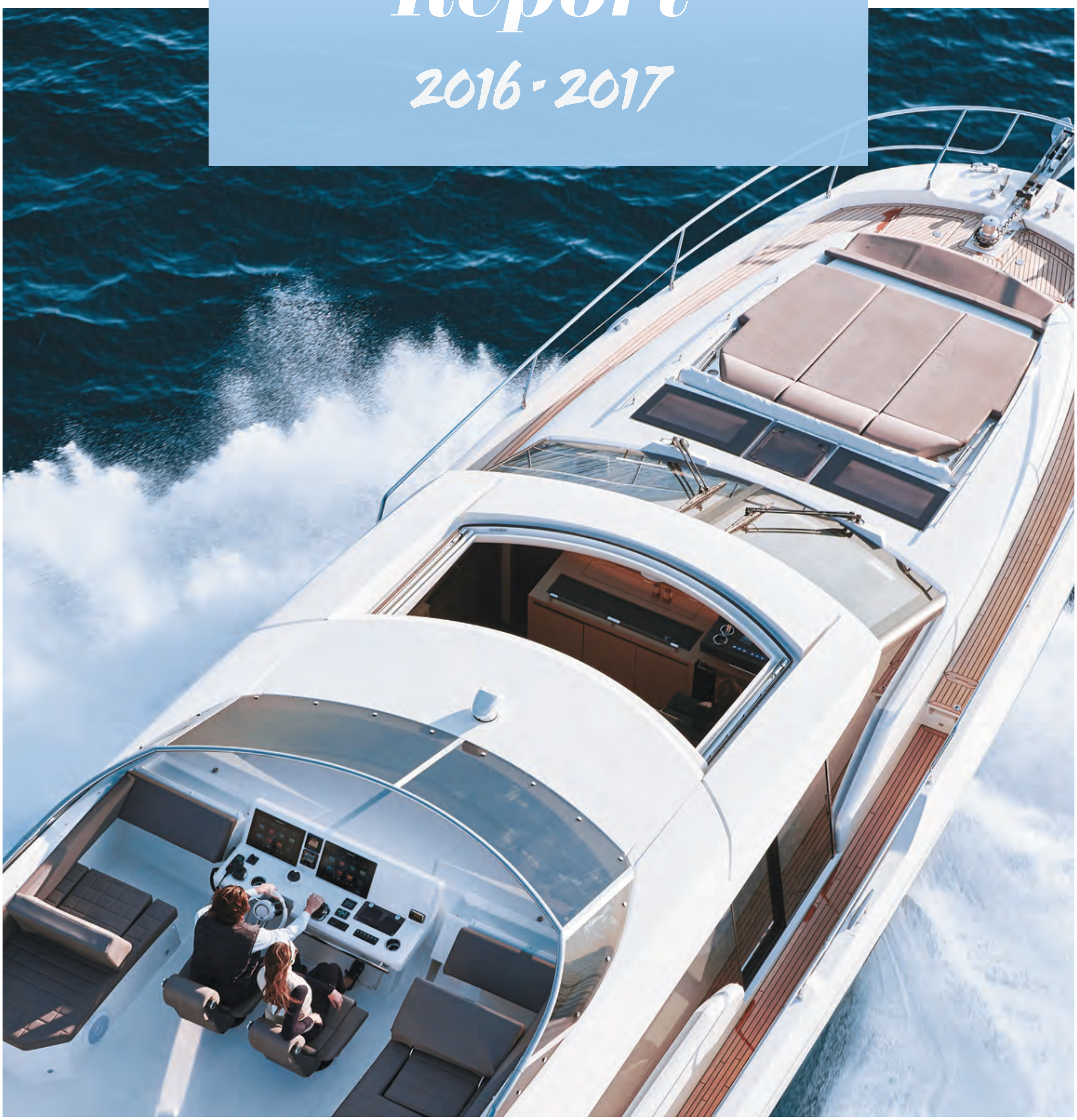
# Financial Report

## 2016 - 2017



GROUPE BENETEAU

GROUPE BENETEAU

# Annual Financial Report 2016 2017.

## Combined General Meeting
## February 9, 2018

BENETEAU S.A. - French limited company (Société Anonyme)
with Management and Supervisory Boards. Share capital: €8,278,984
Registered office: Les EMBRUNS - 16, boulevard de la Mer - 85803 SAINT-GILLES-CROIX-DE-VIE - France
La Roche-sur-Yon trade and company register: B487 080 194-APE code: 6420Z
Financial year: September 1 to August 31

To embody its transformation, Groupe Beneteau's visual identity evolved in 2017. The new logo is built around the flagship symbol that unites our brands together and conveys our values of passion, heritage, conquest and daring.

GROUPE BENETEAU

# Contents

# Management and supervisory bodies

## Supervisory Board

**CHAIRMAN**
Yves Lyon-Caen

**VICE-CHAIRMAN**
Louis-Claude Roux

Annette Roux
Catherine Pourre
Yvon Bénéteau*
Claude Brignon
Luc Dupé*
Jean-Pierre Goudant
Christian de Labriffe*
Anne Leitzgen

* Observer

## Management Board

**CHAIRMAN**
Hervé Gastinel

Carla Demaria
Christophe Caudrelier
Jean-Paul Chapeleau

## Statutory Auditors

**COMPAGNIE RÉGIONALE DE POITIERS**
Atlantique Révision Conseil

**COMPAGNIE RÉGIONALE DE VERSAILLES**
KPMG Audit
Department of KPMG S.A.

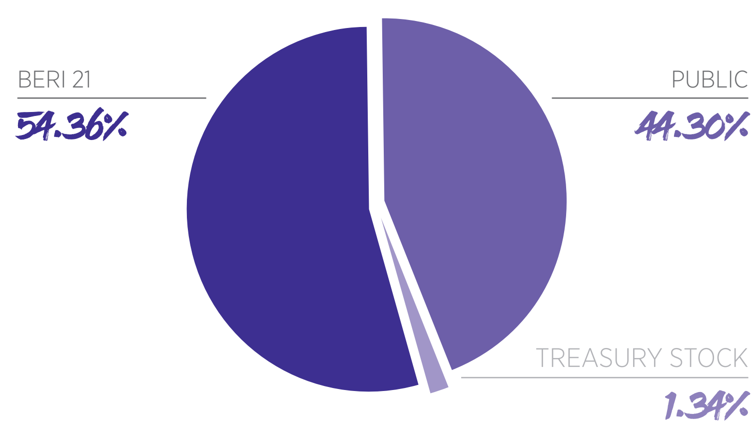
# Beneteau and the stock market

## Share capital

**82,789,840** shares with a par value of **€0.10**

Share capital: **€8,278,984**

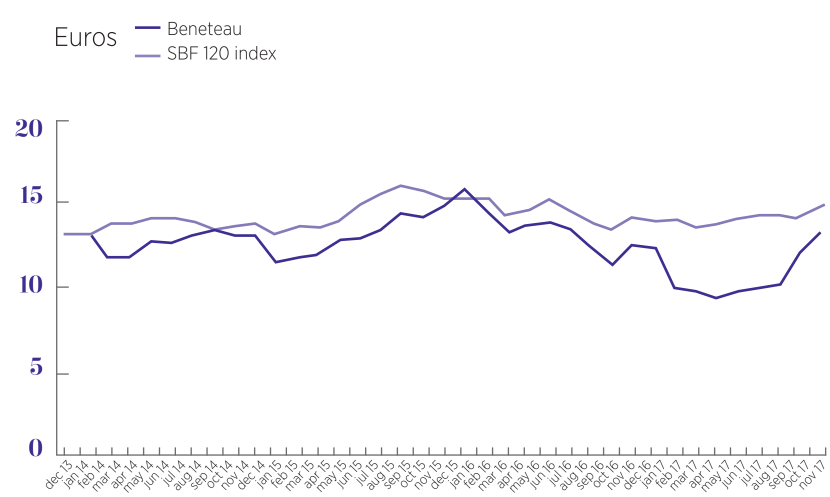
At August 31, 2017, BERI 21, a limited company owned by the family group, held 54.36% of Beneteau S.A.'s capital.
To the best of our knowledge, one shareholder holds more than 5% of Beneteau S.A.'s capital:
the Franklin Ressources Inc fund with 11.4978%




## 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 |

## Change in Beneteau's share price



# *Groupe Beneteau*

Groupe Beneteau closed out FY 2016-17 with solid performances linked to the good level of sales across its two divisions in dynamic markets, as well as the first results of the Transform to Perform plan:

- Boats: business is up 12.2% at constant exchange rates, the third consecutive year of good growth. This progress has been built around a reinforced and diversified offering, effectively aligned with the demands of markets with positive trends in Europe and North America.
- Housing: business closed out the year up 5.8%, with a very significant improvement in margins on dynamic markets in France and neighboring countries.

Reported net income came to €60.1 million.

The Group's consolidated net cash represents €109.6 million.

## 1. Division business and earnings

KEY INDICATORS FOR EACH BUSINESS

| €M | 2016-17 | 2015-16 | Year-on-year change (reported data) | Year-on-year change (constant exchange rates) |
|---|---|---|---|---|
| **Revenues** | **1,208.3** | **1,083.5** | **+11.5%** | **+11.2%** |
| • Boats | 1,025.5 | 910.7 | +12.6% | +12.2% |
| • Housing | 182.8 | 172.8 | +5.8% | +5.8% |
| **Income from ordinary operations** | **85.6** | **43.6** | **+96.1%** | - |
| • Boats | 78.9 | 46.0 | +71.3% | - |
| • Housing | 6.7 | -2.4 | NA | - |
| **EBITDA*** | **152.9** | **117.2** | **+30.5%** | - |
| **Net income (Group share)** | **59.7** | **24.8** | **+140.8%** | - |

*EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges and depreciation charges - See details in point III – Financial structure

## 1. Boat business

At constant exchange rates, the Boat business' full-year revenues climbed to €1,025.5 million for FY 2016-17, up +12.6% year-on-year.

| €M | 2016-17 | 2015-16 | Year-on-year change (reported data) | Year-on-year change (constant exchange rates) |
|---|---|---|---|---|
| Revenues | 1,025.5 | 910.7 | +12.6% | +11.2% |
| **Income from ordinary operations** | **78.9** | **46.0** | **+71.3%** | - |
| **EBITDA*** | **140.2** | **112.9** | **+24.2%** | - |

*EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges and depreciation charges - See details in point III – Financial structure

Full-year **revenues** for the Boat business are up +12.6% year-on-year and +12.2% at constant exchange rates.

**Income from ordinary operations** shows very strong growth, up +71.3%, buoyed by the product mix and volume effect. The first results of the transformation actions rolled out within the *Transform to Perform* plan, particularly for developing new products and adapting production facilities, have enabled the Group to significantly improve its operational profitability. Illustrating this, income from ordinary operations is up to €78.9 million.

| SPBI (Chantier Beneteau - Chantier Jeanneau - BJTechnologie) | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 679.2 | 630.5 | 576.2 | 507.1 | 511.7 |
| Operating income (€M) | 44.7 | 31.2 | 8.2 | (4.6) | (7.9) |
| Net income (€M) | 36.0 | 22.8 | 14.9 | (8.1) | (8.6) |
| Average headcount | 4,019 | 3,934 | 3,426 | 3,474 | 3,589 |

| Beneteau Inc* | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (USD M) | 324.6 | 300.3 | 295.6 | 192.8 | 117.6 |
| Operating income (USD M) | 3.5 | (5.9) | (0.5) | 11.1 | 5.4 |
| Net income (USD M) | 0.9 | (4.9) | (1.2) | 6.5 | 3.7 |
| Average headcount | 697 | 685 | 597 | 651 | 174 |

* Including Rec Boat Holdings LLC, acquired in June 2014 by Beneteau Inc. Exchange rate at August 31, 2017: €1 = 1.1825 USD. Average exchange rate over the year: €1 = 1.0987 USD

From the year ended August 31, 2013, the accounts of the American subsidiaries (BGM, Beneteau America Inc, Jeanneau America Inc and Beneteau Inc) have been presented on a consolidated basis.

| Ostroda Yachts | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (PLN M) | 322.1 | 287.6 | 233.3 | 209.9 | 216.2 |
| Operating income (PLN M) | 25.3 | 23.9 | 7.0 | 4.5 | 3.5 |
| Net income (PLN M) | 23.1 | 16.8 | 10.1 | 7.2 | 10.4 |
| Average headcount | 742 | 677 | 617 | 575 | 595 |

Exchange rate at August 31, 2017: €1 = 4.2582 PLN. Average exchange rate over the year: €1 = 4.2974 PLN

| CNB | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 236.4 | 187.3 | 156.6 | 144.8 | 124.8 |
| Operating income (€M) | 30.8 | 21.5 | 14.3 | 9.9 | 7.1 |
| Net income (€M) | 17.4 | 12.2 | 8.5 | 5.7 | 4.3 |
| Average headcount | 854 | 745 | 457 | 436 | 437 |

| Monte Carlo Yachts | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 69.1 | 70.6 | 58.1 | 48.9 | 37.2 |
| Operating income (€M) | 4.3 | 4.6 | 2.1 | (0.7) | (0.3) |
| Net income (€M) | 3.1 | 3.6 | 4.1 | 2.2 | (1.1) |
| Average headcount | 344 | 261 | 220 | 196 | 170 |

### 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.

| Beneteau Brasil: Construçao de Embarcaçoes sa | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (BRL M) | 16.4 | 9.8 | 13.9 | 12.2 | 12.3 |
| Operating income (BRL M) | (5.0) | (5.6) | (3.5) | (5.1) | (9.4) |
| Net income (BRL M) | (8.3) | (2.1) | (15.5) | (5.6) | (14.0) |
| Average headcount | 5 | 30 | 31 | 41 | 35 |

Exchange rate at August 31, 2017: €1 = 3.7410 BLR. Average exchange rate over the year: €1 =3.5295 BLR

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

**Beneteau Brasil Promoçoes e Commercializacao de Embarcaçoes Ltda** was merged into the company Beneteau Brasil Construcao de Embarcacoes Sa in FY 2016-17.

**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.

| Beneteau Italia srl | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 0.1 | 0.8 | 0.9 | 0.7 | 0.8 |
| Net income (€M) | (0.1) | 0.0 | 0.2 | - | - |
| Average headcount | 0.0 | 2.0 | 2.0 | 2.0 | 3.0 |

| Jeanneau Italia srl | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 0.7 | 0.6 | 0.6 | 0.4 | 0.4 |
| Net income (€M) | 0.1 | 0,0 | 0.0 | - | - |
| Average headcount | 1 | 1 | 1 | 1 | 2 |

| Beneteau Group Asia (ex Jeanneau Asia Pacific) | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (HKD M) | - | - | - | 0.0 | 0.0 |
| Net income (HKD M) | 0.1 | 0.1 | - | (0.1) | 0.2 |
| Average headcount | 11 | 4 | 3 | 2 | 1 |

Exchange rate at August 31, 2017: €1 = 9.2526 HKD. Average exchange rate over the year: €1 = 8.5437 HKD

## 2. Housing business

| €M | 2016-17 | 2015-16 | Year-on-year change |
|---|---|---|---|
| **Revenues** | **182.8** | **172.8** | **+5.79%** |
| • Leisure homes | 173.8 | 160.8 | +8.07% |
| • Residential housing | 9.1 | 12.1 | -24.72% |
| **Income from ordinary operations** | **6.7** | **-2.3** | **NA** |
| • Leisure homes | 9.2 | 0.8 | +1,018.87% |
| • Residential housing | -2.5 | -3.2 | NA |
| **EBITDA*** | **12.6** | **4.3** | **+194.9%** |

*EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges and depreciation charges - See details in point III – Financial structure

The Leisure Homes Division is benefiting from the good season recorded by its campsite customers, ensuring positive market trends with investment and the renewal of leisure home facilities.

**Leisure homes**

This division has made very strong progress with income from ordinary operations, up to +€9.2 million, thanks to its rapid turnaround of operational performances, its improved product mix and its effective management of margins.

**Residential housing**

The business has been effectively shut down with the successful completion of the various projects underway. Industrial facilities have also been successfully converted to meet the requirements of the Leisure Homes business.

| BIO Habitat* | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|---|---|---|---|---|---|
| Revenues (€M) | 175.9 | 165.5 | 137.7 | 15.4 | 14.0 |
| Operating income (€M) | 13.1 | 2.2 | 4.1 | 0.2 | 0.2 |
| Net income (€M) | 7.0 | 1.4 | 3.8 | 0.1 | 0.1 |
| Average headcount | 938 | 979 | 745 | 93 | 108 |

* Effective retroactively to September 1, 2014, the companies IRM and O'HARA were merged within Bio Habitat.

| O'Hara | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | - | - | - | 63.8 | 64.4 |
| Operating income (€M) | - | - | - | 1.2 | 3.6 |
| Net income (€M) | - | - | - | 0.6 | 2.1 |
| Average headcount | - | - | - | 277 | 287 |

| IRM | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | - | - | - | 86.6 | 95.3 |
| Operating income (€M) | - | - | - | 2.9 | 4.1 |
| Net income (€M) | - | - | - | 2.5 | 3.0 |
| Average headcount | - | - | - | 449 | 462 |

The company **O'Hara Vacances** was merged into Bio Habitat, with all its assets and liabilities transferred to Bio Habitat on January 20, 2017.

| Bio Habitat Italia | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 11.2 | 11.5 | 11.3 | 7.5 | 12.2 |
| Operating income (€M) | (0.2) | (0.9) | (0.6) | (0.5) | (0.1) |
| Net income (€M) | (0.5) | (1.0) | (0.7) | (0.5) | (0.2) |
| Average headcount | 65 | 44 | 36 | 36 | 39 |

| BH | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 10.2 | 13.4 | 16.7 | 17.3 | 20.4 |
| Operating income (€M) | (2.8) | (3.2) | (3.5) | (3.9) | (4.6) |
| Net income (€M) | 0.0 | (2.5) | 0.1 | 0.1 | (0.1) |
| Average headcount | 72 | 104 | 100 | 95 | 105 |
| Of which, debt write-off granted by Beneteau S.A. | 0.0 | (7.2) | (3.9) | (4.0) | (4.7) |

| BH Services | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---|---|---|---|---|
| Revenues (€M) | 1.3 | 1.9 | 2.0 | 2.1 | 2.6 |
| Operating income (€M) | 0.0 | 0.0 | (0.0) | - | - |
| Net income (€M) | 1.8 | (1.9) | - | - | - |
| Average headcount | 26 | 24 | 27 | 27 | 27 |
| Of which, debt write-off granted by Beneteau S.A. | (1.5) | - | - | - | - |

**Habitat d'avenir**

Habitat d'avenir, whose mission is to support BH for marketing its timber-frame houses, is consolidated on an equity basis until August 31, 2016. The company was liquidated during the year ended August 31, 2017.

**SGB Finance**

SGB Finance, a financing company, is consolidated on an equity basis, with €4,670,000 in net income (Group share), versus €3,399,000 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 €79.7 million. It includes a €5.9 million non-current net expense corresponding primarily to the provision for depreciation of expenditure on the development of the Group's ERP (after the work and schedule were called into question for its deployment for the Boat business) and the unwinding of the restructuring costs provisioned for the Residential Housing business.

## 2. Financial income / expense

| €M | 2016-17 | 2015-16 |
| --- | --- | --- |
| Financial income (expense) | (4.4) | (5.4) |
| OF WHICH<br>• Exchange rate gains (losses) | (2.5) | (2.9) |
| • Interest expense net of investment income | (1.9) | (2.5) |

The €2.5 million 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, 2017, the foreign exchange hedging positions were as follows:

- USD 95,360,000 of forward sales at the following average rate: €1 for USD 1.13624
- PLN 129,461,000 of forward purchases at the following average rate: €1 for PLN 4.31538

## 3. Net income

Net income (Group share) came to €59.7 million.

The Group's net income includes the recognition of a €19.9 million tax expense, giving an effective rate of 26.4%. Restated for the impact of €2.3 million in losses not capitalized for subsidiaries, this rate comes out at 26.3%.

# 3. Financial structure

| €M | 2016-17 | 2015-16 | Year-on-year change (reported data) |
|---|---|---|---|
| **Income from ordinary operations** | **85.6** | **43.7** | **95.8%** |
| **Non-current operating income** | **(5.9)** | **(9.7)** | - |
| Depreciation | 71.4 | 62.7 | 13.8% |
| Provisions | 2.1 | 20.6 | (89.6%) |
| Other | **(0.3)** | **(0.1)** | |
| **EBITDA** | **152.9** | **117.2** | 30.5% |

| €M | 2016-17 | 2015-16 | Year-on-year change (reported data) |
|---|---|---|---|
| **Income from ordinary operations** | **85.6** | **43.7** | **95.8%** |
| **Non-current operating income** | **(5.9)** | **(9.7)** | - |
| Depreciation | 71.4 | 62.7 | 13.8% |
| Provisions | 2.1 | 20.6 | (89.6%) |
| Financial income (expense) | (4.4) | (5.4) | (18.9%) |
| Tax | (18.7) | (4.8) | - |
| Dividends from associates | 0.5 | 0.7 | - |
| Net value of assets sold | 0.8 | 0.1 | - |
| **Operating cash flow** | **131.4** | **107.8** | **21.9%** |
| Net cash flow from investments | (78.8) | (68.8) | 14.6% |
| Change in working capital | 49.9 | 32.5 | 56.6% |
| Other | (2.4) | 1.9 | - |
| Exchange gains or losses | 4.1 | (0.4) | 4.5% |
| Free cash flow | 104.2 | 73.0 | 43.7% |
| Dividends paid | (8.3) | (4.9) | 69.4% |
| Changes in treasury stock | 0.1 | (3.6) | - |
| **CHANGE IN NET CASH** | **96.0** | **64.5** | **48.8%** |
| Opening net cash position[1] | 13.6 | (51.0) | - |
| Closing net cash position[1] | 109.6 | 13.6 | - |

[1] After financial debt (associate current accounts and finance-lease borrowings)

The Group is reporting €131.4 million of **operating cash flow**, up +21.9% year-on-year. Following a €49.9 million improvement in working capital and €78.8 million of current investments, the Group recorded €109.6 million of positive net cash, compared with €13.6 million at the end of FY 2015-16.

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 | 2016-17 | 2015-16 |
|---|---|---|
| Capital expenditure | 75.9 | 71.1 |
| Income from disposal of fixed assets | 0.8 | (1.1) |
| Change in fixed asset-related liabilities | 2.1 | (1.3) |
| Change in scope | 0.0 | 0.1 |
| **Net investments** | **78.8** | **68.8** |

# 4. Post-balance sheet events

No events likely to alter the presentation of operations for FY 2016-17 have occurred between the close of accounts and the date on which this report was prepared.

# 5. Outlook

**In FY 2017-18, the Transform to Perform plan will continue moving forward, with actions focusing in priority on:**

- Deployment of safety, quality, industrial efficiency and common platform plans
- Sustained product investment to guarantee a reinforced and innovative product offering
- Sustained investment in industrial capacity (multihull, outboard, American boats)
- International commercial development, particularly for North America (American brands) and the large yacht segment (multihull and motor)
- Industrial transformation (plant of the future)
- Development of the range of digital services offered

**Initial market trends for the autumn shows**

**BOAT BUSINESS**

The atmosphere has been positive at the season's first shows in Europe and this looks set to continue in the US. These markets are expected to see their positive trends continue. There has been strong demand from professional charter firms, further strengthened by the weather-related phenomena affecting the Caribbean and United States. This is reflected in early growth with the order book.

**HOUSING BUSINESS**

The good 2017 season for French campsite professionals is a positive sign for the leisure homes sector. Our customers have planned ahead for their orders, maintaining the rate of progress seen at the end of the previous season.

# 6. Corporate social responsibility

### Our fundamentals: our values

The principles of Corporate Social Responsibility and Sustainable Development are an integral part of the Transform to Perform plan, which sets out Groupe Beneteau's growth strategy and objectives for 2017-2020. Underpinned by the values of respect for heritage, team spirit, daring to push boundaries and conquest, the Group is able to count on solid foundations for sustainable development, which are also an integral part of its genetic make-up: quality, safety, resources, energy efficiency, know-how and transmission.

Groupe Beneteau is a family group that was founded in 1884. The organization's strength is built around its deep roots and its strong company culture that promotes respect, mutual help and integrity with its employees and partners. Aware of the rich human resources and unique know-how developed in its historically important regions like the Vendée and, for the past 30 years, Bordeaux in France, as well as the United States, the Group is committed to maintaining jobs, while moving forward with its international development. Wherever it operates, the Group strives to promote its rich internal resources, while valuing experience and continuous training.

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, closely aligned with their expectations. This same commitment to its customers guides the teams in the Leisure Homes Division today. Creating new trends and constantly looking for new ideas, the Group is always innovating and looking to anticipate customers' needs, working with passion to create tomorrow's solutions.

### Fresh momentum with the Transform to Perform plan

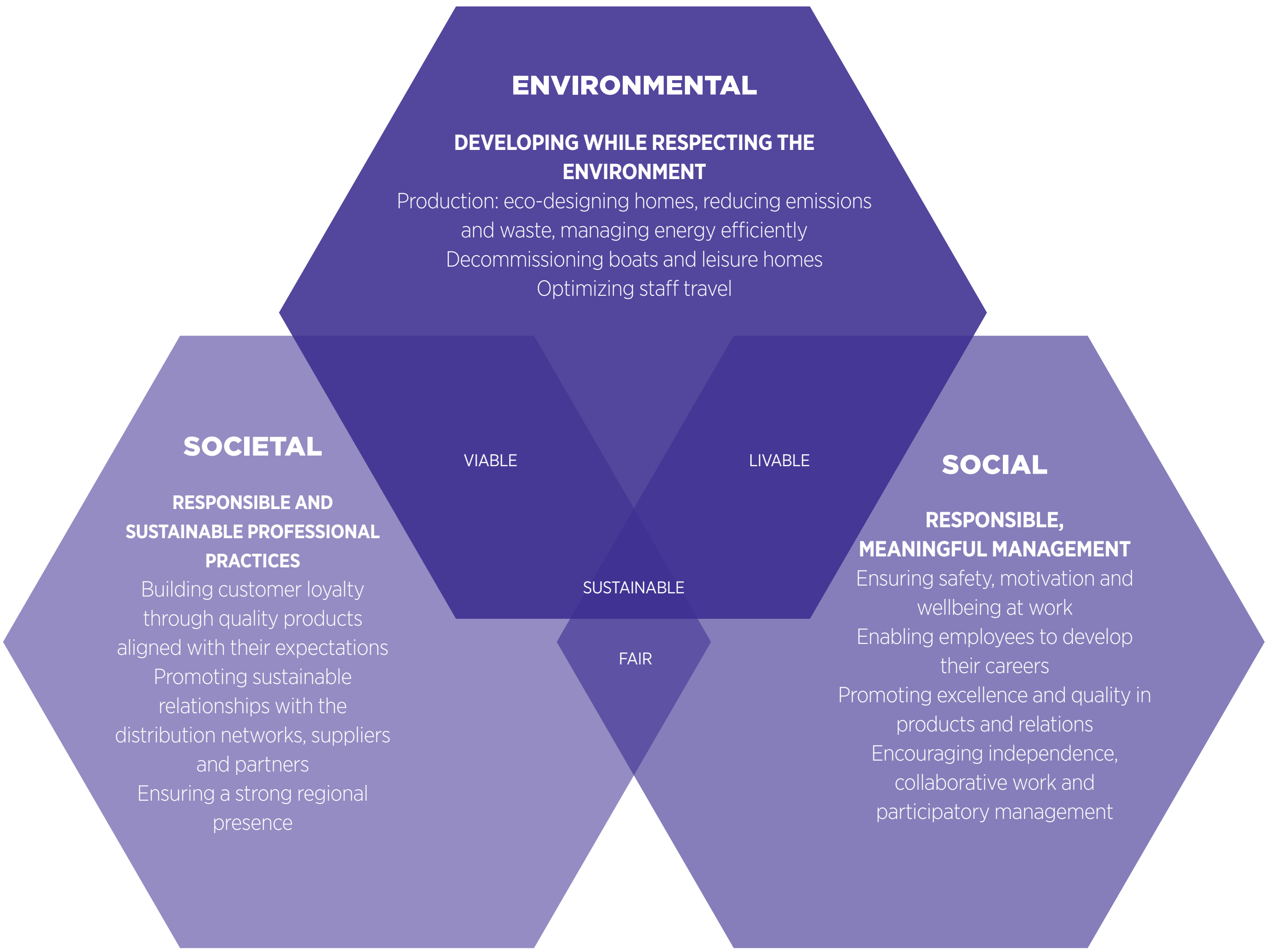
Aiming to ensure the Group's sustainable and profitable growth for its two business lines - Boats and Leisure Homes, the three-year Transform to Perform plan sets the Group's strategic heading for 2020 and has driven the deployment of a number of positive transformation projects within the company and its subsidiaries. Transform to Perform reflects the executive leadership team's commitment to engaging all the Group's employees and partners within a dynamic change approach, making it possible to further strengthen its collective performance and agility within a changing and demanding economic and societal environment.

The objective for sustainable growth is built around three key areas: continuing with the Group's international development, further strengthening its range of products and services, and improving industrial performance, in order to ensure an effective response to our customers' needs and the opportunities on the market.

The objective for profitable growth is not focused exclusively on financial aspects. It includes developing the Group's capacity for continuous improvement and the ability of the management team and employees to generate the changes required to improve the way it operates.

The Group encourages a transversal approach and collaborative work by enabling staff to share their rich knowledge and experience gained through transversal projects, by developing the sharing of best practices and by adapting its working methods and tools in order to facilitate collaborative work.

**Pillars for our Sustainable Development policy**



## 1. Commitment to employees

The *Transform to Perform plan* includes a major HR and managerial component. To respond to growth in its business and the transition between generations, Groupe Beneteau has developed new recruitment actions, notably promoting the hiring of young people through apprenticeships and work-based training programs. Establishing safety as a non-negotiable value, the Group has deployed the BSAFE plan across all its activities. A series of actions are being rolled out to ensure workplace wellness and motivated staff through responsible, participatory and meaningful management: empowering all employees to develop their careers, organizing events to bring the teams closer together, consulting with staff through the in-house survey, and promoting collaborative work and independence.

### *1.1. Groupe Beneteau's men and women*

#### Group's workforce

The employee-related data presented in the CSR report concern the French scope, which includes all the French subsidiaries, fully consolidated, with an average headcount of over 20 people. For certain HR indicators, the scope has been extended to include the international subsidiaries: Poland from FY 2014-15, the United States from FY 2015-16 and Italy from FY 2016-17. The companies included in the CSR reporting framework (France, Poland, United States, Italy) represent 99.7% of the Group's total workforce at August 31, 2017, compared with 94.7% at August 31, 2016.

Unless specifically indicated otherwise, the HR indicators are presented for this CSR scope. The scope for each indicator is presented in a methodological procedure.

The impact of the change in scope is presented for each of the indicators concerned.

| Headcount at Aug 31 (permanent and fixed-term contracts) | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France [1] | 4,979 | 4,783 | 4,724 |
| Poland | 746 | 691 | 625 |
| United States | 702 | 662 | - |
| Italy | 329 | - | - |
| **Headcount CSR scope** | **6,756** | **6,136** | **5,349** |
| **Headcount - Group** | **6,778** | **6,479** | **6,328** |

[1] Since FY 2015-16, the French scope has included the company BH Services and expatriate staff

The Group's headcount for the French scope increased from 4,783 staff at August 31, 2016 to 4,979 at August 31, 2017. This 4% increase in staffing levels for the French scope is linked to the upturn in business for the Boat division, which can also be seen globally, with the total consolidated headcount up from 6,479 staff at August 31, 2016 to 6,778 at August 31, 2017.

| Breakdown of the workforce at August 31 CSR scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Permanent contracts | 93.7% | 95.1% | 95.5% |
| Fixed-term contracts | 6.3% | 4.9% | 4.5% |

In France, the Group uses fixed-term contracts very rarely, primarily in the production teams, and the majority of these positions are part of work-based training programs. At August 31, 2017, there were 107 work-based training contracts in place for the French subsidiaries, representing 81% of the staff on fixed-term contracts.

The slight growth in the number of fixed-term contracts this year is linked to the increase in activity levels in Poland and the increase in the number of young people on work-based training contracts at SPBI, up from 52 at August 31, 2016 to 76 at August 31, 2017.

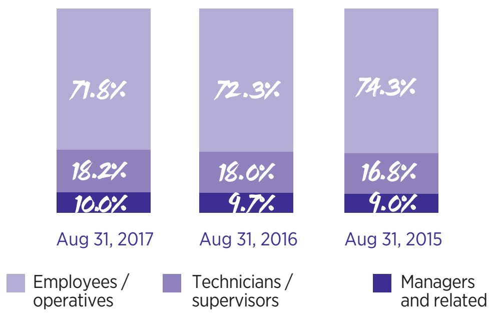
| Breakdown of the workforce at August 31 French scope Including temporary staff | 2016-17 |
|---|---|
| Permanent contracts | 4,847 |
| Fixed-term contracts | 132 |
| **Registered headcount** | **4,979** |
| Temporary staff | 571 |
| **Total headcount** | **5,550** |

Temporary staff are primarily recruited in the Group's plants. The process for welcoming temporary staff is similar to the process for permanent staff. When they join the Group, they follow a half-day induction program at the plant. During this half-day session, representatives from the human resources team and the health-safety coordinators present the site's organization and the various rules and guidelines in place, particularly in terms of safety. In addition, temporary staff working in the molding and assembly units take part in a specific one-day course provided by the technical training center.

The Group also carries out training actions prior to recruiting temporary staff, in partnership with local job support centers and temporary employment agencies in connection with the Operational Preparation for Collective Employment (POEC) program. Thanks to this approach, temporary staff receive training from an external training organization six to seven weeks before they are scheduled to join the Group. The content of these training programs is approved upstream by the human resources teams, with support from the technical training center. The training actions provided this year through this approach focused on three professions: laminating-draping, gelcoat repairs and use of digital machines.

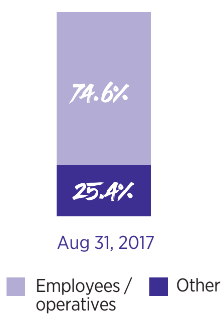
## Breakdown of the workforce by status and age range

### Breakdown of the workforce by status - French scope




To promote stable employment, the majority of the Group's employment contracts are for permanent positions. Fixed-term contracts are primarily used in the production teams.

### Breakdown of the workforce by status

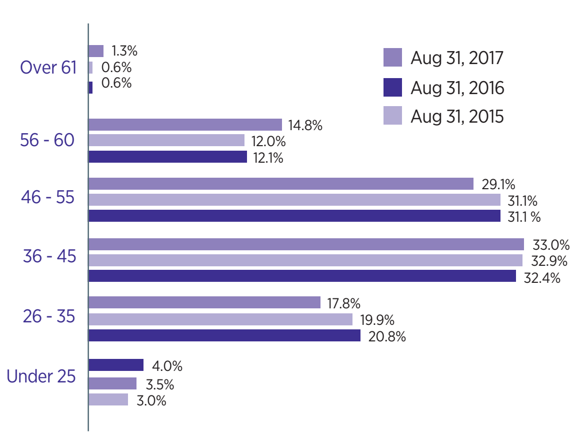



The "other" category includes technicians, supervisors and managers.

Considering the industrial nature of the Group's activities, employees and operatives account for a majority of the total workforce.

However, the number of technicians, supervisors and managers has increased over the past two years linked into the structuring of operations.

### Breakdown of the workforce by age




Considering its stable workforce and high levels of seniority, particularly in the Boat business, the Group is able to count on experienced staff with strong levels of technical value-added, while ensuring that their know-how can be passed on.

Aware of the stakes involved in this area, the Group is rolling out initiatives to promote and encourage the transmission of know-how between generations, training up the younger generations, thanks in particular to a sustained policy to welcome young people on work-based training contracts. As part of these training programs, each young person is mentored by a more senior employee, with support from the Group's technical training center for certain activities, helping ensure that knowledge is effectively shared and handed down. To support the integration of young people on work-based training programs, the Group is further strengthening its presence alongside these young talents by organizing opportunities for meetings and exchanges. A day of speed dating recruitment interviews - INTERNSHIP SPEED DATING - was held in May 2017 at ICAM's site in La Roche-Sur-Yon. More than 250 young people looking for work-based training programs, with diverse training profiles - from undergraduate vocational certificates to engineering degrees - came along to present their motivations, backgrounds and aspirations to the Group's managers to be able to take up an internship with the Group.

## Key figures for INTERNSHIP SPEED DATING

**1** day of meetings and exchanges
**20** Group HR representatives and managers heading out to meet young people
**250** interns during the day
**59%** of interns recruited


The number of young people recruited on work-based training contracts increased by 16% during the year, with further progress expected next year, particularly in the Boat business.

### Work-time organization

| French scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Percentage of part-time staff | 5.7% | 6.9% | 7.3% |
| Staff working in shifts or overnight for at least 30 days | 825 | 882 | 770 |
| Staff working nights | 140 | - | - |

| CSR scope | 2016-17 |
|---|---|
| Percentage of part-time staff | 4.5% |

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.

The level of part-time positions within the Group remains low and is based exclusively on a voluntary approach.

