

New Social Contract 3rd Meeting

This process is designed to define solutions with all employee representatives that will help to turn the Group around and enable it to maintain its strong foundations in France.

The goal of today's meeting was to discuss ways to involve employees and the labour unions more closely in the Group's strategic vision and projects for the future.

Three topics were covered:

- 1. Social dialogue and strategic vision**
 - 2. Shared views of the brands' strategy**
 - 3. The process for developing the Group's medium term plans (2014-2016)**
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1. Social dialogue and strategic vision

To involve employee representatives in the Group's strategy more deeply and further upstream, Management recommended broadening the operations of the Joint Union-Management Strategy Committee. Created in 2007 to share information and exchange viewpoints, this Committee brings together the Group's senior management and labour union representatives from France, Spain, Germany and the United Kingdom. It meets at least twice a year. The Joint Union-Management Strategy Committee is responsible for conducting in-depth reviews of issues concerning the Group's situation and future development that are likely to have an impact on employment. Examples include issues related to products, markets, competition, the location of production and changes in technology.

The suggested modifications concern:

- Meeting frequency: to be adapted in line with the Supervisory Board's agenda.
- Meeting content: a larger number of strategic issues will be addressed, including the main points of the medium term plan and pre-projects.
- Confidentiality of information: confidentiality rules will be more formally articulated, but documents will now be shared.

2. Shared views of the brands' strategy

Employee representatives had the opportunity to share their views on the brand's new strategy and positioning, a major factor in the Group's commercial turnaround.

3. The process for developing the Group's medium term plans (2014-2016)

Management presented the process for developing the Group's medium term plans (2014-2016), which will include an extensive review of the outlook, challenges and ambitions of each operating unit and cross-functional department. This strategic review will enhance a process that until now has focused primarily on budget issues.

The conclusions of a summary of the medium-term plans will be shared with employees and their representatives as the final step in the process in October.

The next meeting is scheduled for 20 June.