these plans corresponds to the growth rate for the market concerned, taking into account the geographical areas in which the subsidiary operates.

Cash flows are discounted based on the weighted average cost of capital calculated for the Group, plus, for certain CGUs or CGU groups, a premium to take into account the more significant risk factors impacting certain countries in which activities are carried out.

An impairment recorded for a CGU is allocated first to the reduction in the book value of any goodwill allocated to this CGU, then to the reduction in the book value of the CGU's other assets prorated to the book value of each of the CGU's assets.

3.6.3 Impairment tests at year-end

The Group applied the methodology defined above to its CGUs at year-end based on the following conditions.

BIO HABITAT

The CGU previously recognized as IRM is now recorded as BIO Habitat, as a result of the merger between IRM, O'Hara and Bio Habitat in June 2015.

RBH HOLDING

The goodwill generated on the acquisition of Rec Boat Holdings LLC, recognized for $20.9 million at August 31, 2014, has been adjusted and definitively valued at $17.9 million since August 31, 2015.

SEASCAPE

The goodwill generated on the acquisition of Seascape, recognized for the first time at August 31, 2018, was set definitively during the year at €1,710,000.

In addition, the financial liability relating to the put option held by the minority shareholders holding 40% of Seascape's capital has been adjusted, taking into account the latest elements known, in equity for €1,680,000 (see Note 14).

SJ DELPHIA

The goodwill generated on the acquisition of SJ Delphia is recorded to date on a provisional basis for PLN 41,118,000. The cash generating unit (CGU) comprises the two Polish entities, SJ Delphia and Ostroda Yachts, which both perform a boat production subcontractor role for the Group.

In addition, the financial liability relating to the put option held by the minority shareholders owning 20% of SJ Delphia's capital was recognized for €4,642,000 corresponding to the current value of the estimated future exercise price against the Group's shareholders' equity.

The following table summarizes the valuations, discount rates and impairment test results:

	BIO Habitat		RecBoat Holdings LLC		UGT Pologne
€'000	Aug 31, 2019	Aug 31, 2018	Aug 31, 2019	Aug 31, 2018	Aug 31, 2019
Gross value of goodwill	63,335	63,335	16,257*	15,399	9,385**
Net book value of the CGU	103,856	136,000	54,974	48,272	52,940
Enterprise value	212,520	177,000	65,816	102,007	62,860
Discount rate	8.14%	7.68%	9.42%	11.48%	10.47%
- Cost of equity capital	8.14%	7.44%	9.42%	13.93%	10.47%
- Net cost of debt	0.00%	0.24%	0.00%	4.14%	0.00%
Perpetuity growth rate	1%	1%	1.8%	3%	1%
Discount rate resulting in an impairment	16.54%	9.84%	10.81%	19.73%	62.47%
Reduction in the margin rate resulting in an impairment	-4.83%	-0.85%	-0.83%	-3.59%	-5%

(*) Goodwill of $17.9 million converted into euros at the year-end rate

(**) Goodwill of PLN 41.1 million converted into euros at the year-end rate

3.7 Intangible assets

The intangible assets acquired are recorded at their acquisition cost, while other intangible assets created internally are recorded at their cost price.

When their useful life is definite, intangible assets are depreciated over the useful life expected by the Group. This timeframe is determined on a case-by-case basis in view of the nature and characteristics of the elements included in this section.

When their useful life is indefinite, intangible assets are not depreciated, but systematically subject to annual impairment tests in accordance with the approach presented in Note 3.6. Intangible assets with definite useful lives are valued at cost less any depreciation and impairments, while intangible assets with indefinite useful lives are valued at cost less any aggregate impairments.

The main categories of intangible assets correspond to development costs.

3.7.1 Development costs

Development costs, net of related research tax credits, are recorded as intangible assets when the capitalization conditions are met in line with the following criteria:

- The projects are clearly identified and the related costs can be determined separately and measured reliably.
- The technical feasibility of the projects has been proven. There is an intention and a capacity to complete the projects and use or sell the products resulting from them. There is a potential market for the production resulting from these projects or their usefulness internally has been proven.

The necessary resources are available to complete the projects successfully.

The Group considers that it is in a position to satisfy the conditions set out above. As a result, its development projects for the production of molds in the "Boat" business are capitalized since they are part of individual projects and their ability to be recovered in the future can be reasonably considered as being assured.

3.7.2 Development costs for the new Group ERP

The development costs for the deployment of a new ERP for the whole of Groupe Beneteau are depreciated over seven years.

The solution was deployed for the first time for the Housing business in July 2015 following an 18-month delay linked to the number of specific developments required in the end. After it was brought into service, various processes needed to be changed and certain specific developments rewritten, calling into question the initial conditions for deployment for the Boat business.

In this context, a €6,743,000 impairment was recorded in 2017, taking the non-depreciated residual value to €1,787,000.

During the year, the decision was taken to not continue with the initial project for a Group ERP and to issue a new call for tenders to set up an ERP focused in priority on the Boat business.

The net amount of €1,787,000 was classed as a loss.

3.7.3 Depreciation of other intangible assets

Amortization charges are recorded as an expense on a straight-line basis in line with the estimated useful life of the intangible assets in question:

- Concessions, patents, licensesover the filing's validity period.
- Software one to three years.

They are subject to impairment tests when there are indications of impairment.

3.8 Property, plant and equipment

Property, plant and equipment that have been acquired are recognized at their acquisition cost, less the total amount of any depreciation and impairment recorded, with the exception of land, which is recognized at cost less impairments. This cost includes the spending linked directly to the item's acquisition and the estimated cost of the obligation to restore part of the asset to its previous state, if applicable.

Property, plant and equipment that have been produced are recognized at their production cost for those produced by the Group.

The subsequent costs are included in the book value of the fixed asset or recognized as a separate component, when relevant, if it is likely that the future economic benefits relating to this item will be allocated to the Group and the cost of this asset can be measured reliably. All other upkeep and repair costs are recognized as expenses for the year during which they are incurred, with the exception of those incurred to increase productivity or extend the item's useful life, which are capitalized.

When an item of property, plant and equipment has significant components with different useful lifespans, these components are recorded separately.

Property, plant and equipment are depreciated in line with the component-based approach over their useful life and taking into account their residual value, if applicable.

Amortization charges are recorded as an expense on a straight-line basis in line with the estimated useful life of the tangible assets in question.

The book values of property, plant and equipment are subject to impairment tests whenever any events or changes in circumstances indicate that it may not be possible to recover their book value.

The useful life periods retained are as follows:

• Site developments	10 to 20 years
• Operating buildings	20 years
• ·Building fixtures and fittings	10 to 20 years
• ·Plant and equipment	3 to 10 years
• Equipment fixtures and fittings	3 to 10 years
• Transport equipment	3 to 5 years
• ·Office and IT equipment and furniture	2 to 10 years

3.9 Leases

Leases are recorded as finance-leases if virtually all the economic benefits and risks inherent in ownership of the leased assets are transferred to the lessee in accordance with IAS 17 "Leases", in force at August 31, 2019. From the outset, they are recorded on the balance sheet at the lower of either the fair value of the asset being leased or the discounted value of minimum payments under the lease.

Finance-leased assets are depreciated over their useful life, which in most cases corresponds to the term of the lease.

Other leases are classified as operating leases. Lease charges are recorded as expenses on a straight-line basis through to the end of the lease. IFRS 16 "Leases", which introduces a single model for lessees to recognize leases on their balance sheets, will be applied by the Group at September 1, 2019 (see Note 3.1.1)

3.10 Financial assets and liabilities

Financial assets and liabilities comprise trade receivables, other receivables, trade payables, borrowings and financial debt. When a financial asset or liability is initially recorded in the accounts, it is measured at fair value, in addition to, as relevant, any transaction costs that may be directly attributed to the acquisition. Financial assets classed as assets at amortized cost correspond to assets held with a view to receiving contractual flows and with the basic characteristics of a loan. Financial assets classed as "assets at fair value through profit or loss" or "assets at fair value through other comprehensive income" and financial liabilities classed as "liabilities at fair value through profit or loss" are measured at their fair value (see section 3.1.2).

Insofar as possible, when measuring the fair value of an asset or liability, the Group uses observable market data. The fair value is determined with reference to the market price published on the reporting date for financial investments that are actively traded on an organized financial market. In other cases, it is determined in relation to a virtually identical instrument traded on a given market, or by discounting the future cash flow expected from the assets.

In accordance with IFRS 7 (revised), financial assets and liabilities measured at fair value have been classed depending on the fair value levels indicated by the standard:

- **Level 1**: the fair value corresponds to the market value of instruments listed on an active market (based on non-adjusted prices observed on active markets for identical assets or liabilities).
- **Level 2**: the fair value is measured with a valuation based on observable data for the asset or liability, either directly (as a price) or indirectly (determined based on a price).
- **Level 3**: the fair value is measured with a valuation based on non-observable data.

The financial instruments used by the Group are listed below:

Type	Valuation technique	Significant unobservable data	Correlation between significant unobservable data and fair value measurement
Currency forwards	Forward pricing: the fair value is determined using quoted forward exchange rates on the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.
Interest rate swaps	Swap models: the fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable.	Not applicable.

Commitments to buy out non-controlling interests

The Group has granted put options to third parties with non-controlling interests in certain consolidated companies to sell all or part of their interests in these companies. These financial liabilities do not accrue interest.

Under IAS 32 "Financial Instruments: Presentation", when holders of non-controlling interests have put options to sell their interests to the Group, a financial liability is recognized for an amount corresponding to the present value of the option's exercise price. The liability resulting from these commitments is reflected in:

- On the one hand, a reduction in the book value of the non-controlling interests concerned;
- On the other hand, a reduction in shareholders' equity (Group share), for the amount of the financial liability that exceeds the book value of the non-controlling interests concerned.

The financial liability is adjusted at the end of each period based on changes in the exercise price for the options and the book value of the non-controlling interests.

As there is no IFRS guidance in this area, the Company has applied the recommendations issued by the AMF in November 2009, recognizing the subsequent changes in the financial liability in equity.

3.11 Inventories and work-in-progress

Inventories of materials, goods and other supplies are valued in line with the first in, first out method.

Impairments in inventories of raw materials are determined in line with a statistical method, based primarily on the risk of such parts not being used.

In addition to direct costs, the production cost of finished products and work-in-progress factors in any indirect expenses strictly attributable to production, excluding research and after-sales service costs. Indirect costs include all the general costs for production and product development teams, in addition to insurance costs and depreciation charges. These costs are then allocated based on production time.

Impairments are calculated based on the difference between the gross value, determined in line with the abovementioned principles, and the net realizable value. This net realizable value corresponds to the expected price net of direct distribution costs for the inventory in question.

3.12 Assets held for sale

Non-current assets or groups of assets and liabilities are classed as assets held for sale if it is highly probable that they will be recovered primarily through a sale or distribution, rather than continuing use.

Immediately before their classification as held for sale, the assets or the components of the group to be sold are valued in accordance with the group's other accounting principles.

The assets (or the group held for sale) are recorded at the lower of their carrying amount or their fair value after sales costs. Any impairment relating to a group held for sale is allocated first to goodwill, then to the other assets and liabilities, prorated to their carrying value, with the exception of inventories, financial assets, deferred tax assets, assets arising from employee benefits, investment properties and biological assets, which continue to be valued in line with the group's other accounting principles that apply to them.

Any impairments resulting from an asset (or group of assets and liabilities) being classed as held for sale and any profits and losses due to subsequent valuations are recognized in profit or loss.

Until August 31, 2018, following the proposal to mothball the Brazilian subsidiaries at August 31, 2016, the assets and liabilities of these companies were classed as assets and liabilities held for sale. However, as these assets and liabilities were still held at August 31, 2019, they are no longer classed as assets and liabilities held for sale.

3.13 Share capital and reserves

When the Group buys or sells its own shares, the amount paid or received and the directly attributable transaction costs are recorded as a change in shareholders' equity. Treasury stock are deducted from the total amount of shareholders' equity and recorded under the section for "treasury stock".

3.14 Employee benefits

Employee benefits exclusively concern post-employment benefits. They correspond primarily to long-service awards (médailles du travail) and retirement benefits.

Retirement benefits

The Group records provisions for retirement benefits in line with the usual measures applicable. This concerns a defined benefit plan. In France, Poland and Italy, this is managed in-house with direct employer contributions. In the US, contributions are paid to a retirement fund. Provisions are assessed by an independent actuary based on the projected unit credit method, the same method as for defined benefit plans, with a discount rate of 1% at August 31, 2019, compared with 2% at August 31, 2018.

The sensitivity of commitments to a 1-point increase in the discount rate represented €6,650,000 at August 31, 2019.

In accordance with IAS 19 (revised), the Group recognizes actuarial gains or losses in other comprehensive income. In this respect, during the financial year, the Group reduced the rate of payroll taxes for manager-grade staff by 3 points from 56.25% to 53.25%, and the payroll taxes rate for non-manager staff by 1.10 points from 43.69% to 42.59%. This reduction in the rate for payroll taxes is linked primarily to the inclusion of the tax credit promoting competitiveness and employment (Crédit d'Impôt Compétitivité Emploi) in the calculation of the average payroll taxes rate, taking into account its change to a deduction against payroll taxes from January 1, 2019. In addition, the turnover and wage growth rates have been updated.

Long-service awards (médailles du travail)

bonuses are paid in one installment to employees who have a certain level of seniority on a given date. The Group books provisions in relation to their amount depending on the likelihood of employees being present in the Group on the payment date.

Provisions are assessed by an independent actuary based on a discount rate of 1% at August 31, 2019, compared with 2% at August 31, 2018, with the corresponding impacts recognized in other comprehensive income.

3.15 Share-based payments

Stock warrant or option plans and bonus share plans for employees and corporate officers are measured at their fair value, which is recorded in profit and loss against reserves over the vesting period for beneficiaries to acquire rights.

The fair value of options has been determined using the Black & Scholes valuation model, based on assumptions drawn up by an actuary. The fair value of bonus shares, whose awards are dependent on market-related performance conditions, has been determined using the Monte Carlo model.

The main elements retained for calculating the fair value are as follows:

- Share price on the date awarded
- Average of the last 20 share prices
- Dividend per share rate
- Share's volatility
- Risk-free rate
- Vesting period
- Turnover

For the plan in force at August 31, 2019 (bonus share plan from February 9, 2018), when they apply, the performance conditions concern changes in Beneteau's share price in relation to the SBF120 index and changes in the percentage of the operating margin in relation to targets set by Management.

3.16 Provisions

Provisions are recorded if the following conditions are met

- The Group has a current obligation - legal or implied - resulting from a past event;
- It is likely that an outflow of resources representative of economic benefits will be required to fulfill the obligation;
- It is possible to reliably estimate the amount of the obligation.

The main risks covered concern business disputes, manufacturer warranties, tax disputes and trade tribunal disputes.

Provisions for warranties cover costs arising during the warranty period for products sold by the Group. They are calculated based on a statistical approach making it possible to determine a ratio for warranty costs in relation to revenues. This ratio is calculated based on observed historical data. The statistical provision may be supplemented with series provisions under certain circumstances.

3.17 Financial risk management

Customer credit risk (see Note 27)

This risk concerns trade receivables and more specifically the risk of a financial loss for the Group if customers fail to fulfill their contractual obligations.

BOATS

Invoicing occurs when the product is made available for the Boat business (see Point 3.19).

Customers pay the Group's companies, under the terms of the sales agreement, i.e. primarily cash before collection except when a financing agreement has been arranged or a bank guarantee obtained.

For financing agreements, the dealer gets its purchase financed through the financing organization using part of the credit line that it has been allocated by this organization based on criteria looked into beforehand. Within 30 days of the invoice being issued to the customer, the financing organization makes the payment to the Group, which is recorded as extinguishing the trade receivable. The dealer then repays the financing organization in line with a detailed schedule.

If the dealer defaults, Groupe Beneteau must physically repossess the boat on behalf of the financing organization and Groupe Beneteau undertakes to buy the boat back from the financing organization at a price equal to the outstanding capital. When it recovers the boat, Groupe Beneteau has its own network of dealers to resell it. The residual risk therefore corresponds exclusively to any sales effort required to sell the boat to a new dealer on top of the outstanding capital owed by the dealer.

As such, the risk of unpaid invoices is limited for this business.

HOUSING

In the primarily French Housing business, customers benefit from terms of payment. The credit management department systematically carries out a financial analysis before opening a customer account, making it possible to set the accepted level of liabilities.

This approach is systematically combined with a request for credit insurance cover with Coface for orders excluding financing. Coface's cover represents between 30% and 50% of the credit facilities authorized.

Other credit risk

This risk primarily concerns financial assets and more specifically the risk of a financial loss for the Group if a counterparty for a financial instrument fails to fulfill its contractual obligations.

This risk primarily concerns the Group's investments in term deposits or certificates of deposit with six first-rate banks.

Liquidity risk

The liquidity risk corresponds to the risk of the Group struggling to fulfill its obligations relating to financial liabilities that will be settled in cash or other financial assets.

The Group has a cash position that changes with its operating cycle.

The Group may use means of financing during the winter period. In FY 2016, the Group secured a medium-term revolving credit line for €150 million over five years, with a possible two-year extension, with a pool of partner banks, amended in 2017 to allow a maximum drawdown in dollars equivalent to €50 million. The current agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 3). These requirements were met at August 31, 2019.

In addition, the Group took out a loan in dollars from a banking pool to finance its acquisition of Rec Boat Holdings LLC. This loan agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 2.75). These requirements were met at August 31, 2019.

In 2016-17, the Group set up a credit agreement with a banking partner for $20 million. This agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 3). These requirements were met at August 31, 2019.

Market risk

This represents the risk of changes in the market price affecting the Group's earnings. As the Group operates primarily in Europe and North America for approximately 80%, it has significant foreign exchange risk exposure.

To manage its exposure to the foreign exchange risks resulting from its operations, the Group exclusively uses currency forwards on the dollar and zloty.

The hedge accounting eligibility criteria are as follows:

- Formal and documented existence of a hedging relationship when the financial instrument is put in place;
- Expected efficiency of the hedging, which may be measured on a reliable basis and demonstrated throughout the hedging relationship initially determined.

Financial derivatives are initially recognized at their fair value, which is updated at each close of accounts. Any differences are recognized in profit or loss, except in the event of any dispensations applicable under hedge accounting.

For hedge accounting purposes, hedges are rated either as fair value hedging instruments when they cover exposure to changes in the fair value of an asset or liability recorded in the accounts, or cash flow hedging instruments when they cover exposure to changes in the cash flow attributable to an asset or liability recorded in the accounts or a planned transaction.

Interest rate risk

The Group takes out variable-rate loans. To protect itself against exposure to the interest rate risk, it sets up interest rate swaps alongside this to hedge the variability of cash flow attributable to the interest rate risk.

3.18 Tax

Deferred taxes are determined in line with the accrual method for timing differences arising from differences between the tax and accounting bases for assets and liabilities.

Deferred tax is not recorded for the following items: the initial recognition of an asset or liability in a transaction which does not constitute a business combination and which does not affect the accounting profit or taxable profit, and the timing differences linked to equity interests in subsidiaries or joint ventures insofar as they are not likely to be reversed in the foreseeable future. In addition, deferred tax is not recorded in the event of a taxable timing difference generated by the initial recognition of goodwill.

Deferred taxes are determined in view of the tax rates that have been ratified by legislation.

Deferred tax assets, linked to losses that may be deferred, may only be recorded if it is likely that future profits will be sufficient to cover the deferrable losses.

Deferred taxes have been determined based on a tax rate of 28.92% for items unwinding after September 1, 2020 and 34.43% for other items at August 31, 2019, as at August 31, 2018. Taking into account the gradual reduction in the standard corporate income tax rate, Groupe Beneteau will be covered by rates of 34.43% then 28.92% for the financial years ending in 2020 and 2021. Deferred taxes have been determined based on the tax rate that will apply when items are unwound.

3.19 Revenues

Revenue from ordinary activities is recorded when the control of assets has been transferred to the customer, and their amount can be valued on a reliable basis.

This amount is net of any discounts granted to customers, as well as transport purchases paid to the freight forwarders and carriers responsible for transporting boats and leisure homes. Transport purchases primarily concern land transport services (pre-carriage for FCA boat sales – arrival at the location chosen by the customer) and, for a small percentage, marine transport services (CIF sales).

In the Housing business, the Group recognizes revenues when products are delivered.

For the Boat business, control of the products sold is transferred to customers and revenues are recognized by the Group on the date when products are made available, under the contractual terms applicable for each market.

This availability date corresponds to the later of the following two dates:

- The date expressly stipulated by the customer when placing their order, i.e. the date from which they would like to have access to their boat;
- The date from which the boat is technically finalized, i.e. its production has been completed, it has been launched on the water and it is ready to be collected by the customer.

On the availability date, the customer can take ownership of the boat and all the shipping-related processes can be carried out (arranging transportation and initiating the administrative procedures and export documents, if required).

If the customer asks for the boat to be available prior to shipping, the Group considers that control of the product is effectively transferred to the customer and that all the criteria required by section B81 of IFRS 15 for "bill and hold" arrangements are met:

- The agreement has substance, with the customer explicitly confirming their request for availability on a given date and a planned location for availability,
- The boat is identified separately as belonging to the customer: allocation of a HIN hull number, which is indicated to the customer when availability is confirmed,
- Once the hull number has been allocated to the order, the Group cannot cancel the order unless the customer defaults and cannot replace the boat with another one,
- The boat is physically on site, ready to be delivered to the customer,
- In practice, it would not be in the Group's interests to reallocate the boat to another customer, since it has been specifically configured based on the options chosen by the customer.

3.20 Other non-current operating income and expenses

The items classed as other non-current operating income and expenses correspond to items relating to a major event that occurred during the reporting period when the failure to present its impacts separately from other items of income from ordinary operations would distort the understanding of the company's current performance.

This concerns expense or income items that are of a limited number, significant and unusual or abnormal, including the impact of non-recurring events such as the discontinuation of an activity, the disposal of fixed assets not related to operations, and the costs and provisions relating to a significant dispute.

3.21 Earnings per share

Earnings per share

This figure is determined by dividing the amount of net income by the weighted average number of ordinary shares outstanding during the period, net of shares held as treasury stock.

Diluted earnings per share

To calculate diluted earnings per share, the denominator is increased by the number of shares that could potentially be created and the numerator is adjusted for any dividends, interest recorded during the period and any other change in income or expenses that would result from the conversion of potentially dilutive ordinary shares. Dilutive instruments are taken into account if and only if their dilution effect decreases earnings per share or increases the loss per share.

3.22 Segment reporting

The Group has two segments to present as described hereafter, corresponding to the Group's strategic operational units.

The Group's operational segments are organized and managed separately depending on the nature of the products and services provided.

- The "Boats" segment, which groups together the activities for producing and marketing boats with a customer base made up primarily of dealers;
- The "Housing" segment, which groups together the activities for manufacturing and marketing leisure homes with a customer base made up of campsites and tour operators.

Other activities are considered as reconciliation items.

Segment assets and liabilities are used for or result from this segment's operational activities.

Revenue from ordinary activities is broken down by region depending on the customer's location and by type of boat (Sailing / Motor) for the Boat business. More specifically, the Group has assets in France, the US, Poland, Italy and Slovenia.

3.23 Derecognition of financial assets

The Group's client dealers benefit from floor plan bank financing arrangements for their boat inventory. Invoices that have been approved by the financing organizations are paid directly by the financing organizations within a very short timeframe after being issued. Under collaboration agreements between the Group and the financing organizations concerned, the Group is committed to buying back from the financing organizations any boats that they repossess if dealers default on repayments for their floor plan loans.

The payment of the invoice by a bank is analyzed as a transfer of the receivable to the financing organization, making it necessary to assess whether the risks and benefits are retained by the assignor or transferred to the assignee. As a result of the Group's commitment to buy back boats, it takes on almost all of the risks relating to the receivable. The Group has therefore concluded that the receivables from dealers that were transferred to the financing organizations under floor plan mechanisms need to be kept on the balance sheet, with the corresponding financial liability recognized.

The floor plan receivables and payables are presented on separate lines on the balance sheet.

The expected credit losses relating to these trade receivables are estimated to be not significant.

NOTE 4 - EQUITY INTERESTS AND BASIS FOR CONSOLIDATION

At August 31, 2019, the following entities were consolidated:

	Registered office	Siren no.	% interest	Method
Beneteau Inc Holding USA (Charleston)	Marion – USA		100.00	FC
Beneteau America Inc	Marion – USA		100.00	FC
BGM America Inc	Marion – USA		100.00	FC
Beneteau Italia	Parma – Italy		95.00	FC
Beneteau Brasil Construçao de Embarcaçoes SA	Angra dos Reis (RJ) - Brazil		100.00	FC
SPBI*	Dompierre-sur-Yon – France	491 372 702	100.00	FC
Ostroda Yacht	Ostroda – Poland		100.00	FC
Jeanneau America Inc	Annapolis – USA		100.00	FC
Beneteau Group Asia Pacific	Hong Kong		100.00	FC
Jeanneau Italia	Rome – Italy		100.00	FC
Rec Boat Holdings LLC	Cadillac – USA		100.00	FC
925 Frisble Street LLC	Cadillac – USA		100.00	FC
Wellcraft LLC	Cadillac – USA		100.00	FC
Glastron LLC	Cadillac – USA		100.00	FC
Four Winns LLC	Cadillac – USA		100.00	FC
Band of Boats ***	Nantes – France		66.66	FC
Beneteau Boats Club	Les Sables d'Olonne – France		61.93	FC
Seascape D.o.o.	Ljubljana - Slovenia		60.00	FC
S. J. Delphia sp z.o.o.	Olecko – Poland		80.00	FC
Construction Navale Bordeaux	Bordeaux – France	342 012 390	100.00	FC
GBI Holding	Turin - Italy		100.00	FC
Monte Carlo Yacht	Turin - Italy		98.18	FC
Bio Habitat**	La Chaize-le-Vicomte - France	511 239 915	100.00	FC
Bio Habitat Italia	Turin - Italy		100.00	FC
SGB Finance	Marcq-en-Barœul - France	422 518 746	49.00	EM

FC: fully consolidated - EM: equity method

* SPBI is made up of three entities: Chantiers Beneteau, Chantiers Jeanneau and BJ Technologie

** Effective retroactively to September 1, 2014, the companies O'Hara and IRM were merged within Bio Habitat; at December 31, 2017, the company BH was merged into BIO Habitat; in July 2019, the company BHS was dissolved without being liquidated and merged into Bio Habitat.

*** Digital Nautic was acquired by Band of Boats in October 2018 and all its assets and liabilities were transferred to this company on February 28, 2019.

NOTE 5 - FIXED ASSETS

Change in fixed assets (gross)

€'000	Year started Sep 1, 2018	Acquisition	Disposals, retirements	Translation differences	Change in scope	Change through inter-item transfers	Other *	Year ended Aug 31, 2019
Goodwill	**81,394**	**0**	**0**	**858**	**9,793**	**(950)**	**0**	**91,095**
Development costs	12,193	309	0	(11)	42	856	0	13,389
Concessions, patents, licenses	23,569	13	(68)	1,126	0	396	1	25,037
Other intangible assets	11,121	838	(570)	(7)	721	102	(0)	12,204
Current intangible assets (a)	9,922	1,368	(8,528)	(1)	0	(1,263)	0	1,498
Total intangible assets	**56,805**	**2,527**	**(9,166)**	**1,107**	**763**	**90**	**1**	**52,128**
Land (1)	60,939	1,257	(24)	(7)	402	611	(0)	63,178
Property and facilities (2)	276,924	8,869	(320)	200	8,507	2,960	2,671	299,813
Plant and equipment (3)	490,515	35,644	(14,169)	1,250	4,015	30,736	731	548,723
Other property, plant and equipment	47,637	3,996	(1,984)	243	466	1,500	217	52,074
Current tangible assets	45,451	27,463	(2,472)	205	426	(35,789)	(0)	35,283
Advances and deposits on fixed assets	1,596	1,072	(2,211)	(4)	7	(120)	1	341
Total property, plant and equipment (b)	**923,061**	**78,302**	**(21,181)**	**1,888**	**13,823**	**(102)**	**3,620**	**999,412**
Investments in associates and joint-ventures	**39,099**	**941**	**0**	**0**	**0**	**0**	**0**	**40,040**
Equity interests	44	0	(4)	0	0	0	(0)	41
Other capitalized securities	22	0	0	0	0	0	(0)	21
Loans	5	0	0	0	0	0	0	5
Other non-current financial assets	140	49	(198)	1	141	0	17	151
Total non-current financial assets (b)	**211**	**49**	**(202)**	**1**	**141**	**0**	**17**	**218**
TOTAL FIXED ASSETS	1,100,569	81,820	(30,548)	3,669	23,756	(11)	3,638	1,182,893
(1) Of which, finance-leased land	173							173
(2) Of which, finance-leased building	2,193							2,193
(3) Of which, finance-leased technical facilities	219							219

(*) Of which, transfer from assets held for sale: 3,638 – see Note 3.12

(a) Reversal of the value of outstandings relating to the Boat ERP project – net loss of €1,787,000 (Note 3.7.2 and Note 22)

(b) Acquisition of fixed assets in cash flow - see next page

Acquisition of fixed according to cash flow statement

€'000	
Acquisition of intangible assets	2,527
Acquisition of property, plant and equipment	78,302
Excluding advances and deposits	(1,072)
Acquisition of non-current financial assets	49
Acquisition of fixed assets in cash flow statement	**79,806**

Breakdown of goodwill

	Aug 31, 2019			Aug 31, 2018	
Goodwill	Currency	Currency '000	€'000	Currency '000	€'000
Bio Habitat	€	63,335	63,335	63,335	63,335
RBH	$	17,941	16,257	17,941	15,399
Seascape	€	1,710	1,710	2,660	2,660
Digital Nautic (BOB)	€	408	408	0	0
SJ Delphia *	Pln	41,118	9,385	0	0
Total			91,095		81,394

* The goodwill on this acquisition, carried out less than 12 months ago, is still provisional at August 31, 2019.

The conditions for recognizing goodwill and conducting impairment tests are presented in Note 3.6.

Change in depreciation and provisions

€'000	Year started Sep 1, 2018	Charges for the year	Disposals and reversals	Translation differences	Change in scope	Change through inter-item transfers	Other *	Year ended Aug 31, 2019
Goodwill	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**(0)**
Start-up costs and goodwill	0	0	0	0	0	0	0	0
Development costs	(8,393)	(1,680)	0	9	0	0	(1)	(10,065)
Concessions, patents, licenses	(3,605)	(446)	68	(94)	0	0	1	(4,076)
Other intangible assets	(9,713)	(1,176)	312	8	(67)	0	0	(10,636)
Current intangible assets (a)	(6,743)	0	6,743	0	0	0	(0)	0
Advances and deposits	0	0	0	0	0	0	0	0
Total intangible assets	**(28,453)**	**(3,303)**	**7,123**	**(77)**	**(67)**	**0**	**(0)**	**(24,777)**
Land (1)	(23,733)	(2,277)	7	90	0	1	(2,011)	(27,923)
Property and facilities (2)	(151,135)	(13,694)	438	(388)	0	71	(764)	(165,473)
Plant and equipment (3)	(378,549)	(50,870)	13,709	(1,061)	0	223	(558)	(417,106)
Other property, plant and equipment	(39,420)	(4,240)	1,918	(216)	(15)	(291)	(157)	(42,422)
Current tangible assets	0	0	0	0	0	0	0	0
Advances and deposits on fixed assets	0	0	0	0	0	0	0	0
Total property, plant and equipment	**(592,837)**	**(71,081)**	**16,071**	**(1,575)**	**(15)**	**4**	**(3,492)**	**(652,924)**
Investments in associates and joint-ventures	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity interests	(0)	0	0	0	0	0	0	(0)
Other capitalized securities	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0
Other non-current financial assets	0	0	0	0	0	0	0	0
Total non-current financial assets	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**
TOTAL FIXED ASSETS	**(621,290)**	**(74,383)**	**23,194**	**(1,651)**	**(82)**	**4**	**(3,492)**	**(677,701)**
(1) Of which, finance-leased land								
(2) Of which, finance-leased building	1,942	25	0	0	0	0		1,967
(3) Of which, finance-leased technical facilities	219	0	0	0		0		219

(*) Of which, transfer from assets held for sale: (3,492) – see Note 3.12

(a) Provision relating to the Boat ERP project – net loss of €1,787,000 (Note 3.7.2 and Note 22)

5.1 Investments in associates

This concerns the 49% equity interest in SGB Finance, with the other 51% owned by CGL (Société Générale Group). SGB Finance paid out a dividend of €20.00 per share, representing €7,940,000, with €3,891,000 for Groupe Beneteau.

Changes in the remaining 49% interest in SGB

€'000	Aug 31, 2019	Aug 31, 2018
At September 1	39,099	36,378
Dividends paid	(3,891)	(1,459)
Earnings	4,832	4,180
At August 31	**40,040**	**39,099**

Reconciliation with shareholders' equity

€'000	Aug 31, 2019	Aug 31, 2018
Shareholders' equity	81,714	79,793
% interest	49%	49%
Net book value of equity-consolidated securities	40,040	39,099

Other information concerning SGB

€'000	Aug 31, 2019	Aug 31, 2018
Total net assets	854,483	814,381
Accounts and borrowings (*)	697,971	667,790
Net banking income	21,648	19,382
Net income (**)	**9,861**	**8,531**

(*) With Société Générale
(**) Restated for impact of IFRS 9

NOTE 6 – INVENTORIES AND WORK-IN-PROGRESS

At year-end, inventories and work-in-progress can be broken down as follows:

€'000	Gross Aug 31, 2019	Depreciation used	Net Aug 31, 2019	Net Aug 31, 2018
Raw materials and other supplies	80,835	(5,613)	75,221	70,269
Production work-in-progress	84,159	0	84,159	77,939
Intermediate and finished products	121,426	(2,645)	118,781	91,570
Total	**286,420**	**(8,258)**	**278,161**	**239,777**

NOTE 7 – TRADE RECEIVABLES AND RELATED

An impairment is recorded when the carrying value of receivables is lower than their gross value. The management of the financial risk relating to trade receivables and related accounts is presented in Note 27.