### Absenteeism

| Absenteeism rate - French scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Illness | 6.33% | 6.29% | 5.62% |
| Occupational accidents / illnesses | 1.91% | 2.20% | 2.25% |
| Other [1] | 0.39% | 0.26% | 0.33% |
| **Absenteeism rate – French scope** | **8.63%** | **8.75%** | **8.20%** |

| Absenteeism rate - CSR scope | 2016-17 |
|---|---|
| Illness | 5.80% |
| Occupational accidents / illnesses | 1.42% |
| Other [1] | 0.39% |
| **Absenteeism rate – CSR scope** | **7.61%** |

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

The absenteeism figures include absences resulting from illness, occupational illnesses, occupational accidents, which include accidents travelling to and from work, as well as maternity leave, leave for personal reasons and unjustified absences.

The BSAFE plan, rolled out since last year, has made it possible to significantly reduce the frequency of accidents and therefore the absenteeism rate relating to occupational accidents and illnesses in production facilities.

The Group is looking into solutions to reduce the absenteeism rate linked to illnesses and making it easier for staff on long-term leave to return to work. In partnership with a specialist company, the human resources teams at SPBI are currently working to set up interviews for welcoming these staff back to work.

## *1.2. Recruitment, turnover and internal mobility*

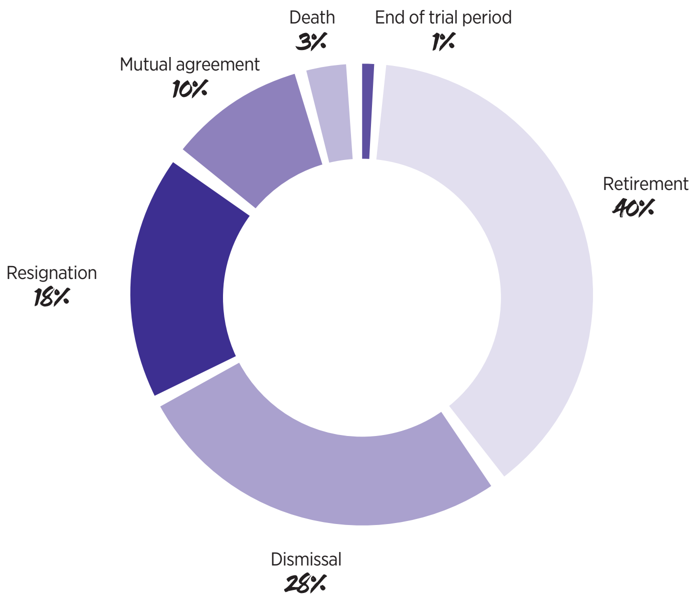
| Changes in the workforce - French scope[1] | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Recruitments on permanent contracts | +403 | + 244 | +118 |
| Departures of permanent contracts | -241 | - 260 | - 217 |
| Change in scope | 0 | + 48 | 0 |
| **Change in workforce on permanent contracts** | **+162** | **+ 32** | **- 99** |
| Recruitments on fixed-term contracts | + 144 | + 111 | + 89 |
| Departures of fixed-term contracts | - 110 | - 84 | - 65 |
| Change in scope | 0 | 0 | 0 |
| **Change in workforce on fixed-term contracts** | **+ 34** | **+ 27** | **+ 24** |

[1] For FY 2015-16, the French scope includes the company BH Services.

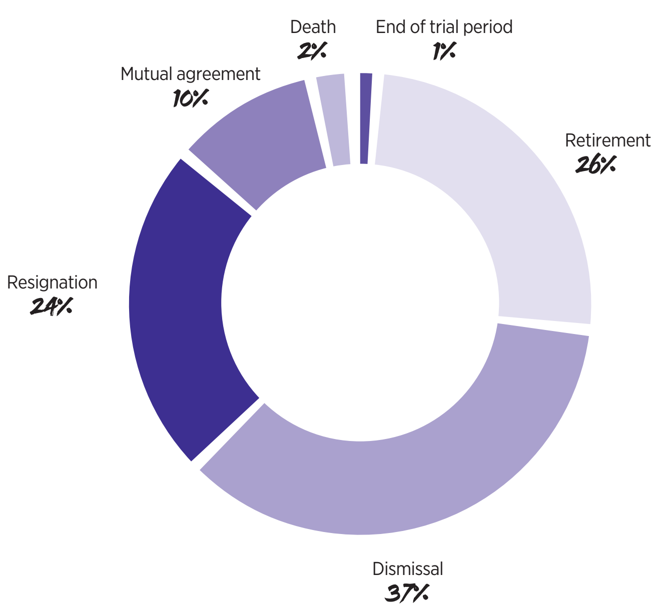
| Changes in the workforce - CSR scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Recruitments on permanent contracts | + 628 | + 405 | + 136 |
| Departures of permanent contracts | - 417 | - 373 | - 240 |
| Change in scope | + 281 | + 693 | + 462 |
| **Change in workforce on permanent contracts** | **+ 492** | **+ 725** | **+ 358** |
| Recruitments on fixed-term contracts | + 363 | + 270 | + 250 |
| Departures of fixed-term contracts | - 271 | - 208 | - 151 |
| Change in scope | + 36 | 0 | + 93 |
| **Change in workforce on fixed-term contracts** | **+ 128** | **+ 62** | **+ 192** |

The CSR scope includes the French scope and Poland for 2014-15, extended to include the United States in 2015-16 and Italy in 2016-17. As such, the figures cannot be compared for the various years.

**Reasons for departures - Permanent staff French scope**




**Reasons for departures - Permanent staff CSR scope**




For the French scope, the progress made with recruitments on permanent contracts in 2015-16 was ramped up in 2016-17. This increase is linked directly to the growth in business and the generational transition.

This trend is expected to continue ramping up in 2017-18. To ensure an effective response to retirements, while stabilizing the workforce and developing its in-house skills, the Group has launched a policy to recruit staff for permanent positions. The plan to hire 180 staff on permanent contracts at SPBI's production sites, as announced during the mandatory annual negotiations in 2016, has led to the recruitment of 211 operators, with the majority following a temporary contract. Building on the commitments made in 2016, SPBI's management team has rolled out a new employment plan, making commitments during the 2017 mandatory annual negotiations to create a further 40 permanent positions, in addition to retirements and other departures at the production sites.

We can also see a 30% increase in the number of staff recruited on fixed-term contracts for the French scope, primarily with SPBI. Among other factors, this increase reflects the development of work-based training contracts during the year. SPBI recruited 37 trainees on work-based programs this year, compared with 31 the previous year. This trend will be confirmed in 2017-18, with 57 staff expected to be recruited on work-based training contracts.

| Turnover rate | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France | 2.83% | 3.31% | 3.07% |
| CSR scope | 4.78% | 4.37% | 3.18% |

For the French scope, the turnover rate is less than 3%. This low level of turnover, kept effectively under control, reflects the loyalty of our staff.

### Internal mobility

The development of training programs and internal mobility are core components within the positive transformation plan. That is why Groupe Beneteau is working to put in place a series of processes to promote and encourage internal mobility.

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. Illustrating this, internal candidates accounted for 17% of recruitments for the French scope this year, compared with 15% last year.

In connection with the job protection plan launched in January 2017, covering 73 of the 106 staff from the BH site in La Chaize-le-Vicomte, the management team made a commitment to offer opportunities for their in-house redeployment in the Vendée region. In line with this commitment, 35 staff, representing 48% of the workforce concerned, have been redeployed internally within Bio Habitat and SPBI. To date, 26 staff have not accepted their proposals for redeployment and have been made redundant.

## *1.3 Supporting workplace health and safety*

### Occupational health and safety organization and policy

The Group's health and safety policy is defined by a Group steering committee made up of three Health-Safety-Environment (HSE) managers from the French business units (SPBI, CNB and the Housing business), Human Resources and the executive leadership team. This committee meets once a month to take stock of the actions underway and set the main focus areas for the occupational health and safety policy.

This policy is rolled out in each subsidiary, during monthly production meetings with all the plant directors, support teams and the HSE manager for the Boat business, and during meetings of the health-safety-environment committees, made up of the executive management team, support teams and the HSE manager, for the Housing business.

In the facilities, the health-safety policy is rolled out by safety-environment correspondents at all the Boat business production sites in France, and by health-safety coordinators in most of the Housing business facilities. Meetings are organized, every two months, between these local correspondents and the central HSE team to review any workplace accidents that have occurred in the facilities, as well as core actions covering all the sites and changes in the regulatory framework.

Each production site also has a dedicated health, safety and working conditions committee. Today, the Group has nearly 20 health, safety and working conditions committees, which are supporting the facilities to improve their workplace conditions and accident prevention. In addition to the traditional industrial methods teams, the Group has employed two occupational physicians and two ergonomists. The Group also works with the occupational health prevention services (CARSAT, UIMM, Service de Santé au Travail) on specific issues, such as chemical risks, working at heights, photometry and dosimetry. All the Boat business production sites and two of the Housing sites have taken part in the TMS PRO program launched by the CARSAT occupational health and retirement fund.

The two US sites - Marion and Cadillac - have a safety committee made up of around 20 staff volunteers (employees, supervisors, managers, safety officers and directors) which meets up every month or two months to review safety issues. The Cadillac site also has a part-time nurse.

In Poland, the safety policy is led by the health and safety department, which reports to the leadership team. Working conditions, the monitoring of accidents and the application of safety guidelines are assessed by a dedicated union representative.

In Italy, the safety policy at Monte Carlo Yachts has been completely reviewed in connection with the rollout of its health-safety project, led by a committee made up of the executive management team and various managers. It is now organized in line with lean management principles, with weekly and monthly meetings hosted by the HSE manager.

### Accident frequency figures[1]

| Frequency rate[3] | 2016-17 | 2015-16 |
|---|---|---|
| French scope | 29.8 | 43.2 |
| CSR scope[2] | 22.2 | 32.7 |

| Severity rate[3] | 2016-17 | 2015-16 |
|---|---|---|
| French scope | 1.26 | 2.17 |
| CSR scope[2] | 0.92 | 1.63 |

| Number of days of absence due to occupational illness | 2016-17 | 2015-16 |
|---|---|---|
| French scope | 14,410 | 14,805 |

[1] Exclusively for companies with production activities.
[2] In addition to the French scope, the CSR scope includes Poland for FY 2014-15, Poland and the United States for FY 2015-16, and Poland, the United States and Italy for FY 2016-17.
[3] The data concerning time worked has been recalculated for FY 2015-16 to ensure better consistency with the data for FY 2016-17.

### BSAFE safety action plan

The BSAFE safety action plan, put in place by the executive management team in FY 2015-16, has made it possible to significantly reduce the frequency of accidents. Initially deployed at SPBI, this plan was extended this year to include CNB and the Housing business in France, as well as the Marion and Cadillac plants in the US.

To support it with its approach, the Group has called on a specialist organization with an established track record in the safety sector.

**BSAFE PLAN OBJECTIVE**

Establishing safety as a core value for the Group and halving the number of occupational accidents by working on organizational aspects and changing behaviors.

It is focused on the following six core areas.

**1. Training up the leadership team**

The BSAFE action plan is based on engaging the management team in accident prevention.

Within this framework, all managers benefit from a two-day training course on the safety dialogue tool and understanding the mechanisms behind accidents.

To date, the training programs have been rolled out for all the managers from SPBI and the Housing companies and nearly half the managers from CNB. Since July 2016, nearly 500 managers from the Group's French companies have been able to benefit from these training programs.

Training is also underway for managers at the US plants.

**2. Raising employee awareness**

The BSAFE approach was presented to all employees during the staff meetings held in November 2016. This presentation, led by SPBI's HSE manager, was combined with a time for discussions with a plant director and a molding operator, who shared their perspectives on the safety dialogue approach.

There are also plans for actions to raise awareness for all employees, temporary staff and interns from SPBI's support and production teams. These will be based on half-day training sessions led by dedicated correspondents from October 2017. To acquire the training approach needed for the deployment of these half-day training sessions, these correspondents - plant directors, human resources managers, continuous improvement manager - are given training beforehand over two days. Training for the 52 dedicated correspondents was finalized in September 2017.

Alongside these training programs, the Group has put in place targeted communications actions:

- Deployment of 12 specific posters at all the sites,
- Creation of fun moments to highlight safety achievements, with recognition for teams reaching 500 or 1,000 days without a workplace accident.


*BSAFE poster*

*BSAFE jackets given out to recognize 1,000 days free from workplace accidents*

**3. Working upstream from production**

*With the design teams*

In connection with the deployment of the BSAFE plan, initiatives are rolled out for the design and methods teams to build their awareness of the application of ergonomic best practices for boat design. A virtual operator has been integrated into the 3D designs to identify and reduce areas that are not ergonomically comfortable for operators.

*With the procurement teams*

Work is also being carried out with the procurement teams to identify and resolve difficulties escalated by the plants (size or weight of certain products, delivery methods with potential safety issues, etc.).

**4. Adopting long-term budgets**

Safety investments, excluding new projects and continuous improvement, came to over €2 million this year for SPBI and Housing sites. For the Boat business, these investments focused on refurbishing the resin spraying machines.

These investments aim to eradicate the risks and put in place collective protection actions before the use of individual protective equipment. Alongside this, the Group is investing in individual protective equipment. For SPBI alone, investments in individual protective equipment came to almost €1.6 million this year.

**5. Drawing up and clarifying guidelines**

In the Boat business, 10 golden safety rules were defined, written up and presented at all the sites this year. These rules are systematically presented during induction days for new arrivals.

Alongside this, specific safety guidelines for the use of certain machines and individual protective equipment have been drawn up and distributed to each of the users concerned. Mandatory internal certifications have been set up for the use of machines classed as risky, such as trimming units and sanders.

In the Housing business, safety standards have been drawn up and approved by all the team managers and directors.

### 6. Eradicating technical risks

The BSAFE plan is based around safety dialogue sessions, which represent a tool for observing and reviewing safety.

Safety dialogue sessions involve two managers, trained up on the approach, observing the work carried out by an operator, notified beforehand, for around 15 minutes, under standard operational conditions. Following this observation stage, the managers present their findings (positive points, areas for improvement). Following the safety dialogue session, simple actions are rolled out immediately and mutual commitments are mapped out for the behavior and actions to be developed over the medium term (deferred action). The Group has set itself a target to ensure that all operators are able to benefit from one safety dialogue review each year.

For FY 2016-17, 4,000 safety dialogue reviews were carried out at the Group's plants in France. To date, 67% of the deferred actions (adjustment of stairs, stepladders, repositioning of inconvenient parts) have been completed for the Boat business, with 25% for the Housing business.

Since April 2017, staff from the commercial sites who make frequent business trips have also been able to benefit from a training program based on the observation of their behavior on the road in order to reduce the level of accidents while on missions.

## Staff training

Alongside this plan, the Group has identified staff training - for employees, temporary staff and trainees - as a key focus for preventing occupational accidents and illnesses. This year, 17,922 hours of training, representing 36% of the total training time, focused on health and safety for the French scope, including 6,692 hours of training as part of the BSAFE action plan.

Safety awareness training is also provided for apprentices. Each year, a meeting with apprentices is hosted by SPBI's health, safety and environment manager, at the Maison Familiale de Saint-Gilles-Croix-de-Vie composites training center for apprentices during the first 15 days of their training, accompanied by mentors, to inform them about the safety guidelines for their activities. This approach to raise awareness will also be rolled out for trainees on work-based training programs.

In Italy, a specific training program has been mapped out working with an external firm in connection with the deployment of the safety action plan at the Monte Carlo Yachts plant. This program is based on two types of training: a general course lasting 8 to 20 hours for all staff at the plants and specific courses for the use of certain machines or processes. Over the past year, 230 people benefited from general training and 2,888 hours of training were provided.

In the US, alongside the training provided as part of the BSAFE plan, specific training programs are put in place for staff using certain machines such as forklift trucks, aerial platforms or cranes.

## Health and safety investments

The Group is also moving forward with its prevention actions, focused on:

**Working to replace chemical products**
All the Boat business sites are committed to using resins with low styrene levels to replace conventional resins. Following the Belleville site, which switched 100% of its production to a low-styrene resin last year, the Group is continuing to roll out this resin across the Poiré and Challans sites and is targeting 100% of production at SPBI sites by the end of 2019.

**Deploying collective protective measures (local exhaust ventilation)**
Local exhaust ventilation is used to limit the level of pollutants in the air by capturing them directly at or close to their source, making it possible to reduce employees' exposure to these pollutants. Ventilation units have been set up at the Boat business plants.

**Reducing manual load handling operations**
The Group is moving forward with its investments to reduce manual load handling operations. In the Boat business, SPBI has launched a project to refurbish the arms of its polyester machines, which are linked to a number of occupational illnesses, particularly among laminators. A €153,000 budget was invested to refurbish 64 machines this year. This investment will be maintained next year, with plans to cover 84 machines.

In Poland, electrical handling devices have been deployed to reduce the manual operations for towing boats and heavy loads from the warehouses.

In the US, an additional crane has been set up in the Cadillac plant's lamination unit.

*Handling equipment deployed at Ostroda Yacht*

*Spraying unit refurbishment - SPBI*

Since the start of the year, several continuous improvement projects have been launched by Bio Habitat's teams based on participatory working groups focused on safety and quality. All the projects are being led and carried out in collaboration with the people concerned from the plants. Thanks to exchanges of best practices between operators from the Givrand and Luçon 1 plants, led by the working group focused on improving ergonomics for wall production, various significant improvements have been made to the Givrand plant's "walls" unit, notably replacing various tools with lighter resources. At Lézignan, a lino rolling unit has been set up to improve this workstation's ergonomics.

**Ensuring protection against falls from height**

In the Boat business, investments have continued moving forward to ensure protection against falls from height. The most significant developments include replacing the deck bonding platform at the Poiré 1 site, installing lifelines at the Challans site to secure the casting-molding positions, setting up five deck platforms at the Bois Joly site, and deploying 12 new platforms at the Monte Carlo Yachts site.

In the Housing sector, the U4 plant's production line is currently being reorganized with a view to reducing the risk of falls from height. This reorganization, representing a €700,000 investment for the year, is expected to be finalized for summer 2018.

*Protection against falls from height Monte Carlo Yachts*

*Platform – Bois Joly plant*

## *1.4. Organizing and developing skills*

### Developing skills

As part of its human resources management policy, the Group supports its staff to develop their skills, taking into consideration their aspirations and the specific needs involved with each activity.

An annual appraisal is planned for employees, technicians, supervisors and managers in all the Group's companies with a view to:

- Assessing their past year's achievements and individual skills,
- Discussing their motivations, skills development and career opportunities,
- Setting their objectives for the following year.

To date, more than 90% of the population concerned has been able to benefit from these appraisals.

Work has also been carried out for the past two years on the management population to promote internal mobility and manage career paths more closely in line with the organization's needs. To achieve this, an annual review of this population is carried out by the HR teams to identify, with each manager, the specific skills of their team's management-grade staff, their personal development goals and the structure's future needs. Alongside this approach, the Group has set itself an objective to organize HR career path checkpoints for each manager at least once every three years to take stock of their personal development and career path. Over the past year, 19% of SPBI's managers benefited from an individual interview with the HR teams in connection with their career development.

### Organizational transformation

Major organizational changes have been rolled out within the Group to support the development of skills.

For instance, this year, the Group launched a transformation initiative focused on the design units. This initiative involved redefining the design team organization around two sectors in particular - sailing and motorboats - in order to open up the brands and activities, promoting the exchanging of best practices and further strengthening the sense of belonging to the same group. It is also encouraging the development of pathways for certain professions such as methods. In this context, the Group opened a project section and methods section this year. This transformation has also been combined with a redefinition of job descriptions and updated classifications for the population of employees, technicians and supervisors. Members of the design teams have been able to benefit from support from the human resources departments to facilitate this transformation. Training programs have been drawn up to assist project leaders in connection with a redefinition of their functions. Another key focus has been internal mobility within the design teams to cover these new positions, representing 80% of the positions filled.

Following the transformation of the design teams, with the organizational section completed by August 31, 2017, the Group has launched its major Plant of the Future project to incorporate the plants into the dynamic approach developed with the Transform to Perform plan. This project kicked off with a series of short interviews with 550 people, covering all of SPBI's plants. During these interviews, employees were asked the following question: "What do you imagine your plant will be like in three years' time?".

Following this series of short interviews, all the management committees for the various plants were brought together with the support teams (Supply Chain, HR, Quality, Procurement, Design, etc.) to define the priorities for the Plant of the Future, factoring in the objectives and the findings from the interviews, positioning employee wellbeing at the heart of the project. This process revealed eight core priorities:

- 5S and working conditions
- Communication and participatory management
- Training
- Digital plant
- Working standards
- Right First Time event
- Improvement of new boat launches
- Flow management

Each of these priorities is covered by a working group representing multiple plants and support teams, headed up by a member of the management committee from an SPBI plant. Each group has a sponsor (plant director) and aims to engage employees, managers and operators.

The groups have been launched and are working collaboratively to build the plant of the future.

The first transformations will be seen from the first half of 2018.

This year, the Group also further strengthened its executive management for the Housing business and CNB, with the creation of new executive management positions.

## Training policy

The Group's training policy is based around three priority areas for development:

• Technical know-how,

• Managerial efficiency,

• Safety awareness (presented in section 1.3 of this report).

### Technical know-how

**Training center in figures**
For FY 2016-17:
1,939 people trained up, including 888 temporary staff
16,779 hours of training provided
488 "risky activity" certificates awarded

Technical training is provided in-house by Groupe Beneteau's technical training center. This center was set up in January 2012 to provide training for operators in the various facilities on all technical activities, from molding to boat assembly, effectively aligned with the needs of the various sites. Training courses are led by the center's eight permanent training staff, all former operators within the Group, with extensive experience, ensuring that Groupe Beneteau's culture and professional practices can be passed on under optimum conditions. Employees who have been trained up can then receive on-the-job support from their trainer after completing their course in order to help ensure that the skills they have learned can be put into practice. The training center makes it possible to gain new skills and work independently, in addition to building strong in-house connections to help ensure our collective success.

Initially focused on the Boat division's operators, the range of training programs has been extended since 2011, and specific courses have been developed for staff from the research, design, technical or engineering teams when they join the Group.

Since January 2015, the training programs have been opened up to temporary staff. Temporary staff working in the molding and assembly units receive one day's training at the technical training center when they join the Group, presenting the tools, products, human organization for production, safety and basic practices. Alongside this, all temporary staff involved in risky activities such as installing gas circuits must complete a specific program. In FY 2016-17, 888 temporary staff benefited from training through the technical training center, compared with 557 the previous year.

The training catalogue covers around 100 technical topics and is continuing to grow, particularly with actions for design team members to reinforce their skills. Each year, new modules are rolled out to ensure continued alignment with technological innovations for the boats produced by the Group. For instance, two new modules were created during the year, with a specific module for injectors (nine people trained up during the year) and a new course for the design team on the deployment of air conditioning systems (15 people trained during the year). Workplace safety is an integral part of all the training actions deployed by the technical training center.

The training center also provides certificates, valid for three years, for risky activities such as installing gas circuits, sticking porthole windows and bonding decks. The accreditation process is based on a training program, followed by practical experience in the facilities, and validated with an audit that is carried out by the training team within two months. Since it was set up, the training center has awarded nearly 1,300 accreditations.

Buoyed by its success, the technical training center concept is currently being deployed at the Marion plant in the US. This project covers certain priority modules that have been identified for this plant, with the first training courses to be provided before the end of 2017.

### Managerial efficiency

Manager training programs are based on two specific tools:

**The production operational management school**
provides training for supervisors, unit managers and coordinators in all the subsidiaries in four areas: company culture, management, quality-safety-environment, and organization-methods.
27 people were trained up during the year.

Audencia Nantes
School of Management
GROUPE BENETEAU

**Groupe Beneteau is organizing two training programs in partnership with Nantes business school:**

- **Beneteau's Corporate MBA** is an accredited Level I "Operational Unit Manager-Director" training program, partly in English, to develop and prepare outstanding managers who can contribute to new missions or roles within the Group and lead the way forward for the Group's positive transformation. Seven staff benefited from this training during the year.
- **Visa Manager** is a training program to prepare and support the Group's managers for their managerial missions; establishing them as ambassadors, setting the standard and promoting the management values expected within the Group. The second class of 10 people graduated this year.

In connection with the positive transformation plan, an initiative has been launched to overhaul the range of manager training programs with a view to redefining the selection of courses to align it as closely as possible with the Group's development and needs. This review process accounts for the reduction in the number of hours of training provided during the year.

### Number of hours of training

| French scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Number of hours of training per employee | 10.6 | 12.0 | 11.0 |
| Total number of hours of training | 50,731 | 56,130 | 51,710 |
| Ratio of training costs to payroll | 2.8% | 2.5% | NC |

## *1.5. Ensuring a motivating workplace*

### Equality of treatment

Gender equality

| Percentage of female staff per category | Aug 31, 2017 | Aug 31, 2016 | Aug 31, 2015 |
|---|---|---|---|
| Managers | 21.3% | 18.5% | 17.5% |
| Technicians / supervisors | 24.4% | 26.0% | 26.0% |
| **Employees / operatives** | 30.3% | 30.6% | 30.8% |
| **Total headcount – French scope** | **28.4%** | **28.6%** | **28.8%** |

| Percentage of female staff per category CSR scope | Aug 31, 2017 |
|---|---|
| Other[1] | 25.4% |
| Employees / operatives | 26.4% |
| **Total headcount CSR scope** | **26.1%** |

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

Women represent 28.4% of the total French workforce and 26.1% of the total CSR workforce, down slightly. This breakdown is consistent with data published by the French national statistics office (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. For SPBI, the agreement signed in October 2016 to promote gender equality in the workplace includes an action plan based on:

- Deploying a communications plan to highlight examples of professional success by women in high-level positions that were historically held by men,
- Putting in place a process for managing returns from maternity leave, including a pre-leave interview with their manager and an interview with the HR team when they return from their leave,
- Encouraging women candidates for recruitment and internal mobility.

### Disabled people

| French scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Number of units of value recognized for disabled people[1] | 356.0 | 338.1 | 328.4 |
| % of the average French workforce | 7.4% | 6.4% | 7.0% |

[1] Adjusted data for 2015-16

The Group has continued moving forward with its initiatives to support disabled people through actions and investments aiming to ensure continued employment for the staff concerned.

A disability committee, set up in SPBI, supports disabled staff to complete administrative formalities relating to their situation and works with the ergonomist to adapt their workstations. SPBI is also working with the SAMETH support service to ensure continued employment for disabled staff to research solutions for adapting working times or workstations.

The Group is committed to supporting the integration of underprivileged communities 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. Ostroda Yacht currently has 41 disabled people working under these contracts.

The Group is also proud that one of its employees is ranked number 6 in the world for women's para-badminton and won a bronze medal for doubles at the Thai international tournament held in Bangkok in May-June 2017.

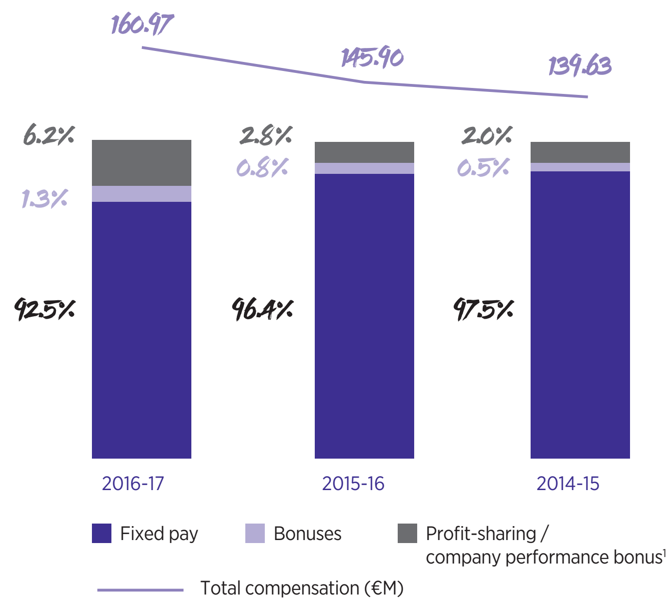
### Anti-discrimination policy

The general human resources policy is based on transparent management tools intended to ensure optimum fairness.

The Group forbids all forms of discrimination for recruitments and during the course of employment contracts. It has not been subject to any complaints in this area. The recruitment processes have been defined in accordance with ethical rules, for instance guaranteeing access to information and an obligation for the Group to inform any candidates of decisions taken concerning their applications.

## Compensation and benefits

### Compensation – French scope




[1] Amounts provisioned

Groupe Beneteau's overall 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.

Each activity has classification agreements enabling the transparent management of professions, skills and compensation based on coefficients from collective agreements. To improve consistency between the Group's various sites, the classifications and minimum pay levels for operatives, employees, technicians and supervisors have now been harmonized for SPBI.

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, a Group performance-related bonus agreement was signed this year for all the companies from the French scope. This agreement is based on Group objectives for 30% and specific objectives for each entity for 70%. The increase in the performance-related bonus is due to the improvement in results this year.

This year, SPBI reviewed all the health insurance and other benefits and contributions for its population of management-grade and other staff.

### Work environment

In June, a company restaurant was opened for CNB in Bordeaux, offering a competitively priced menu for staff, with a significant contribution made by the employer.

Two of the Group's sites are carrying out a trial initiative to offer yoga classes, liaising with the employee representatives. Staff at certain sites are able to benefit from warmup exercises with experienced physiotherapists before starting work.

### Social dialogue

The Group is particularly committed to maintaining a relationship based on continuous and constructive exchanges with its employee representative partners. 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, and there is a Group committee covering all the activities, which met three times in the past year. This Group committee's operating procedure was updated during the year with an agreement signed in January 2017.

In addition to the various legal requirements (works councils, staff representatives, health, safety and working conditions committees), informal meetings covering a range of topics, including safety and the preparation of agreements, are organized with the employee representatives.

14 collective agreements were signed and filed with the regional directorate for business, competition, consumption, work and employment (DIRECCTE) in 2016-17. The characteristics of the agreements signed reflect the Group's priorities and concerns relating to human resources and social aspects. Illustrating this, the agreements in 2016-17 notably focused on gender equality, with an agreement signed to promote gender equality in the workplace at SPBI, as well as an initiative to enable as many staff as possible to share in the results achieved, with the signing of a Group performance-related bonus agreement. Five workplace health and safety agreements were also signed this year.

### Internal communications

The internal communications strategy developed within the Group for nearly two years now reflects the objectives from the positive transformation plan:

- Defining an internal communications strategy for the Group promoting a participatory approach
- Creating a "Group" spirit and helping staff to work better together
- Promoting exchanges on best practices
- Improving individual and collective performance

The managers have an essential role in sharing communications and are crucial to this strategy.

In this context, the Group has continued to develop its internal communications, rolling out a communications plan focused on:

- **Creating and deploying new internal communications channels** such as the in-house newsletter Bcom'.


This dedicated employee newsletter, with three issues published in 2016-17, provides an opportunity to present the Group's strategic goals, as well as the success stories and the collective or individual actions taken by staff in the various subsidiaries. Bcom' is now translated into English to be distributed by the Group's US subsidiaries.

- **Overhauling the BWeb intranet,** with the deployment of a social media tool, Yammer, which has been tested over the last few months and now has almost 1,200 registered users.

It will be integrated into the new intranet, which is scheduled to be launched at the end of January 2018. This project is being managed jointly by the Group's IT and internal communications teams. The new BWeb will be a portal to facilitate access to business documents, applications such as expense claims, leave management, car sharing, project spaces, and much more. It will also be an outstanding channel for communications, publishing news stories concerning the Group and specific entities or sites, with access based on a subscription system. The intranet is scheduled to be deployed in two phases. The first phase will cover all staff with a professional email address, representing 2,500 users. Screens will be set up at the production sites so that the intranet can be consulted while waiting for all the Group's employees to have an email address. The second phase will follow one year later.

- **Overhauling the format of staff meetings** to make them more interactive and participatory.

This annual information meeting is a key event that brings managers and employees together for exchanges. It helps maintain a climate of confidence, trust and mutual respect. To fully engage all staff in the Group's strategy, the management team made a commitment to bring together all the staff from SPBI and Vendée, for the Housing business, for a joint event in 2017. Delegations from sites elsewhere in France and other countries also took part in this staff event on December 18 at Vendéspace.

• **Organizing a dedicated seminar for managers.**

This seminar, led by Hervé Gastinel, was held in March 2017 and brought together 130 managers from all the Group's subsidiaries. This enabled them to share the Transform to Perform plan, before deploying the transformation project's key messages with their teams. This seminar, like other seminars organized by the internal communications team, will also enable the Group to ensure the consistency of communications across its various business units.

• **Organizing various opportunities for exchanges with the leadership team.**

At the Les Embruns site, the Group's headquarters, breakfast sessions are regularly organized with the executive leadership team for new managers who have joined the Group. The aim is to promote exchanges. This enables new staff to share their first impressions of the Group with Hervé Gastinel.

• **Celebrating key moments.**

This year, the Group celebrated its 30th anniversary in the US. For this occasion, the leadership team and a small French delegation visited the site to celebrate this event with the US teams and once again confirm the North American market's importance within the Group's development strategy. The celebrations were brought to a close with an open day for the employees' families.

For its own 30th anniversary, CNB held an open day for its employees' families and friends. This day enabled them to discover CNB's 68 professions and various boats. It ended with a special anniversary evening event that was attended by over 1000 people.

This year saw a number of other key milestones, with Jeanneau also celebrating its 60th anniversary.

• **Organizing events to build unity across the Group.**

Seven years ago, CNB organized the last Trophées Benjamin awards in Bordeaux. This primarily included an in-house football tournament, with all the Group's sites represented, as well as a cross-country event and a boules tournament. This year, the Group wanted to relaunch this event with a slightly different format, as well as a new name to ensure the consistency of the Group's communications projects: the Trophées B Awards. This day was a great success, with around 15 activities, 1,100 staff and 44 teams. A team from the US, selected following a competition, also took part in this sports challenge and these celebrations on the beach in Saint-Gilles Croix de Vie. In addition, these staff from Marion and Cadillac took this opportunity to visit the Group's sites in Vendée.

In July 2017, 80 staff from Vendée made the journey to Bordeaux to visit CNB's yards and share their experiences.

• **Supporting employees with sports initiatives.**

Nearly 100 of the Group's employees took part in the 2017 bicentennial races and walking events in La-Roche-sur-Yon in spring last year.

*Trophées B Awards- September 2017- Sporty or not We are motivated by our sense of unity!*

**In-house survey**

For the first time, the Group launched an in-house survey for employees and temporary staff from all the Group's companies in June 2017, inviting them to share their views on the following topics:

• My work environment

• My role

• Management

• Internal communications

• My performance, pay and recognition

• Leadership team, strategy and projects

The managers are currently being debriefed on the very valuable results. The Group survey and the resulting action plan based on an analysis of the feedback collected will then be presented by the Group's executive leadership team and HR department during staff meetings.

## 1.6. Promoting fundamental values

The Group respects the fundamental principles of employment law and the regulations in force. More specifically, it is committed to combating all forms of discrimination. The Group ensures that fundamental values are respected in all the countries where it operates.

The recognition of the freedom of association and the right to collective bargaining are set out in French legislation. The collective agreements covering the Group's activities ensure that all of its employees are protected.

The Group adheres to the international agreements in force relating to the elimination of forced or compulsory labor and the abolition of child labor.

## 2. Environmental commitment

Aware of the environmental impact of its industrial activities, Groupe Beneteau has put in place an environmental approach built around three core commitments:

- Ensuring the long-term regulatory compliance of production sites
- Reducing the environmental impacts of activities
- Limiting the environmental footprint of products

The environmental data presented in the CSR report cover the French scope, which includes all the French subsidiaries, which are fully consolidated, with an average headcount of over 20 people. For certain indicators, the scope has been extended to include the international subsidiaries: Poland from 2014-15, the United States from 2015-16 and Italy from 2016-17. Only production companies are taken into account.

The scope for each indicator is presented in a methodological procedure.

The impact of the change in scope is presented for each of the indicators concerned.

### *2.1. Ensuring the long-term regulatory compliance of production sites*

For several years, the Group has been working to get all its Boat business production sites ISO 14001 certified. At August 31, 2017, 14 of the Boat business' 16 production sites in Europe were ISO 14001 certified, including Poland. The Housing business is committed to an ISO 14001 approach covering its entire scope, without looking to renew its certification.

All of SPBI's sites were ISO 50001 certified in October 2015. The follow-up audit, carried out in September 2016, confirmed the positive findings from October 2015.

20 of the Group's 22 French sites are classed as regulated environmental protection facilities (ICPE) and therefore subject to very strict regulations.

### *2.2. Reducing the environmental impacts of activities*

Groupe Beneteau has identified three key areas in terms of the environmental impact of its activities:

- Reducing energy consumption and greenhouse gas emissions,
- Reducing the level of waste generated and improving its treatment,
- Reducing VOC emissions linked to the use of solvents, resins and gelcoats.

#### Environmental management organization

Actions to prevent pollution and environmental risks are driven by environmental management plans, which are defined by the management team and deployed within the facilities. Management reviews are carried out annually to take stock of the actions and indicators for the past year and set objectives for the following year.

All the Boat business sites and the majority of the Housing business 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 facilities.

#### Employee training and awareness

To make employees more aware of environmental issues and engage them in the Group's sustainable development approach, each new member of staff - permanent or temporary - takes part in an information meeting during which they are notably reminded about the principles of sorting waste and day-to-day actions to reduce consumption levels for water, electricity, heating and components.

Training courses are regularly arranged to raise employees' awareness of environmental issues. Health-safety-environment correspondents and coordinators are given specific training, particularly to remind them about their roles and responsibilities in terms of respect for and protection of the environment.

In addition, environmental training programs are rolled out for all staff at sites that are ISO 14001 certified, or adopting this approach, at least once every three years, in connection with the renewal of their certification.

#### Prevention of pollution and environmental risks

The main environmental risks identified concern spillages and fires.