€'000	Gross Aug 31, 2019	Depreciation	Net Aug 31, 2019	Net Aug 31, 2018
Trade receivables and related	93,806	(3,543)	90,262	67,656
TOTAL	**93,806**	**(3,543)**	**90,262**	**67,656**

NOTE 8 – OTHER RECEIVABLES

€'000	Notes	Aug 31, 2019	Aug 31, 2018
Advances and deposits on orders		4,719	3,482
Receivables on financial instruments	Note 16	-	511
Sundry tax and social security receivables		23,754	25,630
Other receivables		8,939	6,608
Prepaid expenses		9,207	9,542
OTHER RECEIVABLES		**46,619**	**45,773**

Other receivables primarily comprise tax and social security-related receivables.

NOTE 9 - CASH AND CASH EQUIVALENTS

€'000	Aug 31, 2019	Aug 31, 2018
Transferable securities and accrued interest	40,736	25,000
Cash at bank and in hand	193,073	240,258
CASH AND CASH EQUIVALENTS	**233,809**	**265,258**

Cash and cash equivalents comprise cash at bank, petty cash and short-term deposits with an initial maturity of less than three months.

Transferable securities represent short-term investments that are highly liquid, easily convertible for a known amount of cash and subject to a negligible risk in terms of changes in their value.

The Group tracks the net cash position, which is defined and calculated based on cash and cash equivalents as follows:

€'000	Aug 31, 2019	Aug 31, 2018
Transferable securities and accrued interest	40,736	25,000
Cash at bank and in hand	193,073	240,258
Cash and cash equivalents (A)	**233,809**	**265,258**
Bank borrowings and accrued interest	(31,070)	(8,961)
Financial debt with credit institutions	(94,963)	(91,250)
Other sundry financial liabilities	(10,769)	(3,148)
Gross financial debt (B)	**(136,801)**	**(103,359)**
NET CASH (A+B)	**97,008**	**161,899**

The change in net cash is as follows:

€'000	Aug 31, 2018	Change	Change in scope	Translation differences	Aug 31, 2019
Cash and cash equivalents	265,258	(11,718)	(20,360)	630	233,809
Gross financial debt	(103,359)	(11,816)	(13,044)	(8,582)	(136,801)
Net cash	**161,899**	**(23,535)**	**(33,404)**	**(7,952)**	**97,008**

NOTE 10 – ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale at August 31, 2019 correspond to the value of a site in the process of being sold, recorded on the balance sheet for €200,000.

At August 31, 2018, assets held for sale primarily included the assets of Beneteau Brasil Construçao de Embarcaçoes, the company whose activities have been put on standby since August 2016.

At August 31, 2019, all the assets and liabilities likely to be used in the Group's other companies were transferred to them. In addition, as a probable sale is not being considered within the next 12 months, the remaining assets are not covered by IFRS 5 and are no longer presented on a separate line.

NOTE 11 - SHAREHOLDERS' EQUITY

11.1 Share capital

The share capital is split into 82,789,840 fully paid-up shares with a par value of €0.10.

The changes in the number of treasury stock outstanding can be broken down as follows:

	Number	Valuation (€'000)
Shares at Aug 31, 2018	550,742	5,299
Acquisitions	1,112,067	11,994
Allocation	0	0
Sales	(719,103)	(8,332)
Shares at Aug 31, 2019	**943,706**	**8,960**

11.2 Bonus share plans

There were no changes in bonus shares over the year.

The current bonus share plan has the following characteristics:

		Plan from Feb 9, 2018		
		Initial allocation	Shares lapsed at Aug 31, 2019	Balance at Aug 31, 2019
Number of shares initially awarded		**291,600**	**(48,050)**	**243,550**
	Not subject to conditions	77,925	(3,150)	74,775
	With economic performance conditions	179,738	(34,463)	145,275
	With market-related performance conditions	33,938	(10,438)	23,500
Share price on day awarded			€18.80	
Vesting period			from Feb 9, 2018 to Feb 9, 2020	

11.3 Capital management strategy

Capital structure at August 31, 2019:

	Aug 31, 2019		Aug 31, 2018	
	Shares	Voting rights	Shares	Voting rights
BERI 21	45,001,527	90,003,054	45,002,027	89,983,516
Treasury stock	943,706		550,742	
Public	36,844,607	38,986,586	37,237,071	38,372,532
Employee shareholders	0		0	
TOTAL	**82,789,840**	**128,989,640**	**82,789,840**	**128,356,048**

BERI 21 is entitled to double voting rights, in the same way as any shareholder registered for at least two years.

- The limited company BERI 21 holds 54.36% of the capital and 69.78% of the voting rights.
- 1.14% of the capital is held as treasury stock, without any voting rights.
- The rest of the capital is held by the public. In accordance with the bylaws, any shareholder owning more than 2.5% of the capital is required to notify the company. At August 31, 2019, four shareholders in addition to BERI 21 held more than 2.5% of the capital: BERI210 with 3.78%, La Financière de l'Echiquier with 3.6479%, the Franklin Ressources Inc fund with 3.8610% and Norges Bank with 2.70%.

The Board of Directors would like to add that 476,457 shares, representing 0.576% of the capital, are held by current and former staff under the BENETEAU ACTION company mutual fund, in accordance with Article L.225-102 of the French commercial code.

There are no preferred shares.

Dividend policy

The Group's dividend policy aims to reward shareholders based on earnings for the past year, while maintaining the Group's capacity for investment through its equity.

Stock option and bonus share policy

The Group's policy is based on awarding stock options or bonus shares within the limits of the maximum number of shares from the company's share buyback plan. They are awarded to executives and corporate officers, as well as more widely among the Group's employees.

Treasury stock management policy

Every 18 months at most, a new share buyback program is defined and submitted for approval at the general meeting. The current program was approved at the general meeting on February 8, 2019.

NOTE 12 - PROVISIONS

€'000	Aug 31, 2018	Charges	Reversal of used provisions	Reversal of unused provisions	Translation differences	Other	Aug 31, 2019
Non-current provisions	4,168	3,368	(605)	(471)	13	(0)	6,472
Provisions for warranties	28,593	10,391	(8,611)	(1,028)	240	151	30,147
Other current provisions	255	0	(36)	0	13	0	232
Provisions for exchange rate risk	0	0	0	0	0	0	0
Total provisions	**33,016**	**13,759**	**(9,252)**	**(1,499)**	**265**	**150**	**36,850**

Provisions were reviewed at August 31, 2019 based on the elements available at year-end. Reversals that are no longer applicable primarily correspond to the updating of technical risks in view of actual historical data.

Non-current provisions primarily concern provisions for disputes and proceedings that are underway.

To the best of the company's knowledge, there are no other governmental, arbitration or legal proceedings, including any unsettled or threatened proceedings, which are or were in the past 12 months likely to have a material impact on the financial position or profitability of Group companies.

NOTE 13 – EMPLOYEE BENEFITS

There are four different pension plans in place within the Group, depending on the countries where the subsidiaries are based: Poland, the United States, Italy and France. They are all defined benefit plans (internal management in France, Italy and Poland; external management in the United States).

€'000	Aug 31, 2019	Aug 31, 2018
Long-service awards	1,654	1,487
Retirement benefits	32,082	24,535
Total	**33,736**	**26,022**

Retirement benefits

€'000		Aug 31, 2019	Aug 31, 2018
Financial hedging assets			
Value at year-start		6,821	6,373
Return		149	448
Supplementary payments			
Benefits paid			
Value at year-end		**6,970**	**6,821**
Provisions recorded on the balance sheet			
Actuarial value of commitments to be hedged with financial assets (actuarial liability)		39,052	31,356
Value of financial assets		(6,970)	(6,821)
Actuarial value of unhedged commitments			
Provisions on the balance sheet		**32,082**	**24,535**
Annual expense components			
Cost of services provided		1,270	1,325
Interest charges on actuarial liability		187	498
Calculated return on assets		(149)	(448)
Expense for the year		**1,308**	**1,375**
Change in provisions on the balance sheet			
Year-start		24,535	23,791
Change in scope		62	-
Translation differences		37	-
Disbursements		(1,591)	(162)
Expense for the year		2,898	1,375
Actuarial gains and losses recognized in reserves		6,141	(468)
Provisions at year-end		**32,082**	**24,536**
Principal actuarial assumptions			
Discount rate		1.0%	2.0%
Average rate for wage growth (with inflation)		1% to 3.5% depending on age bracket	2.0%
Retirement age	Manager born before 1952	60	60
	Manager born after 1952	65	65
	Non-manager born before 1952	60	60
	Non-manager born after 1952	65	65

A 1-point change in the actuarial rate would have a (-)€6,650,000 impact on the provision for retirement benefits.

Long-service awards (médailles du travail)

The provision for long-service awards is calculated by an actuary based on the same criteria as the provision for retirement benefits.

The actuarial rate retained is 1% at August 31, 2019, compared with 2% at August 31, 2018.

€'000	Aug 31, 2019	Aug 31, 2018
Year-start	1,487	1,820
Change in scope	(-)	(-)
Disbursements	(84)	(481)
Expense for the year	35	148
Actuarial gains and losses recognized in reserves	216	(-)
Provisions at year-end	**1,654**	**1,487**

NOTE 14 – FINANCIAL DEBT

This note provides information on the Group's financial debt. The Group's interest rate, exchange rate and liquidity risk exposure is presented in Note 27.

€'000	Aug 31, 2018	Change in scope	Translation differences	Changes in cash position	Issue	Repayment	Reclassification	Aug 31, 2019
Bank overdrafts	8,961	2,577	(199)	19,730	0	0	0	31,070
Finance-lease borrowings	59	0	(2)	0	3	(15)	80	125
Financial debt and borrowings from credit institutions	59,001	0	8,807	0	5,038	(1,036)	552	72,362
Sundry borrowings and financial debt	3,147	0	0	0	231	(1)	0	3,377
Short-term financial debt	**62,206**	**0**	**8,805**	**0**	**5,272**	**(1,052)**	**632**	**75,864**
Finance-lease borrowings	0	219	(1)	0	0	(90)	(80)	48
Financial debt and borrowings from credit institutions	32,192	2,863	(29)	0	167	(12,209)	(552)	22,432
Sundry borrowings and financial debt	0	7,387	0	0	0	0	0	7,387
Long-term financial debt	**32,192**	**10,469**	**(30)**	**0**	**167**	**(12,299)**	**(632)**	**29,867**
Short and long-term financial debt	**94,398**	**10,469**	**8,774**	**0**	**5,439**	**(13,351)**	**0**	**105,731**
Total financial debt	**103,359**	**13,047**	**8,576**	**19,730**	**5,439**	**(13,351)**	**0**	**136,801**

Sundry borrowings and financial debt include liabilities relating to the commitments to buy out non-controlling interests in the controlled subsidiaries as presented in Note 3.10 on acquisitions.

€'000	Aug 31, 2019	Aug 31, 2018
Band of Boats	1,065	0
SJ Delphia	4,642	0
Seascape	1,680	0
Sundry financial liabilities	**7,387**	**0**

The terms and conditions of current borrowings from credit institutions are as follows:

€'000	Currency	Nominal interest rate	Year due	Aug 31, 2019 Nominal value	Aug 31, 2019 Short-term book value	Aug 31, 2019 Long-term book value
Bank loan	USD	US Libor +1.425% on average	2021	15,970	8,306	7,664
Guaranteed bank loan	EUR	80% 6-month Euribor +0.85%	2025	2,074	377	1,697
Guaranteed bank loan	EUR	35% 6-month Euribor +0.45%	2021	3,080	1,540	1,540
Guaranteed bank loan	EUR	80% 6-month Euribor +0.85%	2031	2,709	216	2,493
Guaranteed bank loan	EUR	80% 6-month Euribor +0.95%	2027	1,705	228	1,477
Guaranteed bank loan	EUR	80% 6-month Euribor +0.85%	2026	2,590	370	2,220
Bank loan	EUR	Fixed rate of 0.67%	2022	3,269	998	2,271
Short-term drawdown line	USD	USD 3-month Libor +1.25%	Sep 30, 2019	1,981	1,981	
Short-term drawdown line	USD	USD 3-month Libor +1.25%	Oct 11, 2019	12,671	12,671	
Short-term drawdown line	USD	USD 3-month Libor +1.25%	Oct 24, 2019	36,176	36,176	
Short-term drawdown line	USD	USD 3-month Libor +0.8%	Oct 11, 2019	9,044	9,044	
Leasing				1,861	455	1,406
Other financial debt				1,664		1,664
Financial debt and borrowings from credit institutions				**94,794**	**72,362**	**22,432**

Caps were also purchased during this year and the previous year, with deferred activation from July 26, 2019 maturing on July 26, 2020, with the following features: guaranteed average maximum rate of 2.70% for $50M on 3-month USD LIBOR.

NOTE 15 – OTHER DEBT AND PAYABLES

€'000	Notes	Aug 31, 2019	Aug 31, 2018
Trade payables		**114,335**	**106,632**
Advances and deposits received on orders		58,101	55,969
Tax and social security liabilities		107,086	102,041
Other trade payables		28,980	28,251
Payables on financial instruments	Note 16	3,151	105
Liabilities on fixed assets		5,672	9,025
Accrued income		1,044	1,100
Other liabilities		**204,033**	**196,492**
Current tax liabilities		**-**	**8,844**

NOTE 16 - FINANCIAL INSTRUMENTS

For derivatives that do not meet the hedge accounting definition, any gains and losses representative of changes in their market value at the closing date are recognized in profit and loss, under "other financial expenses".

At August 31, 2019, the portfolio of financial instruments was as follows:

Type	Volume ('000 in each currency)	Maturing	Fair value (€'000)	IFRS-compliant hedging	Gross impact on profit and loss (€'000)	Gross impact on reserves (€'000)
VAT$	125,000	Between Oct 2019 and Aug 2020	(2,536)	Yes	(977)	(1,559)
AAT PLN	219,060	Between Sep 2019 and	(615)	Yes	(758)	143
Payables on financial instruments (Note 15)			**(3,151)**			

At August 31, 2019, the Group held:

- $ forward sales, with an average rate of 1.1190 €/$;
- PLN forward purchases against the €, with an average rate of 4.3838 PLN/€.

NOTE 17 – COMMITMENTS

	Aug 31, 2019		
	Inter-company	Given	Received
Deposits	0	713	210
Guarantees	0	26,844 (1)	3,948 (2)
Guarantees with associates	0	166 (3)	0
Group total	**0**	**27,723**	**4,158**

(1) €4,222000 Bank guarantees
€8,194,000 Commitments relating to furniture leases (€2,673k at 1 year; €4,538k between 1 and 5 years; €983k over 5 years)
€2,270,000 Commitments given on lease agreements
€12,158,000 Collateral on borrowings
(2) €3,033,000 Commitments received on lease agreements
(3) Commitments on lease agreements

As indicated in section 3.1.1 relating to changes in IFRS, the Group expects to record €8 million to €10 million of additional assets and liabilities for lease agreements at September 1, 2019. The amount of off-balance sheet commitments for lease agreements is different from this estimate as a result of certain options adopted by the Group and the conditions for calculations.

NOTE 18 - SEGMENT REPORTING

18.1 Breakdown of revenue from ordinary activities

Revenue from ordinary activities is split between the "Boat" and "Housing" activities by region based on the breakdown presented in Note 18.2 below.

Within the "Boat" business, revenue from ordinary activities is broken down as follows by region and boat type.

Revenue from ordinary activities – Boat Division

Region	2018-19		2017-18	
France	219,094		201,633	
Rest of Europe	465,813		429,877	
North America	327,622		300,992	
South America	7,228		10,878	
Asia	44,917		64,037	
Rest of world	78,868		86,332	
TOTAL for each region	**1,143,544**		**1,093,747**	
Fleet sales*	129,100		99,500	
Network sales	1,014,444		994,247	
TOTAL per customer category	**1,143,544**		**1,093,747**	
Sailing	519,411	46,5%	474,393	44,2%
Motor	597,965	53,5%	599,706	55,8%
Total Boats	**1,117,376**	**100%**	**1,074,099**	**100%**
Other**	26,314		19,648	
TOTAL per type of sale	**1,143,689**		**1,093,747**	

* Fleet sales represent the volume of sales with boat charter companies
** "Other" sales primarily concern sales of spare parts

18.2 Operating segments

FY 2018-19

€'000	Boats	Housing	Reconciliation items	Total
Revenue from ordinary activities	1,143,689	192,538		1,336,227
Income from ordinary operations	68,894	13,154		82,049
Segment assets	2,097,402	205,661	(1,129,231)	1,173,839
Segment liabilities	1,554,732	104,213	(1,129,231)	529,710
Acquisitions of property, plant and equipment and intangible assets	75,804	3,953		79,757

FY 2018-19 - like-for-like*

€'000	Boats	Housing	Reconciliation items	Total
Revenue from ordinary activities	1,134,602	192,538		1,327,139
Income from ordinary operations	70,100	13,154		83,255
Segment assets	2,066,279	205,661	(1,109,521)	1,162,419
Segment liabilities	1,521,058	104,202	(1,109,521)	515,739
Acquisitions of property, plant and equipment and intangible assets	74,771	3,953		78,725

* Excluding contribution for Seascape, acquired in July 2018, and SJ Delphia, consolidated since December 2018

FY 2017-18

€'000	Boats	Housing	Reconciliation items	Total
Revenue from ordinary activities	1,093,791	193,406		1,287,197
Income from ordinary operations	73,111	14,509		87,619
Segment assets	1,612,352	210,114	(714,211)	1,108,254
Segment liabilities	994,306	194,868	(714,211)	474,963
Acquisitions of property, plant and equipment and intangible assets	77,328	5,399		82,727

18.3 Geographical reporting

2018-19 - €'000

Business	Region	Revenue from ordinary activities	Segment assets	Acquisitions of property, plant and equipment and intangible assets
Boats	France	219,175	1,130,074	60,362
	Rest of Europe	465,791	231,803	9,630
	North America	327,608	735,142	5,811
	South America	7,228	-	
	Asia	44,917	352	0
	Rest of world	78,970	0	0
Total BOATS		**1,143,690**	**2,097,401**	**75,804**
Housing	France	160,421	186,137	3,686
	Europe	31,630	19,525	267
	Rest of world	486	0	0
Total HOUSING		**192,537**	**205,661**	**3,953**
Reconciliation items		**0**	**(1,129,231)**	
TOTAL		**1,336,227**	**1,173,838**	**79,757**

FY 2018-19- '000 - like-for-like*

Business	Region	Revenue from ordinary activities	Segment assets	Acquisitions of property, plant and equipment and intangible assets
Boats	France	217,750	1,130,103	60,362
	Rest of Europe	458,635	200,680	8,598
	North America	327,495	735,142	5,811
	South America	7,228	0	0
	Asia	44,530	352	0
	Rest of world	78,965	0	0
Total BOATS		**1,134,602**	**2,066,278**	**74,771**
Housing	France	160,421	186,137	3,686
	Europe	31,630	19,525	267
	Rest of world	486	0	0
Total HOUSING		**192,537**	**205,661**	**3,953**
Reconciliation items		**0**	**(1,109,521)**	
TOTAL		**1,327,139**	**1,162,418**	**78,725**

*Excluding contribution for Seascape, acquired in July 2018, and SJ Delphia, consolidated since December 2018

FY 2017-18 - €'000

Business	Region	Revenue from ordinary activities	Segment assets	Acquisitions of property, plant and equipment and intangible assets
Boats	France	192,987	1,067,011	55,742
	Rest of Europe	438,522	193,431	15,768
	North America	300,992	355,286	5,819
	South America	10,878	(3,738)	
	Asia	64,037	362	0
	Rest of world	86,334	0	0
Total BOATS		**1,093,749**	**1,612,352**	**77,328**
Housing	France	166,111	190,324	5,228
	Europe	26,481	19,789	171
	Rest of world	814	0	0
Total HOUSING		**193,406**	**210,114**	**5,399**
Reconciliation items		**0**	**(714,211)**	
TOTAL		**1,287,155**	**1,108,254**	**82,727**

NOTE 19 - STAFF

Staff costs can be broken down as follows:

€'000	2018-19	2017-18
Salaries and wages	219,160	198,359
Payroll taxes	90,806	85,992
External staff	67,756	61,076
Employee benefits resulting in provisions	2,016	307
Share-based payments (IFRS 2)	1,499	2,208
Profit sharing and performance-related bonuses	16,584	19,653
Staff costs	**397,822**	**367,595**

At August 31, 2019, Groupe Beneteau had a total of 8,338 employees (excluding temporary staff) around the world, with the following breakdown:

	At Aug 31, 2019*	At Aug 31, 2018
France	4,695	4,506
Rest of Europe	1,968	1,186
USA - Brazil - Asia	802	821
Boats	**7,465**	**6,513**
France	817	820
Rest of Europe	56	46
Housing	**873**	**866**
TOTAL	**8,338**	**7,379**

*Including 656 employees from SJ Delphia, the company consolidated since December 2018

Breakdown by category (excluding temporary staff):

	At Aug 31, 2019*	At Aug 31, 2018
Operatives	5,936	5,155
Employees, supervisors and technicians	1,775	1,630
Managers and related	628	594
Headcount excluding temporary staff	**8,338**	**7,379**

*Including 656 employees from SJ Delphia, the company consolidated since December 2018

The average headcount (including temporary staff) can be broken down for each business as follows:

	2018-19	2017-18
Boats	8,387	7,216
Housing	1,193	1,153
Total average headcount (including temporary staff)	**9,580**	**8,369**

In light of the Group's seasonal activity, it uses temporary staff.

An average of 1,367 temporary staff worked within the Group (1,072 for the Boat business and 295 for Housing), compared with 1,298 the previous year.

Breakdown of the average headcount by category	2018-19	2017-18
Managers	626	557
Supervisors	432	354
Employees	1,309	1209
Operatives	7,213	6,249
Total headcount	**9,580**	**8,369**

NOTE 20 – EXTERNAL EXPENSES

€'000	2018-19	2017-18
Consumables, outsourcing, maintenance	60,064	54,038
Marketing, advertising	18,515	17,027
Fees, commissions, research, insurance	24,726	23,809
Leasing	11,194	9,987
Other	24,087	22,329
External expenses	**138,586**	**127,189**

The Group's commitments for minimum future lease payments represent €8,194,000, with €2,673,000 under one year and €4,538,000 due within one to five years, and €983,000 due in more than five years.

NOTE 21 - OTHER CURRENT OPERATING INCOME AND EXPENSES

€'000	2018-19	2017-18
Obsolete provisions	1,500	1,452
Net capital gains on disposal of fixed assets	331	0
Net income on unrecoverable receivables	0	0
Commercial compensation	815	
Sundry income	1,466	1,341
Other current operating income	**4,112**	**2,794**

€'000	2018-19	2017-18
Patents, copyright royalties, attendance fees	(2,104)	(1,641)
Net capital losses on disposal of fixed assets	0	(679)
Net expenses on unrecoverable receivables	(513)	(635)
Commercial compensation	(985)	(202)
Other	(4,374)	(1,311)
Other current operating expenses	**(7,976)**	**(4,468)**

Provisions recorded in relation to technical disputes have been updated in view of the new elements available, leading to a reduction in the residual risk.

More specifically, sundry income includes compensation received in connection with the resolution of disputes.

Within other current operating expenses, the "Sundry" item corresponds to estimates for disputes whose outcome is not known on the reporting date and that are valued based on the elements known to date.

NOTE 22 - OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

According to their definition in Note 3.20 concerning accounting rules and methods, other non-current operating income and expenses can be broken down as follows:

€'000	2018-19	2017-18
Transfer of remaining outstandings to losses – ERP – Boat	(1,787)	-
Compensation linked to an executive's departure	(1,429)	-
Discontinuation of Delphia's Sailing business following post-acquisition analysis	(1,057)	-
Various adjustments relating to the discontinuation of operations in Brazil	94	
Other non-current operating income and expenses	**(4,179)**	**-**

NOTE 23 – FINANCIAL INCOME / EXPENSE

€'000	2018-19	2017-18
Interest income from cash and cash equivalents	208	164
Income from cash and cash equivalents	208	164
Interest and related expenses	(3,954)	(3,024)
Fair value adjustment on investments held for trading	0	0
Gross finance costs	(3,954)	(3,024)
Net finance costs	**(3,746)**	**(2,860)**
Net foreign exchange loss	(3,474)	0
Fair value adjustment on derivative financial instruments*	(383)	(202)
Other financial expenses	**(3,858)**	**(202)**
Net foreign exchange gain*	0	3,310
Other interest and related income	702	776
Other financial income	**702**	**4,086**
Financial income (expense)	**(6,902)**	**1,024**

* This concerns the ineffective portion of value adjustments on hedging instruments.

NOTE 24 – CORPORATE INCOME AND DEFERRED TAX

24.1 Tax expense

The tax expense can be broken down as follows:

€'000	2018-19	2017-18
Current tax	26,448	35,792
Deferred tax	1,111	(3,358)
Corporate income tax	**27,559**	**32,434**

At August 31, 2018, Groupe Beneteau was subject to the exceptional 15% contribution for €3.8 million.

This contribution has not been renewed after financial years ended December 30, 2018.

The reconciliation between the theoretical tax expense and the tax expense recorded in the accounts can be broken down as follows:

€'000	2018-19	2017-18
Theoretical tax on consolidated income (excluding associates)	24,439	34,957
Calculated at a rate of	34.43%	39.44%
Impact of tax credits (CICE and CIR)	(2,803)	(5,543)
Impact of tax losses for subsidiaries	4,724	357
Impact of other permanent differences	949	3,497
Impact of tax adjustments	0	24
Impact of tax rate changes	250	(862)
Tax on the income statement	**27,559**	**32,432**

The aggregate amount of uncapitalized losses represents €30,398,000 and primarily concerns the losses for the Brazilian subsidiary for €16,845,000 and the Italian subsidiaries for €10,151,000.

24.2 Deferred tax

Deferred tax assets and liabilities at year-end can be broken down as follows:

€'000	2018-19	2017-18
Intangible assets	254	240
Inventories	1,500	1,691
Employee benefits	8,161	6,103
Financial instruments	0	0
Other	366	366
Provisions and other deductible timing differences	6,999	7,633
Offsetting	(7,916)	(8,378)
Total deferred tax assets	**9,364**	**7,656**
Accelerated depreciation	5,704	5,567
Financial instruments	(854)	23
Other	3,207	2,788
Offsetting	(7,916)	(8,378)
Total deferred tax liabilities	**142**	**0**
Net deferred tax assets	**9,222**	**7,656**

The change in net deferred tax assets can be broken down as follows:

€'000	2018-19	2017-18
At September 1	**7,656**	**3,672**
Change in scope	172	0
Financial hedging instruments	674	756
Foreign currency translation adjustments	(11)	6
Deferred tax income (expenses)	(1,111)	3,358
Other tax recognized in equity	1,842	(136)
At August 31	**9,222**	**7,656**

NOTE 25 - EARNINGS PER SHARE

€'000	2018-19	2017-18
Net income, Group share (€'000)	49,488	61,322
Weighted average number of shares outstanding	82,789,840	82,789,840
Net earnings per share (€)	**0.60**	**0.74**
Weighted average number of shares after dilution	82,784,821	82,746,377
Net earnings per share (€)	**0.60**	**0.74**

NOTE 26 – INFORMATION CONCERNING RELATED PARTIES

Transactions with related parties concern:

- Transactions with companies or directors of companies that perform management and supervisory functions within Groupe Beneteau, including transactions with the company BERI 21, the Group's majority shareholder. This company carries out research for the design of the Group's industrial buildings and invoices Group companies in this capacity. It also invoices for legal assistance, organization and investment assistance and advisory, and strategic advisory services. Furthermore, the Group leases part of its offices to BERI 21.
- Compensation and related benefits awarded to members of Groupe Beneteau's administrative and management bodies.
- Transactions with the joint venture SGB Finance.

26.1 Transactions with Béri21 and other shareholders or directors

€'000	2018-19	2017-18
Sales of goods and services	75	516
Purchases of goods and services	960	897
Receivables	15	6
Payables	375	292

26.2 Executive benefits

All the compensation and related benefits awarded to members of the Group's administrative and management bodies, booked under expenses, can be broken down as follows:

€'000	2018-19	2017-18
Short-term benefits	3,043	2,182
Other long-term benefits	22	18
Attendance fees	265	237
Share-based payments1	269	813
Total	3,599	3,250

1 Amount determined in accordance with IFRS 2 Share-based Payment and the conditions presented in Notes 3.15 and 19

26.3 Transactions with joint ventures

Transactions with the joint venture SGB Finance (49% interest) were as follows:

€'000	2018-19	2017-18
Sales of goods and services	42,646	50,270
Purchases of goods and services	814	1,601
Financial expenses	238	196
Transferable securities	15,000	10,000
Receivables	205	1,755
Payables	0	18

27.1 Breakdown of financial instruments by category for recognition

€'000	Book value at Aug 31, 2019	Fair value at Aug 31, 2019	Financial assets at fair value through profit and loss	Assets at amortized cost	Financial assets at fair value through OCI	Financial liabilities at fair value through profit and loss	Liabilities at amortized cost
Other equity securities	21	21			21		
Loans and deposits	151	151		151			
Trade receivables	90,262	90,262		90,262			
Other receivables	46,619	46,619	0	46,619	0		
Floor plan-related dealer receivables	228,073	228,073	0	228,073	0		
Cash and cash equivalents	233,809	233,809	233,809				
Financial liabilities	(136,801)	(136,801)					(136,801)
Floor plan-related financial debt with financing organizations	(228,073)	(228,073)					(228,073)
Trade payables	(114,333)	(114,333)					(114,333)
Other liabilities	(2,312)	(2,312)	(2,312)		0		
Subtotal	**117,416**	**117,416**	**231,497**	**365,105**	**21**	**0**	**(479,207)**

€'000	Book value at Aug 31, 2018	Fair value at Aug 31, 2018	Financial assets at fair value through profit and loss	Assets at amortized cost	Financial assets at fair value through OCI	Financial liabilities at fair value through profit and loss	Liabilities at amortized cost
Other equity securities	22	22			22		
Loans and deposits	140	140		140			
Trade receivables	67,656	67,656		67,656			
Other receivables	45,773	45,773	511	45,262	0		
Floor plan-related dealer receivables	210,979	210,979		210,979			
Cash and cash equivalents	265,258	265,258	265,258				
Financial liabilities	(103,359)	(103,359)					(103,359)
Floor plan-related financial debt with financing organizations	(210,979)	(210,979)					(210,979)
Trade payables	(106,632)	(106,632)					(106,632)
Other liabilities	(105)	(105)	(105)		0		
Subtotal	**168,753**	**168,753**	**265,664**	**324,037**	**22**	**0**	**(420,970)**

27.2 Breakdown of financial assets and liabilities measured at fair value depending on fair value levels

	At Aug 31, 2019			
€'000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through OCI	0		21	21
Hedging instruments	0	0	0	0
Other financial assets at fair value through profit and loss	0	0	233,809	233,809
Financial assets	**0**	**0**	**233,830**	**233,830**
Hedging instruments	0	(2,312)		(2,312)
Other financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities	**0**	**(2,312)**	**0**	**0**

	At Aug 31, 2018			
€'000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through OCI	0		22	22
Hedging instruments	0	511	0	511
Other financial assets at fair value through profit and loss	0	0	265,258	265,258
Financial assets	**0**	**511**	**265,280**	**265,791**
Hedging instruments	0	(105)		(105)
Other financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities	**0**	**(105)**	**0**	**(105)**

27.3 Breakdown of financial instruments by risk category

€'000	Book value at Aug 31, 2019	Credit risk	Liquidity risk	Interest rate risk	Foreign exchange risk
Loans and deposits	151	151			
Trade receivables	90,262	90,262			
Other receivables	46,619	46,619			0
Floor plan-related dealer receivables	228,073	228,073			0
Cash at bank and in hand	193,073		193,073		
Mutual funds and other investments	40,736		40,736		
Finance lease	0				
Other borrowings	(105,731)		(105,731)		
Floor plan-related financial debt with financing organizations	(228,073)	(228,073)			
Bank borrowings	(31,070)		(31,070)		
Total	**234,040**	**137,032**	**97,008**	**0**	**0**

€'000	Book value at Aug 31, 2018	Credit risk	Liquidity risk	Interest rate risk	Foreign exchange risk
Loans and deposits	140	140			
Trade receivables	67,656	67,656			
Other receivables	45,773	45,262			511
Floor plan-related dealer receivables	210,979	210,979			0
Cash at bank and in hand	250,258		250,258		
Mutual funds and other investments	15,000		15,000		
Finance lease	0				
Other borrowings	(94,398)		(94,398)		
Bank borrowings	(8,961)		(8,961)		
Floor plan-related financial debt with financing organizations	(210,979)	(210,979)			
Total	**275,468**	**113,058**	**161,899**	**0**	**511**

The Group has carried out a specific review of its liquidity risk and considers that it is in a position to cover its upcoming maturities.

27.4 Credit risk

Breakdown of trade receivables due and not due

€'000	At Aug 31, 2019 Gross	Of which, export	Depreciation	Net
Not due	22,645	11,041	0	**22,645**
Due	71,160	62,681	(3,543)	**67,618**
Trade receivables	93,805	73,721	(3,543)	**90,262**

€'000	At Aug 31, 2018 Gross	Of which, export	Depreciation	Net
Not due	22,957	11,348	0	**22,957**
Due	48,792	38,730	(4,094)	**44,698**
Trade receivables	71,750	50,078	(4,094)	**67,656**

At August 31, 2019, the €67,618,000 in net receivables due primarily concern:

- Within the Boat business (€63,889,000), boats made available to customers and not yet collected, in line with the rule adopted by the Group for recognizing revenues when products are made available;
- Within the Housing business (€3,729,000), late payments from customers compared with the theoretical deadline for payment, with the credit risk determined by the Group.

The breakdown of receivables due by age, excluding bad debt, is as follows:

€'000	Due for longer than 120 days	Due between 90 and 120 days	Due between 30 and 90 days	Due for less than 30 days	Total
Boats	7,508	2,405	6,010	47,965	63,889
Housing	306	392	2,506	525	3,729
TOTAL	**7,814**	**2,797**	**8,516**	**48,490**	**67,618**

At October 31, 2019, outstanding receivables can be broken down as follows:

€'000	Due for longer than 120 days	Due between 90 and 120 days	Due between 30 and 90 days	Due for less than 30 days	Total
Boats	6,475	1,683	4,311	15,183	27,651
Housing	1,149	380	714	2,686	4,929
TOTAL	**7,624**	**2,063**	**5,025**	**17,869**	**32,580**

Change in depreciation on trade receivables

€'000	Aug 31, 2018	Aug 31, 2019
Balance at September 1	3,911	4,094
Impairment recognized	183	(551)
Balance at August 31	**4,094**	**3,543**

27.5 Exchange rate risk

The Group's exchange risk exposure can be broken down as follows:

	Aug 31, 2019		Aug 31, 2018	
	USD '000	PLN '000	USD '000	PLN '000
Trade receivables	36,973	0	33,902	0
Trade payables	(20,215)	(24,168)	(14,866)	(17,951)
Gross balance sheet exposure	**16,759**	**(24,168)**	**19,036**	**(17,951)**
Estimated sales forecasts	172,968	0	172,196	0
Estimated 12-month purchase forecasts	(45,756)	(261,974)	(61,045)	(322,392)
Gross forecast exposure	**127,212**	**(261,974)**	**111,151**	**(322,392)**
Currency forwards	(125,000)	219,060	(106,000)	326,518
Net exposure	**18,971**	**(67,082)**	**24,187**	**(13,826)**

NOTE 28 – STATUTORY AUDITING FEES

Fees billed by the statutory auditors for the legal auditing of the accounts and services other than the certification of the accounts can be broken down as follows:

€'000	PwC		ARC		KPMG	
	Price Waterhouse Coopers Audit*	Network	Atlantique Révision Conseil*	Network	KPMG SA*	Network
Half-year limited review and certification of individual and consolidated accounts						
· Issuer	94	-	58	-	90	-
- Fully consolidated subsidiaries	121	255	142	0	35	98
Subtotal	**215**	**255**	**200**	**0**	**125**	**98**
Services other than account certification						
· Issuer [1]	0	0	3	0	65	0
· Fully consolidated subsidiaries [2]	0	0	1	0	0	0
Subtotal	0	0	4	0	65	0
Total	**215**	**255**	**204**	**0**	**190**	**98**

* Incumbent statutory auditor for Beneteau SA

[1] These services include:

- for KPMG, procedures relating to the sustainability performance report, consultation concerning the implementation of IFRS 16, consultation concerning authorizations in the Housing Division's ERP, and issuing of certificates concerning the financial ratios

- for ARC, the issuing of certificates concerning the financial ratios

[2] For ARC, these services include the issuing of an Eco-Packaging certificate

Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended August 31, 2019

For the general meeting of BENETEAU,

Opinion

In accordance with the terms of our appointment by your general meetings, we have audited the consolidated financial statements of BENETEAU for the year ended August 31, 2019, as appended to this report.

We certify that the consolidated financial statements present fairly, in all material respects, the results of operations for the past year, as well as the financial position, assets and liabilities at year-end for all the parties and entities included in the basis for consolidation, in accordance with IFRS, as adopted in the European Union.

The opinion presented above is consistent with the content of our report for the audit committee.

Basis for our opinion

Audit standards

We conducted our audit in accordance with the industry standards applicable in France. We believe that we have collected sufficient and appropriate elements on which to base our opinion.

Our responsibilities under these standards are indicated in the section on "Statutory auditors' responsibilities relating to the auditing of the consolidated financial statements" in this report.

Independence

We conducted our audit in accordance with the rules governing us in terms of independence for the period from September 1, 2018 to the date of our report. More specifically, we have not provided any services forbidden by Article 5, Paragraph 1, of EU Regulation 537/2014 or by the professional code of conduct for statutory auditors.

Observations

Without calling into question the opinion expressed above, we would like to draw your attention to:

- The point presented in Note 2.b "Change of presentation of the accounts relating to dealer floorplans" to the consolidated financial statements concerning the modification of the accounting treatment of certain commitments relating to floorplan agreements and the comparative information presented.
- Notes 3.1.2 and 3.1.3 to the consolidated financial statements, which present the conditions retained and the impacts of the first application of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" at September 1, 2019.

Basis for our opinions - Key points from the audit

In accordance with Articles L. 823-9 and R.823-7 of the French commercial code relating to the forming of our opinions, we would like to draw your attention to the key points from the audit relating to the risks of material misstatements which, in our professional judgement, were the most significant for the audit of the consolidated financial statements, as well as our responses to these risks.

The assessments made in this way are part of our audit of the consolidated financial statements in general and the formation of our opinion as expressed above. We are not expressing an opinion on the elements from these consolidated financial statements taken individually.

Recognition of revenues for the Boat business

Description of the risk

As indicated in Note 3.19 to the consolidated financial statements, the Group recognizes revenues when the control of goods has been transferred to the buyer and their amount can be valued on a reliable basis.

In the Boat business, the Group recognizes revenues on the date when the product is made available. The customer formally acknowledges this availability date, which corresponds to the later of (i) the date that they expressly stipulated when placing their order, i.e. the date from which they would like to have access to their boat and (ii) the date from which the boat is technically finalized, i.e. its production has been completed, it has been launched on the water and it is ready to be collected by the customer.

The customer may ask for the boat that they have acquired to be made available before shipping. In such cases, the Group determines whether control of the product has been effectively transferred to the customer and all the criteria required by IFRS 15 for "bill and hold" arrangements are met to record the corresponding revenues.

We considered compliance with the principles retained by the Group for recognizing revenues for the Boat business and described in Note 3.19 of the notes to the consolidated financial statements as a key point for our audit on account of the inherent risk involved with the process to determine the date when products are made available.

Our response to the risk

Our approach to audit revenue recognition for the Boat business includes tests on the internal control arrangements put in place by the Group and substantive procedures on the revenue transactions recorded.

Our work relating to internal control focused primarily on the controls put in place in the IT systems for customer billing, and the corresponding general IT controls, as well as the control activities put in place by management on the process from order placement to revenue recognition. For the controls that we considered useful for our audit of the consolidated accounts, we examined their design and tested their operational efficiency.

In addition, our substantive procedures involved:

- Testing compliance with the accounting principles for revenue recognition and independent reporting periods on a sample of sales recorded, based on relevant selection criteria, notably carrying out reconciliations with external customer confirmations,
- Checking compliance with the terms of IFRS 15 "Revenue from Contracts with Customers" and particularly those relating to "bill and hold" arrangements.

Measurement of the recoverable value of goodwill

Description of the risk

At August 31, 2019, goodwill is recorded on the balance sheet for a net book value of €91 million. An impairment is recognized when the recoverable value of goodwill, determined through the annual impairment test or an ad hoc test carried out following indications of impairment, is lower than their net book value.

In most cases, the recoverable value is determined, as described in Note 3.6.2 to the consolidated financial statements, based on calculations for discounted future cash flows and requires management to make extensive use of their judgement, particularly for drawing up forecasts, as well as the choice of the discount rates and long-term growth rates retained.

In this context, we considered the measurement of the recoverable value of goodwill as a key point for our audit, considering the inherent uncertainties with certain elements, particularly the probability of the forecasts taken into account to determine the recoverable value being achieved.

Our response to the risk

We conducted a critical review of the conditions for impairment testing by management to determine the recoverable value of goodwill on acquisitions. Our work, carried out with the support of our asset valuation experts, notably involved:

- Assessing the elements comprising the book value of the cash generating units (CGUs) or CGU groups based on which goodwill is monitored by the Group, and the consistency of these elements with those taken into account in the cash flow forecasts,
- Assessing the consistency of the cash flow forecasts in relation to the economic environments in which the Group operates and checking that these forecasts are based on budgets and business plans that have been approved by the Group's Board of Directors,
- Assessing the consistency of the growth rate retained for projected cash flows with the external analyses available,
- Assessing the reasonable nature of the discount rates applied to the estimated cash flows, notably checking that the various parameters comprising the weighted average cost of capital for each CGU or CGU group make it possible to ensure consistency with the rate of return expected by market participants for similar activities,
- Checking that Note 3.6.3 to the consolidated financial statements provides appropriate information on the sensitivity analyses for the recoverable value of goodwill in relation to a change in the main assumptions retained.

Specific verifications

In accordance with industry standards in France, we also carried out the specific procedures required under French legislation and regulations to verify the information given in the Board of Directors' management report relating to the group.

We do not have any observations to make regarding the true and accurate nature of this information or its application for the consolidated financial statements.

We certify that the consolidated sustainability performance report covered by Article L. 225-102-1 of the French commercial code is included in the information concerning the group given in the management report, while noting that, in accordance with Article L. 823-10 of this code, we have not verified the information contained in this report in terms of its accuracy or its consistency with the consolidated financial statements and it must be subject to a report from an independent third party.

Information resulting from other legal and regulatory requirements

Appointment of the statutory auditors

We were appointed as BENETEAU's statutory auditors by your general meeting on February 24, 1989 for Atlantique Révision Conseil, on February 1, 2002 for KPMG S.A. and on February 8, 2019 for PricewaterhouseCoopers Audit.

At August 31, 2019, Atlantique Révision Conseil was in the 31st consecutive year of its mission, while KPMG S.A. was in its 18th year and PricewaterhouseCoopers Audit was in its first year.

Responsibilities of management and corporate governance representatives in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and accurate image in accordance with IFRS, as adopted in the European Union, in addition to putting in place the internal control arrangements that it considers necessary to prepare the consolidated accounts without any material misstatements, whether these result from fraud or errors.

When preparing the consolidated financial statements, management has a responsibility to assess the company's capacity to continue operating, to present the information required relating to the continuity of operations in these accounts, if applicable, and to apply the accounting conventions for continuous operations unless there are plans to liquidate the company or cease its activities.

The audit committee has a responsibility to monitor the process for preparing financial information and to monitor the efficiency and effectiveness of the internal control and risk management systems, in addition to, if applicable, the internal audit arrangements, with regard to the procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities relating to the auditing of the consolidated financial statements

Audit approach and objective

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements in general are free from any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in line with industry standards might make it possible to systematically detect any material misstatements. Misstatements may be the result of fraud or errors and are considered to be material when they can reasonably be expected, taken individually or collectively, to potentially influence the economic decisions taken by users of the accounts based on them.

As indicated in Article L.823-10-1 of the French commercial code, our mission to certify the accounts does not involve guaranteeing the viability or quality of your company's management.

Based on an audit carried out in accordance with the industry standards applicable in France, the statutory auditors exercise their professional judgement throughout this audit. In addition:

- They identify and assess the risks that the consolidated financial statements include material misstatements, that these are the result of fraud or errors, define and put in place audit procedures faced with these risks, and collect the elements that they consider sufficient and appropriate to form a basis for their opinion. The risk of a material misstatement resulting from fraud not being detected is higher than for a material misstatement resulting from an error, because fraud may imply collusion, falsification, voluntary omissions, misrepresentation or a bypassing of internal control arrangements.
- They review the relevant internal control arrangements for the audit in order to define audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- They assess the appropriate nature of the accounting methods applied and the reasonable nature of any accounting estimates made by management, in addition to the information concerning them provided in the consolidated financial statements.

- They assess the management team's appropriate application of the accounting convention for continuous operations and, depending on the elements collected, whether or not there is any significant uncertainty relating to events or circumstances that might call into question the company's capacity to continue operating. This assessment is based on the elements collected up until the date of their report, while noting however that subsequent circumstances or events might call into question the continuity of operations. If they conclude that there is any significant uncertainty, they draw the attention of readers of their report to the information provided in the consolidated financial statements relating to this uncertainty or, if this information is not provided or is not relevant, they issue their certification with reservations or refuse to certify the accounts.
- They assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements accurately reflect the underlying events and operations.
- With regard to the financial information for parties or entities included in the basis for consolidation, they collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated accounts. They are responsible for the management, supervision and performance of the audit of the consolidated financial statements, as well as the opinion expressed concerning these accounts.

Report for the audit committee

We provide a report to the audit committee which notably presents the scope of the audit work and the program of work carried out, as well as the conclusions based on our work. If applicable, we also bring to the committee's attention any significant shortcomings with internal control that we have identified with the procedures applied for the preparation and processing of accounting and financial information.

The elements provided in the report for the audit committee include the risks of material misstatements which we considered to be most significant for the audit of the consolidated financial statements and which therefore constitute the key points from the audit, which it is our responsibility to present in this report.

We also provide the audit committee with the declaration required under Article 6 of EU Regulation 537-2014 confirming our independence, in accordance with the rules applicable in France as notably set by Articles L.822-10 to L.822-14 of the French commercial code and in the professional code of conduct for statutory auditors. If applicable, we conduct discussions with the audit committee to review the risks concerning our independence and any safeguard measures adopted.

The Statutory Auditors

Neuilly-sur-Seine, December 20, 2019 PricewaterhouseCoopers Audit	La Roche-sur-Yon, December 20, 2019 Atlantique Révision Conseil	Nantes, December 20, 2019 KPMG Audit Department of KPMG S.A.
Philippe Vincent	Sébastien Caillaud	Franck Noël Gwenaël Chedaleux

Report by the statutory auditor, appointed as an independent third party, on the consolidated sustainability performance report presented in the management report

Year ended August 31, 2019

For the general meeting,

In our capacity as the statutory auditor of your company ("entity") appointed as an independent third party, accredited by the French national accreditation body COFRAC under number 3-1049[1], please find hereafter our report on the consolidated sustainability performance report for the year ended August 31, 2019 (the "Sustainability Report"), presented in the group's management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French commercial code.

Entity's responsibility

The Board of Directors is responsible for preparing a Sustainability Report in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main ESG risks, a presentation of the policies applied in view of these risks, and the results of these policies, including key performance indicators.

The Sustainability Report has been prepared by applying the entity's procedures (the "Reporting Standards"), with their significant elements presented in the Sustainability Report (or available on the company's website or on request from its registered office).

Independence and quality control

Our independence is defined by the terms of Article L. 822-11-3 of the French commercial code and the industry code of conduct. We have put in place a quality control system that includes documented policies and procedures aimed at ensuring compliance with the applicable ethical rules, industry standards, legislation and regulations.

Responsibility of the statutory auditor appointed as an independent third party

It is our responsibility, based on our work, to issue a considered opinion expressing a conclusion of moderate assurance regarding:

- The Sustainability Report's compliance with the terms of Article R. 225-105 of the French commercial code;
- The accuracy of the information provided in accordance with paragraph 3 of sections I and II of Article R. 225 105 of the French commercial code, i.e. the results of the policies, including key performance indicators, and the actions relating to the main risks, hereafter the "Information".

However, it is not our responsibility to express an opinion on:

- The entity's compliance with any other legal and regulatory provisions applicable, notably with regard to the vigilance plan and measures to combat corruption and tax evasion;
- The compliance of products and services with the regulations applicable.

Nature and scope of our work

We conducted the work described hereafter in accordance with the terms of Articles A. 225-1 et seq of the French commercial code defining the conditions under which the independent third party performs its engagement and the industry standards set by the French national statutory auditors board (CNCC) relating to this engagement, as well as the international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

We carried out work allowing us to assess the Sustainability Report's compliance with the legal and regulatory provisions, in addition to the accuracy of the Information:

- We reviewed the entity's activities covering all the consolidated companies, the presentation of the main social and environmental risks relating to these activities, and, if applicable, their effects concerning respect for human rights and measures to combat corruption and tax evasion, as well as the resulting policies and their results;
- We assessed the appropriate nature of the Reporting Standards in terms of their relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, industry best practices;
- We checked that the Sustainability Report covers each category of information provided for under section III of Article L. 225-102-1 in terms of social and environmental aspects, as well as respect for human rights and the fight against corruption and tax evasion;
- We checked that the Sustainability Report presents the business model and the main risks relating to the activities of all the consolidated companies, including, when relevant and proportionate, the risks arising from its business relations,

[1] *Scope available on www.cofrac.fr*

its products or its services, as well as the policies, actions and results, including key performance indicators;

- When relevant with regard to the main risks or policies presented, we checked that the Sustainability Report presents the information provided for under section II of Article R. 225-105;
- We assessed the process for selecting and approving the main risks;
- We inquired about the existence of internal control and risk management procedures put in place by the entity;
- We assessed the consistency of the results and the key performance indicators retained in terms of the main risks and policies presented;
- We checked that the Sustainability Report covers the consolidated scope, i.e. all the companies included in the basis for consolidation in accordance with Article L. 233-16, with the limits indicated in the Sustainability Report;
- We assessed the collection process put in place by the entity with a view to ensuring the exhaustiveness and accuracy of the Information;
- For the key performance indicators and the other quantitative results[2] that we considered to be most important:
    - we applied analytical procedures to check the correct consolidation of the data collected, and the consistency of their changes;
    - we carried out detailed tests based on samples, checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of contributing entities[3] and covers 27% to 93% of the consolidated data for the key performance indicators and results selected for these tests;
- We consulted the document sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered to be most important[4];
- We assessed the Sustainability Report's overall consistency in relation to our knowledge of all the companies included in the basis for consolidation.

We consider that the work we have carried out, exercising our professional judgment, allows us to express a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

[2] *Employee-related indicators: Total headcount at August 31, 2019, Average headcount for the year based on permanent staff, Number of recruitments during the year – fixed-term and permanent contracts, Number of dismissals during the year, Total number of hours of training per year and per employee, Occupational accident frequency rate, Occupational accident severity rate.*

Environmental indicators: Number of ISO 14001 certified sites, VOC emissions at production sites per hours worked, Water consumption per hours worked, Electricity consumption per hours worked, Gas consumption per hours worked, CO2 emissions linked to energy consumption at the sites per hours worked, Quantity of industrial waste generated in each category per hours worked, Non-hazardous waste recovery / recycling rate, Quantity of scrap timber / quantity of timber consumed.

Societal indicators: Percentage of expenditure placed with local suppliers.

[3] *SPBI (Dompierre-sur-Yon, France), CNB (Bordeaux, France)*

[4] *Employee-related: Guarantee a safe and healthy work environment (working conditions and accident prevention), Develop the know-how and skills of all staff (career development paths, training, mobility).*

Environment: Commitments and actions to reduce the environmental impact of activities, Actions to manage the environmental footprint effectively.

Societal: Combat discrimination, gender inequality and harassment, Translate the strategy into an action plan for continuous progress.

Means and resources

Our work was carried out by a team of five people over a period of approximately four weeks between October 2019 and December 2019.

To assist us with our work, we called on our sustainable development and corporate social responsibility specialists. We conducted around 10 interviews with the people responsible for the preparation of the Sustainability Report.

Conclusion

Based on our work, we have not identified any material anomalies likely to call into question the fact that the Sustainability Performance Report is compliant with regulatory requirements and that the overall Information is presented in a true and fair way, in accordance with the Reporting Standards.

Comments

Without calling into question the conclusion set out above, and in accordance with Article A. 225-3 of the French commercial code, we would like to make the following comment:

- As indicated in the Sustainability Performance Report's methodological memo, the reporting scope covers 66% of the consolidated workforce for the "Timber consumption" and "Quantity of scrap timber / quantity of timber consumed" indicators, and specifically does not include the geographical areas outside of France (United States, Italy, Poland and Slovenia).

Paris-La Défense, December 20, 2019
KPMG S.A.

Anne GARANS Partner Sustainability Services	Franck NOEL Partner	Gwenaël CHEDALEUX Partner

BENETEAU S.A.

BENETEAU S.A. financials

BENETEAU S.A. parent company financial statements

Balance sheet at August 31, 2019

Assets

Assets (€'000)	Notes	Gross Aug 31, 2019	Depreciation and provisions	Net Aug 31, 2019	Net Aug 31, 2018
Intangible assets	1.2				
Research and development costs	1.2.1	4,887	3,431	1,456	2,162
Concessions, patents, licenses and brands	1.2.2	1,180	160	1,020	1,047
Goodwill (1)		-	-	-	-
Other intangible assets		7,392	6,604	788	665
Current intangible assets		1,252	-	1,252	2,516
Property, plant and equipment	1.3				
Land		392	134	258	266
Property		6,617	5,377	1,240	1,565
Plant and equipment		812	777	35	25
Other property, plant and equipment		4,125	3,209	916	557
Current fixed assets		168	-	168	281
Advances and deposits		-	-	-	10
Non-current financial assets (2)	1.4				
Equity interests		98,058	-	98,058	93,558
Equity interest-related receivables		-	-	-	-
Other capitalized securities		8,981	723	8,258	5,315
Loans		-		-	-
Other non-current financial assets		10		10	19
Fixed assets	1.1	**133,874**	**20,415**	**113,459**	**107,986**
Inventories and work-in-progress					
Raw materials and other supplies		-	-	-	-
Production work-in-progress		-	-	-	-
Intermediate and finished products		-	-	-	-
Advances and deposits on orders		4,236	3,341	895	903
Receivables	1.5				
Trade receivables and related		4,049	110	3,939	3,906
Other receivables		151,115	4,000	147,115	119,611
Transferable securities	1.6	40,000	-	40,000	25,000
Cash at bank and in hand		158,287	-	158,287	216,058
Prepaid expenses	1.7	1,194	-	1,194	978
Current assets		**358,881**	**7,451**	**351,430**	**366,456**
Foreign currency translation gains		-	-	-	-
TOTAL ASSETS		**492,755**	**27,866**	**464,889**	**474,442**
(1) Of which, right to lease		-	-	-	-
(2) Of which, less than one year		-	-	-	-

Balance sheet at August 31, 2019 (contd.)

Liabilities

Liabilities (€'000)	Notes	Aug 31, 2019	Aug 31, 2018
Share capital (including capital paid)	2.1	8,279	8,279
Additional paid-in capital		27,850	27,850
Reserves			
Legal reserve		871	871
Regulated reserves		-	-
Other reserves		114,061	127,083
Retained earnings		165	264
Earnings for the year		14,298	8,239
Investment subsidies		-	-
Regulated provisions		372	387
Shareholders' equity	2.1.1	**165,897**	**172,974**
Provisions			
Provisions for liabilities		-	-
Provisions for charges		667	415
Provisions for liabilities and charges	2.2	**667**	**415**
Financial liabilities [1]			
Loans and borrowings from credit institutions [2]		76,036	74,687
Sundry borrowings and financial debt		211,253	206,886
Advances and deposits received on orders		1	6
Operating liabilities [1]			
Trade payables and related		5,276	3,947
Tax and social security liabilities		3,995	12,037
Other		1,648	3,010
Other liabilities [1]			
Fixed asset liabilities and related		116	481
Accrued income [1]		-	-
Current liabilities	2.3	**298,325**	**301,053**
Foreign currency translation losses		**-**	**0**
TOTAL LIABILITIES		**464,889**	**474,442**
(1) Of which, less than one year		289,548	284,226
(2) Of which, current bank borrowings		1,231	928

BENETEAU S.A.

Income statement at August 31, 2019

€'000	Notes	2018-19	2017-18
Operating income			
Production sold: goods and services		19,800	17,901
Net revenues	3.1	**19,800**	**17,901**
Stored production		-	-
Capitalized production			
Operating subsidies			
Reversal of provisions, depreciation and transferred expenses	3.2	51	2,148
Other income		0	0
Operating income		**19,851**	**20,049**
Operating expenses			
Purchases of goods		-	-
Other external purchases		16,307	13,504
Tax and related		248	228
Staff costs	3.3		
Salaries and wages		5,193	4,394
Payroll taxes		2,101	5,355
Depreciation and provisions			
On fixed assets: depreciation		2,158	2,257
On fixed assets: provisions		-	-
On current assets: provisions		2	
For liabilities and charges: provisions		254	407
Other expenses		1,980	1,775
Operating expenses		**28,243**	**27,920**
Operating income		**(8,392)**	**(7,871)**
Financial income			
From equity interests		26,283	27,653
Other interest and related income		4,458	3,564
Reversal of provisions and transferred expenses		4,804	4,867
Net income on sale of transferable securities		208	163
Net foreign exchange gains		6,483	177
Financial income		**42,236**	**36,424**
Financial expenses			
Depreciation and provisions		4,723	4,804
Interest and related expenses		11,776	3,190
Net expenses on sale of transferable securities		0	4,937
Net foreign exchange losses		2,814	4,900
Financial expenses		**19,313**	**17,831**
Financial income and expenses	3.4	**22,923**	**18,593**
Pre-tax income from ordinary operations		**14,531**	**10,722**

BENETEAU S.A.

Income statement at August 31, 2019 (contd.)

€'000	Notes	2018-19	2017-18
Non-recurring income			
On management operations		167	102
On capital operations		26	9
Reversal of provisions and transferred expenses		6,813	39
Non-recurring income		**7,006**	**150**
Non-recurring expenses			
On management operations		131	142
On capital operations		8,549	3
Depreciation and provisions		56	46
Non-recurring expenses		**8,736**	**191**
Non-recurring income (expense)	**3.5**	**(1,730)**	**(41)**
Employee profit-sharing		**(3)**	**(171)**
Corporate income tax	**3.6**	**(1,500)**	**2,271**
NET INCOME		**14,298**	**8,239**

Notes to the financial statements of BENETEAU S.A.

These notes represent an integral part of the annual financial statements for the year ended August 31, 2019.

Any items of information that are not mandatory are given only when significant.

Highlights of the year

Considering the future financing requirements of GBI Holding (and its subsidiaries Monte Carlo Yachts and Bio Habitat Italia), and to comply with Italian legislation requiring a certain level of equity in relation to the share capital throughout the financial year, an €8,000,000 write-off was recorded during the year (a current account provision had been recorded for €4,800,000 at August 31, 2018). A current account provision was also recorded for €4,000,000 during the year and is expected to lead to a write-off next year.

In addition, Beneteau SA subscribed for GBI Holding's capital increase, taking its interest from €1,108,000 to €5,608,000, enabling the latter to now hold 98.18% of the capital, compared with 90% previously.

Accounting methods, principles and the presentation of the financial statements

The figures provided in these notes are given in thousands of euros, unless otherwise indicated.

The financial statements for the year ended August 31, 2019 have been prepared in accordance with the principles and methods set out under the French commercial code (Art. 123-12 to 123-23), the decree of November 29, 1983, and French GAAP (Regulation 2014-03 amended by ANC Regulations 2016-07 and 2015-06).

The accounting rules have been applied in accordance with the principle of conservatism, in light of the following basic assumptions: continuous operations, independent financial years, and unchanged accounting methods from one financial year to the next.

1 - NOTES TO THE BALANCE SHEET: ASSETS

1.1 Changes in fixed assets, depreciation and provisions for impairment of fixed assets

Gross values

€'000	Gross value of fixed assets at Aug 31, 2018	Change through inter-item transfers	Acquisitions, creations, increase in assets	Disposals, retire-ments, reduction in assets	Gross value of fixed assets at Aug 31, 2019
Research and development costs	4,887	-	-	-	4,887
Concessions, patents, licenses and brands	1,081	-	-	-	1,081
Goodwill	99	-	-	-	99
Software	6,650	375	367	0	7,392
Current intangible assets	9,260	(467)	988	(8,529)	1,252
TOTAL Intangible assets	**21,976**	**(91)**	**1,355**	**(8,529)**	**14,711**
Land and developments	392	-	-	-	392
Property and facilities	6,617	0	0	-	6,617
Plant and equipment	781	28	2	-	812
Other property, plant and equipment	3,415	162	670	(121)	4,125
Current fixed assets	280	(190)	77		167
Advances and deposits on fixed assets	10	10		-	0
TOTAL Property, plant and equipment	**11,496**	**(10)**	**749**	**(120)**	**12,115**
Equity interests	93,558	0	4,500	-	98,058
Equity interest-related receivables	-	-	-		-
Other capitalized securities	5,319	-	11,994	8,332	8,980
Loans	-	-	-	-	-
Other non-current financial assets	19	-	4	(13)	10
TOTAL Non-current financial assets	**98,896**	**0**	**16,498**	**(8,346)**	**107,048**
GENERAL TOTAL	**132,368**	**(101)**	**18,602**	**(16,994)**	**133,874**

Depreciation and provisions

€'000	Depreciation at Aug 31, 2018	Increase in charges over year	Change through inter-item transfers	Reduction linked to disposals and retirements	Depreciation at Aug 31, 2019
TOTAL Intangible assets	**15,586**	**1,352**	**-**	**(6,743)**	**10,195**
Land and developments	126	9	-	-	134
Property	5,052	325	-	-	5,377
Plant and equipment	756	19	-	-	775
Other property, plant and equipment	2,858	453	-	(101)	3,210
TOTAL Property, plant and equipment	**8,791**	**805**	**-**	**(101)**	**9,496**
TOTAL DEPRECIATION AND PROVISIONS ON FIXED ASSETS	**24,377**	**2,157**	**-**	**(6,843)**	**19,691**
Provision for impairment of assets					
On equity interests	0	-		-	0
On other capitalized securities	3	722	-	(3)	722
TOTAL PROVISIONS	**3**	**722**	**-**	**(3)**	**722**
GENERAL TOTAL	**24,382**	**2,879**	**-**	**(6,846)**	**20,415**

1.2 Intangible assets

Intangible assets represent €14,711,000 gross and €4,516,000 net after depreciation and provisions at August 31, 2019, compared with €6,390,000 net at August 31, 2018.

This item can be broken down as follows:

1.2.1 Research and development costs

In previous years, the company launched a research and development project focusing on totally different processes for designing, developing and producing boats.

On account of the nature of this project, the Group decided to capitalize the external costs (primarily fees) and the internal costs (workforce linked directly to the project) and record them as an asset on the balance sheet under research and development costs.

The depreciation of these research and development costs began when the boats concerned were brought into production and released, i.e. September 1, 2004.

In addition, the development costs for the deployment of a new ERP for the whole of Groupe Beneteau are depreciated over seven years.

The solution was deployed for the first time for the Housing business in July 2015 following an 18-month delay linked to the number of specific developments required in the end. After it was brought into service, various processes needed to be changed and certain specific developments rewritten, calling into question the initial conditions for deployment for the Boat business.

In this context, a €6,743,000 provision for impairment was recorded in 2017, taking the non-depreciated residual value to €1,787,000.

During the year, the decision was taken to not continue with the initial project for a Group ERP and to issue a new call for tenders to set up an ERP focused in priority on the Boat business.

The net amount of €1,787,000 was recorded as a loss, comprising the €8,530,000 non-recurring expense, partially offset by the reversal of €6,743,000 of provisions recorded in 2017.

1.2.2 Concessions, patents, licenses and brands

The timeframe for consuming the economic benefits expected from the brand cannot be determined. As such, it has not been subject to depreciation.

It will be depreciated if the value-in-use falls below the net book value.

The concession concerns an exclusive long-term usage right making it possible to benefit from full use of dark fiber optics; it is being depreciated over its useful life, i.e. 15 years.

1.2.3 Software

Software are depreciated over one to five years, in line with their planned life.

1.3 Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost or at their production cost for assets produced by the company. They have never been revalued.

Economic depreciation is calculated on a straight-line basis in accordance with the planned useful life:

- Site developments .... 20 years
- Operating buildings .... 20 years
- Building fixtures and fittings .... 10 to 20 years
- Plant and equipment .... 3 to 10 years
- Equipment fixtures and fittings .... 3 to 10 years
- Transport equipment .... 3 to 5 years
- Office and IT equipment and furniture .... 3 to 10 years

When possible, the company applies the diminishing balance method for accelerated depreciation charges for the fraction exceeding the level of economic depreciation. The provision booked in this way represents a total of €372,000.

1.4 Non-current financial assets

Non-current financial assets totaled €107,048,000 at August 31, 2019, compared with €98,896,000 at August 31, 2018.

Equity securities and other non-current financial assets are recorded on the balance sheet at their acquisition cost or contribution value.

At year-end, an impairment is recorded when the value-in-use is lower than the net book value on the balance sheet, including the technical losses on mergers allocated in the accounts.

The value-in-use of equity securities is determined based on the accounting net assets, profitability and future prospects of the equity interests.

When the net book value of equity securities is higher than the share of accounting net assets, the valuation is generally confirmed by determining a value-in-use based on the discounting of future cash flows. The parameters retained are as follows:

- Cash flow after tax taken from the business plans and a terminal value calculated by extrapolating the data from the last year based on the long-term growth rates for the business sectors and geographical areas concerned. The business plans are generally drawn up over one to five years;
- Discounting of cash flows based on the weighted average cost of capital.

The estimation of the value-in-use may justify keeping a higher net book value than the share of accounting net assets.

The costs relating to the acquisition of equity securities included in the cost price of the securities are deducted for tax purposes through accelerated depreciation over a five-year period.

Equity interest-related receivables are recorded at their nominal value. An impairment is recorded when the carrying value is lower than the book value.

In addition, when equity interests are liquidated or sold, the impairment on equity securities is reversed to non-recurring income and expenses.

1.5 Receivables

Receivables are measured at their nominal value.

Receivables denominated in foreign currencies are converted at the closing exchange rate or converted at the hedging rate if they are subject to forward exchange hedge agreements.

A provision for expenses is recorded concerning any unrealized exchange rate losses for the relevant amount.

At year-end, trade receivables did not include any items outstanding for over one year, and can be broken down as follows:

€'000	At Aug 31, 2019	At Aug 31, 2018
Ordinary trade receivables	62	71
Trade receivables for associates	3,855	3,814
Notes receivable	-	-
Bad debt	132	129
Provisions for impairment of trade receivables	(110)	(108)
TOTAL	**3,939**	**3,906**

Other trade receivables do not include any items outstanding for over one year, and can be broken down as follows:

€'000	At Aug 31, 2019	At Aug 31, 2018
Tax	4,972	406
Other receivables	2,858	159
Other receivables for associates	143,285	123,846
Provisions for impairment of receivables *	(4,000)	(4,800)
TOTAL	**147,115**	**119,611**

* Impairment of receivable for associate: GBI Holding for the amount of the planned debt write-off

1.6 Transferable securities

There were no longer any treasury shares allocated and reserved for the bonus share plans (see Notes 4.4 and 4.5) at August 31, 2019.

Other securities comprise mutual funds for €40,000,000, with a carrying value also of €40,000,000.

1.7 Accruals and related - assets

Accrued expenses represent €1,194,000 and consist exclusively of operating expenses, compared with €978,000 at August 31, 2018.

Revenue accruals totaled €31,000, and can be broken down as follows:

€'000	Aug 31, 2019	Aug 31, 2018
Operating income	31	54
Operating income - associates	-	-
Financial income	326	253
TOTAL	**357**	**307**

2.1 Share capital

The share capital is split into 82,789,840 fully paid-up shares with a par value of €0.10.

Detailed information on treasury stock and share plans is given in Points 4.4 and 4.5.

2.1.1 Shareholders' equity

The change in shareholders' equity over the year can be broken down as follows:

€'000

Shareholders' equity at Sep 1, 2018	172,974
Accelerated depreciation	(14)
Dividends paid	(21,361)
Earnings for the year	14,298
Shareholders' equity at Aug 31, 2019	**165,897**

Net income excluding the impact of optional tax provisions came to €14,284,000 at August 31, 2019.

For our company, the tax provisions are reflected in a future tax liability of €128,000 (net), calculated at a rate of 34.43%.