All the sites have the capacity to contain a potential spillage accident, leak or fire extinction 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. This year, an underground fuel tank aligned with the growing needs for boat engines was set up at the Les Herbiers site, with a dual membrane and retention system in the pipes making it possible to ensure compliance when filling tanks, while reducing the risk of accidental spillages. SPBI has put in place new watertight containers for collecting hazardous and nonhazardous waste, making it possible to prevent run-off. In the Housing sector, all the fuel oil tanks at the Beaucaire site have been moved to the non-floodable production site in order to prevent any accidental pollution. To prevent waste from being blown away by the wind, the waste containers at the Beaucaire and Lézignan sites have been sealed and netting has also been fitted at Lézignan. In the US, the Cadillac plant has worked with staff from the charity Hope Network to clear waste and debris in order to prevent it being washed away by rainwater or blown away by the wind.

People who handle hazardous materials are trained up on how to use containment kits and the risks relating to the various products. The "ETARE" plans for listed facilities, covering all SPBI sites, are regularly updated, particularly following any significant changes to sites, and are reported to and approved by the local and regional emergency services.

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. All the internal emergency plans for SPBI sites have been assessed. This year, all the Housing business and CNB sites were tested, with practice drills. Following this audit, the internal emergency plans were updated for these sites, liaising with the emergency fire services.

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. Audits are carried out on a regular basis by the insurers at the various sites.

In the Boat business, these actions are being rolled out as part of an approach with the insurers with a view to achieving the "highly protected risk" label. Nine of the 14 Boat production sites in France are currently covered by this "highly protected risk" label. This certification enables work to be carried out on three levels:

- Preventing risks so that events do not occur (reducing the frequency),
- Protecting facilities to ensure control over risks spreading (reducing the severity),
- Managing risks effectively with regular inspections to ensure the system's sustainability.

The Group has not recorded any provisions to cover environmental risks. These risks are covered with public liability insurance for environmental impacts resulting from operations at the policyholder's sites.

No accidents with environmental impacts were recorded during the year. However, the Saint-Hilaire-de-Riez woodwork unit recorded a fire in December 2016 after a digital control unit set on fire. Particles set on fire by friction between the tool and blocks of wood travelled in the sawdust extraction pipes to the storage cyclo-filter. The emergency services from the neighboring towns intervened to contain the fire. This fire disrupted the site's production and deliveries to the manufacturing plants. In response to this event, work has been carried out on the production processes (tools, operating speeds, materials), operators have been made aware of how to use extinguishers and respond to problems, and a comprehensive system has been deployed to detect sparks and hot elements and automatically extinguish them by spraying water. This active system will work alongside the site's sprinkler facilities and covers all the digital units and the varnishing line. A review is underway looking into the deployment of this same system for the woodwork unit at the Les Herbiers site.

### Energy efficiency and greenhouse gas emissions

| Electricity consumption - kWh | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France | 37,040,547 | 36,384,291 | 34,004,270 |
| Poland | 3,039,018 | 2,866,140 | 2,703,989 |
| United States | 8,598,904 | 8,257,657 | - |
| Italy | 1,855,353 | - | - |
| **CSR total** | **50,533,822** | **47,508,088** | **36,708 259** |

| Natural gas consumption - kWh HHV | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France | 59,103,554 | 52,756,753 | 50,200,806 |
| Poland | 5,272,283 | 4,500,470 | 4,158,973 |
| United States | 31,898,602 | 30,230,933 | - |
| Italy | 2,678,564 | - | - |
| **CSR total** | **98,953,003** | **87,488,156** | **54,359,779** |

| Greenhouse gas emissions[1] | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France | 15,722 | 14,283 | 13,544 |
| Poland | 3,502 | 3,202 | 3,018 |
| United States | 11,474 | 10,931 | - |
| Italy | 1,326 | - | - |
| **CSR total** | **32,024** | **28,416** | **16,562** |

[1] This year, the Group has reviewed the methodology for calculating GHG emissions and updated the natural gas emission factors in line with data from the ADEME Carbon Base. The data for the previous two reporting periods have also been recalculated on this new basis.

Electricity is used to run the production facilities and lighting. Gas is used to heat the industrial buildings and certain administrative buildings. The increase in energy consumption for sites over the year is linked primarily to the increase in activity levels.

Energy action plans are being rolled out across all the sites to reduce energy consumption. At SPBI, these action plans are being deployed in line with the ISO 50001 approach. An energy review is carried out once a year to define the action plans to be implemented for both current and future equipment.

**The energy action plans are based on:**

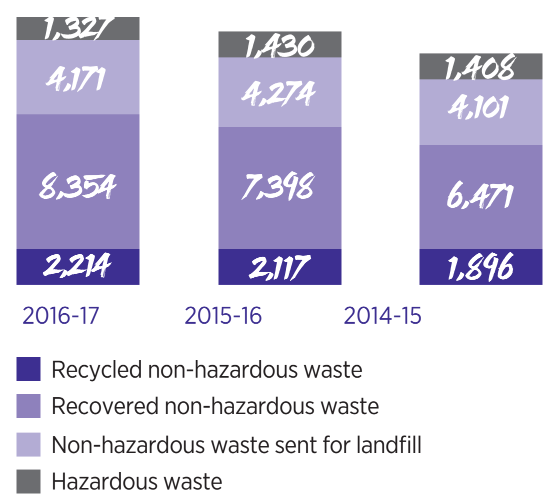
- **Centralized energy monitoring,** making it possible to adapt the level of usage of the various energies depending on activity levels, thanks to the management units (central technical management systems) set up. Energy meters are added and supervised, through the central technical management systems, each time equipment is added with a potential impact on consumption levels. Six meters were set up during the year. These meters make it possible to improve the operational monitoring of energy consumption levels. SPBI is currently rolling out a training plan to train up one employee at each site to maintain this equipment.
- **Fitting of destratifier fans** in most of the molding units, with this activity accounting for around 60% of total gas consumption for the Boat business, to ensure a better consistency of heat within the workshops, avoid the highest temperatures below the ceiling and prevent heat loss.
- **Actions to detect compressed air leaks,** overseen by a dedicated central team, through regular monitoring of consumption levels and regular inspections of facilities by maintenance teams in the units. On average, compressed air represents 10% of consumption. Air leaks are therefore measured at least three times a year. Corrective actions are put in place when leakage rates exceed 10%. For this year, the average leakage rate for SPBI was 8%, compared with 8.6% the previous year.
- **Optimization of ventilation within the units,** thanks in particular to the speed adjusters set up on the rotating machines. All the rotating machines at SPBI sites (>2 KW) are fitted with variable speed adjusters.
- **Thermal insulation for buildings:** this year, the roofs at the J6 and J7 sites in Les Herbiers and Challans and U2 for the Housing business were replaced with more efficient roofing systems. Skydomes were fitted to increase lighting levels, making it possible to reduce electricity consumption and increase employee comfort.
- **Installing photovoltaic panels** in the car parks at certain sites.
- **Reducing fuel consumption,** by renewing the vehicle fleet (35 of SPBI's 50 vehicles have been renewed) and setting up a system for booking vehicles and ride-sharing. For the Boat business, a business Skype system has been deployed to prevent people having to travel for work. CNB, in partnership with IdVROOM, offers all staff a ridesharing application, available for computers, tablets or smartphones.
- **Deploying actions to raise awareness** (eliminating waste), with monthly communication at the production sites. All the administrative staff at the Givrand and Dompierre sites have received training on environmentally responsible practices, organized in partnership with the French utilities firm EDF this year.
- **Carrying out research to reduce consumption levels:** the Group is currently carrying out a review into replacing the most energy-hungry lighting systems with new LED lamps that consume 67% less than the current equipment.

To limit the energy consumption generated by the deployment of the VOC project linked to styrene regulations, which require the current air treatment and temperature control systems to be reinforced, the decision was taken to appoint an energy leader to head up this project.

All of SPBI's sites were ISO 50001 certified in October 2015. This certification, confirmed by the follow-up audit in September 2016, highlights the relevance of the actions taken to reduce energy consumption and improve energy performance.

## Waste management

**Quantity of industrial waste generated in each category (tons)**




| French scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Non-hazardous waste recovery / recycling rate | 71.7% | 69.0% | 67.1% |

The Group aims to continuously improve its monitoring and collection 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) and wood waste. In addition, the Group is constantly looking for new channels to recover and reclaim waste. Work is being carried out with suppliers and providers to promote the use of packaging that can be reused or, as a minimum, recycled.

For certain sites, landfill waste is recovered for energy purposes thanks to processing at a landfill center. According to information from our provider, each ton of waste processed enables it to produce 30 KWh of electricity.

These various actions have made it possible to improve the non-hazardous waste recovery / recycling rate, up from 67.1% in 2014-15 to 71.7% for 2016-17.

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.

### VOC emissions

| Site VOC emissions (tons) | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France[1] | 659 | 624 | 558 |
| Poland | 264 | 243 | - |
| United States | 187 | 166 | - |
| Italy | 21 | - | - |
| **CSR total** | **1,131** | **1,033** | **558** |

[1] Data based on calendar year for SPBI

Volatile organic compound (VOC) emissions are linked to composite activities, for which the Group uses resins, gelcoats, adhesive sealants and solvents. The increase in VOC emissions is linked to the higher activity levels recorded.

To reduce its VOC emissions, the Group is constantly looking for techniques and products with lower emission levels. In line with this approach, it has focused on developing injection and infusion techniques with lower emission levels, including vacuum polymerization for producing polyester parts. The Group is also committed to using products, gelcoats, resins and adhesive sealants with low levels of styrene or VOCs. A new resin with low styrene emissions is already being used at the Belleville, Challans and Poiré-sur-Vie sites, and is currently being rolled out at the other production sites.

Actions to reduce VOC emissions have also focused on reducing acetone consumption levels. The Group is committed to using alternative products to replace acetone (cleaning solvents such as DIESTONE DLS or soaps). Thanks to the use of these products, acetone is no longer used in virtually any boat assembly activities.

Each year, the material assessments and solvent management plans are communicated on with the stakeholders concerned. In 2010, SPBI made a commitment to reduce its solvent emissions by between 12% and 18%. The actual reduction achieved, coming in at 35%, is significantly higher than this target.

## Sustainable use of resources

### Water consumption

| Water consumption | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France[1] | 68,387 | 80,541 | 79,296 |
| Poland | 10,224 | 10,417 | 9,118 |
| United States | 18,230 | 15,902 | - |
| Italy | 10,135 | - | - |
| **CSR total** | **106,976** | **106,860** | **88,414** |

[1] Data based on calendar year for SPBI.

Water consumption primarily concerns the Boat business, particularly 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. For the entire scope, water consumption is decreasing despite the increase in activity levels, thanks to the wells brought back into service and improved monitoring of leaks.

This year, the Group has put in place measures to check the quality of water in the tanks in order to work with stakeholders on discharges where necessary.

To date, Groupe Beneteau has not identified any local constraints concerning its water supplies.

### Consumption of raw materials

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

| Resin / gelcoat consumption[2] (tons) | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| France[1] | 7,576 | 7,056 | 6,037 |
| Poland | 2,477 | 2,203 | 1,864 |
| United States | 2,420 | 2,301 | - |
| Italy | 7 | - | - |
| **CSR total** | **12,480** | **11,560** | **7,901** |

[1] Data based on calendar year for SPBI.

[2] Boat business only.

The increase in resin and gelcoat consumption is linked primarily to the increase in activity levels. The Group is moving forward with its actions to deploy more efficient machines making it possible to ensure effective control over the use of these products in the injection phase.

| French scope | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Timber consumption (tons) | 75,239 | 55,983 | 54,815 |
| Quantity of scrap timber/ quantity of timber consumed | 16.5% | 18.3% | 14.7% |

Considering its minimal environmental footprint, timber is the preferred material for the production of housing units. 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. The Housing business is seeing strong growth in the production of leisure homes with timber cladding, which is increasing the quantity of timber consumed.

The Group also seeks to manage its use of timber effectively by optimizing its cutting plans and managing the end of product lives with a view to generating the least amount of waste possible. All timber waste, excluding sawdust from certain sites, is reclaimed. In the Boat business, at the Saint-Hilaire site, all sheets over 1.5m by 1.5m are reused, which represents a very significant saving of materials.

### Adapting to the consequences of climate change

The Group is aware of the potential consequences of weather-related events, such as heatwaves, flooding, storms or snowfalls. Within this framework, a heatwave plan has been mapped out, working with the occupational health teams. In the Housing business, a flooding plan is currently being drawn up with the insurers for the Beaucaire and Lézignan sites in France and the Bio Habitat Italia site in Italy. Guidelines have been put in place at certain sites to firmly secure leisure homes in the event of strong wind. If a red alert is issued (wind, flooding, snow, etc.), staff must minimize their work in storage areas and after-sales service technicians are forbidden from carrying out any work on roofs or at certain campsites if necessary.

### Impacts on the aquatic environment

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.

Specific wastewater agreements have also been signed with the city hall and the utilities firms for the Poiré and Les Herbiers sites. A study into the biological treatment of algae and sludge is being carried out at a Housing business site with a view to reducing the use of chemical products for cleaning and treating water.

Water discharges are monitored with regular measurements.

The compliance rate for industrial water discharges is down slightly from 95% last year to 87%, following a change in scope.

### Noise pollution

The noise pollution limits are set by specific decrees for each site. Within this framework, the Group regularly monitors its noise emissions. To reduce this pollution, the sites make specific investments to cover or move any noisy facilities and machines. Particular care is also taken with noise impacts when buying new equipment.

### Land use

A ground pollution inspection is carried out at sites when they are sold or when any significant work is carried out. In addition, for all the Group's sites classed as regulated environmental protection facilities (ICPE), the ground-related impacts of activities are checked and controlled in line with this regulated facility status.

### Biodiversity protection

Biodiversity protection is taken into consideration when building new sites in connection with ICPE files for regulated environmental protection facilities.

The majority of the timber consumed is sourced from sustainably managed forests, with biodiversity protection an integral part of their management criteria.

In the Housing business, a tree is planted each time an employee has a new baby.

### 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.

## *2.3. Limiting the environmental footprint of products*

Environmental issues are incorporated throughout the design and development of the Group's products and services, in line with the lifecycle analysis approach.

The consumption of sustainable resources for products created by the Group is factored in from their design stage. The Group strives to reduce its products' environmental footprint, particularly through its:

- Use of reconstituted wood as an alternative to rare and exotic woods,
- Choice of engines and optimization of propulsion systems in order to guarantee performance and reduce consumption levels,
- Careful choice of equipment and accessories making it possible to save water and energy (use of energy-efficient bulbs or LEDs as standard for lighting, A or A+ class equipment, energy-saving solutions such as a starter key, timer for external lighting).
- Development of an option to set up centralized technical management systems for leisure homes,
- Response to customer requests on specific projects (insulation with eco components).

The Group's motorboats are fitted with engines that meet the highest performance standards in terms of consumption and greenhouse gas emissions. For several years, the Boat business has benefited from a procedure making it possible to select the type of product (specific technique) that is best suited to the size of each boat in order to reduce emissions, planning ahead for the application of the new RCD2 regulations, which have been mandatory since January 1, 2017.

For leisure homes, the eco-design approach 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 procurement policy for materials and components,
- Reduction of impacts relating to upstream and downstream transportation,
- Environmental optimization at the end of product lives.

As a member of the French boating industry federation (FIN), and part of its management structures, Groupe Beneteau is actively involved in work to set up a channel for the deconstruction of decommissioned recreational boats. Created in 2009, this channel has been set up voluntarily in France by the boatbuilding industry, in which Groupe Beneteau is the leading operator.

This channel is managed by the association for environmentally responsible recreational boating (APER). A registered charity, its mission is to organize and coordinate the French sector for the deconstruction and recycling of decommissioned recreational boats and, following on from this, other channels for waste linked to all boating activities. The French blue economy act (Loi sur l'économie bleue) adopted in 2016 decided to set up an extended producer responsibility (REP) channel for the decommissioning of recreational boats and Groupe Beneteau is taking part in the preparatory work that is underway.

# 3. Societal commitment

Groupe Beneteau is particularly committed to responsible and sustainable professional practices benefiting its stakeholders: employees, suppliers, dealers, customers and business partners. This societal commitment has been further strengthened with the Transform to Perform plan, positioning sustainable growth at the heart of the strategic plan. The Group is committed to acting as a socially responsible company within the communities where it operates through its various commitments.

## *3.1. Ensuring a strong regional presence*

Operating on an international scale, Groupe Beneteau is committed to playing an active role in the social and economic development of the regions where it is based. Both in France and internationally, the Group is a leading local employer.

### Building on commitments to employment and training

Each year, the Group's French companies welcome more than 150 trainees, and some of its staff take part in examination and recruitment panels for students and trainees for the training centers. In Poland, Ostroda Yacht welcomes around 10 trainees each year on work-based training programs for positions as electromechanical operators. It has also set up a partnership with Dansk University and takes on a dozen interns (shipbuilding degree program) each summer. In Italy, with support from the Friuli Venezia Giulia region, Monte Carlo Yachts has developed professional training programs provided at its plant by operators for unemployed people so they can gain the skills needed for a work placement at its site.

The Group is involved in the project to create a boating industry campus in France's Pays de Loire region. Within this framework, it has set out its commitments to make this campus available to working groups covering various themes and to get involved in a range of actions to work with all the stakeholders with a view to developing and improving the visibility of career and training opportunities in the boating sector.

#### Promoting and sharing the Group's professions

Group employees regularly visit schools, covering all age groups, to talk about the world of boating and share their passion.

An INNOV'DAY event was organized in April in partnership with the EPA association with future management and administration graduates from a high school in Challans to present the career opportunities available for production roles and gain their insights into the issue of how to promote these professions.

Each year, Ostroda Yacht welcomes various high school students for four-week discovery placements.

Three staff from Jeanneau visited a primary school in Boissière de Montaigu to present Jeanneau and the world of sailing to children in connection with their annual theme focused on the Vendée Globe event.

#### Being part of local economic networks

Groupe Beneteau is actively involved in development projects for its local employment area, in partnership with local stakeholders, such as Ecole de la 2ème Chance, the center for information on families and women's rights (CIDF), local charities, local integration and employment plans, and Maisons de l'Emploi employment support centers. These projects are based in particular on discovering activities through organizing company visits, as well as actions to showcase local know-how by promoting industrial tourism.

The Group is part of local economic development networks. For instance, it is a member of the Entreprendre Vendée network and other business associations, while two site directors are also part of regional employer associations.

#### Carrying out solidarity actions in its regions

Various solidarity actions were set up to help staff from the Marion site who were badly affected by Hurricane Matthew. The Group Human Resources Department supported the HR Director for North America and her staff to organize an emergency relief plan. The human resources teams also coordinated interventions by humanitarian organizations such as the Red Cross. Financial assistance was provided to the worst-affected families, along with personalized administrative support to help them complete their insurance claims. At the plant itself, families were able to receive hot meals and logistical support.

At Ostroda Yacht, a support fund provides financial assistance for employees whose members of family have a chronic illness or disability. During the year, this fund provided support for 12 staff.

In Italy, Monte Carlo Yachts offers a scholarship program for employees' children based on their school results. This year, around 20 staff were able to benefit from this program.

### *3.2. Promoting a sustainable procurement policy*

Groupe Beneteau wants to build long-term partnership-based relationships with its suppliers. This commitment is reflected in the Group's procurement policy, which is broken down into specific procurement guidelines for each activity. These guidelines are distributed to all staff in the Group's procurement departments in order to engage them and raise their awareness of the Group's procurement policy.

The procurement departments are able to count on a local network, which they have worked with for a long time, and with which the Group benefits from a strong level of confidence and trust, enabling supplier relations to be managed on a balanced basis. The procurement teams are made aware of the Group's regional responsibility and source from local suppliers where possible. In this way, local suppliers have represented more than 40% of production purchases over the last three years.

The procurement policy is fully integrated within Transform to Perform, the 2017-2020 strategic plan, with the following objectives:

- **Further strengthening collaboration with suppliers** with a view to promoting co-development and innovation. The Group has launched co-design initiatives with certain suppliers, such as the upholstery suppliers for the Boat business. With this same collaborative spirit, suppliers are also engaged in the Group's development strategy. At the end of July 2017, the Boat business subsidiaries organized a symposium bringing together around 50 of the most strategic suppliers in order to present the main features of the Transform to Perform plan to them.

*Supplier symposium - Boat business - July 26, 2017*

- Ensuring **consistent practices** between buyers from the various subsidiaries thanks in particular to the development of shared tools and procedures for selecting suppliers, carrying out supplier audits and reporting on monthly data. To promote a sense of unity between buyers from the various subsidiaries, the Group organized a seminar in November 2016, alongside the METS show in Amsterdam, bringing together 24 procurement staff from all the Boat business subsidiaries. This meeting enabled the buyers to share their experiences and best practices. In the Housing business, the BIO 2020 plan includes a full review of the approach for auditing suppliers. Within this framework, a new audit plan is currently being drawn up.

*Procurement Seminar - METS Show - Amsterdam*

- **Improving the quality approach** with the deployment of a quality roadmap. This project, led by the Quality Department, linking up with the Procurement Department for the section focused on "improving the quality of the components purchased", is based on improving the management of internal processes and supporting suppliers with a view to developing their skills and reducing non-quality issues with the various parts purchased.

Particular care is taken to ensure the solvency, reliability and long-term viability of suppliers and subcontractors. Their technical, logistical and financial qualities are essential to enable the Group to operate effectively. Alongside this, the Group carefully monitors the risk of any mutual dependence with its suppliers.

For purchases classed as "sensitive", suppliers are selected based on a recommendations matrix. The criteria for assessing supplier performance defined in this matrix include the existence of a sustainable development and environmental policy, the supplier's proximity and the carbon impact linked to the transportation of parts.

A schedule is drawn up each year for supplier quality audits, based on the importance and critical nature of the various suppliers. These audits are carried out by the teams from Groupe Beneteau's Quality Department and the various Procurement Departments based on procedures and tools defined in-house. 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 FY 2016-17, they covered 18 suppliers for the Boat business.

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 facilities. For FY 2016-17, subcontracting represented the equivalent of 25 FTEs for the Boat business, compared with 21 in 2015-16, and the equivalent of 28 FTEs for the Housing business, identical to 2015-16. These FTE equivalents have been calculated based on eight hours of work per day per operator for 207 days per year. The subcontractors are located in France.

## *3.3. Incorporating stakeholders within the CSR policy*

The Group has always sought to build partnership-based relations with its stakeholders, engaging them in its growth strategy and getting them to share its values and its company culture.

### With dealers

The Group takes great care to ensure the quality of its relationships with its partner dealers, as well as their economic health.

Each year, international conferences are organized, providing opportunities to present business strategies, new product ranges, innovations and communications tools. These conferences, offering ideal opportunities for sharing, enable the Beneteau Group to support dealers with their development.

The Group offers various technical training programs for its dealers, hosted in the Group's training center. Training materials are provided by the training center and sessions are led by the after-sales service teams, the training staff from the technical training center, and certain suppliers. Each year, nearly 150 technical staff from its dealer network are trained up in this way by the Group.

The Boat business' various 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.

In addition to technical support, the Group provides financial support for its network of dealers. Through its subsidiary-partner SGB Finance, the captive financing company that has been a partner of the Beneteau Group for over 15 years, it offers them financing for their stock in all the countries where SGB Finance operates.

### With customers

To make it easier for people to buy their own boats, sharing the pleasure of boating as widely as possible, the Beneteau Group, through its subsidiary-partner SGB Finance, enables its customers to benefit from bespoke financing solutions that are tailored to their personal situations (loan or lease purchase), as well as insurance cover designed specifically for the boating world. More than half of the new boats sold today by the Group in France are covered by financing with SGB Finance. Initially developed for recreational boats, the partnership with SGB Finance has been extended to include leisure homes, offering financing solutions for campsites to acquire leisure homes.

The Beneteau Group supports its customers when they are looking to sell their products. EYB, the Group's dedicated subsidiary covering the preowned market, makes it easier to buy and sell boats on again thanks to a unique online database. EYB's site makes it possible to prepare quotes online and centralizes preowned boat offers from Beneteau, Jeanneau, Lagoon and CNB dealers across Europe.

The Beneteau brand and its dealer network have set up a service for measuring customer satisfaction worldwide with My Beneteau Experience, asking all new Beneteau customers various questions about their level of satisfaction with the service provided by their Beneteau dealer, as well as their boat. In 2016-17, for the initial survey sent out to customers when their boats are delivered, the response rate was 55%, with a satisfaction rating of 91%. With the follow-up survey sent out to customers one year after their boat's delivery, the response rate is 26% and the satisfaction rating is 85%.

The Group takes constant care to ensure the quality and safety of its products. When developing new products, the design teams strive to deliver the maximum possible levels of thermal, acoustic and ergonomic comfort for users, while ensuring their health and safety. Products are systematically checked and controlled before being released on the market in order to ensure their compliance with technical and safety standards. User guides are available to customers to enable them to ensure their optimum use of the products.

The quality of the Group's products has been identified as one of the key areas with the 2017-2020 positive transformation plan. In the Boat business, the Group has rolled out a quality roadmap, with its guidelines defined at the end of 2016 during a quality seminar that brought together the executive leadership team and plant directors, as well as the sales, marketing, design and support service teams. This plan is structured around six key areas:

- Improving our customer satisfaction culture
- Ensuring a rigorous development approach
- Improving the quality of the components we source
- Respecting our fundamentals for production
- Improving the management of our processes
- Ensuring effective control over our non-quality costs

In connection with its new quality plan, the Boat business is targeting a customer satisfaction rating of over 85%. For FY 2016-17, this rate came to 88%.

For the Housing business, the quality approach is one of the key ambitions from the BIO 2020 project, with a mission to "enable our customers to offer a unique experience in their homes". The sharing of best practices between the eight production sites is 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 13 compulsory checkpoints throughout the production process: safety, functional and design checks during production and on existing products. From a technical perspective, tests are carried out upstream from production to validate all the components and products: salt fog testing, materials resistance measurements and product endurance testing. This approach has made it possible to reduce the level of complaints from our leisure homes customers by more than 50% in four years.

### With charities

The Jeanneau brand has been supporting the NGO Voiles Sans Frontières for more than 10 years. This international non-governmental organization works to support communities who can only be reached by sea, focusing on two areas: medical-health and education.

CNB has supported a project for a transatlantic crossing in a wheelchair. This project made it possible for Jean, a 52-year-old with ALS, an incurable neurological disease, to cross the Atlantic on board a Lagoon 52 F.

CNB has also supported the Sailing 4 Handicap project for three years, represented by Wojtek and Elena. This young couple of athletes, one of whom is a Paralympic champion, have converted the cockpit of their Lagoon 410 S2 Imagine into a consulting room for people requiring orthopedic prosthetics.

In Poland, Ostroda Yacht, which sponsors the local sailing club, opens up its yards once a year to its employees so that they can build or renovate the club's yachts before the regatta season gets underway.

## *3.4. Beneteau Foundation*

### Goals

The commitments to promote know-how, constantly innovate and respect the environment have been part of the Beneteau Group's culture since it was founded.

In 2005, the Beneteau Foundation was created in line with these commitments, with an initiative led by the Beneteau Group and its subsidiaries. The Beneteau Foundation has been taking action for more than 10 years focused on three priority areas:

- Encouraging and promoting environmental protection in the world of boating, construction and housing, through innovative projects, research and the emergence of activities contributing towards creation and innovation in these sectors.
- Safeguarding and showcasing naval heritage.
- Raising public awareness on environmental protection issues, particularly in the boating world.

### Foundation's activities in 2016-17

#### Team Vendée association

The Beneteau Foundation encourages the promotion of professions in the boating sector. It wanted to support an innovative initiative through the Team Vendée association's project for training on offshore racing professions. The Foundation has made a commitment to provide €50,000 of funding for its annual operations. By supporting this charity, the Beneteau Foundation is actively engaged in promoting professions in the boating sector and this is crucial for Team Vendée to continue operating.

Launched based on findings that the Vendée region did not offer any training programs for sailors and did not have any structures with the equipment needed for high-level training, the Team Vendée association wants to offer opportunities for young French talents to get trained up on the various professions involved with offshore racing. More than just a training center, this association teaches young sailors to manage all aspects of race projects: contact with partners, logistics, communications, technical aspects, rules or boat preparations are just some of the skills needed to become a professional sailor.

It offers training in particular for preparation team members, whereas no specific courses were previously available for this profession. Team Vendée offers opportunities for a life in boating with 26 different professions, and has 50 members to date.

#### Lady Valentine and the charity Grand Large

The Beneteau Foundation wanted to give this sailing yacht, which made it possible to develop the hybrid project, a second life in line with its policy to encourage and promote professions relating to the sea. It therefore spent five months renovating this hybrid yacht so that it could sail again and offer opportunities for Groupe Beneteau staff to be introduced to sailing.

After entrusting Lady Valentine's renovation to the Group's training center, the Foundation decided to devote this hybrid yacht to training. The center can use Lady Valentine and is responsible for keeping it effectively maintained. In return, it has created a "Boating Culture" training session to introduce the Group's staff to the fundamentals of boats. This one-day training course enables trainees to learn about the boat (four hours of training in dock) and experience critical or risky situations (three hours at sea). It enables participants to learn the right boating vocabulary and understand the expectations of end customers in terms of quality and safety. A certificate is awarded for the level of knowledge at the end of each course. In 2016, 266 staff from SPBI benefited from this training, taking the total number up to 601 since the program was launched. The feedback from managers and directors has been very positive.

Looking beyond its purely technical aspects, the "Boating Culture" course raises awareness among SPBI staff on the marine environment along the French coastline. The Foundation is very conscious of the importance of raising public awareness on marine environmental issues. It was therefore delighted to receive a request from the charity "Grand Large" to support young people under administrative or judicial protection measures to complete a crossing from Les Sables d'Olonne to Ile d'Yeu on June 10 and 11, 2017. This charity, sponsored by Jacqueline Tabarly, has already made it possible to support 3,500 young people across the Grand Ouest region.

Lady Valentine and her crew welcomed on board three young people aged 15 and their youth worker for this crossing to introduce them to sailing and respect for the marine environment.

#### 2016 architecture competition: Floating Housing

The Beneteau Foundation encourages creation and innovation in all its forms, in the boating and housing sectors. Through the competition it organized in 2016, it wanted to offer an opportunity for all students from French architecture, design and art schools to look at floating housing. In 30 years' time, forecasts indicate that more than 50% of the world's population will live in urban areas next to the sea. It is therefore vital to rethink the way we live in coastal environments.

The panel introduced an innovative measure this year with four awards instead of the traditional three.

The 2016 competition received a strong response from the French housing market. Through regional press and social media, our winners were contacted by the Nantes and Bordeaux municipalities, as well as the French Ministry for Housing, through the PUCA planning, construction and architecture program. The Foundation supported them with their first steps in order to facilitate their exchanges. Thanks to the Foundation's approach, they have been able to set up their own businesses to work on their first projects with real estate operators.

These positive next steps confirm the Foundation's commitment to promoting the emergence of new talent on issues with major environmental stakes.


**AACSM Award**

During Aimée Hilda's presentation at the 2015 Nautic boat show, the AACSM launched the AACSM Award, with funding from the Beneteau Foundation, for saving lifeboats. This initiative is in line with the Foundation's objectives to safeguard naval heritage. The Foundation also attaches a lot of significance to the educational benefits of renovation projects like this to ensure that they are not frozen in time.

Given out for the second time, this award recognized the renovation of a lifeboat built in 1952 by the Lemaistre de Fécamp boatyard.

Members of the public will be able to discover French naval heritage thanks to the lifeboat renovated in this way. It will take part in regional maritime celebrations and events.

On December 5, 2016, the President of the Onésime Fribourg association, Yannick Quénel, received a €10,000 cheque from Mrs Roux, the Foundation's Chairwoman, for renovating its lifeboat.

### *3.5. Ensuring fair practices*

The Beneteau Group rejects all forms of corruption. It considers that it has relatively limited exposure to corruption-related risks in most of its business lines and professions on account of its activities and the regions where it is present.

All the specific legal provisions relating to any abuse of authority on a sexual basis or psychological harassment are incorporated into the internal regulations of the majority of the Group's subsidiaries.

## 4. Methodological procedure for social, environmental and societal reporting

### *4.1. Framework for indicators*

The framework has been defined based on the French regulatory requirements set by Article 225 of French Law 2010-788 concerning the national commitment to the environment - the "Grenelle 2" Act - and its implementing order, Decree 2012-557 of April 24, 2012 on transparency requirements for businesses concerning social and environmental matters.

The recommendations from the Global Reporting Initiative (GRI G4) guidelines have also been taken into consideration.

The framework for indicators published is regularly updated with a view to continuously improving the relevance and reliability of the information reported to take into account progress with the Group's sustainable development approach and legislative changes or to satisfy the Group's stakeholders.

For FY 2016-17, the changes concern the reporting of new HR indicators relating to temporary staff, people on apprenticeship contracts and the number of staff working nights.

### *4.2. Reporting period*

The data collected cover the financial year from September 1, 2016 to August 31, 2017. However, to correlate the information provided in this report with the data from the various regulatory environmental disclosures, SPBI reports on water consumption and VOC emission indicators based on the calendar year (January 1 to December 31, 2016). SPBI's contribution represents around 50% of each indicator.

### *4.3. Reporting scope*

The reporting scope has gradually been extended with a view to covering the Group's financial scope to ensure compliance with the requirements of the French Grenelle 2 Act, under which the CSR scope must be consistent with the financial scope.

When the previous financial report, covering the year ended August 31, 2016, was published, the scope concerned:

- The French companies with more than 20 staff,
- The subsidiaries located in Poland and the United States.

For FY 2016-17, the reporting scope has been extended to include the subsidiaries located in Italy: Monte Carlo Yachts and Bio Habitat Italia.

The companies included in the CSR reporting scope represent 99.7% of the Group's total workforce at August 31, 2017, compared with 94.7% at August 31, 2016.

## 4.4. Scope for indicators

The scope for each indicator is presented in Section 5.

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

- Breakdown of the workforce by gender and category,
- Breakdown of the workforce between full-time and part-time,
- Absenteeism rate.
- 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, environmental and societal indicators that exclusively concern companies with production activities (the societal indicator relates to production purchases and therefore industrial activities),
  - The indicator relating to resin and gelcoat consumption: only the companies from the Boat business, which use resins and gelcoats, have been taken into account.

In addition, to ensure the relevance and reliability of the data published, the non-French companies have been excluded from the scope for certain indicators.

## 4.5. Reporting procedure

The procedures to be implemented for measuring and reporting on the Beneteau Group's Corporate Social Responsibility indicators are formalized in a methodological guide, which aims to:

- Clearly set out the roles and responsibilities of the various stakeholders,
- Present the framework for indicators,
- Propose clear definitions for each quantitative indicator, as well as the controls to be applied by each contributor to ensure consistency between the data collected from the various subsidiaries,
- Present the data collection tool.

The data are entered by the various contributors in the dedicated collection matrixes (one matrix for each section). These matrixes make it possible to collect, validate and consolidate the data. Automatic checks have been configured in these tools to detect any inconsistencies or data entry errors.

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

## 4.6. 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 include 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.

### 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. This year, the Group has reviewed the methodology for calculating GHG emissions and updated the natural gas emission factors in line with data from the ADEME Carbon Base. The data for the previous two reporting periods have also been recalculated on this new basis.

These factors take into account upstream emissions and combustion levels for the facility.

*Timber consumption:*
Timber consumption is measured based on the quantities 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.

## Societal 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.

# 5. 5. Cross-reference table

## *5.1. Employee-related indicators*

| Grenelle II. - Article 225 | Indicators | Report | Scope |
|---|---|---|---|
| **Employment** | | | |
| Total headcount and breakdown of employees | Total headcount | 1.1 | France, Poland, USA, Italy |
| | Breakdown of the workforce by type of contract, status and region | 1.1 | France, Poland, USA, Italy |
| | Breakdown of the workforce by age range | 1.1 | France |
| | Number of temporary staff | 1.1 | France |
| | Number of work-based training contracts | 1.1 | France |
| Recruitments and dismissals | Number of people recruited on permanent contracts | 1.2 | France, Poland, USA, Italy |
| | Number of people recruited on fixed-term contracts | 1.2 | France, Poland, USA, Italy |
| | Number of departures by category - permanent and fixed-term contracts | 1.2 | France, Poland, USA, Italy |
| | Turnover rate for permanent staff | 1.2 | France, Poland, USA, Italy |
| Compensation and changes in pay packages | Breakdown of staff costs | 1.5 | France |
| **Organization of work** | | | |
| Organization of working time | Full-time and part-time staff | 1.1 | France, Poland, USA, Italy |
| | Number of people having worked in shifts or over-night for at least 30 days during the year | 1.1 | France |
| | Number of people working nights | 1.1 | France |
| Absenteeism | Absenteeism rate | 1.1 | France, Poland, USA, Italy |
| **Management-employee relations** | | | |
| Organization of social dialogue | | 1.5 | France |
| Review of collective agreements | Number of collective agreements signed | 1.5 | France |
| **Health and safety** (1) | | | |
| Occupational health and safety conditions | | 1.3 | France, Poland, USA, Italy |
| Review of occupational health and safety agreements signed | Number of health and safety agreements signed | 1.5 | France |
| Frequency and severity of occupational accidents | Frequency rate | 1.3 | France, Poland, USA, Italy |
| | Severity rate | 1.3 | France, Poland, USA, Italy |
| Occupational illnesses | Number of days of absence due to occupational illness | 1.3 | France |
| **Training** | | | |
| Training policies | Ratio of training costs to payroll | 1.4 | France |
| Total number of hours of training | Number of hours of training per employee | 1.4 | France |
| **Equality of treatment** | | | |
| Measures taken to support gender equality | Breakdown of female workforce by status | 1.5 | France, Poland, USA, Italy |
| Measures taken to support the employment and integration of disabled people | Recognized number of units of value for disabilities and percentage in relation to the average headcount | 1.5 | France |
| Anti-discrimination policy | | 1.5 | France, Poland, USA, Italy |

[1] Production companies only

| Grenelle II. - Article 225 | Indicators | Report | Scope |
|---|---|---|---|
| **Promoting and respecting the International Labour Organization's Fundamental Conventions** | | | |
| Recognition of the freedom of association and right to collective bargaining | | 1.6 | France, Poland, USA, Italy |
| Elimination of discrimination concerning employment and professions | | 1.6 | France, Poland, USA, Italy |
| Elimination of forced or compulsory labor | | 1.6 | France, Poland, USA, Italy |
| Effective abolition of child labor | | 1.6 | France, Poland, USA, Italy |

## *5.2. Environmental indicators*[1]

| Grenelle II. - Article 225 | Indicators | Report | Scope |
|---|---|---|---|
| **General environmental policy** | | | |
| Company organization | Number of ISO 14001 certified sites | 2.1 | France, Poland, USA, Italy |
| Environmental protection training and information actions | | 2.2 | France, Poland, USA, Italy |
| Resources for preventing pollution and environmental risks | | 2.2 | France |
| Amount of provisions and guarantees for environmental risks | Amount of IFRS provisions for environmental liabilities and charges | 2.2 | France, Poland, USA, Italy |
| **Pollution** | | | |
| Measures to prevent, reduce or remedy emissions | Compliance rate for industrial water discharges | 2.2 | France |
| | VOC emissions at production sites | 2.2 | France, Poland, USA, Italy |
| Taking into consideration noise pollution | | 2.2 | France, Poland, USA, Italy |
| **Circular economy** | | | |
| Waste management and prevention | Quantity of industrial waste generated in each category | 1.5 | France |
| | Non-hazardous waste recovery / recycling rate | | |
| Actions to tackle food waste | | 2.2 | France |
| Sustainable use of resources | | | |
| Water consumption | Water consumption | | France, Poland, USA, Italy |
| Consumption of raw materials | Timber consumption | 2.2 | France |
| | Quantity of scrap timber / quantity of timber purchased | 2.2 | France |
| | Resin and gelcoat consumption | 2.2 | Boat business: France, Poland, USA, Italy |
| Energy consumption | Electricity consumption | 2.2 | France, Poland, USA, Italy |
| | Gas consumption | 2.2 | France, Poland, USA, Italy |
| Land use | | 2.2 | France |
| **Climate change** | | 2.2 | |
| Greenhouse gas emissions | $CO_2$ emissions | | France, Poland, USA, Italy |
| Adapting to the consequences of climate change | | 2.2 | France, Poland, USA, Italy |
| **Biodiversity protection** | | 2.2 | |
| Measures taken to protect or develop biodiversity | | 2.2 | France, Poland, USA, Italy |

[1] Production companies only

## *5.3. Societal indicators*

| Grenelle II. - Article 225 | Indicators | Report | Scope |
|---|---|---|---|
| **Regional, economic and social impact of the company's business** | | | |
| Regional development and employment | Portion of expenditure placed with local suppliers[1] | 3.2 | France |
| Local or neighboring communities | | 3.1 | France, Poland, USA, Italy |
| **Relations with people or organizations concerned by the company's activities** | | | |
| Conditions for dialogue with these people or organizations | | 3.3 | France, Poland, USA, Italy |
| Corporate citizenship or partnership actions | | 3.4 | France, Poland, USA, Italy |
| **Outsourcing and suppliers** | | | |
| Taking social and environmental stakes into account in the procurement policy | | 3.2 | France |
| Importance of outsourcing | | 3.2 | France |
| **Fair practices** | | | |
| Actions to prevent corruption | | 3.5 | France, Poland, USA, Italy |
| Measures to ensure the health and safety of consumers | | 3.3 | France, Poland, USA, Italy |
| Other actions to support human rights | | 3.5 | France, Poland, USA, Italy |

# *Beneteau S.A.*

## Breakdown of earnings

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

ITS EARNINGS CAN BE BROKEN DOWN AS FOLLOWS:

| €M | 2016-17 | 2015-16 |
|---|---|---|
| **Revenues** | 15.1 | 14.4 |
| Operating income | (5.6) | (5.1) |
| Financial income (expense) | 11.6 | (2.0) |
| Net income | (0.2) | (1.7) |

During the year, Beneteau S.A. received €12.8 million in dividends from CNB SA, BIO Habitat SAS, SPBI SA and SGB.
The company's total net banking resources represented €89.4 million at August 31, 2017, compared with -€14.4 million at August 31, 2016.

# Information on terms of payment for suppliers and customers

## BY PERIOD FOR LATE PAYMENTS (A)

| €'000 | Unpaid invoices issued at Aug 31, 17 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 | 155 | 226 | 24 | 7 | 25 | 437 |
| Percentage of total amount of purchases including VAT | 1.1% | 1.7% | 0.2% | 0.1% | 0.2% | 3.2% |
| Number of invoices | | | | | | 129 |

| €'000 | Unpaid invoices received at Aug 31, 17 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 | 27 | 2 | 0 | 0 | 9 | 38 |
| Percentage of revenues including VAT | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% |
| Number of invoices | | | | | | 112 |

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

| | Unpaid invoices received at Aug 31, 17 in arrears | Unpaid invoices issued at Aug 31, 17 in arrears |
|---|---|---|
| Number of invoices excluded | NA | 1 |
| Total amount of invoices excluded (€'000) | NA | 128 |

## REFERENCE TERMS OF PAYMENT USED

| | Unpaid invoices received at Aug 31, 17 in arrears | Unpaid invoices issued at Aug 31, 17 in arrears |
|---|---|---|
| Reference terms of payment used | 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 11.4978% for the Franklin Ressources Inc fund, 4.98% for Financière de l'Echiquier and 3.78% for BERI 210 SARL.

The Management Board would like to add that 385,000 shares, representing 0.465% 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 €29,428 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 546,050 shares at an average price of €12.95 per share
- Selling a total of 590,850 shares at an average price of €12.30 per share
- Trading costs: €74,000.

This gives a balance of 1,111,942 treasury shares at August 31, 2017, with a par value of €0.10, representing 1.34% of the capital, with 0.70% for treasury stock and 0.64% for shares awarded. The balance sheet value represents €10,600,000, while the value at August 31, 2017, based on the average share price for August 2017, came to €15,612,000.

The reasons for acquisitions are included in the treasury stock buyback program approved at the general meeting on January 27, 2017.

# Appropriation of earnings

The Management Board proposes the following appropriation of the -€211,015.42 in net income for BENETEAU S.A. for the year ended August 31, 2017, plus €111,474.20 in prior retained earnings:

- Other reserves: -€99,541.22

Reducing other reserves from €147,879,992.64 to €147,780,451.42

And to draw €20,697,460.00 from other reserves for:

- Dividends: -€20,697,460.00

In this way, other reserves will be reduced from €147,780,451.42 to €127,082,991.42.

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 €0.25 for each one of the 82,789,840 shares, with a par value of €0.10.

It will be paid out on Friday February 16, 2018, 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:

| | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|
| Share par value | €0.10 | €0.10 | €0.10 |
| Number of shares | 82,789,840 | 82,789,840 | 82,789,840 |
| Net dividend | €0.04 | €0.06 | €0.10 |

# Five-year financial summary - Beneteau S.A.

| Amounts in € | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|---|
| **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) | 13,077,022 | 12,678,398 | 13,562,132 | 14,359,635 | 15,126,363 |
| Earnings before tax, profit-sharing, depreciation and provisions | 1,174,982 | (8,547,966) | (12,546,473) | (7,779,580) | 9,181,307 |
| Corporate income tax | (3,827,854) | (3,483,946) | (5,561,452) | (5,447,177) | (602,351) |
| Employee profit-sharing | 0 | 0 | 7,638 | 42,387 | 69,578 |
| Net income | (2,942,404) | (7,036,659) | (6,911,283) | (1,706,206) | (211,015) |
| Distributed earnings | 0 | 3,311,594 | 4,967,390 | 8,278,984 | 20,697,460 |
| **Earnings per share** | | | | | |
| Earnings after tax and profit-sharing, but before depreciation and provisions | 0.06 | (0.06) | (0.08) | (0.03) | 0.12 |
| Net income | (0.04) | (0.08) | (0.08) | (0.02) | (0.00) |
| Dividend per share | 0.00 | 0.04 | 0.06 | 0.10 | 0.25 |
| **Workforce** | | | | | |
| Average headcount | 23 | 23 | 24 | 27 | 30 |
| Payroll | 1,619,661 | 1,847,271 | 2,670,953 | 3,458,392 | 3,281,244 |
| Employee benefits | 735,966 | 1,356,679 | 1,226,214 | 7,326,158 | 1,525,858 |

# List of Corporate Officers and compensation

Executive compensation packages are set by the Supervisory Board based on proposals from the Compensation Committee. Items of variable compensation are determined in view of the results achieved.

Management and Supervisory Board members are required to hold on to the shares awarded for two years from their definitive vesting date for plans earlier than 2016 and for one year from 2016.

There are no commitments for any executive severance packages.

The Group is committed to referring to the AFEP-MEDEF corporate governance code.

## *List of Corporate Officers at August 31, 2017*

| Mr GASTINEL Hervé | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Supervisory Board Jul 27, 2015<br>Effective Aug 26, 2015<br>Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019 | Chief Executive Officer |
| SPBI SA | Chairman of Board of Directors and CEO |
| CNB SA | Vice-Chairman of Board of Directors |
| BIO HABITAT SA | Chairman of Board of Directors |
| BH SASU | Director |
| SGB FINANCE SA | Director |
| BENETEAU FOUNDATION | Director |
| BENETEAU INC | Director and Chairman |
| BGM AMERICA INC | Director |
| BENETEAU AMERICA INC | Director |
| JEANNEAU AMERICA INC | Director |
| GBI HOLDING SRL | Director |
| MONTE CARLO YACHT SPA | Director |
| BENETEAU GROUP ASIA PACIFIC Ltd | CEO |
| TREFLE SAS | Chairman |
| TREFLE II SAS | Chairman |

| Mr CHAPELEAU Jean-Paul | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 9, 2014<br>Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019 | Management Board member |
| SPBI SA | Deputy CEO and Director |
| JEANNEAU AMERICA INC | Director and Chairman |
| JEANNEAU ITALIA | Chairman |
| OSTRODA YACHT | Chairman of Supervisory Board |

| Mr CAUDRELIER Christophe | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Supervisory Board Apr 29, 2015<br>Effective Jun 4, 2015<br>Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019 | Management Board member |
| SPBI SA | Director |
| CNB SA | Director |
| BIO HABITAT SA | Director |
| SGB FINANCE SA | Director |
| BENETEAU INC | Director |
| BGM AMERICA INC | Director and Chairman |
| BENETEAU AMERICA INC | Director |
| JEANNEAU AMERICA INC | Director |
| GBI HOLDING SRL | Director |
| MONTE CARLO YACHT SPA | Director |
| BIO HABITAT ITALIA | Director |
| JEANNEAU ITALIA | Director |

| Mrs DEMARIA Carla | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Aug 31, 2011<br>Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019 | Management Board member |
| SPBI SA | Deputy CEO and Director |
| MONTE CARLO YACHT SPA | President |
| BENETEAU ITALIA SRL | Chairwoman of Board of Directors |
| BENETEAU AMERICA INC | Director and Chairwoman |
| UCINA (Italian yachting federation) | President |
| I SALONI NAUTICI s.r.l. | Chairwoman |

| Mrs ROUX Annette | Position |
|---|---|
| BENETEAU SA (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: General Meeting Jan 30, 2015,<br>ending in 2018 | Supervisory Board member |
| BERI 21 SA | Chairwoman of Supervisory Board |
| SPBI SA | Director |
| CNB SA | Director |
| BH SASU | Director |
| BIO HABITAT SA | Director |
| BENETEAU FOUNDATION | Chairwoman |
| BERI 210 SARL | Manager |

| Mr BÉNÉTEAU Yvon | Position |
|---|---|
| BENETEAU SA (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: Supervisory Board Jan 27, 2017,<br>ending in 2020 | Observer on Supervisory Board |
| BERI 21 SA | Management Board member |
| NOVY 6 SAS | Chairman |
| BENETEAU FOUNDATION | Director |

| Mr DUPE Luc | Position |
|---|---|
| BENETEAU SA (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: Supervisory Board Jan 27, 2017,<br>ending in 2020 | Observer on Supervisory Board |
| BERI 21 SA | Management Board member |
| ELMA ASSOCIES SAS | Deputy CEO |

| Mr DE LABRIFFE Christian | Position |
|---|---|
| BENETEAU SA (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: Supervisory Board Jan 27, 2017,<br>ending in 2020 | Representative of PARC MONCEAU, |
| PARC MONCEAU SARL | Observer on Supervisory Board |
| CHRISTIAN DIOR SA (listed) | Manager |
| CHRISTIAN DIOR COUTURE SA | Director |
| DRT SA | Director |
| TCA Partnership SAS | Representative of SALVEPAR SA, Director |
| Fondation Nationale des Arts Graphiques et Plastiques | Chairman |

| Mr LYON-CAEN Yves | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: General Meeting Jan 30, 2015,<br>ending in 2018 | Chairman of Supervisory Board |
| BERI 21 SA | Chief Executive Officer |
| BH SASU | Director |
| BENETEAU FOUNDATION | Director |
| GBI HOLDING SRL | Chairman of Board of Directors |
| BENETEAU ITALIA SRL | Director |
| BIO HABITAT ITALIA | Director |
| SCI ODYSSEY | Manager |
| BERI 210 SARL | Manager |
| BERI 75 SARL | Manager |
| FEDERATION DES INDUSTRIES NAUTIQUES | Chairman of Board of Directors |

| Mr GOUDANT Jean-Pierre | Position |
|---|---|
| BENETEAU SA (listed))<br>First appointed: Nov 7, 2012<br>Last reappointed: Jan 29, 2016,<br>ending in 2019 | Supervisory Board member |
| FEDERATION DES INDUSTRIES NAUTIQUES | Vice-Chairman and Treasurer |
| EUROPEAN BOATING INDUSTRY | Vice-Chairman and Treasurer |

| Mrs POURRE Catherine | Position |
|---|---|
| BENETEAU SA (listed)<br>First appointed: Jan 31, 2014,<br>ending in 2017 (broken)<br>Last reappointed: Jan 29, 2016,<br>ending in 2019 | Supervisory Board member |
| NEOPOST SA (listed) | Member of Board of Directors |
| 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 |
| Association Class 40 | Member of Board of Directors |

| Mr BRIGNON Claude | Position |
|---|---|
| BENETEAU SA (listed)<br>First appointed: Jan 31, 2014,<br>ending in 2017 Last reappointed:<br>General Meeting Jan 27, 2017,<br>ending in 2020 | Supervisory Board member |
| BENETEAU FOUNDATION | Director |

| Mr ROUX Louis-Claude | Position |
|---|---|
| **BENETEAU S.A.** (listed)<br>First appointed: Jan 31, 2014, ending in 2017 (broken)<br>Last reappointed: Jan 29, 2016, ending in 2019 | Vice-Chairman of Supervisory Board |
| BERI 21 SA | Management Board member |
| SPBI SA | Vice-Chairman of Board of Directors |
| CNB SA | Observer |
| BIO HABITAT SA | Vice-Chairman of Board of Directors |
| BH SASU | Director |

| Mrs LEITZGEN Anne | Position |
|---|---|
| **BENETEAU S.A.** (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: Supervisory Board Jan 27, 2017, ending in 2020 | Supervisory Board member |
| SCHMIDT GROUPE SAS | CEO and Company Chairwoman |
| CUISINES SCHMIDT Limited (UK) | Director |
| SALM Italia SPA | Sole Director |
| SALM Hispanica | Sole Director |
| SALM Groupe SPAIN | Sole Director |
| SCHMIDT Suofeiya Kitchen Co. Ltd | Chairman of the Board |
| Geschäftsführungsgesellschaft Schmidt Küchen mbH | CEO |
| Beteiligungsgesellschaft Leitzgen mbH | CEO |
| FIM SPL (Spain-JEREZ) | Sole Director |
| EMK | Representative of Schmidt Group, Manager |
| EMA | Representative of Schmidt Group, Chairman |
| ECC | Representative of Schmidt Group, Chairman |
| Schmidt Küchen Gmbh & Co | Representative of Geschäftsführungsgesellschaft Schmidt Küchen mbH, CEO |
| BETTYLEEUW SPRL | Representative of EMA, Manager |
| ANNA SG | Representative of EMA, Chairman |
| LOUISA SG | Representative of EMA, Chairman |
| ALICIA SA | Representative of EMA, Chairman |
| LINA SG | Representative of EMA, Chairman |
| MELISSA SG | Representative of EMA, Chairman |
| LOLA SG | Representative of EMA, Chairman |
| UNIFA | Director |
| SOCOMEC | Director |

## *Executive compensation*

COMPENSATION AND OPTIONS AND SHARES AWARDED
TO EACH EXECUTIVE OFFICER

| Name | Position | Category | Aug 31, 2017 Amounts due | Aug 31, 2017 Amounts paid | Aug 31, 2016 Amounts due | Aug 31, 2016 Amounts paid |
|---|---|---|---|---|---|---|
| Mr GASTINEL Hervé | Chief Executive Officer Beneteau S.A. | Fixed pay | 456,945 | 453,508 | 404,890 | 404,890 |
| | | Variable pay | 366,900 | 215,477 | 156,274 | 0 |
| | | Exceptional compensation | 0 | 0 | 0 | ,- |
| | | Attendance fees | 0 | 0 | 15,000 | 15,000 |
| | | Benefits in kind | 8,356 | 8,356 | 6,267 | 6,267 |
| | | **TOTAL** | **832,201** | **677,341** | **582,431** | **426,157** |
| Mr CAUDRELIER Christophe | Management Board member Beneteau S.A. | Fixed pay | 238,837 | 238,757 | 231,566 | 231,566 |
| | | Variable pay | 222,586 | 130,434 | 109,392 | 25,500 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 4,167 | 4,167 |
| | | Benefits in kind | 4,496 | 4,417 | 2,838 | 2,838 |
| | | **TOTAL** | **465,919** | **373,608** | **347,963** | **264,071** |
| Mrs DEMARIA Carla | Management Board member Beneteau S.A. | Fixed pay | 300,000 | 300,000 | 300,000 | 300,000 |
| | | Variable pay | 226,557 | 227,168 | 384,557 | 194,835 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 7,000 | 7,000 |
| | | Benefits in kind | 0 | 16,669 | 0 | 14,075 |
| | | **TOTAL** | **526,557** | **543,837** | **691,557** | **515,910** |
| Mr CHAPELEAU Jean-Paul | Management Board member Beneteau S.A. | Fixed pay | 276,105 | 274,772 | 260,436 | 260,436 |
| | | Variable pay | 139,800 | 84,730 | 165,481 | 42,939 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 7,000 | 7,000 |
| | | Benefits in kind | 4,379 | 4,325 | 3,894 | 3,894 |
| | | **TOTAL** | **420,284** | **363,828** | **436,811** | **314,269** |

## SUMMARY OF COMPENSATION AND OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE OFFICER

| Name | Position | Category | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|---|
| Mr Hervé Gastinel | Chief Executive Officer Beneteau S.A. | Compensation due for the year | 832,201 | 582,431 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 278,500 |
| Mr Christophe Caudrelier | Management Board member Beneteau S.A. | Compensation due for the year | 465,919 | 347,963 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 139,250 |
| Mrs Carla Demaria | Management Board member Beneteau S.A. | Compensation due for the year | 526,557 | 691,557 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |
| Mr Jean-Paul Chapeleau | Management Board member Beneteau S.A. | Compensation due for the year | 420,284 | 436,811 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |

| Aug 31, 2017 | Executive officer | Employment contract | Supplementary pension scheme | Actual or potential severance or termination benefits | Benefits due to a no-compete clause |
|---|---|---|---|---|---|
| Name | **Mr GASTINEL Hervé** | | | | |
| Position | Chief Executive Officer Beneteau S.A. | Mandate agreement | yes | no | yes |
| Term of office start date | Jan 10, 2017 | | | | |
| Term of office end date | Jan 2019 | | | | |
| Name | **Mrs DEMARIA Carla** | | | | |
| Position | Management Board member Beneteau S.A. | yes | yes | no | no |
| Term of office start date | Jan 10, 2017 | | | | |
| Term of office end date | Jan 2019 | | | | |
| Name | **Mr CHAPELEAU Jean-Paul** | | | | |
| Position | Management Board member Beneteau S.A. | yes | yes | no | no |
| Term of office start date | Jan 10, 2017 | | | | |
| Term of office end date | Jan 2019 | | | | |
| Name | **Mr CAUDRELIER Christophe** | | | | |
| Position | Management Board member Beneteau S.A. | yes | yes | no | no |
| Term of office start date | Jan 10, 2017 | | | | |
| Term of office end date | Jan 2019 | | | | |

ATTENDANCE FEES AND OTHER COMPENSATION AWARDED TO **NON-EXECUTIVE OFFICERS**

| Name | Position | Category | Aug 31, 2017 | | Aug 31, 2016 | |
|---|---|---|---|---|---|---|
| | | | Amounts due | Amounts paid | Amounts due | Amounts paid |
| **Mr LYON CAEN Yves** | Chairman of Supervisory Board | Attendance fees<br>Other compensation | 26,000<br>494,712 | 26,000<br>410,888 | 41,000<br>301,929 | 41,000<br>335,665 |
| **Mr ROUX Louis Claude** | Vice-Chairman of Supervisory Board | Attendance fees<br>Other compensation | 16,000<br>150,559 | 16,000<br>121,428 | 33,000<br>78,820 | 33,000<br>78,820 |
| **Mrs ROUX Annette** | Supervisory Board member | Attendance fees<br>Other compensation | 26,175<br>100,000 | 26,175<br>100,000 | 42,500<br>100,000 | 42,500<br>100,000 |
| **Mr DE LABRIFFE Christian** | Observer on Supervisory Board | Attendance fees<br>Other compensation | 25,000<br>0 | 25,000<br>0 | 22,250<br>0 | 22,250<br>0 |
| **Mr GOUDANT Jean-Pierre** | Supervisory Board member | Attendance fees<br>Other compensation | 31,500<br>0 | 31,500<br>0 | 30,750<br>0 | 30,750<br>0 |
| **Mrs POURRE Catherine** | Supervisory Board member | Attendance fees<br>Other compensation | 21,000<br>0 | 21,000<br>0 | 21,250<br>0 | 21,250<br>0 |
| **Mr BRIGNON Claude** | Supervisory Board member | Attendance fees<br>Other compensation | 35,000<br>0 | 35,000<br>0 | 33,750<br>0 | 33,750<br>0 |
| **Mr BÉNÉTEAU Yvon** | Observer on Supervisory Board | Attendance fees<br>Other compensation | 15,000<br>40,000 | 15,000<br>40,000 | 21,500<br>41,703 | 21,500<br>41,703 |
| **Mr DUPE Luc** | Observer on Supervisory Board | Attendance fees<br>Other compensation | 15,000<br>39,996 | 15,000<br>39,996 | 24,834<br>40,550 | 24,834<br>40,550 |
| **Mrs LEITZGEN Anne** | Supervisory Board member | Attendance fees<br>Other compensation | 12,000<br>0 | 12,000<br>0 | 0<br>0 | 0<br>0 |
| **Mr BÉNÉTEAU Benjamin** | Supervisory Board member | Attendance fees<br>Other compensation | 0<br>0 | 0<br>0 | 40,167<br>106,437 | 40,167<br>106,437 |

# Corporate officers' transactions on shares

## 1. Stock options

**Options awarded at August 31, 2017**

NA

**Options awarded to corporate officers in FY 2016-17**

NA

**Options exercised by corporate officers in FY 2016-17**

NA

## 2. Bonus shares

### Bonus shares awarded at August 31, 2017

| Date awarded | Number of shares awarded | Value of shares awarded |
|---|---|---|
| Apr 29, 2014 | 212,000 | 12.005[1] |
| Apr 28, 2016 | 326,000 | 12.005[2] |

[1] Closing price from Apr 29, 2014
[2] Closing price from Apr 28, 2016

**Bonus shares awarded to corporate officers in FY 2016-17**

NA

**Bonus shares definitively vested for corporate officers in FY 2016-17**

NA

## 3. Corporate officers' transactions in FY 2016-17

| Name | Type of transaction | Transaction date | Number of securities | Amount |
|---|---|---|---|---|
| Mr DUPE Luc (closely linked) | Sale | Jun 23, 2017 | 250 | €3,875.00 |
| | Sale | Jun 20, 2017 | 4,070 | €62,813.12 |
| | Sale | Jun 9, 2017 | 3,930 | €60,527.11 |
| | Sale | Jun 8, 2017 | 2,000 | €30,800.00 |
| Mrs LEITZGEN Anne | Purchase | May 15, 2017 | 500 | €7,126.90 |
| Mrs POURRE Catherine | Sale | Nov 17, 2016 | 500 | €5,833.25 |
| | Sale | Nov 17, 2016 | 500 | €5,865.55 |

For the year ended August 31, 2017, the variable compensation due or awarded was determined as follows:

For the Management Board members whose variable compensation is linked to the Group's income from ordinary operations, the variable component has been calculated based on a scale as a percentage of the Group's income from ordinary operations, before applying a coefficient then an adjustment ranging from 0.50 to 1.5 depending on various annual qualitative criteria reviewed individually by the Governance, Appointments and Compensation Committee then the Supervisory Board.

For the Management Board members, brand directors, the variable component has been calculated:

- Either based on a scale as a percentage of revenues for the company with the brand concerned,
- Or based on a scale as a percentage of income from ordinary operations for the brands concerned, subject to an adjustment ranging from 0.70 to 1.30 depending on various annual qualitative criteria reviewed individually by the Governance, Appointments and Compensation Committee then the Supervisory Board.

For the Chairman of the Supervisory Board, the variable compensation has been calculated based on the same scale as for the Chief Executive Officer, as a percentage of the Group's income from ordinary operations, subject to an adjustment of 0.50.

The Vice-Chairman of the Supervisory Board was not awarded any variable pay.

For the current financial year, variable compensation will be determined as follows:

For the Management Board members whose variable compensation is linked to the Group's performances, this will be calculated if the objectives are achieved, applying a percentage from 65% to 70% to their fixed compensation. These objectives will primarily concern the Group's quantitative performances (income from ordinary operations, revenues and free cash flow) and 30% for individual objectives set by the Supervisory Board based on proposals from the Governance, Appointments and Compensation Committee.

If these objectives are exceeded, and within the limit of 20% of this outperformance, the percentages to be applied to their fixed compensation may be increased to 90% or 100%.

For the Management Board members whose variable compensation is linked to the performance of the brands, this will be calculated:

- Either based on a scale as a percentage of revenues for the company with the brand concerned,
- Or based on objectives linked to the brands concerned (revenues, operating income, stock of finished products and qualitative staff elements), subject to a coefficient then an adjustment making it possible to limit the amount as a percentage of their fixed annual salary, depending on whether the objectives are achieved or exceeded, and as reviewed by the Governance, Appointments and Compensation Committee then the Supervisory Board.

For the Chairman of the Supervisory Board, the variable compensation will be calculated on the same basis as previously, applying a scale to the Group's income from ordinary operations.

The Vice-Chairman of the Supervisory Board was not awarded any variable pay.

# Report by one of the statutory auditors, appointed as an independent third party, on the consolidated social, environmental and societal information presented in the management report

**Year ended August 31, 2017**

Dear Shareholders,

In our capacity as Beneteau S.A's statutory auditor appointed as an independent third party, accredited by the French national accreditation body COFRAC under number 3-1049, please find hereafter our report on the consolidated social, environmental and societal data presented in the management report (the "CSR Data") for the year ended August 31, 2017, in accordance with Article L.225-102-1 of the French commercial code.

**Company's responsibility**

The Management Board is responsible for preparing a management report containing the CSR Data required by Article R.225-105-1 of the French commercial code, prepared in accordance with the reporting standards used by the company (the "Reporting Standards"), as summarized in the management report and available on request from the company's registered office.

**Independence and quality control**

Our independence is defined by the regulations, the professional code of ethics and the provisions of Article L.822-11-3 of the French commercial code. Furthermore, we have put in place a quality control system which includes documented policies and procedures aimed at ensuring compliance with the applicable ethical rules, legislation and regulations.

**Independent third party's responsibility**

It is our responsibility, based on our work, to:

- Certify that the required CSR Data are present in the management report or, in the event of omissions, are explained in accordance with the third paragraph of Article R.225-105 of the French commercial code (Certificate of presence of CSR Data);
- Express a conclusion of moderate assurance that the CSR Data overall are presented, in all their material respects, in a true and fair manner in accordance with the Reporting Standards (Considered opinion on the accuracy of the CSR Data).

However, it is not our responsibility to express an opinion on compliance with any other legal provisions applicable, particularly under Article L. 225-102-4 of the French commercial code (Vigilance Plan) and the French "Sapin II" Act 2016-1691 of December 9, 2016 (Anticorruption).

Our work was carried out by a team of six people over a period of approximately three weeks between October 2017 and December 2017. To assist us in our work, we called on the expertise of our CSR specialists.

We conducted the work described hereafter in accordance with the Decree of May 13, 2013 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 and with ISAE 3000[1] concerning our conclusion on the fairness of the CSR Data[2].

## 1. Certificate of presence of CSR Data

### *Nature and scope of our work*

Based on interviews with the managers of the departments concerned, we reviewed the presentation of the sustainable development policies, in view of the social and environmental consequences relating to the company's business and its societal commitments and, when relevant, the resulting actions or programs.

We compared the CSR Data presented in the management report with the list set out in Article R.225-105-1 of the French commercial code.

If certain consolidated data were not included, we checked that explanations were provided as required by the provisions of Article R.225-105 Paragraph 3 of the French commercial code.

We checked that the CSR Data covered the consolidated scope, namely the company and its subsidiaries as defined by Article L.233-1, as well as its controlled companies as per Article L.233-3 of the French commercial code, within the limits set out in the methodological procedure presented in section "4. Social, environmental and societal reporting methodology" of the management report.

**Conclusion**

On the basis of this work, and within the aforementioned limits, we certify that the management report contains the CSR Data required.

[1] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

[2]SPBI (France), Rec Boat Holding (Cadillac, United States)

## 2. Considered opinion on the accuracy of the CSR Data

### *Nature and scope of our work*

We conducted around 10 interviews with the people responsible for the preparation of the CSR Data, from the departments in charge of the data collection processes and, as relevant, the people responsible for the internal control and risk management procedures, with a view to:

- Assessing 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;
- Checking the implementation of a process for collecting, compiling, processing and checking the CSR Data to ensure it is complete and consistent, and obtaining information about the internal control and risk management procedures regarding the preparation of the CSR Data.

We determined the nature and extent of our tests and controls based on the nature and importance of the CSR Data in relation to the company's characteristics, the social and environmental issues associated with its activities, its sustainable development policies and industry best practices.

For the CSR Data that we considered most important, as listed in the following table:

- For the consolidating entity and the various entities, we reviewed the related documentary sources and we conducted interviews to corroborate the qualitative data (organization, policies, actions), we performed analytical procedures on the quantitative data and verified, on a test basis, that such data had been correctly calculated and consolidated; we also checked their consistency with the other data presented in the management report;
- For a representative sample of entities that we selected based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct application of the procedures and identify potential omissions, and we carried out detailed tests on a sampling basis, checking the calculations made and the consistency of data with the supporting documents. The sample selected in this way represents 59% of the headcount considered as material data for human resources, between 24% and 93% of the quantitative environmental data, and between 60% and 68% of the quantitative societal data presented.

#### Employee-related indicators

Workforce at August 31, 2017
Number of recruitments during the year – fixed-term and permanent contracts
Number of dismissals during the year
Frequency rate for occupational accidents resulting in time off work for staff
Severity rate for occupational accidents for staff
Total number of hours of training per employee per year

#### Environmental indicators

Number of ISO 14001 certified sites
Volatile organic compound (VOC) emissions for production sites
Electricity consumption for sites during the year
Gas consumption for sites during the year
Water consumption for sites during the year
Energy consumption-related $CO_2$ emissions for sites
Quantity of scrap timber / quantity of timber consumed
Quantity of industrial waste generated in each category
Non-hazardous waste recovery / recycling rate

#### Societal indicator

Portion of expenditure placed with local suppliers

#### Qualitative data

**Employee-related topics**
Occupational health and safety conditions
Training policies

**Environmental topics**
Resources allocated for the prevention of environmental risks and pollution
Measures to prevent, reduce or remedy air, water and ground emissions seriously affecting the environment
Measures taken to improve energy efficiency

**Societal topics**
Regional, economic and social impact of the company's business on local or neighboring communities

Integration of social and environmental concerns in the company's procurement policy

Importance of outsourcing and taking their social and environmental responsibility into account in relations with suppliers and subcontractors

For the other consolidated CSR data, we assessed their consistency in relation to our knowledge of the company.

Lastly, we assessed the relevance of explanations relating to the total or partial omission of certain data, if applicable.

We consider that the sampling methods and sample sizes that we have used, exercising our professional judgment, allow us to express a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work. As a result of the use of sampling techniques, and the other limitations inherent in the functioning of any internal control and information system, the risk of a material anomaly in the CSR Data not being detected cannot be ruled out entirely.

**Conclusion**
Based on this work, we have not identified any material anomalies likely to call into question the fact that the CSR Data overall are presented in a true and fair way, in accordance with the Reporting Standards.

**The Statutory Auditors**

Paris-La Défense, December 20, 2017

KPMG S.A.

Anne Garans
Partner
Sustainability Services
Franck Noël
Partner

# Management Board's supplementary report

**Section excluding the annual accounts**

**Combined General Meeting on February 9, 2018**

Dear Shareholders,

Following on from the deliberations of the Management Board on October 30 and November 27, 2017 and the Supervisory Board on October 31 and November 27, 2017, we have invited you to attend a combined general meeting, in accordance with French law and your company's bylaws, in order to deliberate on the following specific points:

**1 - Renewal of the company share buyback program and related authorizations:**

(20th, 21st and 23rd resolutions)

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.

Under the previous authorization, the following transactions were carried out over the period from December 1, 2016 to November 30, 2017:

- Purchases for a total of 587,935 shares,
- Representing a total of €8,088,796 and an average share price of €13.758
- Sales for a total of 587,935 shares,
  Representing a total of €8,150,525 and an average share price of €13.863
- No transfers
- No cancellations

The transactions carried out on the share under the liquidity agreement represented: 587,935 purchases and 587,935 sales.

Treasury stock at November 30, 2017 therefore represented: 1,055,742 shares, i.e. 1.28% of the capital, with the following breakdown:

- 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: 530,000 shares
- Holding and subsequent issue in exchange or as payment for external growth operations: 525,742 shares

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.

The Management Board therefore invites you to renew the authorization, for a further 18-month period, for the company to acquire its own shares representing up to 5% of the share capital and a maximum theoretical investment of €77 million, based on a maximum purchase price set at €25.00.

The objectives of this buyback 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 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,
- 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.

This authorization would cancel and replace the previous one from January 27, 2017.

The description of the share buyback program will be made available to shareholders at least 21 days before the general meeting, notably on the company's website.

**2 – Potential capital increase reserved for employees who are members of the Group's company savings schemes, with preferential subscription rights waived:**

(22nd resolution)

We would like to remind you about the provisions of the French employee savings act of February 19, 2001, which requires general shareholders' meetings to deliberate every three years, or 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 (Code du Travail).

Since the 21st 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.

# Supervisory Board's report

**Combined General Meeting on February 9, 2018**

Dear Shareholders,

The Supervisory Board has been provided with regular reports from the Management Board on changes in the Group's business, and performed the missions entrusted to it under the law and bylaws.

More specifically, it has reviewed the parent company financial statements of BENETEAU S.A., as well as the consolidated financial statements of the BENETEAU GROUP, for the year ended August 31, 2017, and it does not have any specific observations to make regarding these documents.

We do not have any observations to make regarding the Management Board's management report.

Neither do we have any observations to make concerning the report on the section excluding the annual financial statements.

Your Board therefore invites you to approve the documents presented here, as well as the resolutions put forward.

**Chairman of the Supervisory Board**

Saint-Gilles-Croix-de-vie,
October 31 and November 27, 2017

# Chairman's report on Supervisory Board operations and internal control

Dear Shareholders,

In accordance with Article L.225-68 of the French commercial code (Code de Commerce), supplemented by the French Financial Security Act 2003-706 of August 2, 2004, I am reporting to you on the following:

• The conditions for preparing and organizing work carried out by your Supervisory Board during the year ended August 31, 2017

- The internal control procedures put in place by the company

The Group is committed to referring to the AFEP-MEDEF corporate governance code.

## *1 - Supervisory Board operations*

The Supervisory Board's internal regulations, in terms of its own operations and the functioning of each of its Committees, are presented in full below based on the latest update from December 9, 2016. A new version is currently being reviewed.

#### Beneteau S.A. supervisory board charter

This charter (hereafter "the Charter") was adopted by the Supervisory Board (hereafter "the Supervisory Board") of Beneteau S.A. (hereafter "the Company") on May 10, 2005 and amended on August 29, 2014, December 10, 2015 and December 9, 2016.