2.2 Provisions for liabilities and charges

€'000	Amount at year-end Aug 31, 2018	Increase over year	Reversal of provisions used	Reversal of provisions not used	Amount at year-end Aug 31, 2019
Provisions for exchange rate loss	-	-	-	-	-
Provisions for liabilities	-	-	-	-	-
Other provisions for liabilities and charges	415	254	(1)	-	667
TOTAL	**415**	**254**	**(1)**	-	**667**

At August 31, 2019, BENETEAU S.A. recorded:

- A €254,000 provision for charges relating to the BENETEAU SA shares to cover the bonus share plan from February 9, 2018,
- A €900 reversal of provisions for long-service awards, whose valuation factors in staff present in the company on the calculation date, as well as their seniority, the scale for bonuses based on this seniority, the survival rate, the turnover rate and a financial discounting process.

2.3 Liabilities

The breakdown of liabilities based on their due dates is presented in the following table as at August 31, 2019:

€'000	Total amount	< 1 year	1 to 5 years	> 5 years
Loans and borrowings from credit institutions				
- Initially due within 2 years	59,209	59,209	-	-
- Initially due after more than 2 years	16,827	8,050	8,777	
Sundry borrowings and financial debt	3,377	3,377	-	-
Financial debt for associates	207,876	207,876	-	-
Trade payables and related	4,237	4,237	-	-
Trade payables for associates	1,039	1,039	-	-
Staff and related	2,501	2,501	-	-
Social security and related	1,292	1,292	-	-
Tax and related	-	-	-	-
- Corporate income tax	0	0	-	-
- Value-added tax	26	26	-	-
- Other tax and related	176	176	-	-
Fixed asset liabilities and related	116	116	-	-
Fixed asset liabilities for associates	-	-	-	-
Other liabilities	1,649	1,649	-	-
Other liabilities for associates	0	0	-	-
TOTAL	**298,325**	**289,548**	**8,777**	**0**

2.4 Accrued expenses

At August 31, 2019, accrued expenses totaled €7,994,000, with the following breakdown:

€'000	Operating	Financial	Non-recurring
Trade payables and related	2,744	-	-
Trade payables for associates	588	-	-
Tax and social security liabilities	3,388	-	-
Sundry borrowings and financial debt	-	1,274	-
Other liabilities	-	-	-
Other liabilities for associates	-	-	-
TOTAL	**6,720**	**1,274**	-

3 - NOTES TO THE INCOME STATEMENT

3.1 Revenues

€'000	2018-19	2017-18
Sales in France	15,753	15,301
Sales outside of France	4,047	2,600
TOTAL	**19,800**	**17,901**

3.2 Changes in provisions and transferred operating expenses

€'000	2018-19	2017-18
Reversal of provisions for liabilities and charges(*)	-	2,016
Transferred expenses	49	36
TOTAL	**49**	**2,052**

In 2017-18, reversal relating to the provision for bonus shares vested during the year.

3.3 Staff costs

Compensation for members of the administrative and management bodies came to €2,003,000, compared with €1,776,000 the previous year.

The average headcount is 39, with 12 employees and 27 manager-grade staff.

Staff costs at August 31, 2018 included the cost of bonus shares vested by BENETEAU S.A. corporate officers and employees in connection with the bonus share plans from April 29, 2014 and April 28, 2016 and maturing respectively in April and May 2018 for €2,829,000.

3.4 Financial income and expenses

Financial income and expenses show €22,923,000 of net income.

€'000	2018-19	2017-18
Dividends received from subsidiaries	26,283	27,653
Debt write-offs granted to subsidiaries		
- GBI Holding	(8,000)	0
- BH	0	0
- BHS	0	0
Provisions on equity securities	0	0
Net allocation to provisions on subsidiary current account	800	(4,800)
Bonus share plan costs charged to the subsidiaries	0	2,035
Interest and related expenses (net)	3,441	3,002
Financial income and expenses with associates	**22,524**	**27,890**
Other interest and related expenses (net)	(2,759)	(2,628)
Net income on transferable securities (*)	208	(4,774)
Transferred expenses for the cost of bonus share plans (*)	0	2,828
Net charge after reversals of provisions	(719)	0
Foreign exchange gain (loss)	3,669	(4,723)
TOTAL financial income and expenses	**22,923**	**18,593**
(*) Of which, net cost of the plan for bonus shares acquired during the year	0	(2,829)

3.5 Non-recurring income and expenses

The non-recurring items recorded can be broken down as follows:

€'000	2018-19	2017-18
Accelerated depreciation charge / reversal	14	(7)
Capital gains or losses on asset disposals	6	6
Treasury stock buyback premium	59	(3)
Reversal of provisions on current fixed assets (*)	6,743	
Loss on current fixed assets (*)	(8,529)	-
Donations	(21)	(5)
Other	(2)	(31)
TOTAL	**(1,730)**	**(40)**

* Group ERP project

3.6 Tax

At August 31, 2019, the breakdown of tax between income from ordinary operations and non-recurring items is as follows:

€'000	Before tax	Net tax expense	After tax
Income from ordinary operations	14,531	945	15,476
Non-recurring income (expense)	(1,730)	555	(1,175)
Profit-sharing	(3)		(3)
TOTAL	**12,798**	**1,500**	**14,298**

BENETEAU S.A. has opted for the tax consolidation system. The agreement set up in this respect is compliant with the second conception authorized, with the tax savings recorded, linked to losses, recognized immediately in profit or loss for the parent company, within the limits of the consolidated taxable income available for use.

The tax consolidation-related tax saving for FY 2018-19 came to €50,000.

4 - OTHER INFORMATION

4.1 Associates

The amounts concerning associates are given for each corresponding item on the balance sheet.

The accounts of BENETEAU S.A., in line with the full consolidation method, are included in the financial statements for BERI 21 S.A.

4.2 Commitments given

Commitments given can be broken down as follows:

€'000	Aug 31, 2019
Deposits:	
- Consortium for building a plant for a subsidiary	500
- Customs	21
Guarantees with associates:	
- Banking commitment for subsidiaries' credit lines	4,180
- Counter-guarantee for subsidiaries linked to product financing agreements	109,528
Retirement benefits*	436
Long-term finance leases	167
Currency forward sales in €'000 at hedging rate	73,686
TOTAL	**188,518**

* The company's commitments in this respect are calculated in line with the method adopted within the Group, factoring in all staff, in addition to the terms of the agreements concerned, the survival rate, wage trends, staff turnover, financial returns and payroll taxes. The method used is the projected unit credit method.

The deposits and guarantees given do not concern any executives.

4.3 Subsidiaries and associates

€'000	Share capital	Shareholders' equity excl. earnings for last year	% of capital held	Book value of securities held		Outstanding loans and advances granted by company	Deposits and guarantees granted by company	Revenues net of tax for last year	Profit or loss for last year	Dividends received by company over year
				Gross	Net					
SUBSIDIARIES (at least 50% interest)										
C.N.B	3,488	64,040	100	4,776	4,776	0	0	305,363	12,882	5,580
S.P.B.I	51,542	292,781	100	40,774	40,774	0	0	819,424	36,571	13,401
Bio Habitat	12,923	75,447	100	42,933	42,933	0	0	190,027	9,559	3,412
GBI Holding	4,608	12,886	100	5,608	5,608	65,874	0	0	(8,043)	0
Band of Boats	1,500	1,187	67	1,000	1,000	2,475	1	336	(1,769)	0
ASSOCIATES (10 to 50%)										
SGB Finance [1]	6,054	35,884	49	2,967	2,967	0	0	0	15,743	3,891

1 Financial year-end: December 31

4.4 Bonus shares

In accordance with the authorizations given by shareholders at general meetings, the company's relevant bodies decided to award:

Date awarded	Number of shares
Feb 9, 2018	291,600

The beneficiaries are Groupe Beneteau company executives or employees.

The breakdown of bonus shares exercised in previous years is presented below:

Year awarded	Number of bonus shares awarded
2006-07	42,500
2007-08	57,500
2010-11	21,250
2012-13	32,500
2015-16	1,056,200
2017-18	530,000

4.5 Treasury stock

The value of treasury stock at August 31, 2019, based on the average share price for August 2019, came to €8,238,000, with a net balance sheet value of €8,238,000.

	Number	Valuation (€'000)
Shares at Aug 31, 2018	**550,742**	**5,299**
Purchases	1,112,067	11,994
Sales	(719,103)	(8,332)
Shares at Aug 31, 2019	**943,706**	**8,960**

Average purchase price over the year: €10.79
Average sales price over the year: €11.67
Share price at Aug 31, 2019: €8.565
Average share price in August 2019: €8.729

5- CASH-FLOW STATEMENT

€'000	2018-19		2017-18	
Operating activities				
Net income for the year		14,297		8,239
Elimination of income and expenses without any impact on cash flow or unrelated to operations		5,000		5,450
Depreciation and provisions	2,318		5,456	
Capital gains or losses on disposals	1,884		(6)	
Operating cash flow		**18,497**		**13,689**
Change in working capital requirements		(31,686)		85,434
Receivables	(22,689)		6,049	
Payables	(8,197)		79,385	
Total 1 - Cash flow from operating activities		**(12,389)**		**99,123**
Investment activities				
Fixed asset acquisitions		(2,108)		(1,187)
Fixed asset disposals		26		11
Liabilities on fixed assets		(357)		(4)
Total 2 - Cash flow from investment activities		**(2,439)**		**(1,180)**
Financing activities				
Dividends paid to shareholders		(21,360)		(20,433)
Payments received for financial debt		9,320		5,038
Repayments of financial debt		(8,044)		(8,714)
Disposal / transfer (acquisition) of treasury stock		(3,662)		441
Change in scope		(4,500)		(1,000)
Total 3 - Cash flow from financing activities		**(28,246)**		**(24,668)**
CHANGE IN CASH POSITION (1+2+3)		**(43,074)**		**73,275**
Opening cash position		240,130		166,855
Closing cash position		197,056		240,130
Of which: Treasury stock	0		0	
Other transferable securities	40,000		25,000	
Cash at bank and in hand	158,287		216,058	
Bank overdrafts	(1,231)		(928)	

Statutory auditors' report on the annual financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended August 31, 2019

Opinion

In accordance with the terms of our appointment by your general meeting, we have audited the annual financial statements of BENETEAU for the year ended August 31, 2019, as appended to this report.

We certify that the annual financial statements present fairly, in all material respects, the financial position of the company, its assets and liabilities, and the results of its operations for the year ended in accordance with the accounting rules and principles in force in France.

The opinion presented above is consistent with the content of our report for the audit committee.

Basis for our opinion

Audit standards

We conducted our audit in accordance with the industry standards applicable in France. We believe that we have collected sufficient and appropriate elements on which to base our opinion.

Our responsibilities under these standards are indicated in the section on "Statutory auditors' responsibilities relating to the auditing of the annual financial statements" in this report.

Independence

We conducted our audit in accordance with the rules governing us in terms of independence for the period from September 1, 2018 to the date of our report. More specifically, we have not provided any services forbidden by Article 5, Paragraph 1, of EU Regulation 537/2014 or by the professional code of conduct for statutory auditors.

Basis for our opinions - Key points from the audit

In accordance with Articles L. 823-9 and R.823-7 of the French commercial code relating to the forming of our opinions, we would like to draw your attention to the key points from the audit relating to the risks of material misstatements which, in our professional judgement, were the most significant for the audit of the annual financial statements, as well as our responses to these risks.

The assessments made in this way are part of our audit of the annual financial statements in general and the formation of our opinion as expressed above. We are not expressing an opinion on the elements from these annual financial statements taken individually.

Valuation of equity securities and related receivables

Description of the risk

Equity securities, recorded on the balance sheet for a net total of €98,058,000 at August 31, 2019, represent the largest fixed asset item on the balance sheet. They are recorded on their entry date at their acquisition cost and depreciated based on their value-in-use at each reporting date.

As indicated in Note 1.4 to the annual financial statements, the value-in-use is determined by management based on the accounting net assets, profitability and future prospects of the equity interests.

When the net book value of equity securities is higher than the share of accounting net assets, the value-in-use is determined based on the discounting of future cash flows based on the business plans prepared by management over one to five years, which requires management to exercise its judgement.

Considering the inherent uncertainties with certain elements, particularly the probability of the forecasts taken into account to determine the value-in-use being achieved, we considered that the valuation of equity securities and, if applicable, related receivables represented a key point for the audit.

Our response to the risk

To assess the reasonable nature of the estimates for the value-in-use of equity securities, based on the information provided to us, our work primarily involved checking that the estimation of these values by management is based on an appropriate justification for the valuation method and figures used and, depending on the securities concerned:

- For valuations based on historic elements, checking that the shareholders' equity retained is consistent with the accounts of the entities and that the adjustments made, if applicable, concerning this shareholders' equity are based on conclusive documentation;
- For valuations based on forward-looking elements:
    - Obtaining the cash flow forecasts for the interests concerned and assessing their consistency with the business plans prepared by management;
    - Assessing the consistency of the growth rate retained for projected flows with the external analyses available in relation to the economic environments in which these interests operate;
    - Assessing the reasonable nature of the discount rates applied to the estimated cash flows, notably checking that the various parameters comprising the weighted average cost of capital for each interest make it possible to ensure consistency with the rate of return expected by market participants for similar activities.

Our work also involved assessing the recoverable nature of equity interest-related receivables.

Specific verifications

In accordance with industry standards in France, we also carried out the specific verifications required under French legislation and regulations.

Information provided in the management report and other documents concerning the financial position and annual financial statements for shareholders

We do not have any observations to make regarding the true and accurate nature of information given in the Board of Directors' management report and in the other documents provided to shareholders concerning the financial position and annual financial statements, or the application of such information for the annual financial statements.

We certify that the information provided concerning terms of payment in accordance with Article D. 441-4 of the French commercial code is accurate and consistent with the annual financial statements.

Corporate governance report

We certify that the Board of Directors' corporate governance report contains the information required by Articles L.225-37-3 and L.225-37-4 of the French commercial code.

Concerning the information provided in accordance with Article L.225-37-3 of the French commercial code relating to the compensation and benefits awarded to corporate officers, as well as any commitments made to them, we have checked its consistency with the accounts or with the data used as a basis for preparing such accounts and, as relevant, with any elements collected by your company from its controlled or controlling companies. On the basis of this work, we certify the true and accurate nature of such information.

In accordance with French law, we can inform you that the corporate governance report does not include the description of the procedure to be put in place by the Board of Directors, as provided for in Article L.225-39 2 of the French commercial code, to allow it to regularly assess whether the agreements concerning current operations and entered into under normal conditions effectively meet these conditions.

Other information

In accordance with French law, we ensured that the management report contained the various disclosures required concerning the acquisition of interests and control, as well as the identity of shareholders and voting rights.

Information resulting from other legal and regulatory requirements

Appointment of the statutory auditors

We were appointed as BENETEAU's statutory auditors by your general meeting on February 24, 1989 for Atlantique Révision Conseil, on February 1, 2002 for KPMG S.A. and on February 8, 2019 for PricewaterhouseCoopers Audit.

At August 31, 2019, Atlantique Révision Conseil was in the 31st consecutive year of its mission, while KPMG S.A. was in its 18th year and PricewaterhouseCoopers Audit was in its first year.

Responsibilities of management and corporate governance representatives in relation to the annual financial statements

Management is responsible for preparing annual financial statements that present a true and accurate image in accordance with French accounting principles and rules, in addition to putting in place the internal control arrangements that it considers necessary to prepare the annual accounts without any material misstatements, whether these result from fraud or errors.

When preparing the annual financial statements, management has a responsibility to assess the company's capacity to continue operating, to present the information required relating to the continuity of operations in these accounts, if applicable, and to apply the accounting conventions for continuous operations unless there are plans to liquidate the company or cease its activities.

The audit committee has a responsibility to monitor the process for preparing financial information and to monitor the efficiency and effectiveness of the internal control and risk management systems, in addition to, if applicable, the internal audit arrangements, with regard to the procedures for the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities relating to the auditing of the annual financial statements

Audit approach and objective

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements in general are free from any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in line with industry standards might make it possible to systematically detect any material misstatements. Misstatements may be the result of fraud or errors and are considered to be material when they can reasonably be expected, taken individually or collectively, to potentially influence the economic decisions taken by users of the accounts based on them.

As indicated in Article L.823-10-1 of the French commercial code, our mission to certify the accounts does not involve guaranteeing the viability or quality of your company's management.

Based on an audit carried out in accordance with the industry standards applicable in France, the statutory auditors exercise their professional judgement throughout this audit. In addition:

- They identify and assess the risks that the annual financial statements include material misstatements, that these are the result of fraud or errors, define and put in place audit procedures faced with these risks, and collect the elements that they consider sufficient and appropriate to form a basis for their opinion. The risk of a material misstatement resulting from fraud not being detected is higher than for a material misstatement resulting from an error, because fraud may imply collusion, falsification, voluntary omissions, misrepresentation or a bypassing of internal control arrangements;
- They review the relevant internal control arrangements for the audit in order to define audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- They assess the appropriate nature of the accounting methods applied and the reasonable nature of any accounting estimates made by management, in addition to the information concerning them provided in the annual financial statements;

- They assess the management team's appropriate application of the accounting convention for continuous operations and, depending on the elements collected, whether or not there is any significant uncertainty relating to events or circumstances that might call into question the company's capacity to continue operating. This assessment is based on the elements collected up until the date of their report, while noting however that subsequent circumstances or events might call into question the continuity of operations. If they conclude that there is any significant uncertainty, they draw the attention of readers of their report to the information provided in the annual financial statements relating to this uncertainty or, if this information is not provided or is not relevant, they issue their certification with reservations or refuse to certify the accounts;
- They assess the overall presentation of the annual financial statements and evaluate whether the annual financial statements accurately reflect the underlying events and operations.

Report for the audit committee

We provide a report to the audit committee which notably presents the scope of the audit work and the program of work carried out, as well as the conclusions based on our work. If applicable, we also bring to their attention any significant shortcomings with internal control that we have identified with the procedures applied for the preparation and processing of accounting and financial information.

The elements provided in the report for the audit committee include the risks of material misstatements which we considered to be most significant for the audit of the annual financial statements and which therefore constitute the key points from the audit, which it is our responsibility to present in this report.

We also provide the audit committee with the declaration required under Article 6 of EU Regulation 537-2014 confirming our independence, in accordance with the rules applicable in France as notably set by Articles L.822-10 to L.822-14 of the French commercial code and in the professional code of conduct for statutory auditors. If applicable, we conduct discussions with the audit committee to review the risks concerning our independence and any safeguard measures adopted.

The Statutory Auditors

Neuilly-sur-Seine, December 20, 2019 PricewaterhouseCoopers Audit	La Roche-sur-Yon, December 20, 2019 Atlantique Révision Conseil	Nantes, December 20, 2019 KPMG Audit
Philippe Vincent	Sébastien Caillaud	Franck Noël Gwenaël Chedaleux

Board of Directors' corporate governance report

1 – Functioning of the board of directors

The extraordinary general shareholders' meeting, on February 8, 2019, decided to change the Company's form of administration and executive management by adopting a corporate governance structure with a Board of Directors (replacing the previous structure with Management and Supervisory Boards).

As a result, the Company is now governed by the new Bylaws adopted and presented in Appendix 1 to this report.

The Board of Directors has put in place a set of rules of procedure governing its operating conditions and those of its various Committees. It is presented in Appendix 2 of this report.

2 – Supervisory board / board of directors composition and meetings

The Group is committed to referring to the AFEP-MEDEF corporate governance code (available on the French High Committee for Corporate Governance site: www.hcge.fr).

To ensure compliance with its recommendations, staggered terms of office were organized in 2015 and 2016 (see D/R of APPENDIX A to the Board of Directors' Rules of Procedure).

In 2017, the necessary arrangements were put in place to ensure compliance with (i) the proportion of at least one third independent members, and (ii) the proportion of at least 40% of members of each gender. More specifically, the concept of observers was introduced into the bylaws and various observers were appointed (see B of APPENDIX A to the Board of Directors' Rules of Procedure).

The list of the offices held by each director at August 31, 2019 is presented in this report, with details of any remuneration received.

During FY 2018-19, your Supervisory Board then the Board of Directors met 13 times:

- On October 2, 2018, primarily to appoint a new observer; Supervisory Board members present or represented: 6 out of a total of 7 as well as 2 observers (out of a total of 2)
- On October 30, 2018, primarily to review the annual and consolidated financial statements for the year ended August 31, 2018; Supervisory Board members present or represented: 6 out of a total of 7 as well as 3 observers (out of a total of 3)
- On November 22, 2018, primarily for the dismissal of a Management Board member; Supervisory Board members present or represented: 7 out of a total of 7 as well as 2 observers (out of a total of 3)
- On November 23, 2018, primarily to approve the annual and consolidated financial statements for the year ended August 31, 2018; Supervisory Board members present or represented: 6 out of a total of 7 as well as 3 observers (out of a total of 3)
- On December 17, 2018, primarily for the call for tenders for the statutory auditors, the proposed governance change, the convening of the general shareholders' meeting, its agenda and its resolutions; Supervisory Board members present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)
- On February 6, 2019, primarily to update the budget for 2018-19 and prepare for the annual financial information meeting; Supervisory Board members present or represented: 7 out of a total of 7 as well as 2 observers (out of a total of 3)
- On February 8, 2019, following the general shareholders' meeting, primarily to appoint the Chairman and Vice-Chairman of the Board of Directors, the observers, the Chief Executive Officer and Deputy Chief Executive Officers, to adopt the rules of procedure, to create and determine the composition of the Committees; Directors present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)
- On March 20, 2019, primarily to update the compensation packages and to appoint the Deputy CEO in charge of Boat operations for Europe; Directors present or represented: 5 out of a total of 7 as well as 2 observers (out of a total of 3)
- On April 29, 2019, primarily to review and approve the condensed consolidated half-year financial statements at February 28, 2019 and update the budget for 2018-19; Directors present or represented: 7 out of a total of 7 as well as 2 observers (out of a total of 3)
- On June 5, 2019, primarily to review the company's governance; Directors present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)
- On June 13, 2019, primarily to review the company's governance (continued); Directors present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)
- On June 14, 2019, primarily for the dismissal of the Chief Executive Officer, the decision to unify the roles of Chairman of the Board of Directors and Chief Executive Officer, with the appointment of the new Chairman and Chief Executive Officer, the appointment of a second Deputy CEO and the modification of the composition of the Committees; Directors present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)
- On August 29, 2019, primarily to make the final update to the 2018-19 budget and the presentation of the budget for 2019-20; Directors present or represented: 6 out of a total of 7 as well as 3 observers (out of a total of 3)

Guidelines for allocating attendance fees

For 2018-19, the Board of Directors decided to apply, for the first period (prorated from September 1, 2018 to February 8, 2019, the date when the form of administration was changed), the previous historical rules for allocations.

For the second period (prorated from February 8, 2019 to August 31, 2019), it adopted the new allocation guidelines presented below, reducing the fixed component in favor of the variable component linked more to effective participation in the Board's work:

- €5,000 of fixed attendance fees are allocated for each director and observer (except for the Board Chairman);
- €3,000 of fixed attendance fees are allocated for each specialized committee Chairman;
- Maximum of €1,500 of variable attendance fees per half-day's presence for each director, observer and Committee member;
- A special attendance fee may be added for specific assignments approved by the Board.

These provisions are reviewed each year by the Board of Directors.

3 – Strategic committee composition and meetings

On February 8, 2019, the Board of Directors decided to reform its Strategic Committee.

At August 31, 2019, it comprised:

Chairman: Mr Louis-Claude Roux

Members: Ms Annette Roux, Ms Anne Leitzgen, Mr Claude Brignon, Mr Yves Lyon-Caen, Mr Jérôme de Metz

The Chairman of the Board of Directors, the Chief Executive Officer and certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2018-19, the Strategic Committee met nine times, primarily for the acquisition projects, monitoring emerging competitive developments, market trends, changes with new forms of consumption, product plan, investment strategies, charter fleet financing, Boat Division organization, roadmap and transversality.

4 – Audit and risk committee composition and meetings

On February 8, 2019, the Board of Directors decided to reform its Audit and Risk Committee.

At August 31, 2019, it comprised:

Chairman: Ms Catherine Pourre

Members: Mr Sébastien Moynot, Mr Yves Lyon-Caen

The Chief Executive Officer, the statutory auditors and certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2018-19, the Audit and Risk Committee met six times:

- On October 26, 2018, primarily to review the annual and consolidated financial statements for the year ended August 31, 2018, prior to the Supervisory Board meeting on October 30, 2018;
- On December 17, 2018, primarily for the call for tenders to renew the statutory auditors;
- On February 6, 2019, primarily to review progress with the implementation of the "SAPIN II" (corruption detection and prevention) and "POTIER" (prevention of serious infringements of fundamental freedoms, health, personal safety and environment) arrangements;
- On April 26, 2019, primarily to review the condensed consolidated half-year financial statements at February 28, 2019 and update the budget for 2018-19, prior to the Board of Directors meeting on April 29, 2019;
- On June 18, 2019, primarily to review progress with the implementation of the "SAPIN II" and "POTIER" arrangements and work on internal control relating to revenue recognition;
- On August 29, 2019, primarily to implement the "SAPIN II" and "POTIER" arrangements, alongside the Ethics Committee's work, as well as the AFA questionnaire.

5 – Compensation, appointments and governance committee composition and meetings

On February 8, 2019, the Board of Directors decided to reform its Compensation, Appointments and Governance Committee.

At August 31, 2019, it comprised:

Chairman: Mr Sébastien Moynot

Members: Ms Catherine Pourre, Mr Louis-Claude Roux, Mr Yves Lyon-Caen, Mr Claude Brignon

Certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2018-19, the Compensation, Appointments and Governance Committee met five times, primarily to set the variable component for executive officers, their compensation packages and their individual assessment, the Group's people review, the proposals for future bonus share plans and the changes in the composition of the Board of Directors in accordance with the independence criteria.

6 – Ethics committee composition and meetings

On October 30, 2018, the Supervisory Board decided to create an Ethics Committee.

On February 8, 2019, the Board of Directors decided to reform its Ethics Committee.

At August 31, 2019, it comprised:

Chairman: Mr Claude Brignon

Members: Mr Yves Lyon-Caen, Mr Louis-Claude Roux, Mr Jérôme de Metz, Mr Luc Dupé

Certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2018-19, the Ethics Committee met twice:

- On April 24, 2019, primarily for the creation and deployment of the Code of Ethics and the Code of Conduct and setting up a whistleblowing procedure, alongside the Audit Committee's work on the "SAPIN II" and "POTIER" arrangements;
- On August 29, 2019, primarily to review progress with the deployment of the ethics whistleblowing procedure, alongside the Audit Committee's work.

7 – Conditions for shareholder participation in general meetings

General meetings are convened by the Board of Directors or, failing that, by the statutory auditor(s), or by any duly authorized party, and deliberate under the legal conditions in force. They are held at the registered office or any other venue indicated in the notice to attend.

Since the company is publicly traded, general meetings are convened with an initial notice published in the French official gazette (Bulletin des Annonces Légales Obligatoires, BALO) at least 35 days before the meeting date, followed by a second notice published in an authorized gazette for legal announcements in the region where the registered office is located, at least 15 days before the meeting date.

These publications are also available on the Group website: **www.beneteau-group.com.**

Furthermore, shareholders who have held registered shares for at least one month on the date of the notice to attend are invited to attend any meetings in an ordinary letter or, if requested by them and at their cost, in a letter sent recorded delivery.

The general meeting comprises all the shareholders, irrespective of the number of shares held, provided that they have been fully paid-up.

The right to attend or be represented at the meeting is subject to the securities being recorded in the name of the shareholder or their intermediary in the registered securities accounts held by the company or the bearer securities accounts held by the authorized intermediary by midnight (Paris time) two working days prior to the meeting.

Shareholders may vote by mail under the legal and regulatory conditions in force: to be taken into account, postal voting forms must be received by the company at least three days before the date of the meeting.

Under the bylaws, any shareholders taking part in the meeting using videoconferencing or other telecommunications resources making it possible to identify them, the nature and conditions of which are determined by decree, may be deemed to be present for calculating the quorum and majority: this possibility has not yet been used by the company.

A double voting right is awarded to fully paid-up registered shares that have been registered for at least two years in the name of the same shareholder, whether they are French nationals or from a European Union member state.

This right will also be granted upon issue:

- In the event of a capital increase through the incorporation of reserves, profits or issue premiums, to any registered shares awarded freely to shareholders based on the existing shares for which they were entitled to this right;
- In the event of a merger, to any registered shares awarded to a shareholder in the merged company in exchange for this company's shares for which they were entitled to this right.

If shares are transferred further to a case of inheritance, liquidation of joint ownership between spouses or inter-vivos donations to spouses or relatives entitled to inherit, they do not lose the rights acquired and the two-year period set out above continues uninterrupted.

Joint owners of shares are required to be represented with the company and at general meetings by only one of them, who the company considers as the sole owner, or by a single proxy.

The voting right associated with the share belongs to the beneficial owner at all general meetings. Even when voting rights have been waived, the bare owner of shares still has the right to attend the general meetings.

For securities that have been pledged, voting rights are exercised by the owner and not the pledgee.

8 – Shareholding disclosure thresholds

Any individuals or legal entities, acting alone or in concert, that may directly or indirectly hold, through one or more legal entities they control as per Article L.233-3 of the French commercial code, a number of shares representing a proportion of the share capital and/or voting rights greater than or equal to 2.5%, or any multiple thereof, including cases when this exceeds the legal and regulatory disclosure thresholds applicable, must inform the company of the total number of shares and voting rights they hold, as well as any securities entitling holders to access the capital in the future and the corresponding potential voting rights, in a letter sent recorded delivery with delivery receipt within the legal and regulatory timeframe.

The requirement to inform the company also applies when the shareholder's interest in the capital or level of voting rights falls below any of the disclosure thresholds indicated in the bylaws.

If shareholders fail to make such disclosures in the proper manner, the shares in excess of the fraction that should have been disclosed in accordance with the bylaws and/or legal provisions applicable will not be entitled to voting rights at any shareholder meetings that may be held for two years following notification that the situation has been resolved.

9 – Proposed resolutions relating to the compensation policy

The following two resolutions are being submitted for each of the following members:

- Mr Jérôme de Metz, Chairman and CEO
- Mr Christophe Caudrelier, Deputy CEO
- Mr Gianguido Girotti, Deputy CEO

With regard to Mr Hervé Gastinel, CEO until June 14, 2019, only the first resolution is being proposed.

- **th ordinary resolution** (Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to ..., [office])

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to ..., [office], in connection with [his/her] office as presented in the corporate governance report.

- **th ordinary resolution** (Approval of the principles and criteria for determining, distributing and allocating the components of the overall compensation package and benefits of any kind awarded to ..., [office])

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to ..., [office], in connection with [his/her] office as presented in the corporate governance report.

For reference, the elements indicated include compensation from BENETEAU S.A., and any companies controlled by it, as well as from BERI 21, its controlling company.