### Section 1

#### Charter scope and status

1.1 This Charter, issued in accordance with Article 20 of the Company's bylaws, supplements the rules and regulations applicable for the Supervisory Board under French law and the Company's bylaws. In the event of any contradictions between this Charter and the bylaws, the bylaws will take precedence.
1.2 The appendices to this Charter, as listed hereafter, are an integral part of this Charter:

Appendix A: Rules and conditions for the resignation of Supervisory Board members

Appendix B: Strategic Committee Charter

Appendix C: Audit Committee Charter

Appendix D: Governance, Appointments and Compensation Committee Charter

Appendix E: Management Board resolutions subject to prior approval from the Supervisory Board.

1.3. In a resolution adopted on August 29, 2014, the Company's Supervisory Board unanimously undertook:

• To observe and be bound by the obligations resulting from these terms,

• When new Supervisory Board members are appointed, to ensure that they make the undertaking indicated in Section a) above.

1.4. The Supervisory Board assesses this Charter annually in order to identify any specific points that might require this Charter to be amended or new guidelines to be drawn up.

1.5. This Charter is published on the Company's website.

### Section 2

#### Supervisory Board's responsibilities

2.1. The Supervisory Board exercises control over the Company's general affairs and management, and related activities, and also has a mission to advise the Management Board. In connection with its mandate, the Supervisory Board safeguards the interests of the Company and its business; it takes into consideration the respective interests of all the parties concerned within the Company. The Supervisory Board is itself accountable for the performance of its mandate.

2.2. Subject to the provisions resulting from the Company's bylaws, the Supervisory Board's remits notably include:

• Controlling the Management Board and providing it with advice on matters relating to:

- The Company's performance,

- The Company's strategy and the inherent risks associated with its business,

- The structure and administration of the internal risk management and control systems,

- The financial reporting process, and

- Legal and regulatory compliance;

• Publishing and ensuring compliance with the implementation of the Company's corporate governance structure;

• Assessing and rating the operations of the Management and Supervisory Boards and their individual members;

• When the ordinary general meeting issues a negative opinion concerning any executive pay packages presented, the Board, after consulting with the Governance, Appointments and Compensation Committee, deliberates on this issue during one of its next sessions and immediately publishes a press release on the Company's website indicating the next steps that it intends to take following the expectations expressed by shareholders during the general meeting;

- Managing and resolving potential conflicts of interest brought to its attention between the Company on the one hand and the Management Board members on the other;
- Managing and resolving any irregularities brought to its attention concerning the Management Board's operations;
- Approving the Management Board's proposed resolutions as stipulated in Appendix E.

2.3. The Supervisory Board prepares and includes in the Company's annual report a report (hereafter "the Supervisory Board's report") in which it presents its comments concerning the Management Board's report and the financial statements. In particular, the Supervisory Board's report includes the information required by French law.

2.4. Each year, in accordance with French law, the Chairman of the Supervisory Board prepares a clearly supported report on the appropriate nature, efficiency and effectiveness of the internal risk management and control systems corresponding to the report on internal control procedures required under Article L. 225-68 of the French commercial code.

2.5. The Supervisory Board appoints the members of the Management Board and the Chief Executive Officer.

2.6. As required under French law, the Company takes out an "executive and director" insurance policy for the Supervisory Board members.

## Section 3

### Composition, remits and independence

3.1. The Supervisory Board is made up of 3 to 14 members. The Supervisory Board defines the target profile for the Board's composition.

3.2. The composition of the Supervisory Board ensures a fair balance concerning the experience and expertise required among its members and the representation of men and women, enabling the Supervisory Board 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 (including the regulations of any stock markets on which the Company may be listed).

3.3. The composition of the Supervisory Board is subject to the following constraints:

a - All its members must hold a relatively significant number of the Company's shares[1];

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; and

d - Their terms-of-office may always be renewed.

3.4. For the purposes of Section c of Paragraph 3.3, Supervisory Board members 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 Supervisory Board members is determined by a decision by the Supervisory Board, based on a recommendation from the Governance, Appointments and Compensation Committee.

The following criteria must be taken into account by the Committee and the Supervisory Board to determine whether Supervisory Board members can be classed as independent and avoid the risks of conflicts of interest between the Supervisory Board and the executive leadership team, the Company or its group:

- Supervisory Board members must not be employees of the Company, employees or directors of its parent company or any of its consolidated companies, currently or at any point in the last five years;
- Supervisory Board members must not be corporate officers of any company in which the Company directly or indirectly has a directorship or in which an employee appointed as such or a corporate officer of the company (currently or at any point in the last five years) has a directorship;
- Supervisory Board members must not be (or be linked directly or indirectly to): a customer, supplier, commercial banker or investment banker that (i) is significant for the Company or its group or (ii) for which the Company or its group represents a significant share of business;
- Supervisory Board members must not have any close family ties with any of the Company's corporate officers;
- Supervisory Board members must not have been an auditor of the company within the last five years;
- Supervisory Board members must not have spent more than 12 years as a member of the Supervisory Board or a director of the Company, its parent company or any of its consolidated companies;
- Supervisory Board members must not have received any personal financial remuneration from the Company in addition to any attendance fees received in their capacity as Supervisory Board members, while noting that their amount must be consistent with standard practices;
- Supervisory Board members must not be members of the Management Board of any company that has any members of the Company's Management Board - which it is responsible for controlling – as members of its Supervisory Board (crossed links);
- Supervisory Board members must not have temporarily replaced any of the Company's Management Board members who have been absent or unable to perform their duties during the previous 12 months.

[1] To satisfy this condition, 500 or more shares will be considered to represent a significant number

The Supervisory Board members representing significant shareholders in the Company or its parent 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 Supervisory Board, acting based on reports from the Governance, Appointments and Compensation Committee, reviews each case individually in order to determine whether the Supervisory Board member 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. In accordance with the regulations defined by the French financial markets authority (AMF), all Supervisory Board members must report any information to be included in a reference document or annual report to the Chief Executive Officer and the Chairman of the Supervisory Board.

All Supervisory Board members have a duty to be independent, loyal and professional.

3.6. Supervisory Board members must not hold more than four non-executive offices in listed companies outside of the Group in France or elsewhere. Supervisory Board members must notify the Supervisory Board of any offices they hold in other companies, including their participation in any committees within these companies.

3.7 The Supervisory Board 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 Supervisory Board 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.

The Supervisory Board 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 Supervisory Board. The observers cannot be involved in the Company's management and, as such, cannot be assigned management, supervision or control responsibilities.

The observers may receive remuneration for their position, as set by the Supervisory Board, taken from the budget assigned by the general meeting for attendance fees.

Unless the Supervisory Board decides otherwise, the observers have access to the same information as the Supervisory Board members.

Observers are invited to attend the Supervisory Board's meetings (unless the Supervisory Board decides otherwise) and take part in deliberations in an advisory capacity, but if they are absent this will not impair the validity of deliberations.

Observers are chosen based on their areas of expertise and participate in all Supervisory Board meetings.

Observers may also be appointed to serve on and chair the Supervisory Board's various Committees.

The Supervisory Board may remunerate them for their mission on a comparable basis to that applied for the other Supervisory Board members, taken from the budget assigned by the general meeting for attendance fees.

## Section 4

### Supervisory Board Chairman, Vice-Chairman and Secretary

4.1. From among its members, the Supervisory Board appoints a Chairman and Vice-Chairman. The Chairman represents the Supervisory Board in relation to third parties.

4.2. The Chairman of the Supervisory Board ensures that:

- The Supervisory Board members follow a training program after being appointed;
- The Supervisory Board members receive all the information they need in a timely fashion as required to perform their duties effectively;
- The Supervisory Board has sufficient time for its consultations and decisions;
- The Supervisory Board's committees operate under good conditions;
- The performance of the Supervisory Board and Management Board members is evaluated at least once a year;
- The Supervisory Board appoints a Vice-Chairman;
- The Supervisory Board members are informed of and able to deliberate on transactions with related parties as defined by French law;
- The Supervisory Board members are informed of and able to deliberate on any irregularities committed by members of the Management Board;
- The general meeting is held and takes place under the conditions required;
- The Supervisory Board deliberates with due diligence on the Management Board's proposals submitted for prior approval by the Supervisory Board as stipulated in Appendix E; and
- The information required by French law is included in the Supervisory Board's report.

4.3. The Supervisory Board is assisted by a Supervisory Board secretary.

## Section 5

### Supervisory Board committees

5.1. The Supervisory Board has three committees - the Strategic Committee, the Audit and Risk Committee, and the Governance, Appointments and Compensation Committee - with their members appointed from within the Supervisory Board. The Supervisory Board as a whole is responsible for its decisions, even if they have been prepared by one of the Supervisory Board's committees; the Supervisory Board's committees simply make recommendations.

5.2. The Supervisory Board 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 and D.

5.3. The charters and the composition of the various committees are presented on the Company's website.

5.4. The Supervisory Board is informed of each committee's deliberations and decisions during the Supervisory Board session following the Committee meeting in question.

## Section 6

### Appointments, reappointments, terms-of-office and resignations

6.1. Supervisory Board members are appointed in accordance with the Company's bylaws. When renewing their terms-of-office, the way in which candidates have performed their duties as Supervisory Board members is taken into account. Supervisory Board members are appointed for a renewable maximum term of three years.

6.2. The Supervisory Board defines the rules and conditions for resignations in order to avoid, where possible, having several terms-of-office ending at the same time. The Supervisory Board's current rules and conditions for resignations are presented in Appendix A. Subject to the stipulations of Paragraph 6.3, the Supervisory Board members may tender their resignations in accordance with the conditions for resignation.

6.3. The Supervisory Board members 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.

6.4. No individuals over the age of 70 may be appointed as a Supervisory Board member if their appointment results in more than one third of the Supervisory Board members being above this age. If, during their terms-of-office, the number of Supervisory Board members over the age of 70 exceeds one third of the Board's members, the oldest member of the Supervisory Board 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

### Compensation

7.1. The general meeting defines the overall budget for the Supervisory Board's compensation. The Supervisory Board distributes this budget between its members and the members of the various committees.

7.2. The interests held by Supervisory Board members in the Company's capital are considered to be long-term investments.

7.3. The investments and transactions of Supervisory Board members within the Company are covered by the general guidelines relating to insider trading.

7.4. The Supervisory Board members 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.

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 Supervisory Board member. 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 members of the Supervisory Board.

## Section 8

### Supervisory Board sessions (Board schedule, conference calls, participation, minutes)

8.1. The Supervisory Board meets at least four times a year and following any written request by the Chairman, at least one third of its members or if requested by any Management Board member. The Supervisory Board's meetings are generally held at the Company's registered office, but may also be held at any other location. Sessions may be based on conference calls or videoconferences 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. Supervisory Board members who are frequently absent from the Supervisory Board's meetings report on their absences to the Chairman. These absences are indicated in the Company's annual report.

8.3. Unless the Supervisory Board decides otherwise, the Management Board members attend the Supervisory Board's meetings unless they concern the following:

- Assessment of the Management Board's operations and each of its members, with the conclusions from this assessment,
- Assessment of the Supervisory Board's operations and each of its members, with the conclusions from this assessment,
- The Supervisory Board's target composition and profile,

- Votes concerning transactions with related parties as defined by Article L. 225-86 of the French commercial code; and
- Deliberations concerning any matters relating to compensation for each Management Board member.

8.4. The Company's statutory auditors attend each Supervisory Board meeting during which discussions concern the review, adoption and, if applicable, approval of the annual and interim financial statements.

8.5. Unless impracticable, each Supervisory Board member receives the meeting notices, agendas and documents for review and deliberation at least three days before the meeting is scheduled.

8.6. The Supervisory Board secretary prepares minutes on the meetings. Minutes are generally approved during the following session. Minutes are considered to be approved once they have been signed by the Chairman and another Supervisory Board member. The Supervisory Board secretary is authorized to reissue and sign extracts from minutes that have been approved.

## Section 9

### Supervisory Board resolutions (quorum, votes, points on the agenda)

9.1. Any Supervisory Board member may represent another Supervisory Board member, subject to a duly signed power of attorney authorizing them to represent the Supervisory Board member and/or vote on their behalf during the corresponding Supervisory Board meeting. For the resolutions issued to be valid, at least 50% of the Supervisory Board members must be present or represented during the session.

9.2. In the event of a tied vote, the chairman of the meeting will have the casting vote.

9.3. Each year, the Supervisory Board prepares a report on its operations, the conclusions from which are presented in the Company's annual report.

## Section 10

### Conflicts of interest

10.1. Supervisory Board members are 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. 225-86 of the French commercial code.

10.2. Supervisory Board members immediately notify the Chairman of the Supervisory Board and the other Supervisory Board members of any potential conflicts of interest involving any members of the Supervisory Board. A Supervisory Board member concerned by a conflict of interest (potential) provides full details on the said conflict to the Chairman of the Supervisory Board and the other Supervisory Board members.

10.3. The Chairman of the Supervisory Board ensures that these transactions are indicated in the Company's annual report.

## Section 11

### Complaints

The Management Board ensures that employees are able to confidentially report any general, operational or financial irregularities within the Company, without facing any sanctions, to a duly appointed arbitrator and, if these irregularities persist, that they are able to refer them to the Chairman of the Supervisory Board.

## Section 12

### Information, relations with the Management Board

12.1. The Supervisory Board and its members are responsible for obtaining from the Management Board and the statutory auditors any information needed by the Supervisory Board to perform its missions effectively, in accordance with the legal conditions applicable. If the Supervisory Board considers this necessary, it may authorize some or all of its members to obtain information on behalf of the Supervisory Board from the Company's corporate officers, employees and external advisors and to freely access the Company's offices. The Management Board provides it with all necessary resources in a timely manner. The Supervisory Board may require certain corporate officers, employees and external advisors to attend its meetings.

12.2. If any Supervisory Board members receive any information or indications concerning the Supervisory Board in the performance of their control and advisory missions through parties that are not members of the Management or Supervisory Boards, they must transmit them as quickly as possible to the Chairman of the Supervisory Board. The Chairman of the Supervisory Board then informs the Supervisory Board members.

## Section 13

### Relations with shareholders

13.1. In accordance with French law, general meetings are convened by the Management Board, while the Supervisory Board is also authorized to convene general meetings. 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.

13.2. The Management and Supervisory Board members attend the general meetings, except for in the event of major unforeseen difficulties. General meetings are generally chaired by the Chairman of the Supervisory Board.

13.3. The Chief Executive Officer is responsible for relations with the Company's main shareholders. The Chairman of the Supervisory Board is invited to meet these shareholders, liaising closely with the Chief Executive Officer.

## Section 14

### Confidentiality

The Supervisory Board members 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 Supervisory or Management Boards, made public or even transmitted to third parties, even after members have resigned from the Supervisory Board, unless such information has been made public by the Company or is already in the public domain.

## Section 15

### Amendments

This Charter (including its appendices) may be amended as decided by the Supervisory Board. Such decisions must be adopted by a two-thirds majority of the Supervisory Board members. These decisions are indicated in the Company's annual report.

## Section 16

### Governing law and jurisdiction

16.1. This Charter is governed by and must be interpreted in accordance with French law.

16.2. Any disputes arising from or relating to this Charter (including disputes relating to the existence, validity or termination of this Charter) must be referred exclusively to the courts of Paris, France.

## *APPENDIX A: Composition of the Supervisory Board and renewal of terms of office on a staggered basis*

**Situation at August 31, 2017**

| Name | Year of birth | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **MEMBERS:** | | | | | | | | | | | | | | | | | |
| Yves Lyon-Caen | 1950 | A | | | X | | | X | | | X | R/R | | | E | | |
| Annette Roux | 1942 | A | | | X | | | X | | | X | R/R | | | E | | |
| Jean-Pierre Goudant | 1951 | | | | | | | | | A | | | X | | | X | |
| Catherine Pourre | 1957 | | | | | | | | | | A | | R/R | | | X | |
| Claude Brignon | 1950 | | | | | | | | | | A | | | X | | | X |
| Louis-Claude Roux | 1982 | | | | | | | | | | A | | R/R | | | X | |
| Anne Leitzgen | 1973 | | | | | | | | | | | | | A | | | X |
| **OBSERVERS:** | | | | | | | | | | | | | | | | | |
| Yvon Bénéteau | 1950 | A | | | X | | | X | | | X | | | X/B | | | X |
| Luc Dupé | 1949 | A | | | X | | | X | | | X | R/R | | R/B | | | X |
| Christian de Labriffe | 1947 | A | | | X | | | X | | | X | | R/R | R/B | | | X |

A = Year first appointed / member
B = Year first appointed / observer
X = Year when potentially reappointed
E = Last term of office ending at this year's general meeting
R/R = Resignation / reappointment

The list of the offices held by each Supervisory Board member is presented in the management report, with details of any remuneration received.

To ensure compliance with the recommendations from the AFEP-MEDEF code, staggered terms of office were organized in 2015 and 2016 (R/R).

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 (B).

### Supervisory Board meetings

During FY 2016-17, your Supervisory Board met six times:

- On November 9, 2016, primarily to review the annual financial statements at August 31, 2016

Supervisory Board members present or represented: 10 out of a total of 10

- On December 9, 2016, primarily to convene the general shareholders' meeting, its agenda and its resolutions;

Supervisory Board members present or represented: 9 out of a total of 10

- On January 10, 2017, primarily to update the budget for 2016-17 and prepare for the annual financial information meeting;

Supervisory Board members present or represented: 10 out of a total of 10

- On January 27, 2017, following the general shareholders' meeting, to appoint the first observers and renew the composition of the Supervisory Board's Committees;

Supervisory Board members present or represented: 7 out of a total of 7

- On April 27, 2017, primarily to review the half-year financial statements at February 28, 2017 and update the budget for 2016-17;

Supervisory Board members present or represented: 7 out of a total of 7
In addition to 3 observers (out of a total of 3)

- On August 31, 2017, primarily to make the final update to the 2016-17 budget and the first presentation of the budget for 2017-18.

Supervisory Board members present or represented: 7 out of a total of 7

In addition to 3 observers (out of a total of 3)

### Guidelines for allocating attendance fees

The Supervisory Board has adopted the following guidelines for allocating attendance fees:

- €10,000 of fixed attendance fees are allocated for each Board member;
- Up to €6,000 of variable attendance fees are prorated based on the attendance of Board meetings;
- €4,000 of fixed attendance fees are allocated for each Chairman of the specialized committees;
- €3,000 of fixed attendance fees are allocated for each member of the committees other than the Chairman.

A special attendance fee may be added for specific assignments approved by the Board.

These provisions are reviewed each year by the Supervisory Board.

## *APPENDIX B: Strategic Committee Charter*

This charter has been adopted in accordance with Paragraph 5.2 of the charter (hereafter "**the Supervisory Board Charter**").

## Section 1

### Responsibilities

1.1. Subject to Paragraph 5.1 of the Supervisory Board Charter, the Strategic Committee advises the Supervisory Board on matters within its remit and prepares for the Supervisory Board's decisions on these matters.

1.2. The Strategic Committee's primary mission is to assess the essential components within the Group's development strategy and particularly the product plan, 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:

- Market outlook and situation;
- Annual investment plan;
- Any financing operation for in excess of €5 million;
- Any acquisition or sale of property, plant and equipment or intangible assets for an amount in excess of €1.5 million;
- Signing of any agreement for mergers, spin-offs or partial asset transfers, regardless of the amount concerned;
- Any financing operation for an amount that is likely to substantially modify the company's financial structure.

1.3. The Supervisory Board is informed of the Strategic Committee's deliberations and decisions during the Supervisory Board session following the Committee's meeting.

## Section 2

### Strategic Committee's composition, remits and independence

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 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 Supervisory and Management Boards.

## Section 4

### Strategic Committee sessions (Committee schedule, participation, minutes)

4.1. The Strategic Committee meets at least once every six months and when requested by one or more Supervisory or Management Board members. The Strategic Committee's meetings are generally held at the Company's registered office, but may also be held at any other location. The Management Board members attend the sessions unless the Strategic Committee indicates that it would like to meet without them or exclusively in the presence of the Chief Executive Officer.

4.2. The Strategic Committee's secretary convenes Strategic Committee meetings on behalf of the Supervisory or Management Board member(s) who called for the Committee to meet. Unless impracticable, each Strategic 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. 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 Supervisory Board members.

4.4. The Strategic Committee reviews its operations each year and submits its findings to the Supervisory Board.

### Composition of the Strategic Committee

Chairman: Mrs Annette Roux

Members: Mr Claude Brignon<br>Mr Yves Lyon-Caen<br>Mr Christian de Labriffe

Secretary: Mr Louis-Claude Roux

The Management Board members and, in certain cases, company employees are invited to attend sessions depending on the agenda for the committee meetings.

### Strategic Committee meetings

The Strategic Committee met seven times during FY 2016-17, primarily to monitor and follow up on the Transformation Committees (including digital transformation), the medium-term plan, the product development organization (Boats), the industrial roadmap (Boats) and the Housing division's strategic plan.

# *APPENDIX C: Audit and Risk Committee Charter*

This charter has been adopted in accordance with Paragraph 5.2 of the charter (hereafter "the **Supervisory Board Charter**").

## Section 1

### Responsibilities

1.1. Subject to Paragraph 5.1 of the Supervisory Board Charter, the Audit Committee advises the Supervisory Board on matters within its remit and prepares for the Supervisory Board's decisions on these matters.

1.2. With a particular focus on the accounts, control and risks, the Audit Committee's remit notably covers:

- Controlling the Company's Management Board (hereafter "the Management Board") and providing advice on matters relating to risk management and internal control, including controls concerning the application of all relevant legislation and regulations;
- Controlling the Company's financial information submitted to it (choice of accounting policies, implementation and assessment of the impacts of new legislation in this area, information concerning the accounting entries in the annual financial statements, forecasts, etc.);
- Controlling follow-up on the statutory auditors' observations and recommendations;
- Controlling the Company's tax optimization policy;
- Controlling the Company's financing;
- Maintaining frequent contacts and controlling relations with the statutory auditors, including:
  - Assessing the statutory auditors' independence, remuneration and any assignments conducted on behalf of the Company in addition to the audit,
  - 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 financial information, as brought to its attention by the statutory auditors,
- Proposing to the Supervisory Board, as agreed with the Management Board, a procedure to be implemented for selecting the statutory auditors, supervising the selection procedure, validating the content of assignments and the list of companies to be consulted, and submitting recommendations to the Supervisory Board concerning the appointment of statutory auditors by the Company's general shareholders' meeting (hereafter "the general meeting") and
- Other important matters relating to the Company's annual financial statements.

1.3. The Supervisory Board is informed of the Audit Committee's deliberations and decisions during the Supervisory Board session following the Committee's meeting.

## Section 2

### Audit Committee's composition, remits and independence

2.1. The Audit Committee has at least four members.

2.2. Under Paragraph 3.3 of the Supervisory Board Charter, the composition of the Audit Committee is subject to the following constraints:

- At least one of its members must have appropriate expertise concerning accounting and financial management for listed companies;
- At least three quarters of its members must be independent as defined by Paragraph 3.4 of the Supervisory Board Charter.

2.3 When they are appointed, each Audit Committee member is informed about the Company's accounting, financial and operational practices.

2.4 The Audit Committee is assisted by the Supervisory Board secretary.

## Section 3

### 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 Supervisory and Management Boards.

## Section 4

### Audit Committee sessions (Committee schedule, participation, minutes)

4.1. The Audit Committee meets at least once every six months and when requested by one or more Supervisory or Management Board members. The Audit Committee's meetings are generally held at the Company's registered office, but may also be held at any other location. The Management Board members attend the sessions unless the Audit Committee indicates that it would like to meet without them or exclusively in the presence of the Chief Executive Officer, the Chief Financial Officer (hereafter "the Chief Financial Officer") or the Company's statutory auditors.

4.2. The Audit Committee meets at least twice a year with the Company's statutory auditors during sessions that are not attended by the Management Board members. Subject to the above, the Audit Committee decides if and when the Chief Executive Officer, the Chief Financial Officer or the Company's statutory auditors are required to attend its sessions.

4.3. The Supervisory Board secretary convenes Audit Committee meetings on behalf of the Supervisory or Management Board member(s) 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.

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 Chairman of the Audit Committee and immediately submitted to all the Supervisory Board members.

4.5. The Supervisory Board is informed of the Audit Committee's deliberations and decisions during the Supervisory Board session following the Committee meeting in question.

4.6. The Audit Committee reviews its operations each year and submits its findings to the Supervisory Board.

**Composition of the Audit and Risk Committee**

Chairman: Mr Christian De Labriffe

Members: Mrs Catherine Pourre,
Mr Jean-Pierre Goudant,
Mr Claude Brignon

Secretary: Mrs Yannick Coicaud-Thomas

The Management Board members and, in certain cases, company employees are invited to attend sessions depending on the agenda for the committee meetings.

**Audit and Risk Committee meetings**

The Audit and Risk Committee met three times during FY 2016-17:

- On November 8, 2016, primarily to review the annual financial statements at August 31, 2016, prior to the Supervisory Board meeting on November 9, 2016;
- On January 10, 2017, primarily to update the budget for 2016-17, particularly for the Housing business, prior to the Supervisory Board meeting on January 10, 2017;
- On April 27, 2017, primarily to review the half-year financial statements at February 28, 2017 and update the budget for 2016-17, prior to the Supervisory Board meeting on April 27, 2017;

## *APPENDIX D: Governance, Appointments and Compensation Committee Charter*

This charter has been adopted in accordance with Paragraph 5.2 of the charter (hereafter "the **Supervisory Board Charter**").

## Section 1

### Responsibilities

1.1 In accordance with Paragraph 5.1 of the Supervisory Board Charter, the Governance, Appointments and Compensation Committee (hereafter "the Governance, Appointments and Compensation Committee") advises the Supervisory Board on matters within its remit and prepares for the Supervisory Board's decisions on these matters.

1.2. The Governance, Appointments and Compensation Committee's remit notably covers:

**Corporate governance**

- 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;
- Identifying and submitting recommendations to the Supervisory Board concerning emerging practices or significant developments in terms of corporate governance practices and/or regulations;
- Drawing up recommendations for the Supervisory Board 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 Supervisory Board and its specialized committees;
- Assessing and submitting recommendations to the Supervisory Board concerning the Company's governance policy, its changes and modifications, and the relevant provisions for the Company in line with best practices;
- Reviewing and submitting recommendations to the Supervisory Board concerning the transactions carried out by Supervisory and Management Board members in relation to their insider status or their related parties and/or the resolution of conflicts of interest involving any Supervisory or Management Board members;
- Checking that the Company's corporate governance policy and practices are clearly presented in the Annual Report and on its website.

**Appointments**

- Determining the profile, selection criteria and appointment procedures for the Supervisory Board's standard and independent members;
- Determining the profile and selection criteria for Management Board members;
- Regularly assessing the scope and composition of the Management Board, the Supervisory Board and its committees, and drawing up proposals for possible changes concerning the profile for the Supervisory Board and, if applicable, the composition of the Supervisory Board's committees in connection with this assessment;
- Regularly assessing the conduct of Supervisory Board members (committees) and the Chief Executive Officer, as well as the Chief Executive Officer's recommendations concerning the performance of the other Management Board members, and submitting the corresponding conclusions to the Supervisory Board;
- Submitting proposals for the appointment or reappointment of Supervisory and Management Board members;
- Checking the Management Board's policy concerning the criteria for selecting and appointing executives, and reviewing the Company's human resources policy;
- Preparing for the Supervisory Board's annual self-assessment process concerning: the Supervisory Board itself; the Supervisory Board's relations with the Management Board; the Supervisory Board secretary's office;
- All other matters concerning appointments and other related points that may be brought to the attention of the Governance, Appointments and Compensation Committee.

**Compensation**

- Preparing a proposal for the Supervisory Board concerning the compensation package for the Chief Executive Officer, responsible for chairing the Company's Management Board (hereafter "the Management Board"), and the other Management Board members, 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, as well as the performance criteria and their application;
- Reviewing and preparing proposals for the Supervisory Board concerning the Company's compensation policy;
- Reviewing the awarding of stock options and bonus shares;
- All other matters concerning compensation aspects that may be brought to the attention of the Governance, Appointments and Compensation Committee.

## Section 2

### Governance, Appointments and Compensation Committee's composition, remits and independence

The Governance, Appointments and Compensation Committee has at least four members.

## Section 3

### Chairman's office

The Chairman of the Supervisory Board chairs the Governance, Appointments and Compensation Committee. The Chairman is primarily responsible for ensuring that the Governance, Appointments and Compensation Committee operates effectively. The Chairman is the Governance, Appointments and Compensation Committee's spokesperson and the main interface with the Supervisory and Management Boards.

## Section 4

### Governance, Appointments and Compensation Committee sessions (Committee schedule, participation, minutes)

4.1. The Governance, Appointments and Compensation Committee meets at least twice a year and when requested by one or more Supervisory or Management Board members. The Governance, Appointments and Compensation Committee's meetings are generally held at the Company's registered office, but may also be held at any other location.

4.2. The Governance, Appointments and Compensation Committee's secretary convenes Governance, Appointments and Compensation Committee meetings on behalf of the Supervisory or Management Board member(s) who called for the Committee to meet. Unless impracticable, the Governance, Appointments and Compensation 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, Governance, Appointments and Compensation Committee meetings may be attended by other participants invited by the Chairman of the Governance, Appointments and Compensation Committee.

4.4. Meetings are minuted. Minutes are generally approved by the Governance, Appointments and Compensation Committee during the following session. Minutes are signed for approval by the Chairman of the Governance, Appointments and Compensation Committee and immediately submitted to all the Supervisory Board members.

4.5. The Supervisory Board is informed of the Governance, Appointments and Compensation Committee's deliberations and decisions during the Supervisory Board session following the Committee meeting in question.

4.6. The Governance, Appointments and Compensation Committee reviews its operations each year and submits its findings to the Supervisory Board.

**Composition of the Governance, Appointments and Compensation Committee**

Chairman: M[r] Yves Lyon-Caen

Members: M[rs] Annette Roux,
M[r] Christian De Labriffe,
M[rs] Catherine Pourre,
M[r] Claude Brignon

Secretary: Mr Louis-Claude Roux

The Management Board members and, in certain cases, company employees are invited to attend sessions depending on the agenda for the committee meetings.

**Governance, Appointments and Compensation Committee meetings**

The Governance, Appointments and Compensation Committee met two times during FY 2016-17, in October 2016 and June 2017.

The main matters reviewed by the Governance, Appointments and Compensation Committee included:

- Setting of the variable component for Management Board members and their compensation packages,
- Individual assessment of Management Board members,
- Conditions for the next bonus share scheme,
- Review of the independence of Supervisory Board members,
- Review of executive pay packages, conducted by the company BERI 21.

With regard to the independence of the Supervisory Board members, the assessment carried out last year looking at each member's status in relation to these criteria led to a reorganization of the Supervisory Board in 2017.

As indicated in APPENDIX A, the necessary arrangements are 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 (B).

Alongside this, an annual self-assessment system has been in place for the Supervisory Board since FY 2013-14, based on a questionnaire sent out to each of its members.

## *APPENDIX E: Management Board decisions subject to prior approval from the Supervisory Board*

1. In accordance with Article 15 of the Company's bylaws, the Management Board's proposed decisions concerning the following points are submitted to the Supervisory Board for prior approval:

- Annual investment plan;
- Annual budget;
- Group's strategy;
- Any acquisitions or sales of equity interests, regardless of the amount concerned;
- Any financing operation for in excess of €5 million or any amount that is likely to substantially modify the company's financial structure;
- Any acquisition or sale of property, plant and equipment or intangible assets for an amount in excess of €1.5 million;
- Signing of any agreement for mergers, spin-offs or partial asset transfers, regardless of the amount concerned;
- Any sale of a branch of activity, regardless of the amount concerned;
- Any award of company stock options or warrants, subject to authorization by an extraordinary general meeting;
- Any issue of securities of any kind subject to authorization by an extraordinary general meeting under the conditions set by law and these bylaws;
- Any operation to buy, sell or license patents, brands or items of the company's intellectual property;
- Any decision likely to substantially modify the company's strategy that was presented to the Supervisory Board by the Management Board;
- Any transaction by the company to buy back its own shares as authorized by a general meeting;
- Any off-balance-sheet commitment for an amount in excess of €1.5 million.

2. The Supervisory Board 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:

- The financial statements or any other regular accounting or financial reporting elements, prior to their publication;
- The cash position and cash flow, including forecasts and their adjustments;
- Commitments, particularly all off-balance-sheet commitments;
- Disputes likely to have a material impact on the results;
- Market outlook and situation.

3. The Board sets an annual budget of €7.6 million which the Management Board is authorized to give for deposits and guarantees, independently from any deposits and guarantees relating to customs and tax authorities, which are authorized without any restrictions concerning the amounts involved.

## *2 - Conditions for shareholder participation in general meetings*

General meetings are convened by the Management Board or the Supervisory Board and deliberate as provided for under French law. 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, following their approval, electronically, or, if requested by them and at their cost, in a letter sent recorded delivery.

All shareholders are entitled to take part in the general meeting, whatever the number of shares held, provided that they are 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 security accounts held by CACEIS for 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.

2.1 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.

## *3 - Internal control procedures*

3.1 Internal control objectives

Within the Beneteau Group, 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 Supervisory Board, the Management Board and Group 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.

3.2 General organization for internal control procedures

*3.2.1 Key internal control participants*

**Supervisory Board**

In connection with the permanent control of the company's management and the remits granted to it under the bylaws, the Supervisory Board regularly reviews the company's strategies, evaluates the suitability of its investment policy, and assesses its projects to develop new products. 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 Supervisory Board is supported by the Audit Committee, which meets several times during the year, as necessary, with the statutory auditors, and more frequently with the Chief Executive Officer. It also refers to work conducted by the Appointments and Compensation Committee for decisions relating to Management Board member compensation packages and awards of bonus shares or stock options.

**Management Board**

It defines and oversees the Group's operational strategies in connection with its remits under the bylaws. It is based on the chief executive officers and deputy CEOs of subsidiaries, as well as the Group's functional divisions. This management system makes it possible to effectively coordinate and plan internal control.

### Audit Committee

The Audit 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 Committee's conclusions are presented to the Supervisory Board.

### Operational committees

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

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

### Subsidiary steering committees

Regularly brought together by the Chief Executive Officer and comprising operational and functional managers from the various companies concerned, the steering 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 steering 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 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.

*3.2.2 Main management decisions*

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

*3.2.3 Risk management*

### Finance

**Cash management:**

Each Group company's cash is centralized at holding level (Beneteau S.A.), under a cash pooling agreement. The current accounts accrue interest under the following conditions: 3-month Euribor +0.25% for lending and 3-month Euribor +1% 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 Management Board following a review by the Supervisory Board.

**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 financial departments from the companies concerned.

**Credit management:**

- Recreational boats

A credit management procedure was put in place in 2007, based on written provisions.

A risk committee meets each month. The credit manager presents all of the reports and an update on the current situation. 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.

Boats are paid for before departure, or financing approval has been obtained beforehand from the specialized financing structures, SGB or GE.

Outstanding customer payments are financed under an SGB or GE credit line, the amount of which is determined jointly by these two 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 volume of sales for the year.

The brands have a contractual commitment to take back any new boats that have not been paid for after one year's financing. During this period, the financing organization depreciates 20% of the capital, with the boatyards' commitment then representing 80% of the amount financed (net of tax).

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

The risk of non-payment on preowned boats is covered by SGB. GE does not handle any financing for preowned boats.

A monthly 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, which then sets the level of credit facilities based on the customer's financial soundness.

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.

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

Each month, a risk committee brings together the credit manager, the Chief Executive Officer, the Brand Director 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.

The IT security guidelines are appended to the bylaws of each Group company.

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 recovery 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 currently developing 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.

## Procurement 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 procurement department, or a more detailed financial review requested by the purchaser from the credit manager.

The procurement 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 design 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.

### Industry

**ISO 9001 certification**

The Group's main companies are ISO 9001 certified, which is based on a quality management system being put in place. The company's essential processes are documented, with performance indicators, and regularly audited.

The certification process targets continuous improvements.

**Authorized economic operator (AEO) status**

European customs authorities have approved the Beneteau Group 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.

**Quality management committee**

A quality management committee meets once a month, taking stock of any internal quality issues identified and reported by our customers with the executive leadership team, after-sales service, procurement, design, production and quality departments. Daily and weekly performance indicators make it possible to monitor progress with the various action plans.

### Environment

Aware of the environmental impact of its activities, the Beneteau Group has made its environmental approach a real company value, based around three major challenges contributing towards effective risk management:

- Ensuring the long-term regulatory compliance of production sites
- Reducing the environmental impacts of activities
- Reducing the environmental footprint of products

These elements are set out in the CSR section of the annual financial report.

### 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 major 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.

3.3 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 Management and Supervisory Boards
- 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 Beneteau Group 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 abreast 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 S.A. 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 S.A. 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.

3.4 Internal control management

The Group's information system is based on a set of common tools covering the main companies with regard to both production management and the processing of financial information. It makes it possible to obtain quality and reliable information within reasonable timeframes.

In this respect, the Audit and Risk Committee continued working in 2016 with a view to ensuring the effective formalization of financial information.

**Chairman of the Supervisory Board**

Saint-Gilles-Croix-de-vie,
October 31 and November 27, 2017

# Statutory auditors' report, drawn up in accordance with Article L.225-235 of the French commercial code, on the Beneteau S.A. Supervisory Board Chairman's report

**Year ended August 31, 2017**

Dear Shareholders,

In our capacity as statutory auditors for Beneteau S.A., and in accordance with the provisions of Article L.225-235 of the French commercial code, please find hereafter our report on the report drawn up by the Chairman of your company pursuant to Article L.225-68 of the French commercial code for the year ended August 31, 2017.

The Chairman is responsible for drawing up a report and submitting it for approval to the Supervisory Board, presenting the internal control and risk management procedures put in place within the company and providing the other information required by Article L.225-68 of the French commercial code, particularly in relation to the corporate governance system.

It is our responsibility to:

- Report to you our observations on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- Certify that the report contains the other information required under Article L.225-68 of the French commercial code, while noting that it is not our responsibility to check the accuracy of such other information.

We conducted our audit in accordance with the industry standards applicable in France.

**Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information**

These standards require that we plan and perform the audit to obtain reasonable assurance that the information concerning the internal control and risk management procedures applied when drawing up and processing the accounting and financial information contained in the Chairman's report is free from any material misstatements. This notably consisted of:

- Reviewing the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information supporting the information presented in the Chairman's report, as well as existing documentation;
- Reviewing work that has made it possible to draw up such information and existing documentation;
- Determining whether the major shortcomings concerning internal control in relation to the preparation and processing of accounting and financial information that we have identified in connection with our audit are presented with appropriate information in the Chairman's report.

On the basis of this work, we do not have any observations to make regarding the information given concerning the company's internal control and risk management procedures in relation to the preparation and processing of the accounting and financial information contained in the Chairman of the Supervisory Board's report, drawn up in accordance with Article L.225-68 of the French commercial code.

**Other information**

We certify that the Chairman of the Supervisory Board's report contains the other information required under Article L.225-68 of the French commercial code.

**The Statutory Auditors**

La-Roche-sur-Yon, December 20, 2017
Atlantique Révision Conseil - A.R.C.
Jérôme Boutolleau
Partner

Nantes, December 20, 2017
KPMG Audit
Department of KPMG S.A
Franck Noël
Partner

GROUPE BENETEAU

# *Financials - Groupe Beneteau*

# Consolidated financial statements

## *Consolidated income statement at August 31, 2017*

| €'000 | Note | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| **Revenues** | Note 18 | **1,208,318** | **1,083,563** |
| Change in inventories of finished products and work-in-progress | | (3,792) | 23,146 |
| Other income from operations | | 479 | 1,016 |
| Purchases consumed | | (590,124) | (561,914) |
| Staff costs | Note 19 | (320,533) | (294,858) |
| External expenses | Note 20 | (121,710) | (119,714) |
| Taxes other than on income | | (20,783) | (19,770) |
| Depreciation | | (63,990) | (62,689) |
| Other current operating expenses | Note 21 | (4,339) | (7,270) |
| Other current operating income | Note 21 | 2,056 | 2,129 |
| **Income from ordinary operations** | Note 18 | **85,582** | **43,639** |
| Other income and expenses | Note 22 | (5,877) | (9,719) |
| **Operating income** | | **79,705** | **33,920** |
| Income from cash and cash equivalents | Note 23 | 35 | 0 |
| Gross finance costs | Note 23 | (2,326) | (2,702) |
| **Net finance costs** | Note 23 | **(2,291)** | **(2,702)** |
| Other financial income | Note 23 | 565 | 638 |
| Other financial expenses | Note 23 | (2,655) | (3,349) |
| **Financial income (expense)** | Note 23 | **(4,381)** | **(5,413)** |
| Share in income of associates | | 4,670 | 3,231 |
| Corporate income tax | Note 24 | (19,899) | (6,582) |
| **Consolidated net income** | | **60,095** | 25,156 |
| Minority interests | | 386 | 384 |
| **Net income (Group share)** | | **59,709** | **24,772** |
| € | | | |
| Net income (Group share) per share | Note 25 | 0.72 | 0.30 |
| Diluted net earnings per share | Note 25 | 0.72 | 0.30 |

## *Statement of comprehensive income*

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| **Items that will not be restated in profit or loss subsequently** | | |
| Actuarial gains or losses | 4,520 | (5,705) |
| Tax effect | (1,307) | 1,964 |
| Subtotal | 3,213 | (3,741) |
| **Items that will be restated in profit or loss subsequently** | | |
| Foreign currency translation adjustments | 53 | (927) |
| Fair value adjustments on financial hedging instruments | 3,113 | (3,372) |
| 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 | (915) | 1,270 |
| Subtotal | 2,251 | (3,029) |
| **Subtotal for gains and losses recognized directly in equity** | **5,463** | **(6,770)** |
| **Net income for the period** | **60,095** | **25,156** |
| **Net income and gains and losses recognized directly in equity** | **65,558** | **18,386** |
| Of which, share attributable to owners of the parent | 65,158 | 18,002 |
| Of which, share attributable to non-controlling interests | 401 | 384 |

## *Consolidated balance sheet at August 31, 2017*

| Assets (€'000) | Notes | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| Goodwill | | 78,507 | 79,452 |
| Other intangible assets | 5 | 28,641 | 36,617 |
| Property, plant and equipment | 5 | 312,555 | 302,175 |
| Investments in associates | 5 | 36,378 | 32,252 |
| Non-current financial assets | 5 | 194 | 192 |
| Deferred tax assets | 24 | 5,817 | 7,281 |
| **Non-current assets** | | **462,092** | **457,969** |
| Inventories and work-in-progress | 6 | 219,536 | 228,327 |
| Trade receivables and related | 7 | 73,254 | 88,537 |
| Other receivables | 8 | 45,981 | 33,572 |
| Current tax assets | | 16,651 | 27,874 |
| Cash and cash equivalents | 9 | 214,296 | 75,925 |
| **Current assets** | | **569,718** | **454,235** |
| **Assets held for sale** | 10 | **1,842** | **4,971** |
| **Total assets** | | **1,033,652** | **917,175** |

## *Consolidated balance sheet at August 31, 2017 (contd.)*

| Shareholders' equity and liabilities (€'000) | Note | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| Share capital | 11 | 8,279 | 8,279 |
| Additional paid-in capital | | 27,850 | 27,850 |
| Treasury stock | 11 | (10,604) | (10,697) |
| Consolidated reserves | | 504,072 | 481,013 |
| Consolidated income | | 59,709 | 24,772 |
| **Shareholders' equity (Group share)** | 11 | **589,306** | **531,217** |
| Minority interests | | 1,335 | 1,039 |
| **Total shareholders' equity** | | **590,641** | **532,256** |
| Provisions | 12 | 8,617 | 10,507 |
| Employee benefits | 13 | 25,611 | 29,449 |
| Financial liabilities | 14 | 38,516 | 42,280 |
| Deferred tax liabilities | 24 | 2,145 | 235 |
| **Non-current liabilities** | | **74,889** | **82,471** |
| Short-term loans and current portion of long-term loans | 14 | 66,126 | 20,176 |
| Trade payables and related | 15 | 96,946 | 106,794 |
| Other liabilities | 15 | 175,630 | 144,905 |
| Other provisions | 12 | 27,553 | 25,841 |
| Current tax liabilities | 15 | 409 | 240 |
| **Current liabilities** | | **366,664** | **297,956** |
| **Liabilities held for sale** | 10 | **1,458** | **4,493** |
| **Total shareholders' equity and liabilities** | | **1,033,652** | **917,175** |

## *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 shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **Net position at August 31, 2015** | **8,279** | **27,850** | **(13,019)** | **492,198** | **(9,107)** | **12,804** | **519,005** | **916** | **519,921** |
| Earnings for 2015-16 | | | | | | 24,772 | 24,772 | 384 | 25,156 |
| Other comprehensive income | | | | (5,845) | (925) | | (6,770) | (0) | (6,770) |
| Comprehensive income for 2015-16 | | | | (5,845) | (925) | 24,772 | 18,002 | 384 | 18,386 |
| Appropriation of earnings for 2014-15 | | | | 12,804 | | (12,804) | 0 | | 0 |
| Dividends paid | | | | (4,883) | | | (4,883) | (9) | (4,892) |
| Foreign currency translation adjustments | | | | | 528 | | 528 | | 528 |
| Change in scope | | | | (2) | | | (2) | (253) | (255) |
| Changes in treasury stock | | | 2,322 | (5,936) | | | (3,615) | 0 | (3,615) |
| Other | | | | 2,182 | | | 2,182 | 0 | 2,182 |
| **Net position at August 31, 2016** | **8,279** | **27,850** | **(10,697)** | **490,518** | **(9,504)** | **24,772** | **531,217** | **1,039** | **532,256** |
| Earnings for 2016-17 | | | | | | 59,709 | 59,709 | 386 | 60,094 |
| Other comprehensive income | | | | 5,395 | 53 | | 5,448 | 15 | 5,463 |
| Comprehensive income for 2016-17 | | | | 5,395 | 53 | 59,709 | 65,157 | 401 | 65,558 |
| Appropriation of earnings for 2015-16 | | | | 24,772 | | (24,772) | 0 | | 0 |
| Dividends paid | | | | (8,168) | | | (8,168) | (105) | (8,273) |
| Foreign currency translation adjustments | | | | | (407) | | (407) | | (407) |
| Change in scope | | | | 0 | | | 0 | 0 | 0 |
| Changes in treasury stock | | | 94 | 33 | | | 128 | 0 | 128 |
| Other[1] | | | | 1,378 | | | 1,378 | 0 | 1,380 |
| **Net position at August 31, 2017** | **8,279** | **27,850** | **(10,603)** | **513,928** | **(9,858)** | **59,709** | **589,305** | **1,335** | **590,641** |

[1] Detailed breakdown of other changes
IFRS 2 - €1,370,000 (Note 19)

## *Cash flow statement*

| €'000 | | 2016-17 | | 2015-16 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net income for the year | | 55,912 | | 22,654 |
| *Consolidated net income* | 60,096 | | 25,156 | |
| *Share in income of associates (restated for dividends received)* | (4,184) | | (2,502) | |
| Elimination of income and expenses without any impact on cash flow or unrelated to operations | | 75,496 | | 85,154 |
| *Depreciation and provisions* | 73,509 | | 83,256 | |
| *Capital gains or losses on disposals* | 840 | | 61 | |
| *Deferred tax* | 1,147 | | 1,837 | |
| **Operating cash flow** | | **131,408** | | **107,808** |
| Change in working capital requirements | | 50,034 | | 31,684 |
| *Inventories and work-in-progress* | 10,121 | | (25,889) | |
| *Receivables* | 32,423 | | 40,505 | |
| *Current tax* | 11,364 | | (9,755) | |
| *Payables* | (3,874) | | 26,823 | |
| **Total 1 - Cash flow from operating activities** | | **181,442** | | **139,492** |
| **Investment activities** | | | | |
| Fixed asset acquisitions | | **(75,878)** | | **(71,110)** |
| Fixed asset disposals | | (843) | | 1,116 |
| Fixed asset-related receivables - payables | | (2,058) | | 1,270 |
| Impact of changes in scope | | 0 | | (65) |
| **Total 2 - Cash flow from investment activities** | | **(78,779)** | | **(68,789)** |
| **Financing activities** | | | | |
| Change in share capital | | 0 | | 0 |
| Other cash flow from financing activities | | 0 | | 1 |
| Treasury stock | | 94 | | (3,614) |
| Dividends paid to shareholders | | (8,276) | | (4,892) |
| Payments received for financial debt | | 61,733 | | 5,420 |
| Repayments of financial debt | | (17,599) | | (11,109) |
| **Total 3 - Cash flow from financing activities** | | **35,952** | | **(14,194)** |
| CHANGE IN CASH POSITION (1+2+3) | | 138,615 | | 56,509 |

| | 2016-17 | 2015-16 |
|---|---|---|
| Opening cash position [1] | 72,056 | 15,670 |
| Closing cash position [1] | 209,347 | 72,056 |
| Impact of changes in exchange rates | (1,324) | (123) |
| Change | 138,615 | 56,509 |
| Of which: Other transferable securities | 41,150 | 976 |
| Cash at bank and in hand | 173,146 | 74,949 |
| Bank overdrafts | (4,950) | (3,869) |

## 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 "Boats" sector. As the boating industry's global market leader, Groupe Beneteau, through its Boat division's 10 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, and manufacturing and selling timber-frame 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. This division also includes the design and manufacturing of timber-frame residential housing: the decision was taken to restructure this business after August 31, 2016 and its reorganization was carried out in 2017.

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

The consolidated financial statements at August 31, 2017 reflect the accounting position of the company and its subsidiaries (hereafter "the Group").

During its meeting on October 30, 2017, the Management Board approved the consolidated annual financial statements and authorized the statements to be published for the year ended August 31, 2017. These accounts will be submitted for approval at the next general shareholders' meeting.

## NOTE 2 - HIGHLIGHTS OF THE YEAR

In 2012, a project was launched to develop an ERP for use throughout the Group.

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 under non-current operating income.

## NOTE 3 - ACCOUNTING METHODS

The annual financial statements are presented for the period ended August 31, 2017 in line with all of the IFRS published by the International Accounting Standards Board (IASB) and adopted by the European Union.

**Impact of new standards and amendments to existing standards**

For the preparation of the financial statements at August 31, 2017, the Group has applied the mandatory standards at September 1, 2016, i.e.:

- Amendments to IAS 1 concerning disclosures;
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates with regard to sales or contributions of assets between the Group and its associates;
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets clarifying the methods of depreciation and amortization;
- Amendments to IFRS 11 Joint Arrangements concerning the acquisition of an interest in a joint operation;
- 2012-2014 cycle amendments concerning:
  - IFRS 5 - Non-current assets held for sale and discontinued operations
  - IFRS 7 – Financial instruments
  - IAS 19 - Employee benefits

The application of these amendments has not had any impact on the Group's financial statements.

In addition, the Group has opted against the early application of any other standards whose application date is after January 1, 2016 but could be applied early.

Lastly, the Group is currently assessing the potential impacts of the application of IFRS 9, IFRS 15 and IFRS 16 for its consolidated financial statements and does not expect these standards to have any significant impact on the consolidated financial statements.

### *3.1. 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 company's 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 3.5.1 | 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 3.5.2 | Development costs | If applicable, presentation of impairment methods |
| Note 13 | Employee benefits | Discount rate, inflation, yield for plan assets, rate for increase in wages |
| Notes 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 under tax legislation |

## *3.2. 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.

### 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, 2017, 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. In accordance with IFRS 10, control is determined in relation to the Group's ability to exert power over the entities concerned with a view to influencing the variable returns that it is exposed or entitled to through its links with them.

In accordance with IFRS 11, it records its interests in partnerships either as joint operations or joint ventures, depending on its rights to the assets and its obligations for the liabilities, relating to the partnership. When evaluating this, the Group factors in the arrangement structure, the legal form of the separate vehicle, the contractual arrangements and, if applicable, other facts and circumstances. A review of these new provisions shows that the Group exclusively has joint ventures. As a result, they are consolidated using the equity method, in line with IFRS 11.

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

## 3.3 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.

## 3.4 Valuation of intangible assets

### 3.4.1 Business combinations and goodwill

Business combinations are recorded in accordance with the acquisition method on the acquisition date, which is the date when control is transferred to the Group. Control is the power to direct an entity's financial and operational policies with a view to benefiting from its activities. When assessing control, the Group takes into consideration the potential voting rights that may currently be exercised.

On the acquisition date, goodwill corresponds to the sum of the consideration transferred and any non-controlling interests, less the net amount recognized (generally at fair value) for the identifiable assets acquired and liabilities assumed.

When the difference is negative, a gain is recognized immediately in profit and loss for the acquisition under preferential conditions.

The consideration transferred excludes the amounts relating to the settlement of any preexisting relationships. These amounts are generally recognized in profit and loss.

The costs relating to the acquisition, other than those relating to the issuing of any debt or capital securities, which the Group incurs in connection with a business combination are recognized as expenses when they arise. The consideration transferred excludes the amounts relating to the settlement of any preexisting relationships.

### 3.4.2 Research and development costs

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. 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.

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.

Adequate 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 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.

## 3.5. Depreciation of non-financial assets

### 3.5.1 Goodwill

The value of intangible assets with an indefinite lifespan, including goodwill, is reviewed each year. An impairment test is carried out for the close of accounts each year as a minimum, and in the event of any signs of impairment in value.

The main value recorded as an asset concerns the cash-generating unit (CGU) BIO Habitat, included in the Housing business. 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.

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.

The valuations are based on an assessment of cash flow, with the corresponding assumptions determined based on the business plan defined by the Group's Management Board. The performance figures included in the business plan take past performances into consideration.

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

| €'000 | BIO Habitat | | RecBoat Holdings LLC | |
|---|---|---|---|---|
| | Aug 31, 2017 | Aug 31, 2016 | Aug 31, 2017 | Aug 31, 2016 |
| Gross value of goodwill | 63,335 | 63,335 | 16,117 | 16,117 |
| Net book value of the CGU | 127,000 | 122,000 | 42,579 | 45,331 |
| Enterprise value | 148,000 | 138,000 | 44,218 | 49,334 |
| Discount rate | 7.43% | 6.96% | 11.65% | 11.52% |
| - Cost of equity capital | 8.94% | 8.35% | 14.39% | 14.13% |
| - Net cost of debt | 1.41% | 2.13% | 3.42% | 3.69% |
| Perpetuity growth rate | 1% | 1% | 3% | 3% |
| Discount rate resulting in an impairment | 8.51% | 7.84% | 11.95% | 12.32% |
| Reduction in the margin rate resulting in an impairment | -0.90% | -0.80% | -0.18% | -0.40% |

In view of the elements available, we have not identified any key assumptions considered to be reasonable that may result in any impairments. When the recoverable value is lower than the net book value of the cash generating unit, an impairment in value is recognized in profit or loss for the difference; in priority, it is booked against the goodwill allocated to the cash generating unit, then allocated to a reduction in the book value of the entity's other assets, prorated to the net book value of each of the unit's assets.

#### 3.5.2 Development costs

Development costs relating to mold designs are depreciated on a straight-line basis over a period of three to six years, depending on the model's characteristics.

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. After it was brought into service, various processes needed to be changed and certain developments rewritten, calling into question the initial deployment plan for the Boat business.

In this context, a €6,743,000 provision for impairment has been recorded, taking the non-depreciated residual value to €1,787,000.

The following method was applied to determine the provision:

- A retention rate (investment's long-term viability) was determined based on the type of investment (between 20% and 100%).
- This basis was then split between the Boat and Housing Divisions, prorated to the number of ERP users when the project was launched. This breakdown has also been adjusted to factor in the specific developments for the Housing business.
- Further deductions were applied to the dedicated Boat section to reflect the failure of the mutualization approach initially envisaged.

#### 3.5.3 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, licenses: over the filing's validity period
- Software: one to three years

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

Brands, which cannot be depreciated, are subject to impairment tests at the close of accounts each year as a minimum and in the event of any indications of impairments.

## *3.6. Property, plant and equipment*

Property, plant and equipment are valued at their acquisition cost, less the total amount of any depreciation and impairment recorded, or at their production cost for the sections produced by the Group.

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

## *3.7. Depreciation and amortization of property, plant and equipment*

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 tangible assets are subject to impairment tests whenever any events or changes in circumstances indicate that it may not be possible to recover the book value.

The depreciation 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

## *3.8. 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. 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.

## *3.9. Financial assets and liabilities (excluding derivatives)*

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 and liabilities "held for trading" or "available for sale" are measured at their fair value. Fair value adjustments on financial investments held for trading are recognized in profit or loss. Fair value adjustments on financial investments available for sale are recognized in other comprehensive income on a separate line until the financial investment in question is sold off or withdrawn in another way. An impairment must be recognized when there is any lasting or significant impairment in value.

The fair value is determined with reference to the market price published on the closing 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
- Level 2: the fair value is measured with a valuation based on observable data
- 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. |

## 3.10. Inventories and work-in-progress

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

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 the design offices, in addition to insurance costs and depreciation charges. These costs are then allocated based on production time.

Provisions for depreciation 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 sales price for the inventories in question.

## 3.11. 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.

Following the proposal to mothball the Brazilian subsidiaries at August 31, 2016, the assets and liabilities of these companies are classed as assets and liabilities held for sale.

## 3.12. 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".

## 3.13. 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. 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 2% at August 31, 2017, versus 1% the previous year.

The sensitivity of commitments to a 1-point increase in the discount rate represented €4,708,000 at August 31, 2017.

In accordance with the obligation set out by IAS 19 (revised), the Beneteau 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 1.41 points from 58.05% to 56.64%, while increasing the payroll taxes rate for non-manager staff by 1.29 points from 46.29% to 47.58%, in addition to the 1-point increase in the discount rate.

### Long-service awards (médailles du travail)

Long-service awards are linked to company agreements applying to the Group's various French companies. These additional 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.

## 3.14. Share-based payments

Stock options or warrants awarded to employees must be measured at fair value. This fair value must be recorded in profit and loss against reserves over the vesting period for staff to acquire rights to exercise options. 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 has been determined using the MonteCarlo model in order to take performance conditions into consideration.

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

Performance conditions: for the plans in force at August 31, 2017, when they apply, the performance conditions concern the change 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 the Supervisory Board.

## 3.15. Provisions

Provisions are recorded if the following conditions are met: when the Group has a current obligation - legal or implied - resulting from a past event, if it is likely that any withdrawal of resources representative of economic benefits will be required to fulfill the obligation, and if 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.

## 3.16. Management of financial risks

### Customer credit risk

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 3.18).

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

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 pool of partner banks. This was amended in 2017 enabling 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, 2017.

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, 2017.

During the year, 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 2.75). These requirements were met at August 31, 2017.

### Market risk

This represents the risk of changes in the market price affecting the Group's earnings.

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.

## 3.17. 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 a financial 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, 2017, compared with 34.43% at August 31, 2016.

## 3.18. Revenues

Revenue from ordinary activities is recorded when the risks and benefits inherent in ownership of the assets in question are transferred to the buyer, and their amount can be valued on a reliable basis. This amount is net of any discounts granted to customers and certain costs relating to commercial services.

In the Boat business, the Group recognizes revenues on the date when the product is made available. This corresponds to the date from which the boat may be collected by the customer, with this date confirmed by the customer.

On this date, the most significant risks and benefits have been transferred to the customer.

The limited company Construction Navale Bordeaux S.A. bills for its work as and when progress is made on models with development timeframes exceeding one year.

## 3.19. Earnings per share

### Earnings per share

This figure is determined by dividing the amount of net income by the weighted average number of shares outstanding.

### Diluted earnings per share

These earnings are determined by adjusting the earnings attributable to holders of outstanding ordinary shares for the impact of any potentially dilutive ordinary shares, including options on shares awarded to members of staff.

## 3.20. 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, in addition to the activity manufacturing and marketing timber-frame homes.

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. More specifically, the Group has assets in France, the United States, Poland, Italy, Spain, the UK and Brazil.

## NOTE 4 – EQUITY INTERESTS AND BASIS FOR CONSOLIDATION

**At August 31, 2017, the following entities were consolidated:**

| BENETEAU SA Parent company | Registered office | Siren no. | % interest | Method | Tax consolidation |
|---|---|---|---|---|---|
| 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 s/Yon – France | 491 372 702 | 100.00 | FC | X |
| 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 | |
| Construction Navale Bordeaux | Bordeaux – France | 342 012 390 | 100.00 | FC | X |
| GBI Holding | Turin – Italy | | 100.00 | FC | |
| Monte Carlo Yacht | Turin – Italy | | 90.00 | FC | |
| Bio Habitat ** | La-Chaize-le-Vicomte - France | 511 239 915 | 100.00 | FC | X |
| Bio Habitat Italia | Turin – Italy | | 100.00 | FC | |
| BH | La-Chaize-le-Vicomte - France | 501 361 737 | 100.00 | FC | X |
| BH Services | La-Chaize-le-Vicomte - France | 518 504 170 | 100.00 | FC | X |
| 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 IRM and O'Hara were merged within Bio Habitat.

## NOTE 5 – FIXED ASSETS

### *Change in fixed assets (gross)*

| €'000 | Year started Sep 1, 2016 | Acquisitions | Disposals, retirements | Translation differences | Other* | Year ended Aug 31, 2017 |
|---|---|---|---|---|---|---|
| **Acquisition goodwill** | **79,452** | **0** | **0** | **(945)** | **0** | **78,507** |
| Start-up costs and business goodwill | 0 | 0 | 0 | 0 | **0** | **0** |
| Development costs | 9,825 | 775 | 0 | 10 | 711 | 11,320 |
| Concessions, patents, licenses | 24,461 | 11 | 0 | (1,246) | (0) | 23,225 |
| Other intangible assets | 10,489 | 749 | (1,072) | 7 | 93 | 10,266 |
| Current intangible assets | 8,701 | 349 | (1) | 0 | 69 | 9,119 |
| Advances and deposits | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total intangible assets** | **53,476** | **1,884** | **(1,073)** | **(1,230)** | **873** | **53,930** |
| Land[1] | 59,054 | 526 | (248) | (5) | 607 | 59,934 |
| Property and facilities[2] | 253,627 | 9,305 | (695) | (682) | 2,710 | 264,265 |
| Plant and equipment[3] | 411,948 | 31,688 | (11,921) | (1,311) | 19,453 | 449,857 |
| Other property, plant and equipment | 44,154 | 3,269 | (2,006) | (259) | 646 | 45,804 |
| Current tangible assets | 26,438 | 29,201 | (306) | (168) | (23,271) | 31,893 |
| Advances and deposits on fixed assets | 314 | 841 | (446) | 5 | (148) | 566 |
| **Total property, plant and equipment** | **795,536** | **74,830** | **(15,622)** | **(2,421)** | **(3)** | **852,320** |
| **Investments in associates and joint-ventures** | **32,252** | **4,184** | **0** | **0** | **(58)** | **36,378** |
| Equity interests | 39 | 5 | 0 | (0) | 0 | 45 |
| Other capitalized securities | 22 | 0 | 0 | 0 | 0 | 22 |
| Loans | 10 | 0 | ,(10) | 0 | 0 | 0 |
| Other non-current financial assets | 121 | 35 | (19) | (0) | (9) | 128 |
| **Total non-current financial assets** | **192** | **40** | **(29)** | **(1)** | **(9)** | **194** |
| **TOTAL FIXED ASSETS** | **960,907** | **80,938** | **(16,724)** | **(4,596)** | **803** | **1,021,328** |
| [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: | €864,000 | | | | | |

The goodwill on the balance sheet corresponds to goodwill generated on the acquisition of IRM, within the Housing business, and goodwill generated on the acquisition of Rec Boat Holdings LLC during the year. The conditions for recognizing goodwill and conducting impairment tests are presented in Note 3.5.1.

## *Change in depreciation and provisions*

| €'000 | Year started Sep 1, 2016 | Charges for the year | Disposals and reversals | Translation differences | Other* | Year ended Aug 31, 2017 |
|---|---|---|---|---|---|---|
| **Goodwill on acquisition** | **0** | **0** | **0** | **0** | **0** | **0** |
| Start-up costs and business goodwill | 0 | 0 | 0 | 0 | 0 | 0 |
| Development costs | (4,900) | (1,584) | 0 | (9) | 153 | (6,341) |
| Concessions, patents, licenses | (2,788) | (432) | 0 | 75 | 1 | (3,144) |
| Other intangible assets | (9,171) | (949) | 1,065 | (6) | ,(1) | (9,061) |
| Current intangible assets | 0 | (6,743) | 0 | 0 | 0 | (6,743) |
| Advances and deposits | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total intangible assets** | **(16,858)** | **(9,709)** | **1,065** | **60** | **153** | **(25,289)** |
| Land [1] | (19,577) | (1,800) | (508) | 0 | 2 | (21,884) |
| Property and facilities [2] | (130,124) | (12,156) | 346 | 458 | 931 | (140,546) |
| Plant and equipment [3] | (309,362) | (43,280) | 11,971 | 929 | (943) | (340,685) |
| Other property, plant and equipment | (34,298) | (4,426) | 1,843 | 211 | 19 | (36,650) |
| Current fixed assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Advances and deposits on fixed assets | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total property, plant and equipment** | **(493,361)** | **(61,662)** | **13,652** | **1,598** | **8** | **(539,765)** |
| **Investments in associates and joint ventures** | **0** | **0** | **0** | **0** | **0** | **0** |
| Equity interests | (0) | 0 | 0 | 0 | (0) | (0) |
| Other capitalized securities | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-current financial assets | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total non-current financial assets** | **(0)** | **0** | **0** | **0** | **(0)** | **(0)** |
| **TOTAL FIXED ASSETS** | **(510,220)** | **(71,370)** | **14,717** | **1,658** | **161** | **(565,054)** |
| [1] Of which, finance-leased land | | | | | | 0 |
| [2] Of which, finance-leased building | 1,998 | | | | | 2,022 |
| [3] Of which, finance-leased technical facilities | 219 | 24 | 0 | 0 | | 219 |
| * Of which, transfer to assets held for sale: | €160,000 | | | | | |

## *5.1 Equity interests*

**This concerns companies not included in the basis for consolidation on account of their non-significant nature:**

| €'000 | Year-end | Fair value of securities | Revenues | Shareholders' equity excluding earnings for the year | Earnings for the year |
|---|---|---|---|---|---|
| Mare TC FVG Scarl | Dec 31, 2016 | 40 | 441 | 293 | 8 |
| **Total equity interests** | - | **40** | - | - | - |

## *5.2 Partnerships*

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 €2.5 per share, representing €992,000, with €486,000 for the Beneteau Group.

The joint-venture Habitat d'avenir, in which the Beneteau Group had a 50% stake, was liquidated during the year.

**Information concerning associates is presented in the following table:**

| SGB - €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| **Total net assets** | **717,845** | **654,912** |
| Shareholders' equity | 74,240 | 65,701 |
| Accounts and borrowings[1] | 576,940 | 530,201 |
| Net banking income | 18,570 | 17,712 |
| **Net income** | **9,530** | **7,247** |

[1] With Société Générale

## 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, 2017 | Depreciation & provisions | Net Aug 31, 2017 | Net Aug 31, 2016 |
|---|---|---|---|---|
| Raw materials and other supplies | 63,185 | (6,509) | 56,676 | 60,729 |
| Production work-in-progress | 69,825 | 0 | 69,825 | 64,383 |
| Intermediate and finished products | 97,204 | (4,170) | 93,035 | 103,214 |
| **Total** | **230,214** | **(10,678)** | **219,536** | **228,327** |

Provisions for depreciation are calculated based on the difference between the gross value, determined in line with the abovementioned principles, and the net realizable value.
The provision for impairment on inventories of raw materials has been determined in line with a statistical method, based primarily on the risk of such parts not being used.
A provision for impairment on inventories of finished products is recorded if the sales price is lower than the cost price, with inventories therefore valued at the probable sales value.

## NOTE 7 – TRADE RECEIVABLES AND RELATED

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

| €'000 | Gross Aug 31, 2017 | Depreciation & provisions | Net Aug 31, 2017 | Net Aug 31, 2016 |
|---|---|---|---|---|
| Trade receivables and related | 77,165 | (3,911) | 73,254 | 88,537 |
| **TOTAL** | **77,165** | **(3,911)** | **73,254** | **88,537** |

## NOTE 8 – OTHER RECEIVABLES

| €'000 | Notes | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| Advances and deposits on orders | - | 5,018 | 3,087 |
| Receivables on financial instruments | - | 3,114 | (0) |
| Sundry tax and social security receivables | Note 16 | 24,859 | 18,710 |
| Other receivables | - | 5,084 | 5,253 |
| Prepaid expenses | - | 7,906 | 6,522 |
| **Other receivables** | - | **45,981** | **33,572** |

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

## NOTE 9 - CASH AND CASH EQUIVALENTS

| €'000 | Notes | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| Transferable securities and accrued interest | - | 41,150 | 976 |
| Cash at bank and in hand | - | 173,146 | 74,949 |
| **Cash and cash equivalents** | - | **214,296** | **75,925** |

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 net cash position can be broken down as follows:

| €'000 | Notes | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| Transferable securities and accrued interest | - | 41,150 | 976 |
| Cash at bank and in hand | - | 173,146 | 74,949 |
| Bank borrowings and accrued interest | - | (4,950) | (3,869) |
| Financial debt with credit institutions | - | (96,582) | (56,795) |
| Other sundry financial liabilities | - | (3,110) | (1,792) |
| **Net cash** | | **109,655** | **13,469** |

### The change in net cash after financial debt is as follows:

| €'000 | Aug 31, 2016 | Change | Translation differences | Aug 31, 2017 |
|---|---|---|---|---|
| Gross cash position | 75,925 | 139,635 | (1,263) | 214,296 |
| Bank overdrafts and current borrowings | (3,869) | (1,033) | (47) | (4,950) |
| Net cash before financial debt | 72,056 | 138,601 | (1,310) | 209,347 |
| Gross financial debt | (58,587) | (46,457) | 5,352 | (99,692) |
| **Net cash** | **13,469** | **92,144** | **4,042** | **109,655** |

## NOTE 10 – ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale at August 31, 2017 correspond primarily to the assets and liabilities of Groupe Beneteau's Brazilian subsidiary (Beneteau Brasil Construçao de Embarcaçoes SA), which absorbed the subsidiary Beneteau Brasil Promocoes e Commercializacao de Embarcacoes Ltda during the year.

Indeed, the Group has decided to transfer commercial operations from Brazil to its American subsidiaries and to mothball the Beneteau brand's recreational boat production operations at the Angra dos Reis site. The corresponding assets and liabilities represent €1,642,000 and €1,458,000 respectively, with a detailed breakdown presented in the following table:

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Net fixed assets | 36 | 34 |
| **Non-current assets** | **36** | **34** |
| Inventories and work-in-progress | 622 | 3,717 |
| Trade receivables and related | 248 | 1 |
| Other receivables | 109 | 367 |
| Current tax assets | 0 | 0 |
| Cash and cash equivalents | 627 | 852 |
| **Current assets** | **1,606** | **4,937** |
| **Total assets** | **1,642** | **4,971** |
| Short-term loans and current portion of long-term loans | 87 | 2,330 |
| Trade payables and related | 578 | 751 |
| Other liabilities | 274 | 677 |
| Other provisions | 519 | 734 |
| **Current liabilities** | **1,458** | **4,493** |
| **Total liabilities** | **1,458** | **4,493** |
| **Net assets held for sale** | **184** | **477** |

The balance of the amount recorded under assets held for sale includes €200,000 for a site that is currently being sold.

## 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 August 31, 2016 | 1,156,742 | 10,697 |
| Acquisitions | 546,050 | 7,070 |
| Sales | (590,850) | (7,164) |
| **Shares at August 31, 2017** | **1,111,942** | **10,604** |

### *11.2. Bonus share schemes*

**The changes over the year can be broken down as follows:**

| In number of shares | Bonus shares |
|---|---|
| Shares at year-start | 538,000 |
| Shares issued during the period | 0 |
| Shares authorized during the period | 0 |
| Shares transferred | (8,000) |
| Shares abandoned during the period | 0 |
| Shares awarded during the period | 0 |
| **Shares at end of period** | **530,000** |

217,900 of the outstanding bonus shares at August 31, 2017 are subject to performance conditions.

## *11.3. Capital management strategy*

**Capital structure at August 31, 2017:**

| | Aug 31, 2017 | | Aug 31, 2016 | |
|---|---|---|---|---|
| | Shares | Voting rights | Shares | Voting rights |
| BERI 21 | 45,002,027 | 89,983,516 | 45,002,027 | 89,983,516 |
| Treasury stock | 1,111,942 | | 1,156,742 | |
| Public | 36,675,871 | 38,372,532 | 36,631,071 | 38,623,803 |
| Employee shareholders | 0 | | 0 | |
| **Total** | **82,789,840** | **128,356,048** | **82,789,840** | **128,607,942** |

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 70.10% of the voting rights
- 1.34% 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, 2017, three shareholders in addition to BERI 21 held more than 2.5% of the capital, including the Franklin Ressources Inc fund with 11.50%.

The Management Board would like to add that 385,000 shares, representing 0.465% 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 January 27, 2017.

## NOTE 12 - PROVISIONS

| €'000 | Aug 31, 2016 | Charges | Reversal (prov. used) | Reversal (prov. not used) | Translation differences | Other | Aug 31, 2017 |
|---|---|---|---|---|---|---|---|
| Non-current provisions | 10,507 | 4,375 | (4,189) | (2,062) | (13) | (1) | 8,617 |
| Provisions for warranties | 25,531 | 10,084 | (7,617) | (544) | (184) | (9) | 27,260 |
| Other current provisions | 311 | 151 | (150) | 0 | (18) | 0 | 293 |
| Provisions for exchange rate risk | 0 | 0 | 0 | 0 | 0 | (0) | (0) |
| **Total provisions** | **36,348** | **14,610** | **(11,957)** | **(2,606)** | **(215)** | **(10)** | **36,170** |

Provisions were reviewed at August 31, 2017 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.

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.

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 contribution plans.

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Long-service awards | 1,820 | 1,984 |
| Retirement benefits | 23,791 | 27,465 |
| **Total** | **25,611** | **29,449** |

## Retirement benefits

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| **Financial hedging assets** | | |
| Value at year-start | 5,962 | 5,910 |
| Return | 411 | 52 |
| Supplementary payments | | |
| Benefits paid | | |
| **Value at year-end** | **6,373** | **5,962** |
| **Provisions recorded on the balance sheet** | | |
| Actuarial value of commitments to be hedged with financial assets (actuarial liability) | 30,164 | 33,427 |
| Value of financial assets | (6,373) | (5,962) |
| Actuarial value of unhedged commitments | | |
| Unrecognized actuarial gains and losses | | |
| **Provisions on the balance sheet** | **23,791** | **27,465** |
| **Annual expense components** | | |
| Cost of services provided | 1,085 | 1,111 |
| Interest charges on actuarial liability | 427 | 214 |
| Expected return on assets | (411) | (52) |
| Actuarial gains and losses recognized in profit or loss | | |
| **Expense for the year** | **1,101** | **1,273** |
| **Change in provisions on the balance sheet** | | |
| Year-start | 27,465 | 20,813 |
| Change in scope | | |
| Disbursements | (429) | (210) |
| Expense for the year | 1,101 | 1,273 |
| Actuarial gains and losses recognized in reserves | (4,346) | 5,589 |
| **Provisions at year-end** | **23,791** | **27,465** |
| **Principal actuarial assumptions** | | |
| Discount rate | 2.0% | 1.0% |
| Average rate for wage growth (with inflation) | 2.0% | 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 (-)€4,708,000 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 was 2% at August 31, 2017, compared with 1% at August 31, 2016.