10. List of corporate officers at august 31, 2019

DE METZ JÉRÔME	Position
BENETEAU S.A. (listed) First appointed: Chairman of Board of Directors by General Meeting Feb 8, 2019 + CEO by Board of Directors Jun 14, 2019, ending in 2022	Chairman of Board of Directors and CEO
BERI 21 SA	Observer
BENETEAU INC	Director & President
BENETEAU AMERICA INC	Director
JEANNEAU AMERICA INC	Director
REC BOAT HOLDING LLC	Manager (Director)
WELLCRAFT LLC	Manager (Director)
GLASTRON LLC	Manager (Director)
FOUR WINNS LLC	Manager (Director)
925 FRISBIE STREET LLC	Manager (Director)
LGF SAS	Chairman

CAUDRELIER CHRISTOPHE	Position
BENETEAU S.A. (listed) First appointed: Supervisory Board Apr 29, 2015, effective Jun 4, 2015 Last reappointed: Board of Directors Feb 8, 2019, ending in 2021	Deputy CEO
SPBI SA	Chairman of Board of Directors and CEO
CNB SA	Director
BIO HABITAT SA	Director
BAND OF BOATS SAS	Member of Board of Directors
SGB FINANCE SA	Director
BENETEAU INC	Director
BENETEAU AMERICA INC	Director
JEANNEAU AMERICA INC	Director
BGM AMERICA INC	Director & Chairman
GBI HOLDING SRL	Director
MONTE CARLO YACHT SPA	Chairman of Board of Directors
BIO HABITAT ITALIA SPA	Director
JEANNEAU ITALIA	Director
Stocznia Jachtowa DELPHIA Spolka Zoo	Chairman of Supervisory Board

GIROTTI GIANGUIDO	Position
BENETEAU S.A. SA (listed) First appointed: Board of Directors Jun 14, 2019, ending in 2021	Deputy CEO
SPBI SA	Observer
SGB FINANCE SA	Director
GBI HOLDING SRL	Director

LYON-CAEN YVES	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: General Meeting Feb 8, 2019, ending in 2021	Director
BERI 21 SA	Management Board member
FONDATION BENETEAU	Director
GBI HOLDING SRL	Chairman of Board of Directors
MONTE CARLO YACHT SPA	Director
BIO HABITAT ITALIA SPA	Director
SCI ODYSSEY	Manager
BERI 210 SARL	Manager
BERI 75 SARL	Manager
FIN (Fédération des Industries Nautiques)	Chairman of Board of Directors
CNP (Confédération du Nautisme et de la Plaisance)	Chairman
NAUTIC FESTIVAL	Chairman of Supervisory Board

ROUX LOUIS-CLAUDE	Position
BENETEAU S.A. (listed) First appointed: Jan 31, 2014 Last reappointed: General Meeting Feb 8, 2019, ending in 2020	Vice-Chairman of Board of Directors
BERI 21 SA	Chairman of Management Board
SPBI SA	Vice-Chairman of Board of Directors
CNB SA	Observer
BIO HABITAT SA	Vice-Chairman of Board of Directors
BAND OF BOATS SAS	Member of Board of Directors
BENETEAU FOUNDATION	Director

ROUX ANNETTE	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: General Meeting Feb 8, 2019, ending in 2021	Director
BERI 21 SA	Chairman of Supervisory Board
SPBI SA	Director
CNB SA	Director
BIO HABITAT SA	Director
BENETEAU FOUNDATION	Chairman
BERI 210 SARL	Manager

MOYNOT SÉBASTIEN	Position
BENETEAU S.A. (listed) General Meeting Feb 8, 2019, ending in 2022	Representative of Bpifrance Investissement SAS Director
ALBIOMA	Representative of Bpifrance Investissement SAS Director
VERALLIA (listed)	Representative of Bpifrance Investissement SAS Director
ALTRAD INVESTMENT AUTHORITY SAS	Representative of Bpifrance Investissement SAS Director
COSMEUR SAS	Representative of Bpifrance Investissement SAS Director
GREEN YELLOW	Representative of Bpifrance Investissement SAS Director
VIVESCIA INDUSTRIES	Representative of Bpifrance Investissement SAS Director
NEXTEAM	Representative of Bpifrance Investissement SAS Director

LEITZGEN ANNE	Position
BENETEAU S.A. (listed) First appointed: General Meeting Jan 27, 2017 Last reappointed: General Meeting Feb 8, 2019, ending in 2020	Director
SCHMIDT GROUPE SAS	CEO and Company Chairwoman
SCHMIDT GROUPE Limited (UK)	Director
SCHMIDT GROUPE SPAIN & PORTUGAL, S.L. (Spain)	Sole Director
SALM Groupe SPAIN (Spain)	Sole Director
SCHMIDT Suofeiya Kitchen Co. Ltd	Chairman of the Board
Beteiligungsgesellschaft Leitzgen mbH (DE)	CEO
FIM SPL (Spain-Jerez)	Sole Director
EMA	Representative of Schmidt Group, Chairman
ECC	Representative of Schmidt Group, Chairman
IMMO DEVELOPPEMENT	Representative of Schmidt Group, Chairman
BETTYLEEUW SPRL	Representative of EMA, Manager
ANNA SG	Representative of EMA, Chairman
LOUISA SG	Representative of EMA, Chairman
ALICIA SG	Representative of EMA, Chairman
MELISSA SG	Representative of EMA, Chairman
SOFIA SG	Representative of EMA, Chairman
ELENA SG	Representative of EMA, Chairman
MYLA SG	Representative of EMA, Chairman
UNIFA	Director
SOCOMEC	Director
Société Civile Karl Leitzgen	Co-manager
Prospective Invest (SCI)	Manager
HEDY (SAS)	Chairwoman
SCI PERLES	Co-manager
SCI Leitzgen-Giraud	Manager
La Parenthèse Blanche (SARL)	Manager
SCI Les Aigles	Manager

POURRE CATHERINE	Position
BENETEAU S.A. (listed) First appointed: Jan 31, 2014 Last reappointed: General Meeting Feb 8, 2019, ending in 2022	Director
SEB SA (listed)	Member of Board of Directors
CREDIT AGRICOLE SA (listed)	Member of Board of Directors
CREDIT AGRICOLE CIB	Member of Board of Directors
CPO Services SARL	Manager
Association Class 40	Member of Board of Directors

11. List of observers at august 31, 2019

DUPE LUC	Position
BENETEAU S.A. (listed) First appointed (Supervisory Board member): Jan 28, 2005 Last reappointed: Board of Directors Feb 8, 2019, ending in 2022	Observer on Board of Directors
BERI 21 SA	Management Board member
ELMA ASSOCIES SAS	Deputy CEO

BRIGNON CLAUDE	Position
BENETEAU S.A. (listed) First appointed (Supervisory Board member): Jan 31, 2014 Last reappointed: Board of Directors Feb 8, 2019, ending in 2022	Observer on Board of Directors
BENETEAU FOUNDATION	Director
VALOPTEC	Member of Board of Directors

DE LABRIFFE CHRISTIAN	Position
BENETEAU S.A. (listed) First appointed (Supervisory Board member): Jan 28, 2005 Last reappointed: Board of Directors Feb 8, 2019, ending in 2022	Representative of PARC MONCEAU, Observer on Board of Directors
Parc Monceau (SARL)	Manager
CHRISTIAN DIOR SE (listed)	Director
Les Dérivés Résiniques et Terpéniques - DRT (SA)	Representative of TIKEHAU CAPITAL, Director
TCA Partnership SAS	Chairman
Tikehau Capital (SCA)	Chairman of Supervisory Board
ACE Management (SA)	Chairman of Supervisory Board
Tikehau Capital Belgium (Belgian company)	Director
Fondation Nationale des Arts Graphiques et Plastiques	Director

12. Executive compensation

COMPENSATION, OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

			Aug 31, 2019		Aug 31, 2018	
Nom	**Position**	**Nature**	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
MR DE METZ JÉRÔME	Chairman and CEO of BENETEAU S.A.	Fixed compensation	181,350	147,375	0	0
		Variable compensation	36,250	0	0	0
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	0	0	0	0
		TOTAL	**217,600**	**147,375**	**0**	**0**
MR CAUDRELIER CHRISTOPHE	Deputy CEO BENETEAU S.A.	Fixed compensation	245,830	242,400	242,273	241,526
		Variable compensation	101,100	193,833	198,475	212,500
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	6,658	6,520	4,733	4,733
		TOTAL	**353,588**	**442,753**	**445,481**	**458,759**
MR GIROTTI GIANGUIDO	Deputy CEO BENETEAU S.A.	Fixed compensation	246,217	194,084	0	0
		Variable compensation	85,200	92,721	0	0
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	2,660	2,660	0	0
		TOTAL	**334,077**	**289,466**	**0**	**0**
MR HERVÉ GASTINEL*	Chief Executive Officer BENETEAU S.A.	Fixed compensation	334,752	371,135	446,288	446,677
		Variable compensation	150,000	328,640	416,000	356,700
		Exceptional compensation	1,054,901	124,106	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	6,963	7,659	8,356	8,356
		TOTAL	**1,546,616**	**831,540**	**870,644**	**811,733**
MS CARLA DEMARIA**	Management Board member BENETEAU SA	Fixed compensation	0	0	300,000	300,000
		Variable compensation	0	0	0	226,265
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	0	0	0	15,746
		TOTAL	**0**	**0**	**300,000**	**542,011**

* End of term of office at Jun 14, 2019
** End of term of office at Nov 22, 2018

SUMMARY OF COMPENSATION AND OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE OFFICER

Name	Position	Type	Aug 31, 2019	Aug 31, 2018
MR DE METZ JÉRÔME	Chairman and CEO BENETEAU S.A.	Compensation due for the year	217,600	0
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
MR CAUDRELIER CHRISTOPHE	Deputy CEO BENETEAU S.A.	Compensation due for the year	353,588	445,481
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
MR GIROTTI GIANGUIDO	Deputy CEO BENETEAU S.A.	Compensation due for the year	334,077	0
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
MR GASTINEL HERVÉ*	Chief Executive Officer BENETEAU S.A.	Compensation due for the year	1,546,616	870,644
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
MS DEMARIA CARLA **	Management Board member BENETEAU S.A.	Compensation due for the year	0	300,000
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0

* End of term of office at Jun 14, 2019

** End of term of office at Nov 22, 2018

Aug 31, 2019	Executive officer	Employment contract	Supplementary pension scheme	Actual or potential severance or termination benefits	Benefits due to a no-compete clause
Name	MR DE METZ JÉRÔME				
Position	Chairman and CEO BENETEAU SA	Mandate agreement	Yes	No	No
Term of office start date	Feb 14, 2019				
Term of office end date	General Meeting approving accounts for year ended Aug 31, 2021 in 2022				
Name	MR CAUDRELIER CHRISTOPHE				
Position	Deputy CEO BENETEAU S.A	No	Yes	No	No
Term of office start date	Feb 8, 2019				
Term of office end date	Board of Directors approving accounts for year ended Aug 31, 2020 in 2021				
Name	MR GIROTTI GIANGUIDO				
Position	Deputy CEO BENETEAU S.A.	No	Yes	No	No
Term of office start date	Jun 14, 2019				
Term of office end date	Board of Directors approving accounts for year ended Aug 31, 2020 in 2021				

EQUITY RATIO BETWEEN THE LEVEL OF COMPENSATION FOR EXECUTIVE OFFICERS AND THE AVERAGE AND MEDIAN COMPENSATION FOR EMPLOYEES OF THE GROUP PARENT COMPANY – BENETEAU SA

CEO then Chairman and CEO	FY 2018-19 *
Average compensation ratio	11.8
Median compensation ratio	16.2
Deputy CEO	
Average compensation ratio	6.2
Median compensation ratio	8.5

Position of Chief Executive Officer then Chairman and Chief Executive Officer

Hervé Gastinel was Chief Executive Officer until June 14, 2019. Jérôme de Metz has been Chairman and Chief Executive Officer of Beneteau SA since June 15, 2019. The ratios for the year have been calculated in line with this change, prorated to the respective periods for which they were present.

Position of Deputy Chief Executive Officer

Only Christophe Caudrelier's compensation was taken into account to calculate the ratio, as Gianguido Girotti was not a Beneteau SA employee for FY 2018-19.

* The information provided concerning the equity ratio is limited to 2019 due to the governance changes within BENETEAU SA (change from a limited company with Management and Supervisory Boards to a limited company with a Board of Directors), and the changes in the structure for salaried staff at BENETEAU SA over the last five years; as a result, it was not considered to be relevant to present the changes in this ratio.

ATTENDANCE FEES AND OTHER COMPENSATION AWARDED TO NON-EXECUTIVE OFFICERS

Name	Position	Type	Aug 31, 2019		Aug 31, 2018	
			Amounts due	Amounts paid	Amounts due	Amounts paid
MR JÉRÔME DE METZ	Chairman of Board of Directors	Attendance fees Other compensation	28,030 0	4,200 0	0 0	0 0
MR YVES LYON-CAEN	Director	Attendance fees Other compensation	43,159 185,755	0 477,641	29,000 683,051	29,000 553,165
MR LOUIS-CLAUDE ROUX	Vice-Chairman of Board of Directors	Attendance fees Other compensation	36,189 242,559	0 185,619	23,000 155,842	23,000 153,992
MS ANNETTE ROUX	Director	Attendance fees Other compensation	34,160 100,000	5,000 100,000	22,000 100,000	22,000 100,000
MR JEAN-PIERRE GOUDANT*	Director	Attendance fees Other compensation	9,410 0	0 0	34,500 0	34,500 0
MS CATHERINE POURRE	Director	Attendance fees Other compensation	27,366 0	0 0	25,000 0	25,000 0
MS ANNE LEITZGEN	Director	Attendance fees Other compensation	20,793 0	0 0	18,000 0	18,000 0

* End of term of office at Feb 8, 2019

ATTENDANCE FEES AND OTHER COMPENSATION AWARDED TO OBSERVERS

Name	Position	Type	Aug 31, 2019		Aug 31, 2018	
			Amounts due	Amounts paid	Amounts due	Amounts paid
MR CHRISTIAN DE LABRIFFE	Observer on Board of Directors	Attendance fees Other compensation	14,793 0	0 0	26,000 0	26,000 0
MR CLAUDE BRIGNON	Observer on Board of Directors	Attendance fees Other compensation	36,012 0	0 0	29,000 0	29,000 0
MR LUC DUPÉ	Observer on Board of Directors	Attendance fees Other compensation	20,351 39,996	0 39,996	16,000 40,100	16,000 40,100

CORPORATE OFFICERS' TRANSACTIONS ON SHARES

1. STOCK OPTIONS OR WARRANTS

Stock options or warrants awarded at August 31, 2019
NA

Options or warrants awarded to corporate officers in FY 2018-19
NA

Options or warrants exercised by corporate officers in FY 2018-19
NA

2. BONUS SHARES

Bonus shares awarded at August 31, 2019

Date awarded	Number of shares awarded	Value of shares awarded
Feb 9, 2018	291,600	18.80[1]

1 Share price from Feb 9, 2018

Bonus shares awarded to corporate officers in FY 2018-19
NA

Bonus shares definitively vested for corporate officers in FY 2018-19
NA

3. CORPORATE OFFICERS' TRANSACTIONS IN FY 2018-19

Name	Type of transaction	Transaction date	Number of securities	Amount
MR HERVÉ GASTINEL	Acquisition	Dec 20, 2018	1,870	€20,009
	Acquisition*	Dec 20, 2018	900	€9,630
	Acquisition*	Dec 20, 2018	900	€9,630
	Acquisition*	Dec 20, 2018	900	€9,630
	Acquisition	Feb 7, 2019	25,000	€255,000
	Acquisition*	Feb 7, 2019	25,000	€255,00
MR JÉRÔME DE METZ	Acquisition	Feb 11, 2019	1,020	€10,108
MR GIANGUIDO GIROTTI	Acquisition	Jun 21, 2019	5,000	
BPIFRANCE INVESTISSEMENT	Loan	Apr 30, 2019	500	€49,589

* Closely related person

In addition, Mr Jérôme de Metz acquired 0.1% of the company BERI 21 through LGF, the company that he fully controls with his family.

4. OBSERVERS' TRANSACTIONS IN FY 2018-19

Name	Type of transaction	Transaction date	Number of securities	Amount
MR CLAUDE BRIGNON	Acquisition*	Jun 24, 2019	1,300	€13,000

* Closely related person

Executive compensation packages are set by the Board of Directors based on proposals from the Compensation Committee.

Items of variable compensation are determined in view of the results achieved.

Executive officers are required to retain the shares awarded for two years from their vesting date for the plans from before 2016 and for one year since 2016, as well as a minimum of 50% of the shares awarded for their entire time in office.

There are no commitments for any executive severance packages.

For the year ended August 31, 2019, the variable compensation due or awarded was determined as follows:

For the Chairman and Chief Executive Officer (who combines the positions of Chairman of the Board of Directors and Chief Executive Officer) and the Deputy Chief Executive Officers whose variable compensation is linked to the Group's performance levels, the variable component has been calculated, if the objectives have been achieved, by applying a percentage from 70% to 90% to their fixed compensation depending on the achievement of their objectives.

The objectives primarily concerned the Group's quantitative performance levels (income from ordinary operations, revenues and free cash flow) for 70%, with 30% based on annual qualitative objectives reviewed on an individual basis by the Compensation Committee then the Board of Directors.

The Vice-Chairman of the Board of Directors was not awarded any variable pay.

For the current financial year, variable compensation will be determined as follows:

For the Chairman and Chief Executive Officer (who combines the positions of Chairman of the Board of Directors and Chief Executive Officer) and the Deputy Chief Executive Officers whose variable compensation is linked to the Group's performance levels, the variable component will be calculated, if the objectives are achieved, by applying a percentage from 70% to 90% to their fixed compensation depending on the achievement of their objectives.

The objectives will primarily concern the Group's quantitative performance levels (income from ordinary operations, revenues and free cash flow) for 70%, with 30% based on annual qualitative objectives set individually by the Board of Directors based on proposals from the Compensation Committee.

The Vice-Chairman of the Board of Directors was not awarded any variable pay.

For reference, the following section presents the financial conditions that the Board of Directors approved for the departure of Mr Hervé Gastinel, whose office as Chief Executive Officer of BENETEAU S.A. (the "Company") ended on June 14, 2019:

1. Under the preexisting agreements between Mr Gastinel and the Company, Mr Gastinel is subject to a 15-month no-compete clause. In this respect, Mr Gastinel will receive no-compete compensation equal to his fixed and variable compensation for an equivalent period.

2. In accordance with Section 4(iii) of the Regulations for the Bonus Share Plan from February 9, 2018, the Company waived the presence condition for Mr Gastinel concerning 18,750 bonus shares that were awarded to him in 2018 and whose performance conditions were already met. These bonus shares will continue to be subject to the holding requirement set by the Regulations for the Bonus Share Plan concerned.

3. Subject to approval by the general meeting with the ex post "say on pay" vote, Mr Gastinel's variable compensation for the performance of his duties from September 1, 2018 (start of the financial year) to June 15, 2019 (end of his office) will be set at a gross total of €150,000. In addition, Mr Gastinel's fixed compensation from the start of the financial year to June 15, 2019 represents €344,495 gross.

4. Mr Gastinel will receive settlement benefits corresponding to two months of his monthly compensation (fixed and variable).

The agreement with Mr Gastinel also includes various standard clauses for this type of transaction. The reference compensation retained for the application of Points 1 and 4 above is the fixed and variable compensation for the year ended August 31, 2018 (last financial year ended). The agreement will be covered by a specific resolution submitted at the next general shareholders' meeting.

13. Regulated agreements

During FY 2018-19, the Board of Directors authorized the following regulated agreements:

With GBI HOLDING: debt write-off at August 31, 2019 for €8 million and commitment to cover the potential losses for FY 2019-20, and particularly during the year if required for the effective management of the accounts at the lowest point in the seasonal patterns for Italian activities (Board of Directors on August 29, 2019).

With Mr Hervé Gastinel: no-compete clause paid in connection with the settlement for his departure (Board of Directors on June 14, 2019).

In its annual review of regulated agreements, the Board of Directors on October 29, 2019 confirmed that the continuation of the previous agreements and the new agreements entered into during FY 2018-19 were effectively aligned with the company's interests.

A procedure is currently being drawn up in connection with changes to the Rules of Procedure.

14. Capital increase delegations

NA

APPENDIX 1: Company Bylaws
Approved by the general meeting on February 8, 2019

SECTION I – FORM - PURPOSE - NAME - REGISTERED OFFICE - TERM

ARTICLE 1 - FORM

The company is a French limited company (société anonyme) with a board of directors.

ARTICLE 2 - PURPOSE

The company's corporate purpose is as follows:

- Building and production of boats, housing, advertising and communications materials, equipment for real estate and parts to be incorporated into any transport equipment, any materials, particularly timber, metals and/or composite or derivative materials, as well as any other goods based on said materials,
- Purchase, sale, rental and/or representation in any form of goods referred to in the previous paragraph, as well as any services, any tools, materials, raw materials, items, fixtures or accessories, relating directly or indirectly to boats, housing, transportation or advertising, or the use and/or operation of the goods produced and sold,
- Free management leasing of any items likely to allow or facilitate the performance of the corporate purpose,
- And more generally all property or real estate transactions relating directly or indirectly to the purposes set out above.

ARTICLE 3 - CORPORATE NAME

The company's corporate name is follows: BENETEAU

ARTICLE 4 - REGISTERED OFFICE

The registered office is located at Les Embruns, 16 Boulevard de la Mer, 85803 Saint-Gilles-Croix-de-Vie, France.

It may be transferred to any other location in the same département or a neighboring département following a decision by the board of directors, subject to this decision being ratified at the next ordinary general meeting, or to any other location following a decision by an extraordinary general meeting.

ARTICLE 5 - TERM

The company's term, initially set for fifty years from May 19, 1970, the date of its registration, has been extended by ninety-seven years as decided on February 8, 2019.

The company's term will expire on May 17, 2117, unless dissolved early or extended in accordance with these bylaws.

SECTION II – SHARE CAPITAL

ARTICLE 6 - SHARE CAPITAL

The share capital is set at €8,278,984 (eight million two hundred and seventy-eight thousand nine hundred and eighty-four euros), split into 82,789,840 (eighty-two million seven hundred and eighty-nine thousand eight hundred and forty) shares with a par value of €0.10.

ARTICLE 7 - CHANGES TO THE SHARE CAPITAL

I - CAPITAL INCREASE

The share capital may be increased following a decision by an extraordinary general shareholders' meeting, in view of the board of directors' report, under the legal conditions applicable.

Preferred shares may be issued under the legal conditions applicable.

II - CAPITAL REDUCTION

The capital may be reduced following a decision by an extraordinary general meeting, in view of the board of directors' report, under the legal conditions applicable, notably by acquiring and cancelling a given number of shares or by exchanging existing shares for new shares, for an equivalent or lower number, with the same or different par value and, if applicable, with existing shares sold or purchased to make the exchange possible, and with or without a balance to be paid or received.

III - LOSS OF HALF OF THE SHARE CAPITAL

If, as a result of losses recorded in the accounting documents, the company's equity capital becomes lower than half of the share capital, the board of directors must, within four months of the approval of the accounts showing such losses, convene an extraordinary general meeting to decide to dissolve the company early, if applicable.

SECTION III – SHARES

ARTICLE 8 - PAYING-UP OF SHARES

The shares subscribed for in cash must be paid up for at least one quarter of their par value on subscription and, if applicable, the full amount of the issue premium.

The remaining amount must be paid up in one or more installments following calls from the board of directors within five years of the day when the capital increase became definitive, in accordance with the legal conditions in force.

ARTICLE 9 - FORM OF SHARES

The shares may be held on a registered basis or a bearer basis, subject to any legislative provisions excluding this form.

When shares are held on a bearer basis, the securities are not physically delivered to the bearer: they are represented by being recorded with the account intermediary in their holders' names.

ARTICLE 10 - INDIVISIBILITY OF SHARES

The shares are indivisible in relation to the company, which must comply with the terms of Article L. 225-118 of the French commercial code.

Joint owners of shares are required to be represented with the company and at general meetings by only one of them, who the company considers as the sole owner, or by a single proxy. In the event of a disagreement, the single proxy may be appointed by the courts as requested by the first joint owner to refer the matter to the courts.

The voting right associated with the share belongs to the beneficial owner at all general meetings. Even when voting rights have been waived, the bare owner of shares still has the right to attend the general meetings.

For securities that have been pledged, voting rights are exercised by the owner and not the pledgee.

ARTICLE 11 - RIGHTS AND OBLIGATIONS ASSOCIATED WITH THE SHARES

Each share entitles the holder to a part of the corporate assets and profits equal to the share in the capital that it represents.

In the event of a capital increase, the shareholders benefit from a preferential right, proportional to the share of capital represented by their shares.

Shareholders are only liable for up to the nominal amount of the shares that they own.

The rights and obligations associated with shares correspond to the holder at all times.

Owning one share gives holders full rights to be covered by the company's bylaws and decisions taken by the general meetings.

Heirs, creditors, legal claimants or other representatives of a shareholder may not, under any pretext whatsoever, request the stamping of seals on the company's assets, request the sharing or licitation of such assets, or interfere in any way in the administration of the company; to exercise their rights, they must refer to the corporate inventories and the decisions of the general meeting.

Whenever it is necessary to own several shares to exercise any right, in the event of an exchange, consolidation or allocation of securities, capital increase or reduction, merger or other corporate operation, the owners of isolated securities, or securities below the number required, will only be able to exercise this right if they personally ensure the consolidation and, as relevant, the acquisition or sale of any securities required.

The company is authorized to make use of the legal provisions in force concerning the identification of holders of securities giving them the right immediately or in the future to vote at its general shareholders' meetings.

Shareholding disclosure thresholds

Any individuals or legal entities, acting alone or in concert, that may directly or indirectly hold, through one or more legal entities they control as per Article L.233-3 of the French commercial code, a number of shares representing a proportion of the share capital and/or voting rights greater than or equal to 2.5%, or any multiple thereof, including cases when this exceeds the legal and regulatory disclosure thresholds applicable, must inform the company of the total number of shares and voting rights they hold, as well as any securities entitling holders to access the capital in the future and the corresponding potential voting rights, in a letter sent recorded delivery with delivery receipt within the legal and regulatory timeframe.

The requirement to inform the company also applies when the shareholder's interest in the capital or level of voting rights falls below any of the disclosure thresholds indicated in the bylaws.

If shareholders fail to make such disclosures in the proper manner, the shares in excess of the fraction that should have been disclosed in accordance with the bylaws and/or legal provisions applicable will not be entitled to voting rights at any shareholder meetings that may be held for two years following notification that the situation has been resolved.

ARTICLE 12 - TRANSMISSION OF SHARES

The shares are freely tradable.

Shares are transmitted through account-to-account transfers based on signed instructions from the transferor or their qualified representative.

SECTION IV - COMPANY MANAGEMENT AND ADMINISTRATION

ARTICLE 13 - BOARD OF DIRECTORS

The company's administration is entrusted to a board of directors with a minimum of seven and a maximum of 15 members, subject to the exceptions provided for under French law.

During the company's existence, directors are appointed or reappointed by an ordinary general shareholders' meeting; however, in the event of a merger or spin-off, appointments may be made by the extraordinary general meeting ruling on the operation.

All directors must own at least 500 company shares on a registered basis.

If, on the day of their appointment, directors do not own the number of shares required or if, during their term of office, they cease to own this number of shares, they will automatically be considered to have resigned if they have not resolved their situation within three months.

Directors are appointed for a maximum of three years, with one third renewable every year.

Directors' offices expire at the end of the ordinary general meeting to approve the financial statements for the past year held during the year in which their term of office is due to end.

Directors can always be reappointed. They can be dismissed at any time by an ordinary general meeting.

The directors can be individuals or legal entities. When legal entities are appointed, they must appoint a permanent representative, who is subject to the same conditions, obligations and responsibilities as if they were a director in their own name, notwithstanding the joint responsibility of the legal entity that they represent.

The permanent representative has the same term of office as the legal entity that they represent.

If the legal entity dismisses its permanent representative from their appointment, it must notify the company of this dismissal and the identity of its new permanent representative immediately in a letter sent recorded delivery. The same conditions apply in the event of the permanent representative's death or resignation or if they are unable to attend meetings for an extended period.

No individuals over the age of 70 can be appointed as directors if their appointment results in more than one third of the directors being above this age. If, during their terms of office, the number of directors over the age of 70 exceeds one third of the directors, the oldest director will be considered to have resigned at the end of the next ordinary general meeting following this event.

Directors who are individuals cannot simultaneously belong to more than five boards of directors or supervisory boards of limited companies with their registered offices in Metropolitan France, subject to the legal exceptions applicable.

A company employee can be appointed as a director only if their employment contract corresponds to an effective employed position; they do not lose their entitlement to this employment contract.

The number of directors linked to the company by an employment contract cannot exceed one third of the directors in office.

If one or more directors' seats become vacant following their death or resignation, the board of directors may, between two general meetings, make provisional appointments. They must proceed in this way with a view to completing the number of directors within three months of the day of the vacancy when the number of directors has fallen below the statutory minimum, without however falling below the legal minimum.

The appointments made in this way by the board of directors are submitted to be ratified at the next ordinary general meeting. If they are not ratified, the board of directors' previous deliberations and actions will still be valid.

When the number of directors has fallen below the legal minimum level, the remaining directors must immediately convene an ordinary general meeting with a view to completing the number of board members.

The term of office of the co-opted director expires at the same time as the term of office of the director they replaced.

ARTICLE 14 - FUNCTIONING OF THE BOARD OF DIRECTORS

The board of directors meets as often as required in the interests of the company, as convened by its chairman or, if the chairman is unavailable, its vice-chairman.

However, the chairman must convene the board of directors within 15 days when directors representing at least one third of the members of the board of directors submit a justified request to this effect.

If no action is taken following such a request, its authors may convene the board by themselves, while indicating the agenda for the session. With the exception of this case, the agenda is set by the chairman of the board of directors and may only be set at the time of the meeting.

The meeting is held at the registered office or any other location indicated in the notice to attend.

In principle, the notice to attend must be issued at least three days in advance by post, email or fax. It indicates the agenda. It may be immediate and given verbally if all the directors are present or represented.

The board's deliberations are only valid if at least half of its members are present or represented.

Decisions are taken based on a majority of the members present or represented, with each director present or represented having one vote. In the event of a tied vote, the chairman of the board of directors has the casting vote.

The board of directors may allow directors who take part in board meetings using videoconferencing or telecommunications resources under the legal conditions in force to be considered to be present for calculating the quorum and majority for all decisions when the law does not exclude this possibility.

Any director may appoint another member to represent them at a meeting of the board of directors. Each director can have only one proxy per meeting.

An attendance sheet is maintained and signed by the directors who take part in the board of directors' meetings.

Copies of or extracts from minutes of deliberations are validly certified by the chairman of the board of directors, the chief executive officer, the deputy chief executive officers, the director temporarily appointed to perform the chairman's role or a proxy authorized to this effect.

The board's deliberations are recorded in minutes, prepared in accordance with the legal provisions in force and signed by the session's chairman and by one director or, if the session's chairman is unable to attend, by two directors.

ARTICLE 15 - BOARD OF DIRECTORS' MISSIONS

The board of directors is granted all the powers available to it under the legislation in force.

It determines the directions for the company's activities and oversees their implementation.

Subject to the powers expressly awarded to shareholders' meetings and within the limits of the corporate purpose, the board handles all matters relating to the company's effective management and takes decisions on matters concerning the company through its deliberations.

The board of directors carries out the controls and checks that it considers relevant.

The board of directors decides whether the company's executive management is performed by the chairman of the board of directors or by a chief executive officer. This decision is taken based on a qualified majority of three quarters of the members of the board of directors. If the conditions for the performance of executive management are changed, this does not result in any amendments to the bylaws.

All directors receive the information required for their missions and may be provided with any documents that they believe necessary.

With the exception of legal requirements, particularly those concerning the chairman of the board of directors or the chief executive officer, if they are a director, the directors, in connection with their management, do not take on any personal or joint obligations relating to the company's commitments; within the limits set by the legislation in force, they are responsible exclusively for the performance of the office that they have received.

The board of directors may decide to create committees tasked with looking into matters submitted to them by the board or its chairman for their opinion and review.

As required, a set of rules of procedure defines the conditions for the way that the statutory bodies function, and specifically any operations that require prior authorization from the board of directors.

ARTICLE 16 - CHAIRMAN OF THE BOARD OF DIRECTORS

The board of directors elects a chairman from among its individual members; it determines the chairman's remuneration, term of office and, if applicable, any specific functions.

The chairman of the board of directors may serve for the period set by the board of directors, provided that this does not exceed their term of office as a director or, in any event, the date of the ordinary general meeting convened to rule on the accounts for the year during which the chairman has reached the age of 75. When the chairman simultaneously holds the position of chief executive officer, the age limit set in Article 18 must be applied.

It is not possible to simultaneously hold more than one office as chairman of a board of directors or sole chief executive, or to belong to more than one management board of a limited company with its registered office in Metropolitan France, subject to the legal exceptions applicable.

The chairman represents the board of directors. The chairman organizes and leads the board's work, reporting on this to the general meeting and executing its decisions. The chairman ensures that the company's various bodies operate effectively and that the directors are able to perform their missions.

In addition, the board of directors may award the chairman other functions, particularly in terms of the chairman's role liaising between the board of directors and the executive management team, as well as the role representing the company in connection with the board of directors' missions.

ARTICLE 17 - VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

The board of directors also appoints a vice-chairman, who is the deputy of the chairman of the board of directors, and sets the vice-chairman's term of office, which cannot exceed that of the chairman.

If the chairman is absent or unable to attend, the board's session is chaired by the vice-chairman. When this is not possible, the board appoints a chairman for the session.

ARTICLE 18 - EXECUTIVE MANAGEMENT

I - ORGANIZATION

The company's executive management is performed by an individual appointed by the board of directors and given the title of chief executive officer.

II - CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICERS

Appointment – dismissal

The board of directors appoints the chief executive officer, sets the duration of their term of office, determines their compensation and, if applicable, defines any restrictions concerning their powers.

The chief executive officer may be dismissed by the board of directors at any time.

Powers

The chief executive officer has the broadest powers to act under any circumstances on behalf of the company. The chief executive officer exercises these powers within the limits of the corporate purpose and subject to the powers expressly applicable for shareholder meetings and the board of directors under French law.

The chief executive officer represents the company in its dealings with third parties. The company is committed by actions taken by the chief executive officer that do not fall within the corporate purpose, unless it is able to prove that the third party knew that the actions in question exceeded this purpose or that it could not be unaware of this in view of the circumstances, with the publication of the bylaws alone not enough to constitute such proof.

Deputy chief executive officers

As proposed by the chief executive officer, the board of directors may appoint one or more individuals, up to a maximum of five, to support the chief executive officer, serving as deputy chief executive officers.

The board of directors determines the scope and duration of the powers granted to the deputy chief executive officers, as agreed with the chief executive officer. In relation to third parties, the deputy chief executive officers have the same powers as the chief executive officer.

The board of directors determines the compensation for the deputy chief executive officer(s).

The deputy chief executive officers may be dismissed at any time by the board of directors, as proposed by the chief executive officer.

When the chief executive officer ceases or is unable to perform these functions, the deputy chief executive officers maintain, unless decided otherwise by the board of directors, their functions and remits until a new chief executive officer is appointed.

Age limit for executive officers

The chief executive officer and the deputy chief executive officer(s) may serve for the period set by the board of directors, provided that this does not exceed their term of office as directors, if applicable, or, in any event, the date of the ordinary general meeting convened to rule on the accounts for the year during which they have reached the age of 63. The same age limit applies to the chairman of the board of directors when the chairman also holds the position of chief executive officer.

Responsibility of directors and executive managers

The company's chairman, directors or chief executive officer are responsible in relation to the company or third parties for any infringement of legal provisions governing limited companies, or any infringement of these bylaws, or any misconduct with their management, all in accordance with the legislative conditions in force.

ARTICLE 19 - DIRECTOR COMPENSATION

The ordinary general meeting may award the directors a fixed annual sum based on attendance fees, with the corresponding amount recorded under operating expenses and maintained until decided otherwise.

The board of directors freely decides how to distribute this sum between its members.

The board of directors may award exceptional compensation for missions or offices entrusted to directors. This compensation is recorded under operating expenses and submitted for approval at an ordinary general meeting.

No other compensation, permanent or non-permanent, in addition to that set out above may be awarded to the directors, unless they are linked to the company by an employment contract, provided that this corresponds to an effective employed position. The number of the members of the board of directors linked to the company by an employment contract must not exceed one third of the members in office.

ARTICLE 20 - AGREEMENTS BETWEEN THE COMPANY AND A DIRECTOR OR CHIEF EXECUTIVE OFFICER

Any agreement, with the exception of those concerning current operations entered into under normal conditions, between the company and one of its directors or chief executive officers, either directly, or indirectly, or through an intermediary, must be submitted for prior approval from the board of directors.

The same conditions apply for agreements between the company and any other company if one of the company's directors or chief executive officers is an owner, partner, manager, director, chief executive officer, supervisory or management board member of the other company concerned.

The director or chief executive officer concerned must inform the board of directors as soon as they become aware of any agreement subject to authorization. They cannot take part in the votes on the authorization requested.

These agreements are submitted for approval by a general shareholders' meeting under the legal conditions in force.

The members of the board of directors other than legal entities are forbidden from entering into any agreement, in any form whatsoever, to borrow funds from the company, from being granted a current account or other overdraft by the company, and from getting the company to endorse or guarantee their commitments in relation to third parties.

The same restrictions apply to the chief executive officers and the permanent representatives of any directors that are legal entities. They also apply to the spouses, ascendants and descendants of the people covered by this article, as well as any intermediaries.

SECTION V – CONTROL

ARTICLE 22 - STATUTORY AUDITORS

Control is performed in accordance with the law and regulations by one or more incumbent statutory auditors appointed by an ordinary general meeting.

The auditors are appointed for a six-year period expiring at the end of the general meeting convened to rule on the accounts for the sixth financial year.

One or more deputy statutory auditors called on to replace the incumbents in the event of their refusal, impediment, resignation or death are appointed at the same time as the incumbent auditor(s) and for the same timeframe.

ARTICLE 21 - OBSERVERS

The board of directors may appoint up to three observers, chosen from among the shareholders or elsewhere.

The term of office of observers is from one to six years. Their offices end following the board of directors meeting to approve the financial statements for the past year and held during the year in which their term of office is due to end.

The observers may be reelected indefinitely.

The board of directors and its chairman may call on the observers to give their opinions on all matters submitted to them, particularly concerning technical, commercial, administrative or financial aspects, and may be given assignments to carry out specific research and reviews for the board of directors. The observers cannot be involved in the company's management and, as such, cannot be assigned management, supervision or control responsibilities.

They may receive remuneration for their position, as set by the board of directors, taken from the budget allocated by the general meeting for attendance fees.

Unless the board of directors decides otherwise, the observers have access to the same information as the members of the board of directors.

Observers are invited to attend the board of directors' meetings (unless the board of directors decides otherwise) and take part in deliberations in an advisory capacity, but if they are absent this will not impair the validity of deliberations.

SECTION VI - SHAREHOLDER MEETINGS

ARTICLE 23 - CONVENING OF GENERAL MEETINGS

General meetings are convened by the board of directors or, failing that, by the statutory auditor(s), or by any duly authorized party, and deliberate under the legal conditions in force. They are held at the registered office or any other venue indicated in the notice to attend.

Since the company is publicly traded, general meetings are convened with an initial notice published in the French official gazette (Bulletin des Annonces Légales Obligatoires, BALO) at least 35 days before the meeting date, followed by a second notice published in an authorized gazette for legal announcements in the region where the registered office is located, at least 15 days before the meeting date.

Furthermore, shareholders who have held registered shares for at least one month on the date of the notice to attend are invited to attend any meetings in an ordinary letter or, if requested by them and at their cost, in a letter sent recorded delivery.

ARTICLE 24 - FUNCTIONING OF GENERAL MEETINGS

The general meeting comprises all the shareholders, irrespective of the number of shares held, provided that they have been fully paid-up.

The right to attend or be represented at the meeting is subject to the securities being recorded in the name of the shareholder or their intermediary in the registered securities accounts held by the company or the bearer securities accounts held by the authorized intermediary by midnight (Paris time) two working days prior to the meeting.

Shareholders may vote by mail under the legal and regulatory conditions in force: to be taken into account, postal voting forms must be received by the company at least three days before the date of the meeting.

Any shareholders taking part in the meeting using videoconferencing or other telecommunications resources making it possible to identify them, the nature and conditions of which are determined by decree, are considered to be present for calculating the quorum and majority.

A double voting right is granted to fully paid-up registered shares that have been registered for at least two years in the name of the same shareholder, whether they are French nationals or from a European Economic Community member state.

This right will also be granted upon issue:

- In the event of a capital increase through the incorporation of reserves, profits or issue premiums, to any registered shares awarded freely to shareholders based on the existing shares for which they were entitled to this right;
- In the event of a merger, to any registered shares awarded to a shareholder in the merged company in exchange for this company's shares for which they were entitled to this right.

If shares are transferred further to a case of inheritance, liquidation of joint ownership between spouses or inter-vivos donations to spouses or relatives entitled to inherit, they do not lose the rights acquired and the two-year period set out above continues uninterrupted.

General meetings are chaired by the chairman of the board of directors or, if they are absent, by a vice-chairman or by the member of the board of directors appointed in this capacity by the board. Failing that, its chairman is elected by the general meeting itself.

SECTION VII- FINANCIAL YEAR– INVENTORY - ALLOCATION AND DISTRIBUTION OF PROFITS

ARTICLE 25 - FINANCIAL YEAR

The financial year runs for 12 months from September 1 to August 31 of the following year.

ARTICLE 26 - ALLOCATION OF EARNINGS

Any sums that the general meeting decides to allocate to retained earnings for the following year or to allocate for the creation of any extraordinary reserve, provident or other funds, with or without a specific allocation, are deducted first of all from the profits available for distribution. The surplus is distributed between all the shareholders, prorated to their rights in the capital.

The ordinary general meeting ruling on the accounts for the past year may grant each shareholder, for all or part of the dividend or interim dividends paid out, an option for the dividend or interim dividends to be paid in cash or shares.

SECTION VIII - TRANSFORMATION - EXTENSION - DISSOLVING– LIQUIDATION

ARTICLE 27 - TRANSFORMATION

The company may be transformed into any other company form, with the sole restriction that this transformation is carried out in accordance with the rules applicable under the legislation in force at the time.

ARTICLE 28 - EXPIRY OF THE STATUTORY TERM

At least one year before the company's term is due to expire, the board of directors convenes an extraordinary general shareholders' meeting to decide whether or not to extend the company.

If the board of directors has not convened an extraordinary general meeting, any shareholder, after official notice has been sent recorded delivery and not received any response, may ask the president of the commercial court, ruling on request, to appoint a court officer to convene an extraordinary general meeting with a view to deciding whether or not the company will be extended.

ARTICLE 29 - DISSOLVING - LIQUIDATION

I - DISSOLVING

The company will be dissolved at the end of the term set by the bylaws or following a decision by an extraordinary general shareholders' meeting.

It may also be dissolved following a ruling by the commercial court, following a request from any interested party if the number of shareholders is reduced to less than seven for longer than one year. The same conditions will apply in the event of non-compliance with the provisions applicable if the capital is reduced to less than the legal minimum. In any event, the court may grant the company a maximum period of six months to resolve the situation; it cannot cause the company to be dissolved if, on the day when it rules on this matter, this situation has been resolved.

II - LIQUIDATION

The company is under liquidation as soon as it is dissolved for any reason whatsoever.

Its corporate name is followed by the indication in French «société en liquidation" (company under liquidation).

The company continues to exist as a corporate body for the purposes of its liquidation until this is completed.

The dissolving of the company only takes effect in relation to third parties following the date when this is published in the Trade and Companies Register.

Moreover, the company will be liquidated in accordance with the rules defined by Articles L. 237-14 to L. 237-31, R. 237-1 to R. 237-8 of the French commercial code or any other legal provisions in force at the time of the liquidation.

During its liquidation, all measures will need to be taken to ensure that each share benefits, like all the other shares, from any tax exemptions or any coverage by the company of any tax liabilities that the reimbursements and distributions resulting from the liquidation may result in.

SECTION IX – DISPUTES

ARTICLE 30 - DISPUTES

Any disputes that arise during the company's existence or its liquidation, either between shareholders, directors and the company, or between the shareholders themselves, concerning any corporate affairs will be ruled on in accordance with the law and subject to the jurisdiction of the competent courts covering the registered office.

APPENDIX 2
BOARD OF DIRECTORS' RULES OF PROCEDURE

These rules of procedure apply to all directors and are intended to clarify or supplement certain provisions from the regulations applicable and the bylaws concerning the Board's operations.

The rules of procedure are for internal use and are intended to supplement the Company's bylaws by setting out the main conditions for the Board of Directors' organization and operations. As such, it cannot be enforced against the Company by any third parties.

These rules of procedure (hereafter the "**Rules of Procedure**") were adopted by the Board of Directors (hereafter the "**Board of Directors**") of Beneteau S.A. (hereafter the "**Company**") on February 8, 2019, then amended by the Board of Directors' decision on June 14, 2019.

SECTION 1

Status and scope of the Rules of Procedure

1.1. These Rules of Procedure, issued in accordance with Article 15 of the Company's bylaws, supplement the rules and regulations applicable for the Board of Directors under French law and the Company's bylaws. In the event of any contradictions between these Rules of Procedure and the bylaws, the bylaws will take precedence.

1.2. The appendices to these Rules of Procedure, as listed hereafter, are an integral part of these Rules of Procedure:

Appendix A: Composition of the Board of Directors and renewal of terms of office on a staggered basis

Appendix B: Strategic Committee Charter

Appendix C: Audit Committee Charter

Appendix D: Compensation, Appointments and Governance Committee Charter

Appendix E: Ethics Committee Charter

Appendix F: Board of Directors' Code of Ethics

Appendix G: Decisions subject to prior approval from the Board of Directors

1.3. In a resolution adopted on February 8, 2019, the Company's Board of Directors unanimously undertook:

a) To observe and be bound by the obligations resulting from these terms,

b) When new directors are appointed, to ensure that they make the undertaking indicated in Section a) above.

1.4. The Board of Directors assesses these Rules of Procedure annually in order to identify any specific points that might require these Rules of Procedure to be amended or new guidelines to be drawn up.

1.5. These Rules of Procedure are published on the Company's website.

SECTION 2

Board of Directors' responsibilities

2.1. The Board of Directors determines the strategic directions for the Company's business, oversees their implementation and controls the Company's management. It defines the Company's main strategic, economic, financial or technological pillars. Subject to the powers expressly awarded to general meetings and within the limits of the corporate purpose, the Board of Directors can review all matters relating to the Company's effective management and take decisions on matters concerning the Company through its deliberations. The Board of Directors carries out the controls and checks that it considers relevant.

2.2. The Board of Directors determines the form of executive management and its deliberations concerning this form of executive management are only valid if they are approved by a three-quarters majority of all the directors.

2.3. In connection with its mission, and on a non-exclusive basis, the Board of Directors:

a) Appoints the Chairman, Chief Executive Officer and Deputy Chief Executive Officers;

b) Determines the conditions and level of compensation for the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers after consulting with the Compensation Committee. It sets the guidelines for distributing the attendance fees awarded to directors by the general meeting; adopts and reviews the general principles of the Company's compensation policy and checks their implementation;

c) Convenes general meetings, sets the agenda and implements their decisions;

d) Approves the Group's annual budget;

e) Approves the Group's annual investment plan;

f) Reviews and approves the Company's individual and consolidated financial statements and ensures that they are correct and accurate;

g) Authorizes the granting of sureties, endorsements and guarantees;

h) Authorizes regulated agreements and commitments before they are entered into;

i) Decides, as proposed by the Chairman, to create committees tasked with looking into matters submitted to them by the Board or its Chairman for their opinion and review;

j) Checks the quality and accuracy of the information provided to shareholders and the financial market, notably through the financial statements, which it approves, and the annual report;

k) Approves any significant operation that falls outside of the strategy announced or that would be likely to modify the scope of its activities, with the significant nature assessed by the Chairman of the Board of Directors; it authorizes the operations mentioned in Appendix G prior to their implementation.

l) Is informed of the Company's financial position, cash position and commitments once a quarter during a meeting of the Company's Board of Directors;

2.4. Each year, in accordance with French law, the Board of Directors prepares a management report and a corporate governance report as provided for under Article L. 225-37 of the French Commercial Code, which is appended to the Company's management report. This report includes the information required by French law, as indicated in Articles L. 225-37-3 to L. 225-37-5 of the French commercial code.

2.5. As required under French law, the Company takes out an "executive and director" insurance policy for the directors.

SECTION 3

Composition, remits and independence

3.1. The Board of Directors is made up of seven to fifteen members. The Board of Directors defines the target profile for the Board's composition.

3.2. The composition of the Board of Directors ensures a fair balance concerning the experience and expertise required among its members and the representation of men and women, enabling the Board of Directors to effectively fulfil its diverse responsibilities and duties in relation to the Company and all the Company's stakeholders, including its shareholders, in accordance with the laws and regulations applicable.

3.3. The composition of the Board of Directors is subject to the following constraints:

a) All its members must hold a minimum number of the Company's shares ;

b) All its members must be able to evaluate the main aspects of the Company's strategy, its activities and the nature of its business lines;

c) At least one third of its members must be independent as defined by Paragraph 3.4 of these Rules of Procedure; and they can always be reappointed.

3.4. For the purposes of Section c) of Paragraph 3.3 of these Rules of Procedure, directors are considered to be independent if they do not have any relations of any kind with the Company, its group or their management teams that might impair their judgment. The independence of directors is determined by a decision by the Board of Directors, based on a recommendation from the Compensation, Appointments and Governance Committee.

The following criteria must be taken into account by the Committee and the Board of Directors to determine whether a director can be classed as independent and avoid the risks of conflicts of interest between the Board of Directors and the Executive Leadership Team, the Company or its group:

- Directors must not currently be or have been at any point in the last five years:
  - a) Employees or executive officers of the Company;
  - b) Employees, executive officers or directors of any of the Company's consolidated companies;
  - c) Employees, executive officers or directors of the Company's parent company or a company consolidated by this parent company.
- Directors must not be executive officers of any company in which the Company directly or indirectly has a directorship or in which an employee appointed as such or an executive officer of the company (currently or at any point in the last five years) has a directorship;
- Directors must not be (or be linked directly or indirectly to): a customer, supplier, commercial banker or investment banker: (i) that is significant for the Company or its group, or (ii) for which the Company or its group represents a significant share of business;
- Directors must not have any close family ties with any of the Company's corporate officers;
- Directors must not have been an auditor of the company within the last five years;
- Directors must not have spent more than 12 years as a director or member of the Board of Directors of the Company, its parent company or any of its consolidated companies, while noting that the loss of the independent member status will occur on the anniversary date of the appointment of the member concerned;
- Directors must not have received any personal financial remuneration from the Company in addition to any attendance fees received in their capacity as directors, while noting that their amount must be consistent with standard practices;
- Directors must not be executives in any company that has any executives from the Company (which it is responsible for controlling) as directors (crossed links); and
- Directors must not have temporarily replaced any of the Company's executives who have been absent or unable to perform their duties during the previous 12 months.

The directors representing significant shareholders in the Company are considered to be independent provided that they do not exercise partial or total control over the Company; above a limit representing 10% of the share capital or voting rights, the Board of Directors, acting based on the Compensation, Appointments and Governance Committee's report, reviews each case individually in order to determine whether the member of the Board of Directors concerned may be classed as independent or not, taking into account the composition of the Company's share capital and any potential conflicts of interest.

3.5. The Board of Directors may consider that although directors meet the criteria set out above, they must not be classed as independent on account of their specific situation. Conversely, the Board of Directors may consider that a director who does not satisfy the said criteria is however still independent.

3.6. All directors must report any information to be included in a reference document or annual report, in accordance with the regulations defined by the French financial markets authority (AMF), to the Chairman of the Board of Directors.

3.7. All directors have a duty to be independent, loyal and professional.

3.8. Directors must not hold more than four non-executive offices in listed companies outside of the Group in France or other countries. Directors must notify the Board of Directors of any offices they hold in other companies, including their participation in any committees within these companies.

3.9. The Board of Directors may appoint up to three observers, chosen from among the shareholders or elsewhere.

The term of office of observers is from one to six years. Their offices end following the Board of Directors meeting to approve the financial statements for the past year, held during the year in which their term-of-office is due to end.

The observers may be reelected indefinitely.

Observers are chosen based on their areas of expertise and participate in all Board of Directors meetings (unless the Board of Directors decides otherwise). They take part in deliberations in an advisory capacity, but if they are absent this will not impair the validity of deliberations.

Unless the Board of Directors decides otherwise, the observers have access to the same information as the directors.

The Board of Directors and its Chairman may call on the observers to give their opinions on all matters submitted to them, particularly concerning technical, commercial, administrative or financial aspects, and may be given assignments to carry out specific research and reviews for the Board of Directors. The observers cannot be involved in the Company's management and, as such, cannot be assigned management, supervision or control responsibilities.

The observers are subject to the same duties of loyalty and professionalism as the directors.

The observers may be invited to take part in the work of the Board of Directors' various committees.

They may receive remuneration for their position, as set by the Board of Directors, taken from the budget allocated by the general meeting for attendance fees.

SECTION 4

Chairman and Vice-Chairman of the Board of Directors

4.1. From among its members, the Board of Directors appoints a Chairman and Vice-Chairman. The Chairman represents the Board of Directors in relation to third parties.

4.2. The Chairman performs the functions assigned to this role under the legislation applicable. The Chairman of the Board of Directors organizes and leads its work, reporting on this to the general meeting. The Chairman of the Board of Directors chairs its meetings, leads its deliberations and ensures that these Rules of Procedure are observed. The Chairman may suspend sessions at any time. The Chairman ensures the quality of the Board of Directors' exchanges and the collegiate basis for its decisions. The Chairman ensures that the Board of Directors sets aside sufficient time for discussions and allocates a proportionate amount of time for each item on the agenda in line with the stakes that it represents for the Company. The Chairman notably ensures that the questions asked in accordance with the agenda receive an appropriate response.

4.3. If the Chairman is unable to attend, they are replaced by the Vice-Chairman or, failing that, by another director chosen by the Board of Directors at the start of the meeting.

4.4. The Chairman ensures that the Board of Directors and its committees that the Chairman may take part in and submit matters to for their opinion operate effectively, and ensures that good governance principles are applied. More specifically, the Chairman ensures that the directors are provided with the information needed to perform their missions on a timely basis and in a clear and appropriate format, and may request any documents or information to guide the Board of Directors to prepare for its meetings. The Chairman also ensures that the Board of Directors deliberates with due diligence on the Executive Leadership Team's proposals submitted for prior approval by the Board of Directors as stipulated in Appendix G.

4.5. The Board of Directors may entrust information or advisory missions to the Chairman concerning specific matters included within the Board of Directors' remit.

4.6. The Chairman chairs and ensures the effective organization of general meetings, answers questions from shareholders and more generally ensures good relations with the shareholders.

4.7. The Chairman of the Board of Directors is committed to developing and maintaining a regular, trust-based relationship between the Board of Directors and the Executive Leadership Team in order to ensure the consistency and continuity of its implementation of the strategies defined by the Board of Directors. The Chairman coordinates with the Chief Executive Officer, who is responsible for the Group's operational and executive management. In addition to exercising the powers assigned to the Chairman's role under the legislation applicable, the Chairman may be consulted by the Chief Executive Officer on any matters concerning the Company's management.

4.8. The Chairman of the Board of Directors receives all useful information for the Chairman's missions. The Chairman is regularly informed about significant events concerning the Company's life by the Chief Executive Officer and, if applicable, the Deputy Chief Executive Officers. The Chairman may ask to be provided with any documents or information required to guide the Board of Directors. The Chairman may therefore hear from the statutory auditors and, after notifying the Chief Executive Officer, from any of the Company's executive managers.

4.9. The Chairman of the Board of Directors makes every effort to promote the Company's image and values under all circumstances. Consulting with the Executive Leadership Team, the Chairman may represent the Company in its high-level relations, particularly with major customers, regulators, major shareholders and public authorities, at both national and international level.

SECTION 5

Board of Directors' committees

5.1. In accordance with Article 15 of the Company's bylaws, the Board of Directors may decide to set up permanent committees and temporary committees within the Board to support the Board of Directors to operate effectively and efficiently contribute to preparations for its decisions.

5.2. The Board of Directors, as proposed by its Chairman and after consultation, appoints from among its own members the members of the committees and their Chairmen, taking into account the skills, experience and availability of the directors.

5.3. A committee's mission involves reviewing the subjects and projects submitted to it by the Board of Directors or the Chairman, preparing the Board of Directors' work and decisions relating to these subjects and projects, and reporting their findings to the Board of Directors with reports, proposals, opinions, information or recommendations.

5.4. For this purpose, the Board of Directors' committees may submit proposals to the Board of Directors to commission, with the Company covering the corresponding costs, any external or internal studies that may clarify the Board of Directors' deliberations. If the services of external advisors are used, each committee ensures that the advisor concerned is objective.

5.5. The committees perform their missions under the responsibility of the Board of Directors. Any committee cannot on its own initiative address matters that are outside the scope of its mission. The Board of Directors as a whole is responsible for its decisions, even if they have been prepared by one of the Board of Directors' committees; the Board of Directors' committees simply make recommendations and do not have any decision-making power.

5.6. On the date of these Rules of Procedure, four committees have been set up - the Strategic Committee, the Audit and Risk Committee, the Compensation, Appointments and Governance Committee, and the Ethics Committee - with their members appointed from within the Board of Directors.

5.7. The Audit and Risk Committee and the Compensation, Appointments and Governance Committee are chaired by an independent director. The members of the Committees cannot be represented.

5.8. As decided by the Chairman of the Board of Directors or the Chairmen of the committees concerned, joint meetings may be organized between the committees on issues of common interest. These meetings are co-chaired by the Chairmen of the various committees.

5.9. If decided by the Chairman of each committee, one or more qualified individuals may be invited to attend the committee's meetings on an ad hoc or ongoing basis; they provide opinions on an advisory basis.

5.10. The Board of Directors draws up charters governing the conditions and principles for the various committees (missions, composition, sessions, etc.). The charters that currently govern the various committees are presented in Appendices B, C, D and E.

5.11. The charters and the composition of the various committees are presented on the Company's website.

5.12. The Board of Directors is informed of each committee's deliberations and decisions during the Board of Directors session following the committee meeting in question.

SECTION 6

Appointments, reappointments, terms-of-office and resignations

6.1. Directors are appointed in accordance with the Company's bylaws. Directors are appointed for a term of office of three years, with one third renewable every year. When renewing their terms-of-office, the way in which candidates have performed their duties as directors is taken into account.

6.2. Directors can always be reappointed. They can be dismissed at any time by an ordinary general meeting.

6.3. The Board of Directors defines the rules and conditions for resignations in order to avoid, where possible, having several terms-of-office ending at the same time. The composition of the Board of Directors and the conditions for the staggered reappointment of its members are presented in Appendix A.

6.4. The directors may leave their positions ahead of schedule if their performance falls short of the levels required or in the event of any irreconcilable differences of opinion or incompatible interests.

6.5. No individuals over the age of 70 can be appointed as directors if their appointment results in more than one third of the members of the Board of Directors being above this age. If, during their terms-of-office, the number of members of the

Board of Directors over the age of 70 exceeds one third of the Board's members, the oldest member of the Board of Directors who has not held management positions within the Company will be considered to have resigned at the end of the next ordinary annual general meeting following this event.

SECTION 7

Directors' compensation

7.1. The general meeting defines the overall budget for the Board of Directors' compensation. The Board of Directors distributes this budget between its members and the members of the various committees.

7.2. The interests held by directors in the Company's capital are considered to be long-term investments.

7.3. The investments and transactions of directors within the Company are covered by the general guidelines relating to insider trading and in accordance with the stipulations of the Board of Directors' Code of Ethics presented in Appendix F.

7.4. The directors may submit claims to be reimbursed by the Company for all reasonable costs and expenses incurred for them to attend meetings, in connection with the program mentioned in Section 8 of these Rules of Procedure.

7.5. The attendance fees, the reimbursement of expenses and all the other terms and conditions, including the payment dates for these sums, are defined by the general meeting and formalized in writing between the Company and each director. The notes to the annual financial statements provide a detailed and exhaustive presentation of the amounts concerned and the breakdown of the budget assigned for the directors.

SECTION 8

Board of Directors meetings (Board schedule, conference calls, participation, minutes)

8.1. The Board of Directors meets at least four times a year and following any written request by the Chairman or at least one third of its members. The Board of Directors' meetings are generally held at the Company's registered office, but may also be held at any other location. With the exception of the Board of Directors meetings concerning the approval of the individual financial statements, meetings may be held as conference calls or video conferences making it possible to identify the participants, provided that all the participants can hear one another simultaneously and the deliberations are transmitted continuously and simultaneously, in accordance with French law.

8.2. Directors who are frequently absent from the Board of Directors' meetings report on their absences to the Chairman. These absences are indicated in the Company's annual report.

8.3. At least once a year, the Board of Directors is invited by its Chairman to review its operations. At regular intervals, up to a maximum of every three years, the Board of Directors carries out a formalized assessment of its own operations.

8.4. Unless the Board of Directors decides otherwise, the members of the Executive Leadership Team attend the Board of Directors' meetings unless they concern the following:

a) Assessment of the Executive Leadership Team's operations and each of its members, with the conclusions from this assessment;

b) Assessment of the Board of Directors' operations and each of its members, with the conclusions from this assessment;

c) The Board of Directors' target composition and profile;

d) Votes concerning transactions with related parties as defined by Article L. 225-86 of the French commercial code; and

e) Deliberations concerning any matters relating to compensation for each member of the Executive Leadership Team.

8.5. The Company's statutory auditors attend each Board of Directors meeting during which discussions concern the review, adoption and, if applicable, approval of the annual and interim financial statements.

8.6. Unless impracticable, each director receives the meeting notices, agendas and documents for review and deliberation at least three days before the meeting is scheduled.

8.7. From among its members, the Board of Directors appoints a secretary for the session who prepares the minutes. These minutes summarize the discussions and the matters raised, and indicate the decisions taken and any reservations expressed, if applicable. Minutes are generally approved during the following session. Minutes are considered to be approved once they have been signed by the Chairman and another director. The Board of Directors' secretary is authorized to reissue and sign extracts from minutes that have been approved.

SECTION 9

Board of Directors resolutions (quorum, votes, points on the agenda)

9.1. Any director may represent another director, subject to a duly signed power of attorney authorizing them to represent the director and/or vote on their behalf during the corresponding Board of Directors meeting. For the resolutions issued by the Board of Directors to be valid, at least 50% of its members must be present or represented during the session.

9.2. As an exception to the terms of Section 9.1. of these Rules of Procedure, the Board of Directors' deliberations concerning the performance of executive management are only valid if they are approved by a three-quarters majority of all the directors.

9.3. In the event of a tied vote, the Chairman of the meeting will have the casting vote.

9.4. Each year, the Board of Directors prepares a report on its operations, the conclusions from which are presented in the Company's annual report.

SECTION 10

Management of conflicts of interest

10.1. Each director must act with integrity and diligence and an active and engaged approach, and must not under any circumstances act in their own interests against those of the Company.

10.2. The Chairman of the Board of Directors ensures that due diligence actions are taken to identify and analyze potential conflict of interest situations. In addition, the Chairman of the Board of Directors works upstream with a view to preventing conflict of interest situations from occurring, notably by carrying out actions to raise awareness.

10.3. The Chairman of the Board of Directors may at any time address any actual or potential conflict of interests that the Chairman becomes aware of, and may carry out any investigations or actions making it possible to detect and prevent them.

10.4. Each director has an obligation to inform the Chairman of the Board of Directors of any situation involving an actual or potential conflict of interests between the director (or any individual related by family ties) and the Company or any company in which the Company has an interest or any company with which the Company intends to enter into any agreement of any kind whatsoever. A director concerned by a potential conflict of interests provides full details on the said conflict to the Chairman of the Board of Directors. The Chairman of the Board of Directors will then determine the measures to be taken to prevent such a conflict and will decide, if applicable, to notify the Board of Directors.

10.5. If the director indicated in Section 10.4 of this Charter is the Chairman of the Board of Directors, the Chairman would be required to notify the Vice-Chairman of the Board of Directors.

10.6. The member of the Board of Directors concerned is not authorized to participate in deliberations or decision-making processes relating to any matters or transactions involving a conflict of interests between themselves and the Company as per Article L. 225-38 of the French commercial code.

10.7. The Chairman of the Board of Directors ensures that these transactions are indicated in the Company's annual report.

10.8. The Chairman of the Board of Directors and the directors will not be required to provide any information or documents relating to the agreement, transaction or situation concerned causing the conflict of interests to the director who is or is thought to be in a conflict of interest situation. They notify the Board of Directors in such cases.

10.9. The directors must inform the Chairman of the Board of Directors if they intend to accept a new corporate office in a listed or unlisted French or foreign entity that is not part of a group in which they are managers or corporate officers, or any participation in the specialized committees of a corporate body, or any other new function, such that the Board of Directors, based on proposals from the Compensation, Appointments and Governance Committee, can rule on the compatibility of such an appointment with the office as a director of the Company.

SECTION 11

Information, relations with the Executive Leadership Team

11.1. The Board of Directors and its members are responsible for obtaining from the Executive Leadership Team and the statutory auditors any information needed by the Board of Directors to perform its missions effectively, in accordance with the legal conditions applicable.

11.2. When reviewing the full-year financial statements and the half-year financial statements, the members of the Board of Directors are informed of the Company's financial position, cash position and commitments.

11.3. The directors are also informed of changes in the markets, the competitive environment, corporate social responsibility matters and the Company's main strategic issues.

11.4. If the Board of Directors considers this necessary, it may authorize some or all of its members to obtain information on behalf of the Board of Directors from the Company's corporate officers, employees and external advisors and to freely access the Company's offices.

The Executive Leadership Team provide it with all necessary resources in a timely manner. The Board of Directors may require certain corporate officers, employees and external advisors to attend its meetings.

11.5. At any time between Board of Directors meetings, if required by the important or urgent nature of any information, the directors also receive all useful information relating to the Company, including articles from the press and financial analysis reports.

11.6. If a director receives any information or indications concerning the Board of Directors in the performance of their control and advisory missions through parties that are not members of the Executive Leadership Team and/or Board of Directors, they must transmit them as quickly as possible to the Chairman of the Board of Directors. The Chairman of the Board of Directors then informs the directors.

SECTION 12

Relations with shareholders

12.1. In accordance with French law, general meetings are convened by the Board of Directors. The person or people convening the general meeting ensure(s) that it is held in a timely manner and the shareholders are informed of all the elements and circumstances relating to the points on the agenda. More specifically, the general meeting date and agenda are published on the Company's website.

12.2. The directors, the Chief Executive Officer and the Deputy Chief Executive Officers attend the general meetings, except for in the event of major unforeseen difficulties. General meetings are generally chaired by the Chairman of the Board of Directors.

12.3. The Chief Executive Officer is responsible for relations with the Company's main shareholders.

The Chairman of the Board of Directors is invited to meet these shareholders, liaising closely with the Chief Executive Officer.

SECTION 13

Confidentiality

13.1. The directors review all the information and documents received in connection with their offices with the necessary discretion and, in the case of confidential information, with the necessary secrecy. Confidential information must not be disclosed outside of the Board of Directors and the Executive Leadership Team, made public or even transmitted to third parties, even after members have resigned from the Board of Directors, unless such information has been made public by the Company or is already in the public domain.

13.2. The directors must respect the duty of confidentiality that they are bound by under the regulations governing market abuse and inside information, in accordance with the stipulations of the Board of Directors' Rules of Procedure, presented in Appendix F.

SECTION 14

Amendments

These Rules of Procedure (including appendices) may be amended as decided by the Board of Directors. Such decisions must be adopted by a three-quarters majority of the directors. These decisions are indicated in the Company's annual report.

SECTION 15

Governing law and jurisdiction

15.1. These Rules of Procedure are governed by and must be interpreted in accordance with French law.

15.2. Any disputes arising from or relating to these Rules of Procedure (including disputes relating to the existence, validity or termination of these Rules of Procedure) must be referred exclusively to the courts of Paris, France.

APPENDIX A - Composition of the board of directors and renewal of terms of office on a staggered basis

Situation at August 31, 2019

		Supervisory Board							Board of Directors			
Nom	Year of birth	2005	...	2014	2015	2016	2017	2018	2019	2020	2021	2022
DIRECTORS:												
Yves Lyon-Caen	1950	A		X	R/R			X	A		E	
Annette Roux	1942	A		X	R/R			X	A		E	
Jérôme de Metz	1959								A			E
Catherine Pourre	1957			A		R/R			E/A			E
Sébastien Moynot	1972								A			E
Louis-Claude Roux	1982			A		R/R			E/A	E		
Anne Leitzgen	1973						A		A	E		
OBSERVERS:												
Claude Brignon	1950			A			X		B			E
Luc Dupé	1949	A		X	R/R		R/B		B			E
Christian de Labriffe	1947	A		X		R/R	R/B		B			E

A: Year first appointed / member of Supervisory Board or Board of Directors
B: Year first appointed / observer on Supervisory Board or Board of Directors
X: Year when potentially reappointed
E: Year current term expires
R/R: Resignation / reappointment

APPENDIX B - Strategic committee charter

This charter ("**Strategic Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Board of Directors' Rules of Procedure.

SECTION 1

Responsibilities

1.1. Subject to Paragraph 5.1 of the Board of Directors' Rules of Procedure, the Strategic Committee advises the Board of Directors on matters within its remit and prepares for the Board of Directors' decisions on these matters.

1.2. The Strategic Committee's primary mission is to assess the essential components within the development strategy of the Company and the Group, and particularly the product plan, the industrial plan (footprint), the three-year business plan and the guidelines for the communications and image policy. The Committee is also responsible for acquisitions and sales operations.

In addition, the Committee may review and assess the following:

(a) Market outlook and situation;

(b) Annual investment plan;

(c) Any financing operation for in excess of €5 million;

(d) Any acquisition or sale of property, plant and equipment or intangible assets for an amount in excess of €1.5 million;

(e) Signing of any agreement for mergers, spin-offs or partial asset transfers, regardless of the amount concerned;

(f) Any financing operation for an amount that is likely to substantially modify the Company's financial structure.

1.3. The Board of Directors is informed of the Strategic Committee's deliberations and decisions during the Board of Directors session following the Committee's meeting.

SECTION 2

Strategic Committee's composition

2.1. The Strategic Committee has at least four members.

2.2. From among its members, the Strategic Committee appoints a secretary for the session.

SECTION 3

Chairman's office

The Strategic Committee Chairman is primarily responsible for ensuring that the Strategic Committee operates effectively. The Chairman is the Strategic Committee's spokesperson and the main interface with the Board of Directors and the Executive Leadership Team.

SECTION 4

Strategic Committee sessions (Committee schedule, participation, minutes)

4.1. The Strategic Committee meets at least once every quarter and when requested by the Chairman of the Board of Directors or the Committee Chairman. If the Chairman of the Board of Directors is absent or unable to attend the session, the Vice-Chairman may ask for the Strategic Committee to meet. The Strategic Committee's meetings are generally held at the Company's registered office, but may also be held at any other location.

4.2. The Chairman of the Board of Directors and the Chief Executive Officer attend the Strategic Committee's meetings unless the matters submitted to it concern them or the Strategic Committee asks to meet without them being present.

4.3. If decided by the Strategic Committee Chairman, one or more qualified individuals may be invited to attend the Strategic Committee's meetings on an ad hoc or ongoing basis; they provide opinions on an advisory basis.

4.4. The Strategic Committee's secretary convenes Strategic Committee meetings on behalf of the director who called for the Committee to meet. Unless impracticable, each Ethics Committee member receives the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

4.5. Meetings are minuted. Minutes are generally approved during the following session. If all the Committee members agree with the content of the minutes, they may be approved earlier. Minutes are signed for approval by the Chairman of the Strategic Committee and immediately submitted to all the directors.

4.6. The Strategic Committee reviews its operations each year and submits its findings to the Board of Directors.

APPENDIX C - Audit and risk committee charter

This charter ("**Audit and Risk Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Board of Directors' Rules of Procedure.