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Year-start | 1,984 | 1,627 |
| Change in scope | (-) | (-) |
| Disbursements | (96) | (72) |
| Expense for the year | 104 | 314 |
| Actuarial gains and losses recognized in reserves | (172) | 115 |
| **Provisions at year-end** | **1,820** | **1,984** |

## 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 27.7

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| **Bank overdrafts** | **4,950** | **3,869** |
| Finance-lease borrowings | 0 | 0 |
| Financial debt and borrowings from credit institutions | 58,067 | 14,517 |
| Sundry borrowings and financial debt | 3,109 | 1,790 |
| **Short-term financial debt** | **61,176** | **16,307** |
| Finance-lease borrowings | 0 | 0 |
| Financial debt and borrowings from credit institutions | 38,516 | 42,280 |
| Sundry borrowings and financial debt | - | - |
| **Long-term financial debt** | **38,516** | **42,280** |
| **Financial debt** | **104,642** | **62,456** |

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

| €'000 | Currency | Nominal interest rate | Year due | Aug 31, 2017 | | |
|---|---|---|---|---|---|---|
| | | | | Nominal value | Short-term book value | Long-term book value |
| Guaranteed bank loan | USD | US Libor +1.425% on average | 2021 | 30,409 | 7,752 | 22,657 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.85% | 2025 | 2,828 | 377 | 2,451 |
| Guaranteed bank loan | EUR | 35% 6-month Euribor 0.45% | 2021 | 6,160 | 1,540 | 4,620 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.85% | 2031 | 2,817 | 216 | 2,601 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor 0.95% | 2027 | 2,161 | 228 | 1,933 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.85% | 2026 | 3,330 | 370 | 2,960 |
| Short-term drawdown line | USD | USD 3-month Libor 1.25% | Oct 24, 2017 | 30,258 | 30,258 | |
| Short-term drawdown line | USD | USD 3-month Libor +0.8% | Oct 24, 2017 | 16,791 | 16,791 | |

Rate swap agreements were set up during the year with the following features: conversion of the 3-month LIBOR USD into an average fixed rate of 1.6110% for $50 million.

## NOTE 15 – OTHER DEBT AND PAYABLES

| €'000 | Notes | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| **Trade payables** | - | **96,946** | **106,794** |
| Advances and deposits received on orders | - | **50,831** | 32,330 |
| Tax and social security liabilities | - | 91,562 | 80,686 |
| Other trade payables | - | 24,483 | 21,279 |
| Payables on financial instruments | Note 16 | 141 | 292 |
| Fixed asset-related liabilities | - | 7,457 | 9,102 |
| Accrued income | - | 1,193 | 1,216 |
| **Other liabilities** | - | **175,667** | **144,905** |
| **Current tax liabilities** | - | **409** | **240** |

## 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, 2017, 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$ | 95,361 | Between Sep 2017 and Feb 2018 | 2,822 | Yes | 89 | 2,732 |
| AAT PLN | 129,461 | Between Nov 2017 and Aug 2018 | (41) | Yes | (103) | 62 |

At August 31, 2017, the Group exclusively held $ forward sales, with an average rate of 1.1362 EUR/USD, including options for $ forward sales for $25,000,000 and € forward purchases with an average rate of 4.3154 PLN/EUR.

## NOTE 17 – COMMITMENTS

| | Aug 31, 2017 | | |
|---|---|---|---|
| | Inter-company | Given | Received |
| Deposits | 0 | 2,747 | 2,303 |
| Guarantees | 138,818[1] | 30,240[2] | 9,568[3] |
| Guarantees with associates | 37,238[1] | 899[4] | 0 |
| **Group total** | **176,056** | **33,885** | **11,871** |

[1] €176,056,000 Commitments linked to product financing contracts
[2] €23,668,000 Bank guarantees
€526,000 Commitments relating to furniture leases
€6,046,000 Commitments given on lease agreements
[3] €6,917,000 Commitments received on lease agreements
[4] Commitments on lease agreements

NOTE 18 - SEGMENT REPORTING

## *18.1- Operating segments*

**FY 2016-17**

| €'000 | Boats | Housing | Reconciliation items | Total |
|---|---|---|---|---|
| Revenue from ordinary activities | 1,025,478 | 182,840 | - | 1,208,318 |
| Depreciation of segment assets | 57,446 | 6,543 | - | 63,990 |
| Income from ordinary operations | 78,880 | 6,702 | - | 85,582 |
| Segment assets | 1,477,493 | 186,024 | (629,865) | 1,033,652 |
| Segment liabilities | 975,106 | 97,800 | (629,895) | 443,011 |
| Acquisitions of property, plant and equipment and intangible assets | 71,463 | 4,415 | - | 75,878 |

**FY 2015-16**

| €'000 | Boats | Housing | Reconciliation items | Total |
|---|---|---|---|---|
| Revenue from ordinary activities | 910,700 | 172,863 | - | 1,083,563 |
| Depreciation of segment assets | 57,666 | 5,023 | - | 62,689 |
| Income from ordinary operations | 45,990 | (2,354) | - | 43,636 |
| Segment assets | 1,218,830 | 181,381 | (483,208) | 917,003 |
| Segment liabilities | 774,280 | 89,179 | (483,208) | 380,251 |
| Acquisitions of property, plant and equipment and intangible assets | 64,294 | 6,816 | - | 71,110 |

## *18.2- Geographical reporting*

### FY 2016-17 - (€'000)

| Business | Region | Revenue from ordinary activities | Segment assets | Acquisitions of property, plant and equipment and intangible assets |
|---|---|---|---|---|
| Boats | France | 186,401 | 951,322 | 54,961 |
| | Rest of Europe | 362,698 | 184,973 | 12,639 |
| | North America | 312,803 | 344,004 | 3,834 |
| | South America | 19,705 | (3,091) | 29 |
| | Asia | 53,399 | 285 | 0 |
| | Rest of world | 90,471 | 0 | 0 |
| **Boats** | | **1,025,478** | **1,477,493** | **71,463** |
| Housing | France | 156,280 | 168,792 | 4,156 |
| | Europe | 26,560 | 17,232 | 259 |
| | Rest of world | 0 | 0 | 0 |
| **Housing** | | **182,840** | **186,024** | **4,415** |
| **Reconciliation items** | | **0** | **(629,865)** | |
| **TOTAL** | | **1,208,318** | **1,033,652** | **75,878** |

### FY 2015-16 - (€'000)

| Business | Region | Revenue from ordinary activities | Segment assets | Acquisitions of property, plant and equipment and intangible assets |
|---|---|---|---|---|
| Boats | France | 147,512 | 738,662 | 48,451 |
| | Rest of Europe | 345,753 | 165,759 | 10,710 |
| | North America | 284,876 | 315,118 | 4,381 |
| | South America | 6,202 | -883 | 752 |
| | Asia | 59,459 | 174 | 0 |
| | Rest of world | 66,899 | 0 | 0 |
| **Boats** | | **910,700** | **1,218,830** | **64,294** |
| Housing | France | 147,013 | 159,343 | 6,240 |
| | Europe | 25,850 | 22,038 | 576 |
| | Rest of world | 0 | 0 | 0 |
| **Housing** | | **172,863** | **181,381** | 6,816 |
| **Reconciliation items** | | **0** | **(483,208)** | |
| **TOTAL** | | **1,083,563** | **917,003** | **71,110** |

## NOTE 19 - STAFF

**Staff costs can be broken down as follows:**

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Salaries and wages | 183,139 | 176,412 |
| Payroll taxes | 77,223 | 69,455 |
| External staff | 45,460 | 40,966 |
| Employee benefits resulting in provisions | 654 | 866 |
| Share-based payments (IFRS 2) | 1,370 | 1,973 |
| Profit sharing and performance-related bonuses | 12,686 | 5,185 |
| **Staff costs** | **320,533** | **294,858** |

**At August 31, 2017, the Beneteau Group had a total of 6,778 employees (excluding temporary staff) around the world, with the following breakdown:**

| | At Aug 31, 2017 | At Aug 31, 2016 |
|---|---|---|
| France | 4,181 | 3,929 |
| Rest of Europe | 1,029 | 961 |
| USA - Brazil - Asia | 717 | 687 |
| **Boats** | **5,927** | **5,577** |
| France | 804 | 854 |
| Rest of Europe | 47 | 47 |
| **Housing** | **851** | **901** |
| **TOTAL** | **6,778** | **6,478** |

### Breakdown by category (excluding temporary staff):

| | At Aug 31, 2017 | At Aug 31, 2016 |
|---|---|---|
| Operatives | 4,800 | 4,630 |
| Employees, supervisors and technicians | 1,399 | 1,310 |
| Managers and related | 579 | 538 |
| **Headcount excluding temporary staff** | **6,778** | **6,478** |

### The average headcount (including temporary staff) can be broken down for each business as follows:

| | 2016-17 | 2015-16 |
|---|---|---|
| Boats | 6,699 | 6,361 |
| Housing | 1,106 | 1,157 |
| **Total average headcount (including temporary staff)** | **7,804** | **7,518** |

In light of the Group's seasonal activity, it uses temporary staff.

An average of 1,084 temporary staff worked within the Group (849 for the Boat business and 235 for Housing), compared with 1,050 the previous year.

| Breakdown of the average headcount by category | 2016-17 | 2015-16 |
|---|---|---|
| Managers | 575 | 535 |
| Supervisors | 274 | 240 |
| Employees | 1,112 | 1067 |
| Operatives | 5,843 | 5,675 |
| **Total headcount** | **7,804** | **7,518** |

## NOTE 20 – EXTERNAL EXPENSES

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Consumables, outsourcing, maintenance | 49,677 | 50,749 |
| Marketing, advertising | 17,387 | 16,410 |
| Fees, commissions, research, insurance | 23,361 | 21,897 |
| Leasing | 9,513 | 8,236 |
| Other | 21,772 | 22,424 |
| **External expenses** | **121,710** | **119,717** |

The Group's commitments for minimum future lease payments represent €1,270,000, with €508,000 under one year and €762,000 due within one to five years.

## NOTE 21 - OTHER CURRENT OPERATING INCOME AND EXPENSES

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Obsolete provisions | 439 | 1,074 |
| Net capital gains on disposal of fixed assets | 144 | 566 |
| Net income on unrecoverable receivables | 531 | 0 |
| Sundry income | 942 | 489 |
| **Other current operating income** | **2,056** | **2,129** |

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Patents, copyright royalties, attendance fees | (875) | (1,204) |
| Net capital losses on disposal of fixed assets | 0 | 0 |
| Net expenses on unrecoverable receivables | 0 | (1,646) |
| Commercial compensation | (243) | (2,695) |
| Other | (3,221) | (1,725) |
| **Other current operating expenses** | **(4,339)** | **(7,270)** |

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.

## NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Provisions – ERP – Boats | (6,743) | - |
| Other provisions | (833) | - |
| Provisions – proposed restructuring of Residential Housing business | 1,698 | (5,912) |
| Provisions – proposed mothballing of Brazilian subsidiaries | - | (4,766) |
| Provisions for bankruptcy of a boat design partner | - | (175) |
| Positive resolution of a dispute | - | 1,134 |
| **Other operating income and expenses** | **(5,877)** | **(9,719)** |

## NOTE 23 – FINANCIAL INCOME / EXPENSE

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Interest income from cash and cash equivalents | 35 | 0 |
| Income from cash and cash equivalents | 35 | 0 |
| Interest and related expenses | (2,256) | (2,702) |
| Fair value adjustment on investments held for trading | (69) | 0 |
| Gross finance costs | (2,325) | (2,702) |
| | | |
| **Net finance costs** | **(2,290)** | **(2,702)** |
| | | |
| Net foreign exchange loss | (2,655) | (3,349) |
| **Other financial expenses** | **(2,655)** | **(3,349)** |
| Fair value adjustment on financial instruments (IAS 32-39) * | 152 | 421 |
| Other interest and related income | 413 | 217 |
| **Other financial income** | **565** | **638** |
| | | |
| **Financial income (expense)** | **(4,380)** | **(5,413)** |

* 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 | 2016-17 | 2015-16 |
|---|---|---|
| Current tax | 18,749 | 1,635 |
| Deferred tax | 1,150 | 4,947 |
| **Corporate income tax** | **19,899** | **6,582** |

**The reconciliation between the theoretical tax expense and the tax expense recorded in the accounts can be broken down as follows:**

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Theoretical tax on consolidated income (excluding associates) | 25,876 | 9,817 |
| Calculated at a rate of | 34.33% | 34.43% |
| Impact of tax credits | (5,417) | (3,417) |
| Impact of tax losses | (563) | 1,597 |
| Impact of other permanent differences | (344) | 220 |
| Impact of tax adjustments | 210 | 0 |
| Impact of tax rate changes | 137 | (1,635) |
| **Tax on the income statement** | **19,899** | **6,582** |

The aggregate amount of uncapitalized losses represents €17,546,000 and concerns the Brazilian subsidiary's losses.

## *24.2- Deferred tax*

**Deferred tax assets and liabilities at year-end can be broken down as follows:**

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Intangible assets | 340 | 377 |
| Inventories | 1,341 | 1,983 |
| Employee benefits | 6,072 | 8,517 |
| Financial instruments | - | 130 |
| Other | 7 | 5 |
| Timing differences | 6,618 | 7,085 |
| Offsetting | (8,561) | (10,817) |
| **Total deferred tax assets** | **5,817** | **7,281** |
| Accelerated depreciation | 5,306 | 5,950 |
| Financial instruments | 776 | - |
| Other | 4,624 | 5,102 |
| Offsetting | (8,561) | (10,817) |
| **Total deferred tax liabilities** | **2,145** | **235** |
| **Net deferred tax assets** | **3,672** | **7,046** |

### The change in net deferred tax assets can be broken down as follows:

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| **At September 1** | **7,046** | **5,711** |
| IAS 32 & 39 | (860) | 1,269 |
| Foreign currency translation adjustments | (33) | (5) |
| Deferred tax income (expenses) | (1,150) | (4,947) |
| Other tax recognized in equity | (1,331) | 5,018 |
| **At August 31** | **3,672** | **7,046** |

## NOTE 25 - EARNINGS PER SHARE

| | 2016-17 | 2015-16 |
|---|---|---|
| Net income, Group share (€'000) | 59,709 | 24,769 |
| Weighted average number of shares outstanding | 82,789,870 | 82,789,870 |
| **Net earnings per share (€)** | **0.72** | **0.30** |
| Weighted average number of shares after dilution | 83,327,870 | 83,899,890 |
| **Net earnings per share (€)** | **0.72** | **0.30** |

## 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 the Beneteau Group, 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 the Beneteau Group's administrative and management bodies.

- Transactions with the joint venture SGB Finance.

### *26.1 - Transactions with related parties*

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Sales of goods and services | 68 | 144 |
| Purchases of goods and services | 994 | 966 |
| Receivables | 23 | 71 |
| Payables | 392 | 396 |

### *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 | 2016-17 | 2015-16 |
|---|---|---|
| Short-term benefits | 2,515 | 2,173 |
| Other long-term benefits | 20 | 41 |
| Attendance fees | 220 | 334 |
| Share-based payments [1] | 568 | 442 |
| **Total** | **3,323** | **2,990** |

[1] Amount determined in accordance with IFRS 2 Share-based Payment and the conditions presented in Notes 3.12 and 19

## *26.3 – Transactions with joint ventures*

**Transactions with the joint venture SGB Finance (49% interest) were as follows:**

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Sales of goods and services | 35,377 | 32,714 |
| Purchases of goods and services | 40 | 622 |
| Financial expenses | 179 | 160 |
| Transferable securities | 41,150 | 0 |
| Receivables | 481 | 1,496 |
| Payables | 12 | 197 |

### NOTE 27 – FINANCIAL RISK MANAGEMENT

## *27.1. Breakdown of financial instruments by category for recognition*

| €'000 | Book value at Aug 31, 2017 | Fair value at Aug 31, 2017 | Financial assets at fair value through profit and loss | Loans and receivables | Available-for-sale financial assets / liabilities | Liabilities at amortized cost |
|---|---|---|---|---|---|---|
| Other equity securities | 22 | 22 | | | 22 | |
| Loans and deposits | 128 | 128 | | 128 | | |
| Trade receivables | 73,254 | 73,254 | | 73,254 | | |
| Other receivables | 45,981 | 45,981 | 3,114 | 42,867 | 0 | |
| Cash and cash equivalents | 214,296 | 214,296 | 214,296 | | | |
| Financial liabilities | (104,642) | (104,642) | | | | (104,642) |
| Other liabilities | (141) | (141) | (141) | | 0 | |
| **Subtotal** | **228,898** | **228,898** | **217,269** | **116,249** | **22** | **(104,642)** |

| €'000 | Book value at Aug 31, 2016 | Fair value at Aug 31, 2016 | Financial assets at fair value through profit and loss | Loans and receivables | Available-for-sale financial assets / liabilities | Liabilities at amortized cost |
|---|---|---|---|---|---|---|
| Other equity securities | 22 | 22 | - | - | 22 | - |
| Loans and deposits | 150 | 150 | - | 150 | - | - |
| Trade receivables | 88,537 | 88,537 | - | 88,537 | - | - |
| Other receivables | 33,572 | 33,572 | 0 | 33,572 | 0 | - |
| Cash and cash equivalents | 75,925 | 75,925 | 75,925 | - | - | - |
| Financial liabilities | (62,456) | (62,456) | - | - | - | (62,456) |
| Other liabilities | (292) | (292) | (292) | - | 0 | - |
| **Subtotal** | **135,458** | **135,458** | **75,633** | **122,259** | **22** | **(62,456)** |

## *27.2. Breakdown of financial assets and liabilities measured at fair value depending on fair value levels*

| | At August 31, 2017 | | | |
|---|---|---|---|---|
| €'000 | Level 1 | Level 2 | Level 3 | Total |
| Available-for-sale securities | 0 | - | 22 | 22 |
| Hedging instruments | 0 | 3,114 | 0 | 3,114 |
| Other financial assets at fair value through profit and loss | 0 | 0 | 214,296 | 214,296 |
| **Financial assets** | **0** | **3,114** | **214,318** | **217,432** |
| Hedging instruments | 0 | (141) | - | (141) |
| Other financial liabilities measured at fair value through profit and loss | 0 | 0 | (104,642) | (104,642) |
| **Financial liabilities** | **0** | **(141)** | **(104,642)** | **(104,783)** |

| €'000 | At August 31, 2016<br>Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Available-for-sale securities | 0 | - | 22 | 22 |
| Hedging instruments | 0 | 0 | 0 | 0 |
| Other financial assets at fair value through profit and loss | 0 | 0 | 75,925 | 75,925 |
| **Financial assets** | **0** | **0** | **75,947** | **75,947** |
| Hedging instruments | 0 | (292) | - | -292 |
| Other financial liabilities measured at fair value through profit and loss | 0 | 0 | (62,456) | (62,456) |
| **Financial liabilities** | **0** | **(292)** | **(62,456)** | **(62,748)** |

## *27.3. Breakdown of financial instruments by risk category*

| €'000 | Book value at Aug 31, 2017 | Credit risk (fair value) | Liquidity risk (fair value) | Rate risk (fair value) | Foreign exchange risk (fair value) |
|---|---|---|---|---|---|
| Loans and deposits | 128 | 128 | - | - | - |
| Trade receivables | 73,254 | 73,254 | - | - | - |
| Other receivables | 45,981 | 42,867 | - | - | 3,114 |
| Cash at bank and in hand | 173,146 | 173,146 | - | - | - |
| Mutual funds and other investments | 41,150 | 41,150 | - | - | - |
| Other borrowings | (99,692) | - | (99,692) | - | - |
| Bank borrowings | (4,950) | - | (4,950) | - | - |
| **Total** | **229,017** | **330,545** | **(104,642)** | **0** | **3,114** |

| €'000 | Book value at Aug 31, 2016 | Credit risk (fair value) | Liquidity risk (fair value) | Rate risk (fair value) | Foreign exchange risk (fair value) |
|---|---|---|---|---|---|
| Loans and deposits | 150 | 150 | - | - | - |
| Trade receivables | 88,537 | 88,537 | - | - | - |
| Other receivables | 33,572 | 33,572 | - | - | 0 |
| Cash at bank and in hand | 74,949 | 74,949 | - | - | - |
| Mutual funds and other investments | 976 | 976 | - | - | - |
| Other borrowings | (58,587) | - | (58,587) | - | - |
| Bank borrowings | (3,869) | - | (3,869) | - | - |
| **Total** | **135,728** | **198,184** | **(62,456)** | **0** | **0** |

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**

| | At August 31, 2017 | | | |
|---|---|---|---|---|
| €'000 | Gross | Of which, export | Depreciation | Net |
| Not due | **36,610** | 26,548 | 0 | **36,610** |
| Due | **40,555** | 32,241 | (3,910) | **36,645** |
| Trade receivables | **77,164** | 58,789 | (3,910) | **73,254** |

| €'000 | At August 31, 2016 | | | |
|---|---|---|---|---|
| | Gross | Of which, export | Depreciation | Net |
| Not due | **33,086** | 23,803 | 0 | **33,086** |
| Due | **59,881** | 40,069 | (4,431) | **55,451** |
| Trade receivables | **92,967** | 63,872 | (4,431) | **88,537** |

At August 31, 2017, the €36,645,000 in net receivables due primarily concern:

- Within the Boat business (€30,986,000), 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 (€5,645,000), 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 90 days | Due between 30 and 90 days | Due for less than 30 days | Total |
|---|---|---|---|---|
| Boats | 4,522 | 6,221 | 20,242 | 30,986 |
| Housing | 1,802 | 1,618 | 2,225 | 5,645 |
| **TOTAL** | **6,324** | **7,839** | **22,467** | **36,631** |

**At November 10, 2017, outstanding receivables can be broken down as follows:**

| €'000 | Due for longer than 90 days | Due between 30 and 90 days | Due for less than 30 days | Total |
|---|---|---|---|---|
| Boats | 4,169 | 1,432 | 5,343 | 10,944 |
| Housing | 2,452 | 67 | 375 | 2,894 |
| **TOTAL** | **6,621** | **1,499** | **5,718** | **13,838** |

### Change in depreciation on trade receivables

| €'000 | Aug 31, 2016 | Aug 31, 2017 |
|---|---|---|
| Balance at September 1 | 6,241 | 4,431 |
| Impairment recognized - Change in scope | (1,810) | (520) |
| **Balance at August 31** | **4,431** | **3,911** |

### Percentage of receivables due out of receivables that may be assigned

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Trade receivables (gross) | 77,165 | 92,967 |
| Provisions for bad debt | (3,911) | (4,431) |
| **Trade receivables (net)** | **73,254** | **88,537** |
| Receivables due at August 31 | 36,645 | 55,451 |
| Of which, export receivables | 29,648 | 37,030 |
| % of receivables due out of receivables that may be assigned | 50.0% | 62.6% |

## *27.5- Exchange rate risk*

**The Group's exchange risk exposure can be broken down as follows:**

| €'000 | Aug 31, 2017 USD '000 | Aug 31, 2017 PLN '000 | Aug 31, 2016 USD '000 | Aug 31, 2016 PLN '000 |
|---|---|---|---|---|
| Trade receivables | 44,714 | 0 | 97,650 | 0 |
| Trade payables | (20,599) | (14,803) | (17,899) | (2,231) |
| **Gross balance sheet exposure** | **24,115** | **(14,803)** | **79,751** | **(2,231)** |
| Estimated sales forecasts | 169,661 | 0 | 147,380 | 0 |
| Estimated purchase forecasts | (62,401) | (273,943) | (44,336) | (210,003) |
| **Gross forecast exposure** | **107,260** | (273,943) | 103,044 | (210,003) |
| Currency forwards | (95,360) | 129,461 | (130,427) | 182,836 |
| **Net exposure** | **36,015** | **(159,284)** | **52,368** | **(29,399)** |

## NOTE 28 – STATUTORY AUDITING FEES

Fees billed by the statutory auditors in relation to the legal auditing of the accounts and directly related advisory and other services can be broken down as follows:

| | ATLANTIQUE REVISION CONSEIL | | | | KPMG Audit | | | |
|---|---|---|---|---|---|---|---|---|
| | Aug 31, 2017 | | Aug 31, 2016 | | Aug 31, 2017 | | Aug 31, 2016 | |
| €'000 and % | €'000 | % | €'000 | % | €'000 | % | €'000 | % |
| Statutory auditing, certification of accounts, review of parent company and consolidated accounts | 222 | 100% | 207 | 100% | 199 | 90% | 207 | 91% |
| - Parent company | 54 | 24% | 53 | 26% | 73 | 33% | 60 | 26% |
| - Subsidiaries | 167 | 75% | 154 | 74% | 126 | 57% | 147 | 65% |
| Other audits and services linked directly to statutory auditing assignment | 0 | 0% | 0 | 0% | 23 | 10% | 20 | 9% |
| Subtotal | 222 | 100% | 207 | 100% | 222 | 100% | 227 | 100% |
| Other services provided by networks to fully-consolidated subsidiaries | | | | | | | | |
| Subtotal | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total fees** | **222** | | **207** | | **222** | | **227** | |

# Statutory auditors' report on the consolidated financial statements

**Year ended August 31, 2017**

For the shareholders of Beneteau S.A.

## *Opinion*

In accordance with the terms of our appointment by your general meetings, we have audited the consolidated financial statements of Beneteau S.A. for the year ended August 31, 2017, 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, 2016 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 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*

### Risk identified

As indicated in Note 3.18, the Group recognizes its revenues "when the risks and benefits inherent in ownership of the assets in question are transferred to the buyer, and their amount can be valued on a reliable basis". More specifically, "in the Boat business, the Group recognizes revenues on the date when the product is made available. This corresponds to the date from which the boat may be collected by the customer, with this date confirmed by the customer. On this date, the most significant risks and benefits have been transferred to the customer".

We considered compliance with the principle retained for recognizing revenues and described above 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

Our work notably involved:

- Assessing the reliability of internal control relating to the systems and procedures for monitoring orders, notably testing the effectiveness of IT controls making it possible to determine the date when products are made available.
- Analyzing the data concerning revenues for new boats by reconstituting revenues based on management extractions.
- Analyzing the change in monthly revenues in relation to the order book and historical data.
- Reconciling outflows of stocks of finished products valued at their sales price and the revenues recorded on Boat sales.
- Testing compliance with the accounting principle for "independent financial years" on a sample of sales recorded before and after the year-end date based on relevant selection criteria by notably carrying out reconciliations with customer confirmations.

## *Measurement of goodwill for BIO Habitat and Recboat Holdings LLC business*

### Risk identified

In connection with its development, the Group has carried out targeted external growth operations and recognized several items of goodwill.

This goodwill, which corresponds to the difference between the price paid and the fair value of the assets and liabilities acquired, recorded on the balance sheet for a total of €79 million, is allocated to the cash generating units (CGUs) for the activities which the acquired companies have been integrated into, as presented in Note 3.5.1 to the consolidated financial statements. In this way, the goodwill for the companies integrated into the activities of Bio Habitat and Recboat Holdings LLC has been allocated to the CGUs for these respective activities.

For the close of accounts each year and in the event of any signs of impairment in value, management ensures that the book value of this goodwill is not higher than its recoverable value.

The recoverable values are calculated based on discounted future cash flows, determined in line with the business plan prepared by the Management Board and assumptions for discount rates and perpetuity growth rates, as described in the abovementioned note.

However, any unfavorable change in the expected returns on the activities which the goodwill has been allocated to, as a result of internal or external factors for instance linked to the economic and financial environment within which the activity operates, is likely to significantly affect the recoverable value and require an impairment to be recorded, if applicable. Such a change would require a reassessment of the relevance of all the assumptions retained to determine this value, as well as the reasonable and consistent nature of the calculation parameters.

The recoverable value for goodwill on the Bio Habitat and Recboat Holdings LLC activities, which represent a significant amount, is determined based on management's judgement, since it notably involves forecasts for future cash flow, discount rates and long-term growth rates applied for the cash flow forecasts. We therefore considered the measurement of goodwill for the Bio Habitat and Recboat Holdings LLC activities to be a key point for the audit.

### Our response

We reviewed the compliance of the company's methodology with the accounting standards in force.

We also carried out a critical review of the conditions for applying this methodology. Our work notably involved:

- Corroborating, notably through interviews with management, the main business assumptions included in the business plans prepared by the Group's Management Board and analyzing the differences between the actual figures at August 31, 2017 and the budgets Included in the 2017 business plans.
- Corroborating the actuarial assumptions, including the calculation of the discount rate applied for cash flow forecasts by checking the various discounting parameters included in the weighted average cost of capital for the CGUs.
- Reviewing the sensitivity analyses carried out by management for the value-in-use in relation to a change in the main assumptions applied.
- Testing the arithmetical accuracy of the assessments retained by management.

Lastly, we assessed the appropriate nature of the information provided in Note 3.5.1 to the consolidated financial statements.

## *IT development costs*

### Risk identified

The BENETEAU Group has been moving forward with a process to migrate its integrated management software (ERP) since the end of 2012. This new ERP's implementation is based on a customization of the standard IT tool, with various specific developments. These IT developments are recorded under intangible assets and depreciated over seven years from the date when the ERP was brought into service, as indicated in Note 3.5.2 to the consolidated financial statements.

Already operational for the Housing sector since July 2015, this ERP is still intended to be used for the Boat business.

However, the tool's deployment has been deferred faced with various difficulties that have been expected to date for replicating the current tool, for which many specific features have been developed for the Housing business.

In this context, management has carried out an analysis of the costs incurred to identify those that correspond to features that will be used for deploying the tool for the Boat business.

Following this analysis, €6.7 million of provisions for impairments have been recorded on this asset, taking the net value of the residual uncommissioned asset to €1.8 million.

We considered this as a key point for the audit because the prospects referred to above and the provisions for impairment resulting from this analysis are inherently dependent on the assumptions, estimates or assessments used by management.

### Our response

In connection with our mission, we notably carried out the following work:

- Based on interviews with the information systems department, reviewing the prospects for the ERP's use.
- Reviewing the various scenarios considered by management with regard to the technical difficulties adapting the existing ERP and its intended future use.
- Assessing the level and type of depreciation recorded, as mentioned in Note 3.5.2.

## *Checking of the information relating to the group in the group's management report*

In accordance with industry standards in France, we also performed the specific procedures required under French law concerning the information relating to the Group's management.

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.

## *Information resulting from other legal and regulatory requirements*

### Appointment of the statutory auditors

We were appointed as statutory auditors for Beneteau S.A. by your general meeting on February 24, 1989 for Atlantique Révision Conseil and on February 1, 2002 for KPMG S.A.

At August 31, 2017, Atlantique Révision Conseil was in the 29th consecutive year of its mission, while KPMG S.A. was in its 16th 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 drawn up under the responsibility of your Management Board.

## *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 to 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. These points are presented 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**

| | |
|---|---|
| Nantes, December 20, 2017<br>KPMG Audit<br>Department of KPMG S.A.<br><br>Franck Noël<br>Partner | La-Roche-sur-Yon, December 20, 2017<br>Atlantique Révision Conseil<br><br>Jérôme Boutolleau<br>Partner |

# *Beneteau S.A.*

# Financials - Beneteau S.A.

# Beneteau S.A. parent company financial statements

## *Balance sheet at August 31, 2017*

### Assets

| €'000 | Notes | Gross at Aug 31, 2017 | Depreciation and provisions | Net at Aug 31, 2017 | Net at Aug 31, 2016 |
|---|---|---|---|---|---|
| Intangible assets | 1.2 | | | | |
| Research and development costs | 1.3 | 4,887 | 1,993 | 2,894 | 3,354 |
| Concessions, patents, licenses and brands | 1.4 | 1,180 | 106 | 1,074 | 1,101 |
| Goodwill[1] | | - | - | 0 | 0 |
| Other intangible assets | | 6,370 | 5,501 | 869 | 965 |
| Current intangible assets | | 8,886 | 6,743 | 2,143 | 8,699 |
| Property, plant and equipment | 1.5 | - | - | 0 | 0 |
| Land | | 392 | 117 | 275 | 283 |
| Property | | 6,599 | 4,729 | 1,870 | 2,136 |
| Plant and equipment | | 782 | 718 | 64 | 122 |
| Other property, plant and equipment | | 3,183 | 2,473 | 710 | 650 |
| Current fixed assets | | 258 | - | 258 | 195 |
| Advances and deposits | | - | - | 0 | 0 |
| Non-current financial assets [2] | 1.6 | - | - | 0 | 0 |
| Equity interests | | 97,558 | 5,000 | 92,558 | 92,558 |
| Equity interest-related receivables | | 0 | - | 0 | 0 |
| Other capitalized securities | | 5,760 | 3 | 5,757 | 5,565 |
| Loans | | 0 | - | 0 | 10 |
| Other non-current financial assets | | 19 | - | 19 | 26 |
| **Fixed assets** | 1.1 | **135,874** | **27,383** | **108,491** | **115,664** |
| Inventories and work-in-progress | | | | | |
| Raw materials and other supplies | | - | - | 0 | 0 |
| Production work-in-progress | | - | - | 0 | 0 |
| Intermediate and finished products | | - | - | 0 | 0 |
| Advances and deposits on orders | | 4,226 | 3,341 | 885 | 878 |
| Receivables | 1.7 | - | - | 0 | 0 |
| Trade receivables and related | | 7,077 | 107 | 6,970 | 7,204 |
| Other receivables | | 143,179 | 0 | 143,179 | 121,904 |
| Transferable securities | 1.8 | 45,863 | 0 | 45,863 | 5,907 |
| Cash at bank and in hand | | 121,834 | - | 121,834 | 15,004 |
| Prepaid expenses | 1.9 | 619 | - | 619 | 891 |
| **Current assets** | | **322,798** | **3,448** | **319,350** | **151,788** |
| Foreign currency translation gains | | 0 | - | - | |
| **TOTAL ASSETS** | | **458,672** | **30,831** | **427,841** | **267,452** |

| | | |
|---|---|---|
| [1] Of which, right to lease | - | - |
| [2] Of which, less than one year | - | - |

# *Balance sheet at August 31, 2017*

## Liabilities

| €'000 | Note | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|---|
| 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 | | 147,880 | 157,773 |
| Retained earnings | | 112 | 93 |
| Earnings for the year | | (211) | (1,706) |
| Investment subsidies | | - | - |
| Regulated provisions | | 380 | 356 |
| **Shareholders' equity** | 2.11 | **185,161** | **193,516** |
| Provisions | | | |
| Provisions for liabilities | | - | - |
| Provisions for charges | | 2,023 | 933 |
| **Provisions for liabilities and charges** | 2.2 | **2,023** | **933** |
| Financial liabilities[1] | | | |
| Loans and borrowings from credit institutions[2] | | 78,316 | 35,353 |
| Sundry borrowings and financial debt | | 135,798 | 13,509 |
| Advances and deposits received on orders | | 7 | - |
| Operating liabilities[1] | | | |
| Trade payables and related | | 3,280 | 3,248 |
| Tax and social security liabilities | | 3,216 | 3,007 |
| Other | | 19,566 | 17,632 |
| Other liabilities[1] | | | |
| Fixed asset liabilities and related | | 474 | 254 |
| Accrued income[1] | | - | - |
| **Current liabilities** | 2.3 | **240,657** | **73,003** |
| Foreign currency translation losses | | | |
| **TOTAL LIABILITIES** | | **427,841** | **267,452** |

| | | |
|---|---|---|
| [1] Of which, less than one year | 220,048 | 45,383 |
| [2] Of which, current bank borrowings | 843 | 641 |

## *BENETEAU S.A.*

### Income statement at August 31, 2017

| €'000 | Note | 2016-17 | 2015-16 |
|---|---|---|---|
| **Operating income** | | | |
| Production sold: goods and services | | 15,126 | 14,360 |
| **Net revenues** | 3.1 | **15,126** | **14,360** |
| Capitalized production | | - | 506 |
| Operating subsidies | | - | 4 |
| Reversal of provisions, depreciation and transferred expenses | 3.2 | 35 | 6,190 |
| **Operating income** | | **15,161** | **21,060** |
| **Operating expenses** | | | |
| Other external purchases | | 11,354 | 11,331 |
| Tax and related | | 205 | 224 |
| Staff costs | 3.3 | | |
| Salaries and wages | | 3,281 | 3,458 |
| Payroll taxes | | 1,526 | 7,326 |
| Depreciation and provisions | | | |
| On fixed assets: depreciation | | 2,286 | 2,229 |
| On current assets: provisions | | - | 176 |
| For liabilities and charges: provisions | | 1,093 | 384 |
| Other expenses | | 1,039 | 1,001 |
| **Operating expenses** | | **20,784** | **26,129** |
| **Operating income** | | **(5,623)** | **(5,069)** |
| **FINANCIAL INCOME** | | | |
| From equity interests | | 12,752 | 10,019 |
| Other interest and related income | | 2,191 | 2,381 |
| Reversal of provisions and transferred expenses | | 220 | 8,858 |
| Net foreign exchange gains | | 2,828 | 1,352 |
| **Financial income** | | **17,991** | **22,610** |
| **Financial expenses** | | | |
| Depreciation and provisions | | 3 | 2,720 |
| Interest and related expenses | | 3,197 | 9,083 |
| Net expenses on sale of marketable securities | | 40 | 9,054 |
| Net foreign exchange losses | | 3,195 | 3,759 |
| **Financial expenses** | | **6,435** | **24,616** |
| **Financial income (expense)** | 3.4 | **11,556** | **(2,006)** |
| **Pre-tax income from ordinary operations** | | **5,934** | **(7,074)** |

# *BENETEAU S.A.*

## Income statement at August 31, 2017 (contd.)

| €'000 | Note | 2016-17 | 2015-16 |
|---|---|---|---|
| **Non-recurring income** | | | |
| On management operations | | 131 | 74 |
| On capital operations | | **14** | **49** |
| Reversal of provisions and transferred expenses | | 33 | 34 |
| **Non-recurring income** | | **178** | **157** |
| **Non-recurring expenses** | | | |
| On management operations | | 42 | 97 |
| On capital operations | | 15 | 74 |
| Depreciation and provisions | | 6,799 | 23 |
| **Non-recurring expenses** | | **6,856** | **194** |
| **Non-recurring income (expense)** | 3.5 | **(6,678)** | **(37)** |
| **Employee profit-sharing** | | **(69)** | **(42)** |
| **Corporate income tax** | 3.6 | **(602)** | **(5,447)** |
| **NET INCOME** | | **(211)** | **(1,706)** |

# 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, 2017.

Any items of information that are not mandatory are given only when significant.