SECTION 1

Responsibilities

1.1. Subject to Paragraph 5.1 of the Board of Directors' Rules of Procedure, the Audit Committee advises the Board of Directors on matters within its remit and prepares for the Board of Directors' decisions on these matters.

1.2. With a particular focus on the accounts, medium-term plan, budget, control and risks, the Audit Committee's remit notably covers:

(a) Controlling the Company's Executive Management and providing advice on matters relating to risk management and internal control, including controls concerning the application of all relevant legislation and regulations;

(b) Controlling the Company's accounting and financial information submitted to it and specifically:

- Reviewing the draft half-year and full-year accounts, before they are presented to the Board of Directors, notably to ensure the relevance and consistency of the accounting methods adopted to prepare the accounts, reviewing any difficulties encountered with the application of accounting methods, and more specifically reviewing the significant transactions which could have led to a conflict of interests,
- Reviewing the medium-term plan and the budget,
- Reviewing the financial documents distributed by the Company for the close of the full-year and half-year accounts,
- Reviewing the draft accounts prepared for specific operations such as contributions, mergers, spinoffs or interim dividend payments,
- Reviewing the Company's significant off-balance sheet commitments and risks, as well as the accounting options retained,
- Assessing the reliability of the systems and procedures involved with preparing any forward-looking information and accounts,
- Implementing and assessing the impacts of new accounting standards,
- And more generally, reviewing all the Company's financial communications in relation to its periodic and permanent disclosure requirements.

(c) Controlling follow-up on the statutory auditors' observations and recommendations;

(d) Controlling the Company's policy with regard to tax choices;

(e) Controlling the Company's financing;

(f) Maintaining frequent contacts and controlling relations with the statutory auditors, including:

- Assessing the statutory auditors' compliance with their independence conditions and specifically the prior conditions for their work in accordance with the regulations in force,
- Reviewing the statutory auditors' remuneration, which must not call into question their independence and objectivity,
- Monitoring the statutory auditors' performance of their mission, as well as reviewing and approving any missions that they carry out on the Company's behalf in addition to the certification of the accounts,
- Determining the statutory auditors' involvement with regard to the content and publication of the Company's financial information other than the annual financial statements, and
- Keeping stock of any irregularities concerning the content of accounting and financial information, as brought to its attention by the statutory auditors;

(g) Proposing to the Board of Directors, as agreed with the Executive Leadership Team, a tender procedure to be implemented for selecting the statutory auditors, supervising the tender procedure, validating the content of assignments and the list of companies to be consulted, and submitting recommendations to the Board of Directors concerning the appointment or reappointment of statutory auditors by the Company's general shareholders' meeting, drawn up in accordance with the regulations applicable; and

(h) Other important matters relating to the Company's annual and half-year financial statements.

1.3. The Board of Directors is informed of the Audit Committee's deliberations and decisions during the Board of Directors session following the Committee's meeting.

SECTION 2

Means available to the Audit Committee

2.1. In accordance with the legislative and regulatory provisions applicable, the Audit Committee in general and each of its members in particular may ask to be provided with any information that they consider relevant, useful or necessary for the performance of their missions.

2.2. In connection with monitoring the efficiency and effectiveness of the internal control and risk management and, if applicable, internal audit systems concerning the procedures for the preparation and processing of accounting and financial information, the Audit Committee may ask to hear from the internal audit and risk control managers.

2.3. The Audit Committee may also request to hear from the statutory auditors or stakeholders from within the Company, including the Chief Executive Officer, the Deputy Chief Executive Officers and the executive managers, particularly the Chief Financial Officer.

2.4. The Audit Committee may, if it considers this necessary, open an independent investigation.

2.5. In general, the Audit Committee will be informed within a sufficient timeframe by the Company's Executive Leadership Team and the statutory auditors of any event that could potentially expose the Company or the Group to a significant risk.

The significant nature of the risk will be assessed by the Executive Leadership Team or the statutory auditors, under their exclusive responsibility.

2.6. As the Audit Committee is responsible for monitoring, throughout the period for which the statutory auditors are appointed, the rules for the statutory auditors' independence and objectivity, it must notably be provided with the following elements each year:

- The statutory auditors' supplementary report drawn up in accordance with the regulations;
- The statutory auditors' declaration of independence, including, if applicable, the risks relating to their independence and the measures taken to mitigate these risks;
- The amount of fees paid to the statutory auditors' network by the Company's controlled companies and its controlling entity for services that are not directly linked to the statutory auditors' engagement; and
- Information on the services provided linked directly to the statutory auditors' engagement.

SECTION 3

Audit Committee's composition, remits and independence

3.1. The Audit Committee has at least three members, including its Chairman. They are chosen from among the directors who do not have any executive offices with the Company.

3.2. Under Paragraph 3.3 of the Board of Directors' Rules of Procedure, the composition of the Audit Committee is subject to the following constraints:

(a) Its members must have appropriate expertise concerning accounting and financial management for listed companies;

(b) At least two thirds of its members, including its Chairman, must be independent as defined by Paragraph 3.4 of the Board of Directors' Rules of Procedure.

3.3. When they are appointed, each Audit Committee member is informed about the Company's accounting, financial and operational practices.

SECTION 4

Chairman's office

The Chairman is primarily responsible for ensuring that the Audit Committee operates effectively. The Chairman is the Audit Committee's spokesperson and the main interface with the Board of Directors and the Executive Leadership Team.

SECTION 5

Audit Committee sessions (Committee schedule, participation, minutes)

5.1. The Audit Committee meets at least once every half-year and when requested by the Chairman of the Board of Directors or the Committee Chairman. If the Chairman of the Board of Directors is absent or unable to attend the session, the Vice-Chairman may ask for the Audit Committee to meet. The Audit Committee's meetings are generally held at the Company's registered office, but may also be held at any other location.

5.2. The Audit Committee meets at least twice a year with the Company's statutory auditors. Subject to the above, the Audit Committee decides if and when the Chief Executive Officer or the Company's statutory auditors are required to attend its sessions.

5.3. If decided by the Audit Committee Chairman, one or more qualified individuals may be invited to attend the Audit Committee's meetings on an ad hoc or ongoing basis; they provide opinions on an advisory basis.

5.4. The Board of Directors' secretary convenes Audit Committee meetings on behalf of the director who called for the Committee to meet. Unless impracticable, each Audit Committee member receives the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

5.5. Meetings are minuted. Minutes are generally approved during the following session. If all the Committee members agree with the content of the minutes, they may be approved earlier. Minutes are signed for approval by the Audit Committee Chairman and immediately submitted to all the directors.

5.6. The Board of Directors is informed of the Audit Committee's deliberations and decisions during the Board of Directors session following the Committee meeting concerned.

5.7. The Audit Committee regularly reports to the Board of Directors on:

- The performance of its missions;
- The findings from the mission to certify the accounts;
- The way in which this mission has contributed to the integrity of the accounting and financial information, and the role that it has played in the process;
- And informs it immediately of any difficulties encountered.

These reports are either included in or appended to the minutes of the Board of Directors' meetings.

5.8. The Audit Committee reviews its operations each year and submits its findings to the Board of Directors.

APPENDIX D - Compensation, appointments and governance committee charter

This charter ("**Compensation, Appointments and Governance Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Board of Directors' Rules of Procedure.

SECTION 1

Responsibilities

1.1. Subject to Paragraph 5.1 of the Board of Directors' Rules of Procedure, the Compensation, Appointments and Governance Committee advises the Board of Directors on matters within its remit and prepares for the Board of Directors' decisions on these matters.

1.2. The Compensation, Appointments and Governance Committee's remit notably covers:

A. Compensation

1. Preparing a proposal for the Board of Directors concerning:

- On the one hand, in connection with the annual ex ante vote on the compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, including the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind to be awarded to these individuals,
- On the other hand, in connection with the annual ex post vote on all the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the previous year to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, including but not limited to the terms and conditions of their contracts, bonuses, pension entitlements, share-based incentive programs linked to the Company's performance and other bonuses, severance benefits and all other forms of remuneration;

2. Preparing a recommendation for the Board of Directors concerning compensation for key executives, Group Management Committee members and executives from the Company's directly or indirectly controlled subsidiaries as per Article L. 233-3, or branches of activity representing more than 5% of the Group's revenues;

3. Preparing a recommendation for the Board of Directors concerning the budget and the conditions for distributing the attendance fees awarded to the members of the Board of Directors and the various committees;

4. Preparing a recommendation for the Board of Directors concerning potential remuneration for observers, if applicable;

5. Reviewing and preparing proposals for the Board of Directors concerning the compensation policy for the Company's executives, including the criteria for defining the variable component for these executives, which must be consistent with the Company's strategy;

6. Reviewing the awarding of stock options, stock warrants and bonus shares;

7. All other matters concerning compensation aspects that may be brought to the attention of the Compensation Committee.

B. Appointments

1. Determining the profile, selection criteria and appointment procedures for members, notably the Board of Directors' independent members;

2. Determining the profile and selection criteria for the Chief Executive Officer and the Deputy Chief Executive Officers;

3. Regularly assessing the scope and composition of the Executive Leadership Team, the Board of Directors and its committees, and drawing up proposals for possible changes concerning the profile of the Board of Directors and, if applicable, the composition of the Board of Directors' committees in connection with this assessment;

4. Regularly assessing the conduct of the Board of Directors, its committees and the Executive Leadership Team, as well as the Chairman of the Board of Directors' recommendations concerning the performance of the other directors, and submitting the corresponding conclusions to the Board of Directors;

5. Proposing the reappointment or appointment of directors, the Chief Executive Officer and the Deputy Chief Executive Officers;

6. Checking the Board of Directors' policy concerning the criteria for selecting and appointing executives, and reviewing the Company's human resources policy;

7. Putting in place and monitoring a succession planning procedure for the Company's corporate officers;

8. Preparing for the Board of Directors' annual self-assessment process concerning: the Board of Directors itself and the Board of Directors' relations with the Executive Leadership Team;

9. Preparing a recommendation for the Board of Directors concerning the appointment of key executives, Group Management Committee members and executives from the Company's directly or indirectly controlled subsidiaries as per Article L. 233-3, or branches of activity representing more than 5% of the Group's revenues;

10. All other matters concerning appointments and other related points that may be brought to the attention of the Compensation, Appointments and Governance Committee.

C. Corporate governance

1. Reviewing and assessing the appropriate nature of the Company's practices in relation to its corporate governance rules and assessing the Company's compliance with them in a half-year compliance report;

2. Identifying and submitting recommendations to the Board of Directors concerning new practices and significant developments in terms of corporate governance practices and/or regulations;

3. Drawing up recommendations for the Board of Directors concerning any corporate governance issues and any corrective actions to be taken, including recommendations concerning the organization, member status, functions, duties and responsibilities of the Board of Directors and its specialized committees;

4. Assessing and submitting recommendations to the Board of Directors concerning the Company's governance policy, its changes and modifications, and the relevant provisions for the Company in line with best practices;

5. Reviewing and submitting recommendations to the Board of Directors concerning the transactions carried out by members of the Board of Directors or the Executive Leadership Team in relation to their insider status or their related parties and/or the resolution of conflicts of interest involving any members of the Board of Directors or the Executive Leadership Team;

6. Checking that the Company's corporate governance policy and practices are clearly presented in the annual report and on its website.

SECTION 2

Compensation Committee's composition and independence

2.1. The Compensation, Appointments and Governance Committee has at least four members.

2.2. The majority of the Compensation, Appointments and Governance Committee members, including its Chairman, must be independent, in accordance with the criteria defined in Section 3.4 of the Board of Directors' Rules of Procedure.

2.3. From among its members, the Compensation, Appointments and Governance Committee appoints a secretary for the session.

SECTION 3

Chairman's office

The Committee Chairman is primarily responsible for ensuring that the Compensation, Appointments and Governance Committee operates effectively. The Chairman is the Compensation, Appointments and Governance Committee's spokesperson and the main interface with the Board of Directors and the Executive Leadership Team.

SECTION 4

Compensation, Appointments and Governance Committee sessions (Committee schedule, participation, minutes)

4.1. The Compensation, Appointments and Governance Committee meets at least twice a year and when requested by the Chairman of the Board of Directors or the Committee Chairman. If the Chairman of the Board of Directors is absent or unable to attend the session, the Vice-Chairman may ask for the Compensation, Appointments and Governance Committee to meet. The Compensation, Appointments and Governance Committee's meetings are generally held at the Company's registered office, but may also be held at any other location.

4.2. The Compensation, Appointments and Governance Committee secretary convenes Compensation, Appointments and Governance Committee meetings on behalf of the director who called for the Committee to meet. Unless impracticable, the Compensation, Appointments and Governance Committee members receive the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

4.3. In addition to its members, Compensation, Appointments and Governance Committee meetings may be attended by other participants invited by the Committee Chairman in accordance with Paragraph 5.9 of the Board of Directors' Rules of Procedure. The Chief Executive Officer is involved in the Committee's work.

4.4. Meetings are minuted. Minutes are generally approved by the Compensation, Appointments and Governance Committee during the following session. Minutes are signed for approval by the Chairman of the Compensation, Appointments and Governance Committee and immediately submitted to all the members of the Board of Directors.

4.5. The Board of Directors is informed of the Compensation, Appointments and Governance Committee's deliberations and decisions during the Board of Directors session following the Committee meeting in question.

4.6. If a general meeting votes against the compensation policy or its application or any other resolution relating to compensation, as mentioned in section d) of paragraph 2.2 of the Board of Directors' Rules of Procedure, the Compensation, Appointments and Governance Committee meets as quickly as possible in order to analyze the expectations expressed by shareholders and conduct a thorough review of the structure and content of the compensation package for the executive concerned, before submitting a report on the new proposals to be taken into account to the Board of Directors.

4.7. The Compensation, Appointments and Governance Committee reviews its operations each year and submits its findings to the Board of Directors.

APPENDIX E - Ethics committee charter

This charter ("**Ethics Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Board of Directors' Rules of Procedure.

SECTION 1

Responsibilities

1.1. The Ethics Committee is an independent body for conducting reviews, providing advice, carrying out analyses, submitting proposals and supervising professional ethics within the Group.

1.2. The Ethics Committee's missions and remit notably cover:

1/ Integrity in relation to our employees and the environment,

2/ Integrity for our business practices,

3/ Financial integrity

4/ Protection of the company's resources

5/ Whistleblowing procedure.

1.3. The Board of Directors is informed of the Ethics Committee's deliberations and decisions during the Board of Directors session following the Committee's meeting.

SECTION 2

Ethics Committee's composition

2.1. The Ethics Committee members are appointed by the Board of Directors, as proposed by the Chairman of the Board of Directors.

2.2. The Ethics Committee chooses a Chairman from among its members.

SECTION 3

Chairman's office

The Ethics Committee's Chairman is primarily responsible for ensuring that the Ethics Committee operates effectively. The Chairman is the Ethics Committee's spokesperson and the main interface with the Board of Directors and the Executive Leadership Team.

SECTION 4

Ethics Committee sessions (Committee schedule, participation, minutes)

4.1. The Ethics Committee meets at least twice a year and when requested by the Chairman of the Board of Directors or the Committee Chairman. If the Chairman of the Board of Directors is absent or unable to attend the session, the Vice-Chairman may ask for the Ethics Committee to meet. The Ethics Committee's meetings are generally held at the Company's registered office, but may also be held at any other location.

4.2. The Ethics Committee Chairman convenes Ethics Committee meetings on behalf of the director who called for the Committee to meet. Unless impracticable, each Ethics Committee member receives the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

4.3. In addition to its members, Ethics Committee meetings may be attended by other participants invited by the Ethics Committee Chairman in accordance with Paragraph 5.9 of the Board of Directors' Rules of Procedure.

4.4. Meetings are minuted. Minutes are generally approved during the following session. If all the Committee members agree with the content of the minutes, they may be approved earlier. Minutes are signed for approval by the Ethics Committee Chairman and immediately submitted to the Board of Directors.

4.5. The Ethics Committee reviews its operations each year and submits its findings to the Board of Directors.

APPENDIX F - Board of directors' code of ethics

This code ("**Board of Directors' Code of Ethics**") is intended to present the directors' main obligations in terms of ethics, and particularly stock market ethics, in accordance with the regulations governing market abuse and inside information.

These obligations also apply to the Chief Executive Officer and the Deputy Chief Executive Officers.

SECTION 1

General obligations

1.1. Directors must act in good faith under all circumstances and must not take any initiative that is contrary to the Company's interests.

1.2. Before accepting their office, each director must ensure that they are aware of their rights and obligations. More specifically, they must be aware of and adhere to the legislative and regulatory provisions relating to their office, the governance best practices and codes applicable, as well as the Company's specific rules under its bylaws and the Board of Directors' Rules of Procedure.

1.3. Each director personally undertakes to respect the total confidentiality of any information that they receive, any discussions that they are a party to and any decisions that are taken.

SECTION 2

Duty to provide information

2.1. Each director must, in accordance with the legislative and regulatory provisions applicable in France and at European level, provide the Board of Directors with all items of information relating to:

- The compensation and benefits of any kind awarded to them by the Company or any Group companies;
- Their corporate offices and positions in any companies and other legal entities; and
- Any convictions that they have been subject to.

2.2. In addition, each director must inform the Company of any transactions carried out on the Company's securities in accordance with the legislative and regulatory provisions applicable.

SECTION 3

Duty of confidentiality and obligation to refrain from trading – Holding of inside information

3.1. In connection with the performance of their office, all directors regularly have access to inside information, which has the following characteristics:

- Information that is specific;
- Information that is not public;
- Information that directly or indirectly concerns the Company or the Group, or one or more of its financial instruments;
- Information that is likely to significantly influence the price of the financial instruments concerned or the price of the derivative instruments that are linked to them.

3.2. In accordance with the legislative and regulatory provisions applicable, all directors must:

- Refrain from disclosing inside information to any other parties, including within the Company or the Group, if this is not considered to be in the normal course of their work, profession or duties and after ensuring that the party receiving the inside information will comply with the corresponding confidentiality requirements;
- Keep all inside information confidential in relation to any parties, including within the Company or the Group, whose activities or missions do not require knowledge of this information;
- Refrain from disseminating information or rumors, whether through the media, including the internet, or by any other means, which give or are likely to give false or misleading indications concerning the securities and/or position, results or outlook of the Company or the Group.

3.3. When they have inside information, directors must, from the time they hold this information until it loses its inside status, notably by being made public, refrain from:

- Making use of it or attempting to use it by acquiring or selling, on their behalf or on behalf of any third parties, directly or indirectly, any Company financial instruments that the inside information relates to ("Insider Trading");
- Recommending that another person engage in Insider Trading or inducing another person to carry out such transactions;
- Unlawfully disclosing inside information, i.e. disclosing such information to any other party, except when this disclosure is carried out in the normal course of the performance of their work, profession or duties.

3.4. Each director is included on the Company's list of insiders as a permanent insider and is informed of this personally in a letter which they must countersign and return.

SECTION 4

Obligations relating to the holding of financial instruments

Notwithstanding the duties of confidentiality and obligations to refrain from trading described in Section 3 above, and even if they do not hold any inside information, each director must refrain from carrying out any transactions relating to the Company's securities, on their own behalf or on the behalf of any third parties, directly or indirectly, during the restricted periods applicable to the Company in view of the financial calendar drawn up and distributed each year, and in any event:

- During the 30 calendar days preceding the announcement of an annual or half-year report, which corresponds to the press releases concerning the full-year and half-year earnings; and
- During the 15 calendar days preceding the publication of the quarterly financial information or quarterly accounts when these are published by the Company.

SECTION 5

Diligence

5.1. All directors undertake to devote the necessary time and attention to their functions.

5.2. They undertake to be diligent and, unless prevented by insurmountable circumstances, to:

- Attend all the Board of Directors' meetings in person or via conference calls or videoconferencing systems;
- Attend all the general shareholders' meetings;
- Attend the meetings of all the committees created by the Board of Directors that they are a member of.

5.3. They will endeavor to obtain, within appropriate timeframes, the elements that they consider essential for their information to deliberate within the Board of Directors based on full knowledge of the facts.

5.4. They also undertake to inform the Board of Directors or its Chairman of any conflict that may exist between their own interests and those of the Company, within appropriate timeframes and under the conditions set out in Section 10 of the Board of Directors' Rules of Procedure.

APPENDIX G - Chief executive officer decisions subject to prior approval by the board of directors

1. In accordance with Article L.225-52 of the French commercial code, the Chief Executive Officer has the broadest powers to act under any circumstances on behalf of the Company. The Chief Executive Officer exercises these powers within the limits of the corporate purpose and subject to the powers expressly assigned for shareholder meetings and the Board of Directors under the legislation applicable. The Chief Executive Officer represents the Company in its dealings with third parties.

2. However, and in accordance with Article 15 of the Company's bylaws, the Board of Directors has decided, as an internal measure, to submit the following points for prior approval by the Board of Directors when they concern the Company or any company that is directly or indirectly controlled by the Company as per Article L. 233-3 of the French commercial code:

(a) Any operation looking to enter into or cancel agreements involving significant undertakings for the future of the Company and the Group;

(b) Any acquisitions or sales of equity interests, regardless of the amount concerned;

(c) Any financing operation for in excess of €5 million or any amount that is likely to substantially modify the Company's financial structure;

(d) Any acquisition or sale of property, plant and equipment or intangible assets for an amount in excess of €1.5 million;

(e) Signing of any agreement for mergers, spin-offs or partial asset transfers, regardless of the amount concerned;

(f) Any sale of a branch of activity, regardless of the amount concerned;

(g) Any award of Company stock options or warrants, subject to authorization by an extraordinary general meeting;

(h) Any issue of securities of any kind subject to authorization by an extraordinary general meeting under the conditions set by law and these bylaws;

(i) Any operation to buy, sell or license patents, brands or items of the Company's intellectual property;

(j) Any transaction by the Company to buy back its own shares as authorized by a general meeting;

(k) Any off-balance-sheet commitment for an amount in excess of €1.5 million;

(l) Recruitment, appointment and compensation for key executives, Group Management Committee members and executives from companies that are directly or indirectly controlled by the Company or branches of activity that represent more than 5% of the Group's revenues.

3. The Board of Directors must be kept regularly informed of the implementation of the strategy and policies of the Company and Group, as well as the business and financial position, and particularly the following elements:

(a) The financial statements or any other regular accounting or financial reporting elements, prior to their publication;

(b) The cash position and cash flow, including forecasts and their adjustments;

(c) Commitments, particularly all off-balance-sheet commitments;

(d) Disputes likely to have a material impact on the results;

(e) Market outlook and situation.

4. In addition to the points set out in Paragraph 2, and in accordance with Article L. 225-38 of the French commercial code, the Board of Directors expressly authorizes beforehand the sureties, endorsements or guarantees given in the Company's name and the signing of regulated agreements.

Decisions of the deputy chief executive officer in charge of finance and information systems subject to prior approval by the board of directors

1. In accordance with Article L.225-52 of the French commercial code, the Deputy Chief Executive Officer has the broadest powers to act under any circumstances on behalf of the Company within their remit, which covers information systems and finance. The Deputy Chief Executive Officer exercises these powers within the limits of the corporate purpose and subject to the powers expressly assigned for shareholder meetings and the Board of Directors under the legislation applicable. The Deputy Chief Executive Officer represents the Company in its dealings with third parties.

2. However, and in accordance with Article 15 of the Company's bylaws, the Board of Directors has decided, as an internal measure, to submit the following points for prior approval by the Board of Directors when they concern the Company or any company that is directly or indirectly controlled by the Company as per Article L. 233-3 of the French commercial code:

- (a) Any operation looking to enter into or cancel agreements involving significant undertakings for the future of the Company and the Group;
- (b) Any acquisitions or sales of equity interests, regardless of the amount concerned;
- (c) Any financing operation for in excess of €5 million or any amount that is likely to substantially modify the Company's financial structure;
- (d) Any acquisition or sale of property, plant and equipment or intangible assets for an amount in excess of €1.5 million;
- (e) Signing of any agreement for mergers, spin-offs or partial asset transfers, regardless of the amount concerned;
- (f) Any sale of a branch of activity, regardless of the amount concerned;
- (g) Any award of Company stock options or warrants, subject to authorization by an extraordinary general meeting;
- (h) Any issue of securities of any kind subject to authorization by an extraordinary general meeting under the conditions set by law and these bylaws;
- (i) Any operation to buy, sell or license patents, brands or items of the Company's intellectual property;
- (j) Any transaction by the Company to buy back its own shares as authorized by a general meeting;
- (k) Any off-balance-sheet commitment for an amount in excess of €1.5 million;
- (l) Recruitment, appointment and compensation for key executives, Group Management Committee members and executives from companies that are directly or indirectly controlled by the Company or branches of activity that represent more than 5% of the Group's revenues.

3. The Board of Directors must be kept regularly informed of the implementation of the strategy and policies of the Company and Group, as well as the business and financial position, and particularly the following elements:

- (a) The financial statements or any other regular accounting or financial reporting elements, prior to their publication;
- (b) The cash position and cash flow, including forecasts and their adjustments;
- (c) Commitments, particularly all off-balance-sheet commitments;
- (d) Disputes likely to have a material impact on the results;
- (e) Market outlook and situation.

4. In addition to the points set out in Paragraph 2, and in accordance with Article L. 225-38 of the French commercial code, the Board of Directors expressly authorizes beforehand the sureties, endorsements or guarantees given in the Company's name and the signing of regulated agreements.

Statutory auditors' special report on regulated agreements and commitments

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

General meeting to approve the financial statements for the year ended August 31, 2019

As your Company's statutory auditors, we hereby present our report on regulated agreements and commitments.

It is our responsibility to report to you, based on the information we have been provided with, on the essential conditions and characteristics of any such agreements and commitments that we have been informed of or that we have become aware of in connection with our audit, as well as the reasons for the Company's interest in them, without making any judgment concerning their utility or legitimacy, or looking into the possible existence of any other agreements and commitments. It is your responsibility, under the terms of Article R. 225-31 of the French commercial code, to assess the benefits arising from such agreements and commitments when considering their approval.

As relevant, it is also our responsibility to provide you with the information required under Article R. 225-31 of the French commercial code relating to the implementation during the past year of any agreements and commitments already approved by the general meeting.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These standards require that we perform procedures to verify that the information given is consistent with the underlying documents.

Agreements and commitments submitted for approval at the general meeting

Agreements and commitments approved and entered into during the past year

In accordance with Article L. 225-40 of the French commercial code, we have been informed of the following agreements and commitments that were entered into during the past year and were approved beforehand by your Board of Directors.

With GBI Holding S.R.L.

People concerned: Mr Hervé Gastinel (Company's Chief Executive Officer until June 14, 2019), Mr Christophe Caudrelier, Mr Gianguido Girotti and Mr Yves Lyon-Caen

As authorized by your Board of Directors on August 29, 2019:

- The Company granted GBI Holding S.T.L., its fully-owned subsidiary, a debt write-off for €8,000,000 on August 31, 2019;
- Your Company, considering the terms of the Italian civil code, has made a commitment to cover the potential losses for FY 2019-20, and particularly during the year because the terms of the Italian civil code require the amount needed for the effective management of the accounts at the lowest point in the seasonal patterns to be written off in advance.

This operation is intended to support the Group's activities in Italy and enable GBI Holding to comply with Italian legislation in terms of the minimum capital requirements.

**With Mr Hervé Gastinel,
the Company's Chief Executive Officer until June 14, 2019**

As authorized by your Board of Directors on June 16, 2019, the Company has made a commitment to pay Mr Hervé Gastinel a gross total of €930,795 due as compensation for his non-compete clause implemented following the termination of his appointment as the Company's Chief Executive Officer on June 14, 2019.

The Board considered that the functions performed by Mr Hervé Gastinel within the Group enable him to have knowledge of the Group's business activities, strategy and customers, which justifies the need for a non-compete undertaking making it possible to restrict his freedom, following the end of his appointment as Chief Executive Officer, to hold functions or offices with rival companies.

Agreements and commitments already approved by the general meeting

Agreements and commitments approved in previous years

In accordance with Article R. 225-30 of the French commercial code, we have been informed that the performance of the following agreements and commitments, which were approved at general meetings in previous financial years, continued during the last financial year.

With SPBI, CNB and BIO HABITAT, subsidiaries of the Company

People concerned: Mr Hervé Gastinel (Company's Chief Executive Officer until June 14, 2019), Mr Christophe Caudrelier, Mr Gianguido Girotti, Mr Louis-Claude Roux and Ms Annette Roux.

As authorized by your Supervisory Board on August 31, 2011, your Company has put in place a centralized foreign exchange management agreement. Under this agreement, your Company carries out global foreign exchange hedging, takes on the foreign exchange risk and records the results of foreign exchange hedging transactions. In return, this service does not result in any additional specific compensation.

The amount recorded for foreign exchange hedging for your subsidiaries represents €3,668,952 of net income.

With Ms Annette Roux, Company director

Interest has been calculated on Ms Annette Roux's current account advances with the Company, within the limits authorized as being admissible for tax deductible expenses by the Company.

They represented €21,438 for the year ended August 31, 2019.

With certain executive officers of BENETEAU SA

People concerned: Mr Hervé Gastinel (Company's Chief Executive Officer until June 14, 2019), Mr Jérôme de Metz (Company's Chief Executive Officer since June 14, 2019), Mr Gianguido Girotti and Mr Christophe Caudrelier.

As authorized by your Supervisory Board on February 9, 2016, your Company set up an "Article 83" supplementary pension scheme for certain members of the Management Board, as indicated above, who are now the Company's Chief Executive Officers or Deputy Chief Executive Officers, as well as for certain categories of the Company's staff. The corresponding contributions are covered by the Company under the same conditions as those applied for the corresponding categories of staff.

The Article 83 plan aims to fund supplementary pension payments based exclusively on life annuities as part of a mandatory collective policy taken out by the Company with Groupama Gan Vie. Under this plan, the Company is committed to funding 6% for Tranche A (fraction of remuneration capped at the maximum Social Security limit), Tranche B (fraction of remuneration exceeding the maximum Social Security limit, without exceeding the ARCCO-AGIRC cap) and Tranche C (fraction of remuneration exceeding the maximum Social Security limit, without exceeding double the amount of this cap).

None of the corporate officers concerned liquidated their "Article 83" plan entitlements during the year.

The Statutory Auditors

Neuilly-sur-Seine, December 20, 2019 PricewaterhouseCoopers Audit	La Roche-sur-Yon, December 20, 2019 Atlantique Révision Conseil	Nantes, December 20, 2019 KPMG Audit Division of KPMG S.A.
Philippe Vincent	Sébastien Caillaud	Franck Noël Gwenaël Chedaleux

Board of directors' supplementary report

Board of directors' supplementary report on the proposed resolutions submitted for the ordinary and extraordinary general meeting on february 7, 2020

Dear Shareholders,

Following on from the deliberations of the Board of Directors on October 29 and December 18, 2019, we have invited you to attend an ordinary and extraordinary general meeting, in accordance with French law and our bylaws, in order to deliberate on the agenda presented below.

Resolutions for the ordinary general meeting:

- Approval of the parent company financial statements for the year ended August 31, 2019;
- Approval of the consolidated financial statements for the year ended August 31, 2019;
- Approval of the agreements covered by Articles L.225-38 et seq of the French commercial code;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Jérôme de Metz, Chairman and Chief Executive Officer;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Jérôme de Metz, Chairman and Chief Executive Officer;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Christophe Caudrelier, Deputy Chief Executive Officer;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Christophe Caudrelier, Deputy Chief Executive Officer;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Gianguido Girotti, Deputy Chief Executive Officer;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Gianguido Girotti, Deputy Chief Executive Officer;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Hervé Gastinel, former Chief Executive Officer;
- Allocation of income - Setting of the dividend;
- Renewal of Mr Louis-Claude Roux's term of office as a Director;
- Renewal of Ms Anne Leitzgen's term of office as a Director;
- Acknowledgment of the end of an incumbent statutory auditor's appointment period;
- Setting of the amount of annual compensation awarded to the Directors for FY 2019-20;
- Reallocation of a maximum of 291,600 shares not used from previous plans to Bonus Share Plan no.8;
- Authorization for the Board of Directors, for an 18-month period, for the Company to acquire its own shares based on a maximum price of €25 per share, representing a total maximum price of €82 million;

Resolutions for the extraordinary general meeting:

- Introduction of an Article 13 ii to the bylaws to allow the appointment of a director representing employees;
- Authorization for the Board of Directors, for a 38-month period, to award bonus shares to be issued, with shareholders' preferential subscription rights waived, or existing shares to staff and/or executive officers of the Company and related entities for up to 1% of the capital, with a potential maximum of 40% for executive officers;
- Delegation of authority for the Board of Directors, for a 26-month period, to issue shares or capital securities entitling holders to access other Company capital securities or entitling holders to debt securities in exchange for contributions in kind comprising capital securities or transferrable securities giving access to the capital, representing up to 10% of the share capital;
- Delegation of authority for the Board of Directors, for a 26-month period, to issue shares and/or capital securities entitling holders to access other capital securities or debt securities and/or transferrable securities giving access to a share of the capital to be issued by the Company or, provided that the initial security is a share, to debt securities in exchange for securities tendered for any public exchange offer initiated by the Company;
- Delegation of authority for the Board of Directors, for a 26-month period, to issue shares, capital securities entitling holders to access other capital securities or debt securities, and/or capital securities entitling holders to access Company capital securities, with shareholders' preferential subscription rights waived, for members of the Group's company savings scheme(s) for a maximum of €21,000, based on a price determined in accordance with the French employment code (Code du Travail);
- Authorization for the Board of Directors, for a three-year period, to cancel shares held by the Company after purchasing treasury stock;
- Powers for formalities.

We would like to inform you that the notices to attend this general meeting have been issued under the conditions required and that the documents required by the regulations in force have been provided or made available to you within the timeframes set.

We are available should you require any clarifications or any further information that you may consider necessary. We would like to inform you that, in accordance with French law, a management report is available to you, in addition to a report prepared by the Board of Directors and various reports from your statutory auditors.

This report is intended to supplement these reports in order to present the following specific points for you:

1. Approval of the annual financial statements, regulated agreements, compensation for corporate officers and allocation of income (Resolutions 1 to 12)

The first points on the agenda, which are presented in further detail in our management report, concern the approval of the parent company and consolidated financial statements for FY 2018-19, the approval of the regulated agreements presented in the statutory auditors' special report, the approval of compensation for corporate officers and the allocation of income for the year.

2. Renewal of the terms of office of two directors (Resolutions 13 and 14)

We propose that you renew, for a three-year period, the terms of office of Ms Anne Leitzgen and Mr Louis-Claude Roux as Directors, which are due to end with this general meeting.

3. End of an incumbent statutory auditor's appointment period (Resolution 15)

We propose that you simply acknowledge the end of the appointment period for KPMG S.A. as incumbent statutory auditor (and the appointment period for its deputy statutory auditor) and to not renew it.

4. Setting of the amount of annual compensation awarded to the Directors (Resolution 16)

The general meeting is invited to determine the overall amount of annual compensation that may be awarded to the Board of Directors for the current financial year (attendance fees), and to set this amount at €350,000.

5. Reallocation of shares not used from previous plans to Bonus Share Plan no.8 (Resolution 17)

The general meeting is invited to reallocate a maximum of 291,600 shares, which were allocated to plans that have ended and were not used, to the current Bonus Share Plan no.8, for which vesting is scheduled for February 2020.

6. Renewal of the company share buyback program and related authorizations (Resolutions 18, 20 and 24)

For all annual general meetings, BENETEAU proposes to include the renewal of its share buyback program on the agenda, following on from the authorizations already approved at the general meetings held on: February 5, 1999 - August 31, 2000 - February 1, 2002 - July 17, 2003 - January 28, 2005 - July 20, 2006 - June 22, 2007 - January 30, 2009 - July 9, 2010 - January 28, 2011 - January 27, 2012 - February 1, 2013 – January 31, 2014 – January 30, 2015 – January 29, 2016 – January 27, 2017 – February 9, 2018 - February 8, 2019.

Under the previous authorization, you will find details of the operations carried out by the company on its own securities in the share buyback program description appended to this Report.

We therefore invite you to authorize your Board of Directors, for a further 18-month period, to allow the company to acquire its own shares representing up to 5% of the share capital and a maximum theoretical investment of €82 million, based on a maximum purchase price set at €25.00.

The program's objectives and conditions are detailed in the share buyback program description, appended to this Report, and include:

- Awarding bonus shares to company or Group staff and/or corporate officers, subject to Resolution 20,
- Canceling shares, subject to Resolution 24.

7. Inclusion of an article in the Bylaws to allow the appointment of a director representing employees (Resolution 19)

The company's Bylaws must now include the provisions required for the appointment of a Director representing employees on the Board of Directors.

We therefore propose that you introduce a new article into the company's Bylaws setting the conditions for the appointment of the Director representing employees: appointment by the Economic and Social Committee (CSE) or, if there is no CSE, by the Group Committee, from among employees with an employment contract with the company or one of its direct or indirect subsidiaries whose registered office is located in France.

8. Potential issue of shares in exchange for contributions in kind comprising capital securities (Resolution 21 and 22)

We propose that you grant the Board of Directors a delegation of authority to issue shares (or capital securities entitling holders to access other capital securities or debt securities) in exchange for contributions in kind comprising capital securities from another company or in exchange for securities tendered for any public exchange offer for a company whose securities are admitted for trading on a regulated market.

9. Potential capital increase reserved for employees who are members of the Group's company savings schemes, with preferential subscription rights waived (Resolution 23)

Under the provisions of the French employee savings act (Loi sur l'épargne salariale), the general shareholders' meeting must deliberate, at the time of any decision to increase the capital, on a proposed resolution concerning a capital increase reserved for employees, carried out in accordance with the French employment code.

Since the 20th resolution proposes to potentially award bonus shares that will need to be issued, we have an obligation to propose to you a potential capital increase alongside this reserved for employees who are members of Group company savings schemes, with preferential subscription rights waived, for up to a nominal limit of €21,000.

The Board of Directors

Statutory auditors' report on the capital operations

Provided for under resolutions 20 to 24 from the extraordinary general meeting on february 7, 2020

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

Dear Shareholders,

In our capacity as your company's statutory auditors, and pursuant to the mandate provided for under the French commercial code, please find hereafter our report on the operations which you are invited to give your opinion on.

1. Authorization to award bonus shares - existing or to be issued (Resolution 20)

Pursuant to the mandate provided for under Article L. 225-197-1 of the French commercial code, we have drawn up this report on the proposed authorization to award existing or future bonus shares to employees and/or corporate officers of your company and affiliated companies, an operation which you are invited to give your opinion on. The total number of shares that may be awarded under this authorization may not represent more than 1.5 % of the company's capital.

Your Board of Directors is proposing, based on its report, for you to authorize it for a 38-month period to award bonus shares (existing or to be issued).

The Board of Directors is required to prepare a report on this operation, which it would like to be able to carry out. It is our responsibility to inform you, as relevant, of our observations on the information provided to you in this way concerning the planned operation.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These standards notably require that we perform procedures to verify that the proposed conditions set out in the Board of Directors' report are compliant with the legal provisions in force.

We do not have any observations to make regarding the information given in the Board of Directors' report in terms of the planned operation to authorize the awarding of bonus shares.

2. Issuing of shares and/or capital securities entitling holders to access other capital securities or to be awarded debt securities in exchange for contributions in kind comprising capital securities (Resolutions 21 and 22)

Pursuant to the mandate provided for under Articles L. 228-92 and L. 225-135 et seq of the French commercial code, we have drawn up this report on the proposed delegations of authority for the Board of Directors to decide to issue shares and/or capital securities entitling holders to access other capital securities or to be awarded debt securities in exchange for securities of another company or in exchange for securities tendered for any public exchange offer, operations which you are invited to give your opinion on.

On the basis of its report, your Board of Directors proposes that you delegate authority to it, for a 26-month period, to decide to issue shares and/or capital securities entitling holders to access other capital securities or debt securities in exchange for:

- Contributions in kind comprising capital securities from another company (Resolution 21),
- Securities tendered for any public exchange offer and to waive your preferential subscription rights (Resolution 22);

And, if applicable, to waive your preferential subscription rights.

The total nominal amount (excluding issue premium) of the capital increases that may be carried out by issuing shares or transferrable securities giving access to the company's capital or, provided that the initial security is a share, entitling holders to debt securities, may not exceed 10% of the Company's current capital under the 21st resolution and €827,898.40 under the 22nd resolution.

The Board of Directors is responsible for drawing up a report in accordance with Articles R. 225-113 et seq of the French commercial code. It is our responsibility to give an opinion on the accuracy of the quantified information based on the accounts, on the proposal to waive preferential subscription rights and on certain other items of information concerning these operations, as set out in this report.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (CNC) professional standards relating to this mission. These procedures involved verifying the content of the Board of Directors' report concerning these operations and the conditions for determining the issue price for the shares.

Subject to the subsequent review of the conditions for the issues that may be decided, we do not have any observations to make regarding the conditions for determining the issue price for the capital securities to be issued as indicated in the Board of Directors' report.

Since the definitive conditions have not been set for the issues, we have not expressed any opinion on these conditions and, as a result, on the proposal submitted to you to waive preferential subscription rights.

In accordance with Article R. 225-116 of the French commercial code, we will draw up a further report when these delegations are used by your Board of Directors.

3. Issuing of ordinary shares and/or transferrable securities entitling holders to access the company's capital reserved for members of a company savings scheme (Resolution 23)

Pursuant to the mandate provided for under Articles L.228-92 and L. 225-135 et seq of the French commercial code, please find hereafter our report on the proposed delegation of authority for the Board of Directors to decide to increase the capital through the issuing of ordinary shares and/or transferable securities giving access to the company's capital with preferential subscription rights waived, reserved for employees who are members of a group company savings scheme, for a maximum of €21,000, an operation which you are invited to give your opinion on.

You are asked to approve this capital increase in accordance with the provisions of Articles L.225-129-6 of the French commercial code and L.3332-18 et seq of the French employment code.

On the basis of its report, your Board of Directors proposes that you delegate authority to it, for a 26-month period, to decide on a capital increase and to waive your preferential subscription rights for the shares to be issued. When necessary, it will set the definitive issue terms and conditions for this operation.

The Board of Directors is responsible for drawing up a report in accordance with Articles R. 225-113 et seq of the French commercial code. It is our responsibility to give an opinion on the accuracy of the quantified information based on the accounts, on the proposal to waive preferential subscription rights and on certain other items of information concerning the issue, as set out in this report.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (CNC) professional standards relating to this mission. These procedures involved verifying the content of the Board of Directors' report concerning this operation and the conditions for determining the issue price for the capital securities to be issued.

Subject to the subsequent review of the conditions for the proposed capital increase, we do not have any observations to make regarding the conditions for determining the issue price for the capital securities to be issued as indicated in the Board of Directors' report.

Since the definitive conditions have not been set for the issue, we have not expressed any opinion on these conditions and, as a result, on the proposal submitted to you to waive preferential subscription rights.

In accordance with Article R. 225-116 of the French commercial code, we will draw up a further report when this delegation is used by your Board of Directors.

4. Capital reduction through the cancellation of shares purchased (Resolution 24)

Pursuant to the mandate provided for under Article L. 225-209 of the French commercial code, in the event of a capital reduction through the cancellation of shares purchased, we have prepared this report in order to present our assessment of the causes and conditions for the planned capital reduction.

Your Board of Directors is proposing that you delegate full powers to it, for a three-year period, with a view to cancelling, for up to 10% of its capital per 24-month period, the shares purchased with the implementation of an authorization for your company to purchase its own shares in accordance with the aforementioned article.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (CNC) professional standards relating to this mission. These procedures involve determining whether the causes and conditions for the planned capital reduction, which is not likely to affect shareholder equality, are consistent.

We do not have any observations to make regarding the reasons and conditions for the planned capital reduction.

The Statutory Auditors

Neuilly-sur-Seine, January 6, 2020 PricewaterhouseCoopers Audit	La Roche-sur-Yon, January 6, 2020 Atlantique Révision Conseil	Nantes, January 6, 2020 KPMG Audit Division of KPMG SA
Philippe Vincent	Sébastien Caillaud	Franck Noël Gwenaël Chedaleux

Proposed resolutions

Resolutions for the ordinary general meeting

FIRST RESOLUTION
(Review and approval of the parent company financial statements for the year ended August 31, 2019)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the Board of Directors' management report and the statutory auditors' general report on the parent company financial statements, approves the parent company financial statements for the year ended August 31, 2019, as presented to shareholders, with a profit of €14,297,759.96.

The general meeting approves the spending covered by Article 39-4 of the French general tax code (Code Général des Impôts), reintegrated into taxable income for the year for a total of €43,076.

SECOND RESOLUTION
(Review and approval of the consolidated financial statements for the year ended August 31, 2019)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the Board of Directors' management report and the statutory auditors' general report on the consolidated financial statements, approves the consolidated financial statements for the year ended August 31, 2019, as presented to shareholders, with a net profit of €48,240,000 (Group share: €49,488,000).

THIRD RESOLUTION
(Approval of the agreement covered by Articles L.225-38 et seq of the French commercial code entered into with the company GBI Holding)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the statutory auditors' special report on the agreements covered by Article L.225-38 et seq of the French commercial code, approves, without any reservations whatsoever, the agreement entered into with GBI Holding concerning the €8 million debt write-off at August 31, 2019 and the commitment to cover the potential losses for 2019-20.

This resolution is submitted to be voted on, with the shareholders directly or indirectly concerned not taking part, while their shares are excluded from the calculation of the majority.

FOURTH RESOLUTION
(Approval of the agreement covered by Articles L.225-38 et seq of the French commercial code entered into with Mr Hervé Gastinel, former Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the statutory auditors' special report on the agreements covered by Article L.225-38 et seq of the French commercial code, approves, without any reservations whatsoever, the transaction entered into with Mr Hervé Gastinel, the Company's former Chief Executive Officer.

This resolution is submitted to be voted on, with the shareholders directly or indirectly concerned not taking part, while their shares are excluded from the calculation of the majority.

FIFTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Jérôme de Metz, Chairman and Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Jérôme de Metz, Chairman and Chief Executive Officer, in connection with his office as presented in the corporate governance report.

SIXTH RESOLUTION
(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Jérôme de Metz, Chairman and Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Jérôme de Metz, Chairman and Chief Executive Officer, in connection with his office as presented in the corporate governance report.

SEVENTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Christophe Caudrelier, Deputy Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Christophe Caudrelier, Deputy Chief Executive Officer, in connection with his office as presented in the corporate governance report.

EIGHTH RESOLUTION

(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Christophe Caudrelier, Deputy Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Christophe Caudrelier, Deputy Chief Executive Officer, in connection with his office as presented in the corporate governance report.

NINTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Gianguido Girotti, Deputy Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Gianguido Girotti, Deputy Chief Executive Officer, in connection with his office as presented in the corporate governance report.

TENTH RESOLUTION

(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Gianguido Girotti, Deputy Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Gianguido Girotti, Deputy Chief Executive Officer, in connection with his office as presented in the corporate governance report.

ELEVENTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Hervé Gastinel, former Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report:

- Approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2019 to Mr Hervé Gastinel, former Chief Executive Officer, in connection with his office as presented in the corporate governance report; and
- Therefore acknowledges that the items of variable and exceptional compensation awarded to Mr Hervé Gastinel, former Chief Executive Officer, for the year ended August 31, 2019 will be paid to him.

TWELFTH RESOLUTION
(Allocation of income - Setting of the dividend)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, and as proposed by the Board of Directors, decides to allocate net income for the year ended August 31, 2019, totaling €14,297,759.96, plus €164,772.52 of previous retained earnings, and a €4,579,130.72 deduction from other reserves, for a dividend of €19,041,663.20.
In this way, other reserves will be reduced from €114,060,983.28 to €109,481,852.56.

The portion of profits corresponding to dividends not paid out for shares held as treasury stock by the company will be allocated to retained earnings.
The proposed dividend represents €0.23 for each of the 82,789,840 shares, with a par value of €0.10.
It will be paid out on Friday February 14, 2020, after deducting social security charges.
As required under French law, shareholders are reminded that the dividends paid out for the last three years were as follows:

	2015-16	2016-17	2017-18
Share par value	€0.10	€0.10	€0.10
Number of shares	82,789,840	82,789,840	82,789,840
Net dividend	€0.10	€0.25	€0.26

THIRTEENTH RESOLUTION
(Renewal of Mr Louis-Claude Roux's term of office as a Director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to reappoint Mr Louis-Claude Roux as a Director for a three-year term-of-office to end following the ordinary general meeting convened to approve the financial statements for the year ending August 31, 2022.

FOURTEENTH RESOLUTION
(Renewal of Ms Anne Leitzgen's term of office as a Director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to reappoint Ms Anne Leitzgen as a Director for a three-year term-of-office to end following the ordinary general meeting convened to approve the financial statements for the year ending August 31, 2022.

FIFTEENTH RESOLUTION
(Acknowledgment of the end of an incumbent statutory auditor's appointment period)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, acknowledges the end of the appointment periods for KPMG S.A. as incumbent statutory auditor and KPMG AUDIT IS as deputy statutory auditor and, as proposed by the Board of Directors, decides to not renew them.

SIXTEENTH RESOLUTION
(Setting of the amount of annual compensation awarded to the Directors for FY 2019-20)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to award the Board of Directors a maximum total of €350,000 of annual compensation for the current financial year, which the Board will distribute to members as appropriate.

SEVENTEENTH RESOLUTION
(Reallocation of a maximum of 291,600 shares not used from previous plans to Bonus Share Plan no.8)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' report, and in accordance with Article L.225-209-2 Section 16 of the French commercial code, after acknowledging that shares (allocated for plans to award shares that have ended) have not been used, decides to allocate a maximum of 291,600 shares to Bonus Share Plan no.8.
The general meeting grants full powers to the Board of Directors to reallocate these shares and more generally to do whatever is necessary to apply this decision.

EIGHTEENTH RESOLUTION
(Authorization for the Board of Directors, for an 18-month period, for the Company to acquire its own shares based on a maximum price of €25.00 per share, representing a total maximum price of €82 million)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' report, grants the Board of Directors an authorization, in accordance with Articles L. 225-209 et seq of the French commercial code and European Regulation 596/2014 from April 16, 2014, for an 18-month period from the date of this general meeting, for the company to acquire its own shares, to cover the following needs as required:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement that meets the acceptability criteria set by the AMF in its decision no. 2018-01 from July 2, 2018, establishing liquidity agreements on shares as an accepted market practice and in line with the AMAFI compliance charter recognized by the AMF,
- Selling and/or awarding stock options and/or bonus shares

and/or company savings schemes to company or Group staff and/or corporate officers,

- Cancelling shares with a view to optimizing earnings per share and the return on capital, subject to the corresponding resolution being adopted,
- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

The acquisition, sale or transfer operations described above will be able to be carried out by any means in line with the legislation and regulations in force, including trading.

These transactions may be carried out at any time, including during a public offer or pre-offer period for the company's shares, in accordance with Article 231-40 of the AMF's General Regulations, or during a pre-offer, public offer, public exchange offer or combined public takeover and exchange offer, initiated by the Company under the legal and regulatory conditions in force and notably in compliance with Article 231-41 of the AMF's General Regulations.

The general meeting sets the maximum number of shares that may be acquired under this resolution at 5% of the share capital, adjusted for transactions affecting the capital carried out after this general meeting, while noting that in connection with the use of this authorization, the number of treasury shares will need to be taken into consideration to ensure the company's continued compliance with the maximum limit for treasury stock to represent 5% of the share capital.

The maximum unit purchase price for shares is set at €25.00, while noting that the Company will not be able to purchase shares at a price higher than the higher of the following two values: the last listed price for a transaction not involving the Company or the highest current independent buy offer on the trading platform on which the purchase has been made.

The maximum amount of funds set aside for the implementation of this program to buy shares will be €82 million.

In the event of a capital increase incorporating premiums, reserves, profits or other elements based on bonus share awards into the capital while this authorization is valid, as well as in the event of a stock split or consolidation, the general meeting delegates the authority for the Board of Directors to adjust the maximum unit price indicated above, if applicable, in order to take into account the impact of such transactions on the value of the share.

The general meeting grants full powers to the Board of Directors, with an option to subdelegate under the legal conditions in force, to:

- Decide to implement this authorization,
- Set the terms and conditions for safeguarding, if applicable, the rights of holders of transferrable securities entitling them to access the capital, stock options or warrants, or rights to be awarded performance shares in accordance with the legal, regulatory or contractual provisions in force,
- Place any stock market orders, enter into any agreements, particularly with a view to keeping share purchase and sale registers, in accordance with the regulations in force,
- Carry out all filings and complete all other formalities and, more generally, do whatever is necessary.

The Board of Directors will report to shareholders at their ordinary annual general meeting on any transactions carried out under this resolution.

This decision cancels and replaces the previous authorization.

NINETEENTH RESOLUTION
(Introduction of an Article 13 ii to the Bylaws to allow the appointment of a director representing employees)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report, decides, in accordance with Article L.225-27-1 of the French commercial code, to add an Article 13 ii to the bylaws as follows, in order to allow the appointment of a director representing employees:

"ARTICLE 13 ii – Director representing employees

The Board of Directors also includes, in accordance with Article L. 225-27-1 of the French commercial code, a director representing employees.

The director representing employees is appointed by the Economic and Social Committee (CSE) or, if there is no CSE, by the Group Committee, from among employees with an employment contract with the company or one of its direct or indirect subsidiaries whose registered office is located in France.

The employee representative's employment contract must have been in place for at least two years prior to their appointment to the Board of Directors.

The term of office of the director representing employees is three years.

In the event of a vacancy, the vacant seat is filled under the same conditions.

The appointment of the director representing employees is terminated automatically if their employment contract is terminated, if they are dismissed under the conditions set by Article L. 225-32 of the French commercial code or if any incompatibilities arise in accordance with Article L. 225-30 of the French commercial code.

Subject to the terms of this article or the regulations in force, the director representing employees has the same status, the same rights and the same responsibilities as the other directors".

TWENTIETH RESOLUTION
(Authorization for the Board of Directors, for a 38-month period, to award bonus shares to be issued, with shareholders' preferential subscription rights waived, or existing shares to staff and/or executive officers of the Company and related entities for up to 1.5% of the capital, with a potential maximum of 40% for executive officers)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L.225-197-1 et seq of the French commercial code:

- Authorizes the Board of Directors to award bonus company shares, existing (held in a portfolio or to be acquired) and/or to be issued (with preferential subscription rights waived for shareholders), on one or more occasions and under the conditions that it determines, to some or all of the executives, corporate officers or staff of BENETEAU S.A. and other Group entities, up to a maximum of 1.5% of the capital,
- Decides that the number of shares awarded to the executive officers may not exceed 40% of the total number of shares awarded and the vesting of shares for the executive officers will be dependent on certain performance conditions being met,
- Decides that shares will be definitively awarded to their beneficiaries either i) at the end of a minimum two-year vesting period, with beneficiaries required to retain these shares for a minimum of one year from the vesting date, or ii) at the end of a minimum three-year vesting period, without any minimum lock-in period in this latter case. It is understood that the Board of Directors may choose between these two options and use them alternatively or concurrently, and may, in the first case, extend the vesting and/or lock-in period, and in the second case, extend the vesting period and/or define a lock-in period,
- Decides that the definitive awarding of shares to beneficiaries who are executive officers and members of staff will be dependent on performance conditions, set by the Board of Directors, concerning changes in the share price and the achievement of operational objectives,
- Sets the validity of this authorization for 38 months from the date of this general meeting,
- Acknowledges that if the award concerns shares that are to be issued, bonus share beneficiaries will waive their preferential subscription rights under this authorization.

The extraordinary general meeting grants full powers to the Board of Directors, in accordance with the laws and regulations in force, as well as the terms of this resolution, to apply this resolution, in particular:

- Setting the conditions, particularly concerning performance aspects, and, if applicable, the criteria for awarding shares, in addition to determining the list(s) of beneficiaries,

- Setting, subject to the minimum timeframes indicated above, the duration of vesting and lock-in periods for shares, and notably determining these periods for any shares awarded to executive officers, covered under Article L. 225-197-1, II section 4 of the French commercial code, either deciding that these shares will not be able to be sold by the beneficiaries before the end of their term of office, or determining the quantity of these shares that they will be required to retain on a registered basis until the end of their term of office,
- Deciding, if applicable, in the event of operations carried out on the share capital during the vesting period for the shares awarded, to adjust the number of shares awarded with a view to safeguarding the rights of beneficiaries and, in such cases, determining the conditions for such adjustments,
- If awards concern shares that are to be issued, carrying out the capital increases based on the incorporation of the company's reserves or issue premiums, as required, when the shares are definitively awarded to their beneficiaries, setting the dividend entitlement dates for the new shares, and amending the bylaws accordingly,
- Completing all formalities and more generally doing whatever is necessary.

This decision cancels and replaces the previous authorization.

TWENTY-FIRST RESOLUTION
(Delegation of authority for the Board of Directors, for a 26-month period, to issue shares or capital securities entitling holders to access other Company capital securities or entitling holders to debt securities in exchange for contributions in kind comprising capital securities or transferrable securities giving access to the capital, representing up to 10 % of the share capital)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with Article L. 225-147 section 6 of the French commercial code:

- Delegates to the Board of Directors the powers required to issue Company shares and/or capital securities entitling holders to access the capital for up to 10% of the Company's current capital in exchange for contributions in kind granted to the Company and comprising capital securities or transferrable securities giving access to the capital, when the terms of Article L. 225-148 of the French commercial code do not apply,
- Acknowledges that the Company's shareholders will not have preferential subscription rights for the shares issued under this delegation, which are intended exclusively as payment for contributions in kind, and acknowledges that under this delegation, shareholders expressly waive their preferential subscription rights for the Company shares that the transferrable securities issued based on this delegation would entitle them to;
- Grants full powers to the Board of Directors to implement this authorization, to approve the value of contributions, to allocate the costs of the capital increases against the amount of the premiums relating to these increases and to amend the bylaws accordingly.

This delegation of authority is granted for 26 months from the date of this meeting.

TWENTY-SECOND RESOLUTION
(Delegation of authority for the Board of Directors, for a 26-month period, to issue shares and/or capital securities entitling holders to access other capital securities or debt securities in exchange for securities tendered for any public exchange offer initiated by the Company)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L. 225-148, L. 225-129 and L. 228-92 of the French commercial code:

- Delegates to the Board of Directors its authority to decide, on one or more occasions, to issue shares, capital securities giving access to other capital securities or debt securities, as payment for securities tendered for any public exchange offer initiated in France or another country by the Company for the securities of another company admitted for trading on one of the regulated markets covered by said Article L. 225-148,
- Decides that the total nominal amount (excluding issue premium) of the capital increases that may be carried out in this way by issuing shares or transferrable securities giving access to the Company's capital or, provided that the initial security is a share, entitling holders to debt securities, may not exceed €827,898.40, while noting that:
  - In the event of a capital increase incorporating premiums, reserves, profits or other elements based on bonus share awards into the capital while this delegation of authority is valid, the abovementioned total nominal amount (excluding issue premium) will be adjusted by applying a multiplication coefficient equal to the ratio between the number of securities comprising the capital after the operation and this number from before the operation,
  - The nominal amount of shares to be issued to maintain the rights of holders of transferable securities giving access to the capital, stock warrants and/or stock options, or rights to be awarded bonus shares will be added to the abovementioned maximum limit;

In addition, the total maximum nominal amount of issues of debt securities which capital securities entitle holders to be awarded may not exceed €827,898.40 or its equivalent value on this day in any other currency or unit of account determined with reference to several currencies;

• Acknowledges that the Company's shareholders will not have preferential subscription rights for the shares and/or transferable securities that may be issued under this delegation, with the latter intended exclusively as payment for securities tendered for a public exchange offer initiated by the Company,

• Acknowledges that the price of the shares and transferrable securities that may be issued under this delegation will be determined based on the legislation applicable for public exchange offers,

• Gives full powers to the Board of Directors, with an option to subdelegate under the legal conditions in force, to implement this authorization and allocate the costs for increases in the share capital against the amount of the corresponding premiums for such increases.

This delegation of authority is granted for 26 months from the date of this meeting

TWENTY-THIRD RESOLUTION
(Delegation of authority for the Board of Directors, for a 26-month period, to issue shares, capital securities entitling holders to access other capital securities or debt securities, and/or capital securities entitling holders to access Company capital securities, with shareholders' preferential subscription rights waived, for members of the Group's company savings scheme(s) for a maximum of €21,000, based on a price determined in accordance with the French employment code (Code du Travail)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and in accordance with Articles L. 225-129-2, L. 225-138, L. 225-138-1, L. 228-91 and L. 228-92 of the French commercial code and L. 3332-18 et seq of the French employment code, and also to ensure compliance with Article L. 225-129-6 of the French commercial code:

1 - Delegates to the Board of Directors its authority (i) to increase, on one or more occasions, the share capital by issuing shares and/or capital securities entitling holders to access Company capital securities to be issued reserved for members of the Group's company savings schemes, and (ii) to award, as applicable, performance shares or capital securities entitling holders to access capital securities to be issued replacing all or part of the discount covered in section 3 below under the conditions and limits set by Article L. 3332-21 of the French employment code, while noting that the Board of Directors may replace, as necessary, all or part of this capital increase by selling, under the same conditions, securities already issued and held by the Company;

2 - Decides that the number of shares that may result from all the shares issued under this delegation, including those resulting from shares or capital securities entitling holders to access capital securities to be issued that may be potentially awarded on a free basis replacing all or part of the discount under the conditions set by Article L.3332-18 et seq of the French employment code, must not exceed 210,000 shares. If applicable, this number will be extended to include the number of additional shares to be issued to maintain, in accordance with the law, the rights of holders of capital securities entitling them to access the Company's capital;

3 - Decides that (i) the issue price for the new shares may be no higher than the share's average opening listed prices from the 20 days trading prior to the day of the Board of Directors' decision setting the subscription start date, or more than 20% or 30% lower than this average depending on whether the securities that have been subscribed for correspond to assets with a lock-in period of less than 10 years or greater than or equal to 10 years; while noting that the Board of Directors may, if applicable, reduce or waive the potential discount retained to notably take into account legal and tax systems that apply outside of France or choose to fully or partially replace this discount with the awarding of bonus shares and/or capital securities entitling holders to access the capital, and that (ii) the issue price for the capital securities entitling holders to access the capital will be determined under the conditions set by Article L. 3332-21 of the French employment code;

4 - Decides to waive the shareholders' preferential subscription rights for members of the Group's savings scheme(s) concerning the shares or capital securities entitling holders to access Company capital securities to be issued that may be issued under this delegation, and to waive any entitlement to the shares and capital securities entitling holders to access capital securities to be issued that may be freely awarded under this resolution;

5 - Delegates full powers to the Board of Directors notably with a view to:

• Deciding whether the shares need to be subscribed for directly by employees who are members of the Group's savings schemes or if they will need to be subscribed for through a company mutual fund (FCPE) or employee shareholding fund (SICAVAS);

• Determining the companies whose staff will be able to benefit from the subscription offer;

• Determining whether to allocate a timeframe for staff to pay up their securities;

• Setting the conditions for being a member of the Group's company savings scheme(s) and drawing up or amending the corresponding regulations;

- Setting the opening and closing dates for subscriptions and the issue price for securities;
- Within the limits set by Article L. 3332-18 et seq of the French employment code, awarding bonus shares or capital securities entitling holders to access capital securities to be issued and determining the type and amount of reserves, profits or premiums to be incorporated into the capital;
- Determining the number of new shares to be issued and the rules for reducing subscriptions in the event of oversubscriptions;
- Allocating the costs for increases in the share capital and issues of other securities entitling holders to access capital securities to be issued against the amount of the corresponding premiums for such increases and deducting the sums required to take the legal reserve up to one tenth of the new capital after each increase against this amount.

This delegation of authority is granted for 26 months from the date of this meeting.

This decision cancels and replaces the previous delegation.

TWENTY FOURTH RESOLUTION
(Authorization for the Board of Directors, for a three-year period, to cancel shares held by the Company after purchasing treasury stock)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors, in accordance with Article L. 225-209 of the French commercial code, to cancel, on one or more occasions, all or part of the company's shares that the company holds currently or in the future in connection with the share buyback program, and to reduce the share capital by the total nominal amount of the shares cancelled in this way, for up to 10% of the capital per 24-month period, adjusted for any capital increase operations carried out after this general meeting affecting the capital.

The general meeting grants full powers to the Board of Directors to carry out the capital reduction(s), allocate the difference between the buyback price of the shares cancelled and their nominal value to any reserves and premiums, amend the bylaws accordingly, reallocate the fraction of the legal reserve made available as a result of the capital reduction, and carry out all filings with the French financial markets authority (AMF), complete all other formalities and more generally do whatever is necessary.

This authorization is given for a three-year period from this date.

This decision cancels and replaces the previous authorization.

TWENTY FIFTH RESOLUTION
(Powers for formalities)

Full powers are granted to the bearer of a copy of or extract from these resolutions to complete all formalities and do whatever is necessary.

Description of the treasury stock buyback program

To be authorized by the combined general meeting on February 7, 2020

This description is intended to detail the objectives and conditions concerning the program for the company to buy back its own shares, subject to authorization by the combined general meeting on February 7, 2020.

This description is available to the public on the company's website (**www.beneteau-group.com**), as well as on the AMF site. Copies are also available at no cost by writing to the registered office address indicated above.

Number of securities and percentage of capital held by the company, breakdown for each objective

At November 30, 2019, the company held a total of 871,706 shares, representing 1.05% of the share capital, with the following breakdown for each objective:

- Liquidity agreement entered into with an investment service provider acting independently: 0 shares
- Awards to staff or corporate officers as stock options: 0 shares
- Free allocations to staff or corporate officers: 0 shares
- Holding and subsequent issue for any operations authorized at present or in the future by the regulations in force: 871,706 shares

Buyback program objectives

The objectives of this program, in decreasing order of priority, are as follows:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement that meets the acceptability criteria set by the AMF in its decision no. 2018-01 from July 2, 2018, establishing liquidity agreements on shares as an accepted market practice and in line with the AMAFI compliance charter recognized by the AMF,
- Selling and/or awarding stock options and/or bonus shares and/or company savings schemes to company or Group staff and/or corporate officers,
- Cancelling shares with a view to optimizing earnings per share and the return on capital, subject to the corresponding resolution being adopted,
- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

Shares allocated to objectives that are not achieved, where linked to a change of strategy during the buyback program, may be sold off under a sales mandate entered into with an investment service provider acting independently, or may be reallocated for other purposes as decided by the general meeting or for cancellation in line with the regulations applicable.

Maximum percentage of the capital, maximum number and characteristics of securities that the company proposes to buy, maximum purchase price

This program will concern up to 5% of the share capital.

The securities are ordinary BENETEAU shares, all of the same category, listed on EURONEXT Paris Eurolist - Compartment A (ISIN: FR0000035164).

Based on the total number of shares comprising the share capital to date, i.e. 82,789,840 shares, the maximum number of shares that may be held by the company under this program would therefore be 4,139,492 shares.

In view of the 871,706 shares already held, the company is committed to acquiring no more than 3,267,786 shares.

The maximum purchase price is set at €25.00.

On this basis, the maximum theoretical investment would therefore be €82 million.

Duration of the buyback program

This program will run for 18 months from the combined general meeting on February 7, 2020, i.e. through to August 7, 2021.

Acquisition, sale or transfer operations carried out under the previous program up until the publication date of this description

Detailed in the summary disclosure table appended.

Summary disclosure table

Issuer declaration concerning treasury stock transactions December 1, 2018 to November 30, 2019

Percentage of capital held directly and indirectly as treasury stock: 1.05%
Number of shares cancelled in the last 24 months: -
Number of shares held in portfolio: 871,706 shares
Portfolio book value: €8,312,404
Portfolio market value: €9,370,840 (valued at €10.75: share price on Nov 29, 2019)

	Gross flows (aggregate)		Open positions on day program description published	
	Purchases	Sales and transfers	Open positions: purchases	Open positions: sales
Number of securities	1,107,214	791,250 sales and 0 transfers	Call options purchased – Forward purchases	Call options sold - Forward sales
Average maximum maturity	-	-	-	-
Average transaction price	€10.007	€10.372	-	-
Average exercise price	-	€0	-	-
Amounts	€11,080,252	€8,206,451 and €0	-	-

The transactions carried out on shares under the liquidity agreement represented:
761,250 purchases and 791,250 sales.

Statement by the person responsible for the 2018-19 Annual Financial Report

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the accounting standards applicable and accurately reflect the assets, liabilities, financial position and earnings of the company and all the consolidated companies, and that the management report accurately reflects the changes in the business, earnings and financial position of the company and all the consolidated companies, while presenting the main risks and uncertainties faced by them.

Jérôme de Metz
Chairman of the Board of Directors

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