### Highlights of the year

On August 31, 2017, Beneteau S.A. granted its sub-subsidiary BH Services a debt write-off for €1,450,000.

Following a difficult start with the ERP for the Housing Division in 2015, and the rewriting of certain specific elements, a provision for impairment was recorded during the year on the value of the investment under current intangible assets. The impairment represents a total of €6,743,000 and is recorded under non-recurring items, reducing the asset's net value to €1,787,000.

### 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, 2017 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 (Plan Comptable Général, PCG) as per ANC Regulation 2016-07.

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, 2016 | Change through inter-item transfers | Acquisitions, creations, increase in assets | Disposals, retirements, reduction in assets | Gross value of fixed assets at Aug 31, 2017 |
|---|---|---|---|---|---|
| Research and development costs | 4,621 | 169 | 97 | 0 | 4,887 |
| Concessions, patents, licenses and brands | 1081 | 0 | 0 | 0 | 1,081 |
| Goodwill | 99 | 0 | 0 | 0 | 99 |
| Software | 6,664 | 93 | 588 | (976) | 6,370 |
| Current intangible assets | 8,699 | (160) | 348 | 0 | 8,887 |
| **Total intangible assets** | **21,164** | **102** | **1,032** | **(976)** | **21,323** |
| Land and developments | 392 | 0 | 0 | 0 | 392 |
| Property and facilities | 6,549 | 0 | 52 | (3) | 6,599 |
| Plant and equipment | 781 | 0 | 0 | 0 | 781 |
| Other property, plant and equipment | 2,879 | 61 | 383 | (141) | 3,183 |
| Current fixed assets | 195 | (164) | 228 | 0 | 259 |
| Advances and deposits on fixed assets | 0 | 0 | 0 | 0 | 0 |
| **Total property, plant and equipment** | **10,796** | **(102)** | **663** | **(144)** | **11,213** |
| Equity interests | 97,558 | 0 | 0 | 0 | 97,558 |
| Equity interest-related receivables | 0 | 0 | 0 | | 0 |
| Other capitalized securities | 5,786 | 0 | 7,138 | (7,164) | 5,760 |
| Loans | 10 | 0 | 0 | (10) | 0 |
| Other non-current financial assets | 26 | 0 | 0 | (6) | 20 |
| **Total non-current financial assets** | **103,380** | **0** | **7,138** | **(7,180)** | **103,338** |
| **GENERAL TOTAL** | **135,340** | **0** | **8,833** | **(8,299)** | **135,874** |

## Depreciation and provisions

| €'000 | Depreciation at Aug 31, 2016 | Increase in charges over year | Increase in provisions over year | Reduction linked to disposals and retirements | Depreciation at Aug 31, 2017 |
|---|---|---|---|---|---|
| **Total intangible assets** | **7,045** | **1523** | **6743** | **(967)** | **14,344** |
| Land and developments | 109 | 9 | - | 0 | 117 |
| Property | 4,413 | 316 | - | (2) | 4,728 |
| Plant and equipment | 659 | 58 | - | 0 | 716 |
| Other property, plant and equipment | 2,229 | 380 | - | (136) | 2,474 |
| **Total property, plant and equipment** | **7,410** | **763** | **0** | **(138)** | **8,036** |
| **TOTAL DEPRECIATION AND PROVISIONS** | **14,455** | **2,286** | **6,743** | **(1,104)** | **22,379** |
| Provision for impairment of assets | - | - | - | - | - |
| On equity interests | 5,000 | - | - | 0 | 5,000 |
| On other capitalized securities | 221 | - | 4 | (221) | 4 |
| **TOTAL PROVISIONS** | **5,221** | **0** | **4** | **(221)** | **5,004** |
| **GENERAL TOTAL** | **19,676** | **2,286** | **6,747** | **(1,325)** | **27,383** |

## *1.2 Intangible assets*

Intangible assets represent €21,323,000 gross and €6,979,000 net after depreciation and provisions at August 31, 2017, compared with €14,119,000 net at August 31, 2016.

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 the Beneteau Group 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 has been recorded, taking the non-depreciated residual value to €1,787,000.

The following method was applied to determine the provision:

- A retention rate (investment's long-term viability) was determined based on the type of investment (between 20% and 100%).
- This basis was then split between the Boat and Housing Divisions, prorated to the number of ERP users when the project was launched. This breakdown has also been adjusted to factor in the specific developments for the Housing business.
- Further deductions were applied to the dedicated Boat section to reflect the failure of the mutualization approach initially envisaged.

### 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 furniture and equipment.........................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 €380,000.

## *1.4 Non-current financial assets*

Non-current financial assets totaled €103,338,000 at August 31, 2017, compared with €103,380,000 at August 31, 2016.

The gross value of equity securities is based on the purchase cost less any related expenses.

A provision for impairment is recorded for the relevant amount when the subsidiary's going-concern value is lower than its historical value:

- For industrial subsidiaries, the going-concern value is based on a discounting of future earnings prospects for the subsidiary in question.
- For purely commercial subsidiaries, or subsidiaries for which the assessment of the business outlook is not relevant, the going-concern value is determined in light of the amount of the capital interest held, after applying the exchange rate in force at August 31 for foreign subsidiaries.

The table of subsidiaries and associates is presented in Note 4.3.

Other capitalized securities primarily comprise treasury stock, with a detailed breakdown of changes presented in Note 4.6. Based on the average share price for August 2017, their value represents €8,170,000, with a net balance sheet value of €5,737,000.

## *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 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Ordinary trade receivables | 57 | 40 |
| Trade receivables for associates | 6,891 | 7,142 |
| Notes receivable | - | - |
| Bad debt | 129 | 129 |
| Provisions for impairment of trade receivables | (108) | (108) |
| **TOTAL** | **6,969** | **7,204** |

**Other trade receivables do not include any items outstanding for over one year, and can be broken down as follows:**

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Tax | 15,902 | 22,675 |
| Other receivables | 1,167 | 2,035 |
| Other receivables for associates* | 126,110 | 97,193 |
| Provisions for impairment of receivables | - | - |
| **TOTAL** | **143,179** | **121,904** |
| [1] Of which, tax consolidation current account | - | - |

## *1.6 Transferable securities*

The carrying value of reserved treasury stock (see Notes 4.4 and 4.5) represents €4,863,000. Valued at the share price from August 31, 2017, reserved treasury stock came to €7,128,000.

In addition, the bonus share allocation portfolio is subject to a provision for liabilities (see Note 2.2).

Other securities comprise mutual funds for €41,000,000, with a carrying value also of €41,000,000.

## *1.7 Accruals and related - assets*

Accrued expenses represent €619,000 and consist exclusively of operating expenses, compared with €891,000 at August 31, 2016.

**Revenue accruals totaled €70,000, and can be broken down as follows:**

| €'000 | Aug 31, 2017 | Aug 31, 2016 |
|---|---|---|
| Operating income | 23 | 19 |
| Operating income for associates | - | - |
| Financial income | 47 | - |
| **TOTAL** | **70** | **19** |

## *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, 4.5 and 4.6.

### 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, 2016 | 193,516 |
| Accelerated depreciation (see Note 1.5) | 24 |
| Dividends paid | (8168) |
| Earnings for the year | (221) |
| **Shareholders' equity at Aug 31, 2017** | **185,161** |

Net income excluding the impact of optional tax provisions came to -€195,000 at August 31, 2017.

For our company, the tax provisions are reflected in a future tax liability of €110,000 (net), calculated at a rate of 28.92%.

## *2.2 Provisions for liabilities and charges*

| €'000 | Amount at year-end Aug 31, 2016 | Increase over year | Reversal of provisions used | Reversal of provisions not used | Amount at year-end Aug 31, 2017 |
|---|---|---|---|---|---|
| Provisions for exchange rate loss | - | - | - | - | - |
| Provisions for liabilities | - | - | - | - | - |
| Other provisions for liabilities and charges | 933 | 1,092 | (2) | - | 2,023 |
| **TOTAL** | **933** | **1,092** | **(2)** | - | **2,023** |

At August 31, 2017, Beneteau S.A. recorded:

- A €1,092,000 provision for charges relating to treasury stock reserved for the bonus share scheme;
- A €2,000 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, 2017:**

| €'000 | Total | > 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Loans and borrowings from credit institutions | | | | |
| - Initially due within 2 years | 57,707 | 57,707 | - | - |
| - Initially due after more than 2 years | 20,609 | - | 20,609 | |
| Sundry borrowings and financial debt | 3,109 | 3,109 | - | - |
| Financial debt for associates | 147,339 | 147,339 | - | - |
| Trade payables and related | 2,635 | 2,635 | - | - |
| Trade payables for associates | 645 | 645 | - | - |
| Staff and related | 1,447 | 1,447 | - | - |
| Social security and related | 873 | 873 | - | - |
| Tax and related | - | - | - | - |
| - Corporate income tax | - | - | - | - |
| - Value-added tax | 776 | 776 | - | - |
| - Other tax and related | 119 | 119 | - | - |
| Fixed asset liabilities and related | 474 | 474 | - | - |
| Fixed asset-related liabilities for associates | - | - | - | - |
| Other liabilities | 1,094 | 1,094 | - | - |
| Other payables for associates | 3,829 | 3,829 | - | - |
| **TOTAL** | **240,657** | **220,048** | **20,609** | **0** |

## *2.4 Accrued expenses*

**At August 31, 2017, accrued expenses totaled €8,897,000, with the following breakdown:**

| €'000 | Operating | Financial | Non-recurring |
|---|---|---|---|
| Trade payables and related | 1,461 | - | - |
| Trade payables for associates | 645 | - | - |
| Tax and social security liabilities | 2,112 | - | - |
| Sundry borrowings and financial debt | - | 850 | - |
| Other liabilities | - | - | - |
| Other payables for associates | 3,829 | - | - |
| **TOTAL** | **8,047** | **850** | - |

# 3 - NOTES TO THE INCOME STATEMENT

## *3.1 Revenues*

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Sales in France | 12,710 | 12,632 |
| Sales outside of France | 2,416 | 1,727 |
| **TOTAL** | **15,126** | **185,161** |

## *3.2 Changes in provisions and transferred operating expenses*

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Reversal of provisions for liabilities and charges* | 2 | 6,167 |
| Transferred expenses | 33 | 23 |
| **TOTAL** | **35** | **6,190** |

*In 2015-16, reversal relating to the provision for bonus shares vested during the year, with the corresponding expense recognized in operating income (other staff costs) for €5,817,000.

## *3.3 Staff costs*

Compensation for members of the administrative and management bodies came to €1,575,000, compared with €1,117,000 the previous year.

The average headcount is 30, with 8 employees and 22 managers.

Staff costs at August 31, 2016 included the cost of bonus shares vested by BENETEAU SA's corporate officers and employees in connection with the bonus share plan from May 9, 2012, maturing in May 2016 for €5,817,000.

## *3.4 Financial income and expenses*

Financial income and expenses show €11,556,000 of net income.

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Dividends received from subsidiaries | 12,752 | 10,019 |
| Debt write-offs granted to subsidiaries | | |
| - GBI Holding | 0 | 0 |
| - BH | 0 | (7,150) |
| - BHS | (1,450) | 0 |
| Provisions on equity securities | 0 | (2,500) |
| Reversal of provisions on subsidiary current account | 0 | 0 |
| Bonus share plan costs charged to the subsidiaries | 0 | 3,155 |
| Interest and related expenses (net) | 2,004 | 2,355 |
| **Financial income and expenses with associates** | **13,306** | **5,879** |
| Other interest and related expenses (net) | (1,560) | (1,908) |
| Net income on transferable securities* | (40) | (9,053) |
| Transferred expenses for the cost of bonus share plans* | 0 | 5,702 |
| Net charge after reversals of provisions | 217 | (220) |
| Foreign exchange gain / loss | (367) | (2,406) |
| **TOTAL financial income and expenses** | **11,556** | **(2,006)** |
| *Of which, net cost of the plan for bonus shares awarded during the year | 0 | (3,156) |

## *3.5 Non-recurring income and expenses*

**The non-recurring items recorded can be broken down as follows:**

| €'000 | 2016-17 | 2015-16 |
|---|---|---|
| Accelerated depreciation charge / reversal | (23) | 10 |
| Capital gains or losses on asset disposals | (1) | (25) |
| Treasury stock buyback premium | 104 | (10) |
| Provisions on current fixed assets* | (6,743) | - |
| Donations | (8) | (5) |
| Other | (6) | (7) |
| **TOTAL** | **(6,677)** | **(37)** |

*Provision for impairment of current intangible assets concerning the Group's ERP project

## *3.6 Tax*

**At August 31, 2017, the breakdown of tax between income from ordinary operations and non-recurring items is as follows:**

| €'000 | Before tax | Net tax income | After tax |
|---|---|---|---|
| Income from ordinary operations | 5,933 | (642) | 5,292 |
| Non-recurring income (expense) | (6,677) | 1,244 | (5,433) |
| Profit sharing | (70) | - | (70) |
| **TOTAL** | **(813)** | **602** | **(211)** |

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 2016-17 came to €2,990,000.

## 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, 2017 |
|---|---|
| Deposits: | |
| - Consortium for building a plant for a subsidiary | 500 |
| - Customs | 70 |
| Guarantees with associates: | |
| - Banking commitment for subsidiaries' credit lines | 5,464 |
| - Banking commitment for VAT repayment for Italian subsidiaries | 4,082 |
| - Customer guarantee for subsidiary defaults | 12,800 |
| - Counter-guarantee for subsidiaries linked to product financing agreements | 40,427 |
| Retirement benefits* | 317 |
| Currency forward sales in €'000 at hedging rate | 81,292 |
| **TOTAL** | **144,953** |

*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 endorsements and guarantees given do not concern any executives.

## *4.3 Subsidiaries and associates*

| Company | 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| €'000 | | | | Gross | Net | | | | | |
| SUBSIDIARIES (at least 50% interest) | | | | | | | | | | |
| C.N.B | 3,488 | 40,071 | 100 | 4,776 | 4,776 | 0 | 0 | 236,393 | 17,416 | 4,071 |
| S.P.B.I | 51,542 | 248,250 | 100 | 40,774 | 40,774 | 0 | 0 | 679,154 | 35,955 | 7,731 |
| B.H. | 5,000 | 70 | 100 | 5,000 | 0 | 2,560 | 0 | 10,177 | 19 | 0 |
| Bio Habitat | 12,868 | 63,130 | 100 | 42,933 | 42,933 | 0 | 0 | 175,887 | 7,020 | 463 |
| GBI Holding | 108 | 390 | 100 | 1,108 | 1,108 | 50,646 | 0 | 0 | 38 | 0 |
| ASSOCIATES (10 to 50%) | | | | | | | | | | |
| SGB Finance[1] | 6,054 | 31,344 | 49 | 2,967 | 2,967 | 0 | 0 | 0 | 4,976 | 486 |

[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 |
|---|---|
| Apr 29, 14 | 212,000 |
| Apr 28, 16 | 326,000 |

The beneficiaries are Beneteau Group 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 |

## *4.5 Treasury stock*

The value of treasury stock at August 31, 2017, based on the average share price for August 2017, came to €8,170,000 with a net balance sheet value of €5,737,000.

| | Number of shares | Value in €'000 |
|---|---|---|
| **Shares at August 31, 2016** | **618,742** | **5,766** |
| Acquisitions | 546,050 | 7,070 |
| Transfer* | 8,000 | 68 |
| Sales | (590,850) | (7,164) |
| **Shares at August 31, 2017** | **581,942** | **5,740** |

*Transfer to the bonus share plans

Average purchase price for the year:...................................€12.9474
Average sales price for the year:...........................................€12.2997
Share price at August 31, 2017:..............................................€13.45
Average share price for August 2017:..................................€14.04

## 5 - CASH FLOW STATEMENT

| €'000 | | 2016-17 | | 2015-16 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net income for the year | | (211) | | (1,705) |
| Elimination of income and expenses without any impact on cash flow or unrelated to operations | | 9,924 | | (823) |
| Depreciation and provisions | 9,925 | | (848) | |
| Capital gains or losses on disposals | (1) | | 25 | |
| **Operating cash flow** | | **9,713** | | **(2,528)** |
| Change in working capital requirements | | 102,377 | | 54,819 |
| Receivables | (26,214) | | 34,685 | |
| Payables | 128,591 | | 20,134 | |
| **Total 1 - Cash flow from operating activities** | | **112,090** | | **52,291** |
| **Investment activities** | | | | |
| Fixed asset acquisitions | | (1,695) | | (2,953) |
| Fixed asset disposals | | 14 | | 50 |
| Fixed asset-related liabilities | | 227 | | (1,035) |
| **Total 2 - Cash flow from investment activities** | | **(1,454)** | | **(3,938)** |
| **Financing activities** | | | | |
| Dividends paid to shareholders | | (8,168) | | (4,875) |
| Payments received in respect of financial debt | | 51,141 | | 0 |
| Repayments of financial debt | | (7,050) | | (7,163) |
| Disposal / transfer (acquisition) of treasury stock | | 26 | | (4,613) |
| Change in scope | | | | |
| **Total 3 - Cash flow from financing activities** | | **35,949** | | **(16,651)** |
| **CHANGE IN CASH POSITION (1+2+3)** | | **146,585** | | **31,702** |

| | | | | |
|---|---|---|---|---|
| Opening cash position | | 20,270 | | (11,432) |
| Closing cash position | | 166,855 | | 20,270 |
| Of which: Treasury stock | 4,863 | | 4,931 | |
| Other transferable securities | 41,000 | | 976 | |
| Cash at bank and in hand | 121,835 | | 15,004 | |
| Bank overdrafts | (843) | | (641) | |

# Statutory auditors’ report on the annual financial statements

**Year ended August 31, 2017**

For the shareholders of Beneteau S.A.

## Opinion

In accordance with the terms of our appointment by your general meetings, we have audited the annual financial statements of Beneteau S.A. for the year ended August 31, 2017, 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, 2016 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 other receivables relating to equity securities

### Risk identified

Equity securities and other receivables relating to equity securities (presented under other trade receivables) are presented on the balance sheet at August 31, 2017 for a net amount of €92,558,000 and €126,110,000 respectively.

These items represent 51% of the total balance sheet.

Equity securities are recorded on their entry date at their acquisition cost and depreciated based on the value-in-use as described in Note 1.4 to the annual financial statements.

As indicated in this note, the value-in-use is estimated by management based on a discounting of future earnings prospects for the industrial subsidiaries or based on the share of capital held when the first method is not relevant.

The estimation of the value-in-use for these securities requires management to exercise its judgement concerning its choice of the elements to be considered depending on the securities concerned: depending on the case, these elements may correspond to historic elements (shareholders’ equity) or forward-looking elements (outlook for profitability and economic environment).

The competition and the economic environment facing certain subsidiaries, as well as the locations of some of them, may lead to a contraction in their business and a deterioration in their operating income.

In this context, and considering the inherent uncertainties with certain elements, particularly the probability of forecasts being achieved, we considered that the correct valuation of equity securities and other related receivables represented a key point for the audit.

### Our response

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 was consistent with the accounts of the entities subject to an audit or analytical procedures, 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 future earnings prospects for the entities concerned as determined by their operational management teams and assessing their consistency with the forward-looking data, drawn up under the control of their executive management team for each of these activities and approved, if applicable, by the supervisory board;
- Checking the consistency of the assumptions retained with the economic environment on the dates for the close of accounts and the preparation of the financial statements;
- Comparing the forecasts retained for previous periods with the corresponding actual figures in order to assess the achievement of previous objectives;
- Checking that the value resulting from the cash flow forecasts has been adjusted for the amount of debt for the entity in question.

In addition to assessing the value-in-use of equity securities, our work involved assessing the recoverable nature of the other related receivables based on the analyses carried out on the equity securities.

## *IT development costs*

### Risk identified

The company BENETEAU has been moving forward with a process to migrate its integrated management software (ERP) since the end of 2012. This new ERP's deployment is based on the acquisition of the IT tool delivered with a standard configuration and requires various specific developments and customizations. These IT developments then follow the same accounting recognition rules as other development costs.

These IT developments are recorded under intangible assets and depreciated over seven years from the date when the ERP was brought into service, as indicated in Note 1.2.1.

Already operational for the "Housing" sector since July 2015, this ERP is still intended to be used for the entire Group.

However, the tool's deployment has been deferred faced with various difficulties that have been expected to date for replicating the current tool, for which many specific features have been developed for the Housing business.

In this context, management has carried out an analysis of the costs incurred to identify those that correspond to features that will be used for deploying the AX tool for the Boat business.

Following this analysis, €6.7 million of provisions for impairments have been recorded on this asset, taking the net value of the residual uncommissioned asset to €1.8 million.

We considered this as a key point for the audit because the prospects referred to above and the potential provisions for impairment resulting from them are inherently dependent on the assumptions and assessments used by Beneteau S.A.'s management team.

### Our response

In connection with our mission, we notably carried out the following work:

- Reviewing the prospects for the ERP's use;
- Reviewing the various scenarios considered by management with regard to the intended future use,
- Assessing the level and type of depreciation recorded, as mentioned in Note 1.2.1;
- Testing the arithmetical accuracy of the estimates retained by the company.

## *Checking of the management report and other documents provided to shareholders*

In accordance with the industry standards applicable in France, we also performed the specific procedures required under French law.

We do not have any observations to make regarding the true and accurate nature of information given in the Management Board's management report and in the documents provided to shareholders concerning the financial position and annual financial statements, or the application of such information for the annual financial statements.

Concerning the information provided in accordance with Article L. 225-102-1 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.

As required under French law, we also ensured that the management report contained the various items of information needed concerning the identity of shareholders or voting rights.

## *Information resulting from other legal and regulatory requirements*

### Appointment of the statutory auditors

We were appointed as statutory auditors for Beneteau S.A. by your general meeting on February 24, 1989 for Atlantique Révision Conseil and on February 1, 2002 for KPMG S.A.

At August 31, 2017, Atlantique Révision Conseil was in the 29th consecutive year of its mission, while KPMG S.A. was in its 16th 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 prepared under the responsibility of the Management Board.

## *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 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 to 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. These points are presented 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**

| | |
|---|---|
| La-Roche-sur-Yon, December 20, 2017<br>Atlantique Révision Conseil - A.R.C.<br>Jérôme Boutolleau<br>Partner | Nantes, December 20, 2017<br>Department of KPMG S.A.<br>Franck Noël<br>Partner |

# Statutory auditors' special report on regulated agreements and commitments

**General meeting to approve the financial statements for the year ended August 31, 2017**

Dear Shareholders,

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. 225-58 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. 225-58 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 during the past year

In accordance with Article L. 225-88 of the French commercial code, we have been informed of the following agreements and commitments that have been approved beforehand by your Supervisory Board.

**With SAS BH SERVICES**
BH SERVICES is a subsidiary that is indirectly 100% owned by BENETEAU SA.

As authorized by your Supervisory Board on August 31, 2017, your company has granted SAS BH Services a debt write-off for a total of €1,450,000.

## *Agreements and commitments already approved by the general meeting*

Agreements and commitments approved during previous years whose performance continued during the last financial year

In accordance with Article R. 225-57 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 Group subsidiaries, notably SPBI, CNB and BIO HABITAT**
People concerned: Mr Hervé Gastinel, Mr Christophe Caudrelier, Mrs Annette Roux, Mr Louis-Claude Roux, Mrs Carla Demaria and Mr Jean-Paul Chapeleau.

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 a net expense of €366,583.

**With a Supervisory Board member:**
Person concerned: Mrs Annette Roux.

Interest has been calculated on her current account advances within the limits authorized as being admissible for tax deductible expenses, representing a combined total of €9,942.

**With certain members of BENETEAU SA's Management Board**

People concerned: Mr Hervé Gastinel, Mr Christophe Caudrelier and Mr Jean-Paul Chapeleau.

As authorized by your Supervisory Board on February 9, 2016, your company has set up an "Article 83" supplementary pension scheme for certain members of the Management Board, as indicated above, as well as for certain categories of 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 AGIRC cap) and Tranche C (fraction of remuneration exceeding the maximum Social Security limit, without exceeding double the amount of this cap).

The "Article 83" plans were not implemented for the executive officers concerned for the year ended August 31, 2017.

**The Statutory Auditors**

| | |
|---|---|
| La-Roche-sur-Yon, December 20, 2017<br>Atlantique Révision Conseil - A.R.C.<br>Jérôme Boutolleau<br>Partner | Nantes, December 20, 2017<br>KPMG Audit<br>Department of KPMG S.A.<br>Franck Noël<br>Partner |

# Statutory auditors' report on capital operations

**Provided for under resolutions 21, 22 and 23 from the extraordinary general meeting on February 9, 2018**

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. Awarding of your company's ordinary bonus shares - existing or to be issued - to executives, corporate officers or employees (Resolution 21)

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 executives, employees and corporate officers of Beneteau S.A. and affiliated companies as per Article L. 225-197-2 of the French commercial code, an operation which you are invited to give your opinion on. The total number of shares that may be awarded under this authorization represents more than 1% of the company's capital.

Your Management Board 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 Management Board 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 Management Board's report are compliant with the legal provisions in force.

We do not have any observations to make regarding the information given in the Management Board's report in terms of the planned operation to authorize the awarding of bonus shares.

### 2. Capital increase reserved for employees who are members of a company savings scheme (Resolution 22)

Pursuant to the mandate provided for under Article L. 225-135 *et seq* of the French commercial code, please find hereafter our report on the proposed delegation of authority for the Management Board to decide to increase the capital through the issuing of ordinary shares with preferential subscription rights waived for a maximum of €21,000, reserved for your company's employees who are members of a company savings scheme and which you are invited to make a decision 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 Management Board 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.

Your Management Board is responsible for drawing up a report in accordance with Articles R. 225-113 and R. 225-114 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 (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These procedures involved verifying the content of the Management Board's report concerning this operation and the conditions for determining the issue price for the shares.

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 ordinary shares to be issued as indicated in the Management Board's report.

Since the definitive conditions have not been set for the capital increase, 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 Management Board.

**3. Capital reduction through the cancellation of shares purchased (Resolution 23)**

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 Management Board 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 (Compagnie Nationale des Commissaires aux Comptes) 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, which may only be carried out after your general meeting has previously approved the operation for your company to purchase its own shares (Resolution 20).

**The Statutory Auditors**

| | |
|---|---|
| La-Roche-sur-Yon, December 20, 2017<br>Atlantique Révision Conseil - A.R.C.<br>Jérôme Boutolleau<br>Partner | Nantes, December 20, 2017<br>KPMG Audit<br>Department of KPMG S.A.<br>Franck Noël<br>Partner |

# Draft resolutions

## Combined General Meeting on February 9, 2018

### FIRST ORDINARY RESOLUTION
**(Review and approval of the parent company financial statements for the year ended August 31, 2017)**

After hearing the Management Board's management report, the Supervisory Board's report and the general statutory auditors' report on the parent company financial statements, the general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the parent company financial statements for the year ended August 31, 2017, as presented to shareholders, with a loss of -€211,015.42.

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 €29,428.

### SECOND ORDINARY RESOLUTION
**(Review and approval of the consolidated financial statements for the year ended August 31, 2017)**

After hearing the Management Board's management report, the Supervisory Board's report and the general statutory auditors' report on the consolidated financial statements, the general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the consolidated financial statements for the year ended August 31, 2017, as presented to shareholders, with a net profit of €60,097,000 (of which, group share: €59,709,000).

### THIRD ORDINARY RESOLUTION
**(Approval of the agreement covered by Articles L.225-86 *et seq* of the French commercial code concerning BH SERVICES S.A.S.)**

After hearing the statutory auditors' special report on the agreements covered by Article L.225-86 of the French commercial code, the general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves, without any reservations whatsoever, the agreement concerning the current account write-off for BH SERVICES S.A.S. for €1,450,000 at August 31, 2017.

### FOURTH ORDINARY RESOLUTION
**(Advisory opinion on the items of compensation due or awarded for the year ended August 31, 2017 to Mr Yves Lyon-Caen, Chairman of the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the items of compensation due or awarded for the year ended August 31, 2017 to Mr Yves Lyon-Caen, Chairman of the Supervisory Board, as presented in the Annual Financial Report.

### FIFTH ORDINARY 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 Yves Lyon-Caen, Chairman of the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, prepared in accordance with Article L. 225-82-2 of the French commercial code, 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 Yves Lyon-Caen, Chairman of the Supervisory Board, as presented in the Annual Financial Report.

### SIXTH ORDINARY RESOLUTION
**(Advisory opinion on the items of compensation due or awarded for the year ended August 31, 2017 to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the items of compensation due or awarded for the year ended August 31, 2017 to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board, as presented in the Annual Financial Report.

### SEVENTH ORDINARY 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 Louis-Claude Roux, Vice-Chairman of the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, prepared in accordance with Article L. 225-82-2 of the French commercial code, 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 Louis-Claude Roux, Vice-Chairman of the Supervisory Board, as presented in the Annual Financial Report.

### EIGHTH ORDINARY RESOLUTION
**(Advisory opinion on the items of compensation due or awarded for the year ended August 31, 2017 to Mr Hervé Gastinel, Chief Executive Officer)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the items of compensation due or awarded for the year ended August 31, 2017 to Mr Hervé Gastinel, Chief Executive Officer, as presented in the Annual Financial Report.

**NINTH ORDINARY 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 Hervé Gastinel, Chief Executive Officer)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, prepared in accordance with Article L. 225-82-2 of the French commercial code, 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 Hervé Gastinel, Chief Executive Officer, as presented in the Annual Financial Report.

**TENTH ORDINARY RESOLUTION**
**(Advisory opinion on the items of compensation due or awarded for the year ended August 31, 2017 to Mr Christophe Caudrelier, Management Board member)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the items of compensation due or awarded for the year ended August 31, 2017 to Mr Christophe Caudrelier, Management Board member, as presented in the Annual Financial Report.

**ELEVENTH ORDINARY 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, Management Board member)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, prepared in accordance with Article L. 225-82-2 of the French commercial code, 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, Management Board member, as presented in the Annual Financial Report.

**TWELFTH ORDINARY RESOLUTION**
**(Advisory opinion on the items of compensation due or awarded for the year ended August 31, 2017 to Mrs Carla Demaria, Management Board member)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the items of compensation due or awarded for the year ended August 31, 2017 to Mrs Carla Demaria, Management Board member, as presented in the Annual Financial Report.

**THIRTEENTH ORDINARY 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 Mrs Carla Demaria, Management Board member)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, prepared in accordance with Article L. 225-82-2 of the French commercial code, 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 Mrs Carla Demaria, Management Board member, as presented in the Annual Financial Report.

**FOURTEENTH ORDINARY RESOLUTION**
**(Advisory opinion on the items of compensation due or awarded for the year ended August 31, 2017 to Mr Jean-Paul Chapeleau, Management Board member)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the items of compensation due or awarded for the year ended August 31, 2017 to Mr Jean-Paul Chapeleau, Management Board member, as presented in the Annual Financial Report.

**FIFTEENTH ORDINARY 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 Jean-Paul Chapeleau, Management Board member)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, prepared in accordance with Article L. 225-82-2 of the French commercial code, 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 Jean-Paul Chapeleau, Management Board member, as presented in the Annual Financial Report.

**SIXTEENTH ORDINARY 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 Management Board, decides to allocate net income for the year ended August 31, 2017, totaling -€211,015.42, plus €111,474.20 in previous retained earnings, as follows:

• Other reserves: -€99,541.22
Reducing other reserves from €147,879,992.64 to €147,780,451.42

And deducting €20,697,460.00 from other reserves for:

• Dividends: €20,697,460.00
As a result, other reserves will be reduced from €147,780,451.42 to €127,082,991.42.

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 €0.25 for each of the 82,789,840 shares, with a par value of €0.10.
It will be paid out on Friday February 16, 2018, 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:

| | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|
| Share par value | € 0.10 | € 0.10 | € 0.10 |
| Number of shares | 82,789,840 | 82,789,840 | 82,789,840 |
| Net dividend | € 0.04 | € 0.06 | € 0.10 |

**SEVENTEENTH ORDINARY RESOLUTION**
**(Renewal of Mrs Annette Roux's term-of-office with the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to reappoint Mrs Annette Roux as a Supervisory Board member 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, 2020.

**EIGHTEENTH ORDINARY RESOLUTION**
**(Renewal of Mr Yves Lyon-Caen's term-of-office with the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to reappoint Mr Yves Lyon-Caen as a Supervisory Board member 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, 2020.

**NINETEENTH ORDINARY RESOLUTION**
**(Setting of attendance fees for the Supervisory Board)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to grant the Supervisory Board a total of €300,000 for attendance fees for the current financial year, which the Board will distribute to members as appropriate.

**TWENTIETH ORDINARY RESOLUTION**
**(Authorization for the Management Board, 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 €77 million)**

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, grants the Management Board 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, 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 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 purchase 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 €77 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 Management Board 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 Management Board, 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 marketable 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 Management Board 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.

### TWENTY FIRST EXTRAORDINARY RESOLUTION (Authorization for the Management Board, 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)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report and the statutory auditors' special report, in accordance with Articles L.225-197-1 *et seq* of the French commercial code:

- Authorizes the Management Board 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 it determines, as agreed with the Supervisory Board, 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% 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 one-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 two-year vesting period, without any minimum lock-in period in this latter case. It is understood that the Management Board 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 Management Board, as agreed with the Supervisory Board, 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 Management Board, in accordance with the laws and regulations in force, as well as the terms of this resolution, to apply this resolution, in particular:

- Setting, as agreed with the Supervisory Board, the conditions, particularly concerning performance aspects, and, if applicable, the criteria for awarding shares, in addition to determining the list(s) of beneficiaries.
- Setting, as agreed with the Supervisory Board, and subject to the minimum timeframes indicated above, the duration of vesting and lock-in periods for shares, while noting that the Supervisory Board will have sole responsibility for 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 the 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 second extraordinary resolution (Delegation of authority for the Management Board, 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)**

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's 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 Management Board 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 Management Board 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 Management Board's 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 Management Board 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 Management Board 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 third extraordinary resolution (Authorization for the Management Board, 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 Management Board's report and the statutory auditors' special report, authorizes the Management Board, 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 Management Board 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 fourth 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 9, 2018

In accordance with the provisions of Articles 241-1 *et seq* of the general regulations issued by the French financial markets authority (Autorité des Marchés Financiers, AMF), ratified by the Decree of December 30, 2005, 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 9, 2018.

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, 2017, the company held a total of 1,055,742 shares, representing 1.28% 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: 530,000 shares
- Holding and subsequent issue in exchange or as payment for external growth operations: 525,742 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 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,
- 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 1,055,742 shares already held, the company is committed to acquiring no more than 3,083,750 shares.

The maximum purchase price is set at €25.00.

On this basis, the maximum theoretical investment would therefore be €77 million.

### Duration of the buyback program

This program will run for 18 months from the combined general meeting on February 9, 2018, i.e. through to August 9, 2019.

### 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, 2016 to November 30, 2017**

Percentage of capital held directly and indirectly as treasury stock: 1.28%

Number of shares cancelled in the last 24 months: -

Number of shares held in portfolio: 1,055,742 shares

Portfolio book value: €9,811,073

Portfolio market value: €19,742,375 (valued at €18.70: share price on Nov 30, 2017)

| | Gross flows (aggregate) | | Open positions on day program description published | |
|---|---|---|---|---|
| | Purchases | Sales and transfers | Open positions: purchases | Open positions: sales |
| Number of securities | 587,935 | 587,935 sales and 0 transfers | Call options purchased - Forward purchases | Call options sold - Forward sales |
| Average maximum maturity | - | - | - | - |
| Average transaction price | €13.758 | €13.863 | - | - |
| Average exercise price | - | 0 | - | - |
| Amounts | €8,088,796 | € 8,150,525 and €0 | - | - |

# Statement by the person responsible for the 2016-17 Annual Financial Report

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with the accounting standards applicable and faithfully reflect the assets, liabilities, financial position and earnings of the company and all of the companies included in the basis for consolidation, and that the management report faithfully reflects the changes in the business, earnings and financial position of the company and all of the companies included in the basis for consolidation, while presenting the main risks and uncertainties faced by them.

| | |
|---|---|
| Yves Lyon-Caen<br>Chairman of the Supervisory Board | Hervé Gastinel<br>Chief Executive Officer |

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