

02



CORPORATE GOVERNANCE

2.1 Report from the Chairman of the Board of Directors

In accordance with the provisions of article L. 225-37 of the Commercial Code (Code de Commerce), this chapter includes information on the composition of the Board of Directors and on the conditions for the preparation and organization of its work, the internal control and risk management procedures implemented by the Company, and any restrictions that the Board of Directors may have placed on the powers exercised by General Management.

Pursuant to article L. 225-37 of the Commercial Code, the Board of Directors of Compagnie Plastic Omnium approved this chapter during its meeting of February 24, 2016.

2.1.1 Composition and Conditions for the preparation and organization of the work of the Board of Directors

2.1.1.1 Composition and Independence of the Board of Directors

Composition of the Board of Directors

Pursuant to Article 11 of the Company's bylaws and Article L. 225-17 of the French Commercial Code, the Board of Directors of Compagnie Plastic Omnium is composed of up to 18 members.

The term of office of each director is three years. Directors are elected by the Shareholders' Meeting for three-year terms expiring at the close of the Shareholders' Meeting called during the year in which their term expires to approve the accounts for the previous financial year.

As at December 31, 2015, the Company is governed by a Board of Directors composed of 13 members: the Chairman and CEO, the Co-Chief Executive Officer and Chief Operating Officer, the Chief Operating Officer, 10 directors.

Act No. 2011-103 of January 27, 2011 and the AFEP-MEDEF Code establish a principle of balanced representation between women and men on the Board of Directors. As at December 31, 2015, the Board of Directors of Compagnie Plastic Omnium comprises 5 women directors out of 13, which is a proportion of 38.46%.

The composition of the Board of Directors complies with the law that fixes a first minimum proportion of 20% of directors of the same gender to be achieved in 2014.

The Appointments Committee carries out its selection work so as to propose candidates for the Board of Directors. At all events, in 2017 the Board's composition will be in compliance with the law that requires a minimum proportion of 40% of directors of each gender.

List of terms of office and duties of corporate officers exercised during the year 2015



Laurent Burelle

French
Age 66
Professional address: Plastic Omnium
1, Allée Pierre Burelle – 92300 Levallois-Perret

Laurent Burelle is a graduate of the Federal Institute of Technology (ETH) in Zurich, and holds a Master of Science Degree in Chemical Engineering from the Massachusetts Institute of Technology (MIT).

He began his career with the Plastic Omnium Group as a Production engineer and assistant to the Director of the Langres plant. In 1977, he was appointed Chief Executive Officer of Plastic Omnium SA in Valencia (Spain), going on to become Chairman and Chief Executive Officer. From 1981 to 1988, he served as Head of the Environment-Urban Systems Division, before becoming Vice Chairman and Chief Executive Officer of Compagnie Plastic Omnium in 1988. He has been Chairman and Chief Executive Officer of Compagnie Plastic Omnium since July 2001. He is a director with the Pernod-Ricard and CIC Lyonnaise de Banque companies, and a member of the Supervisory Board with Wendel and Labruyère-Eberlé. Furthermore, he is director of the Fondation Jacques Chirac, director of the AFEP and Vice Chairman of the Institut de l'Entreprise.

Laurent Burelle is a *Commandeur de la Légion d'honneur*.

End of term of office is 2018

Chairman and Chief Executive Officer since July 1, 2001

Director since June 18, 1981

Holds 57,000 Plastic Omnium's shares

French companies

Burelle SA*/**	Chief Operating Officer and Director
Sofiparc SA**	Chairman and member of the Supervisory Committee
Burelle Participations SA**	Director
Plastic Omnium Auto Exteriors SAS**	Chairman
Plastic Omnium Auto Inergy SAS**(1)	Chairman
Lyonnaise de Banque	Director
Pernod Ricard SA*	Director
Labruyère-Eberlé SAS	Member of the Supervisory Board
Wendel SA*	Member of the Supervisory Board
Institut de l'Entreprise (Association)	Vice Chairman
AFEP (Association)	Director
Fondation Jacques Chirac (Association)	Director
European Transalpine liaison committee Lyon-Turin (Association)	Director

International companies

Compania Plastic Omnium SA** (Spain)	Chairman and Deputy Director
Plastic Omnium Holding (Shanghai) Co. Ltd** (China)	Chairman
Plastic Omnium Inc.** (United States of America)	Chairman
SOGEC 2 SA** (Belgium)	Deputy director
Compagnie Financière de la Cascade SRL** (Belgium)	Manager

Terms of office ended in 2015

Plastic Omnium Environnement SAS	Chairman and member of the Supervisory Committee through March 30, 2015
Plastic Omnium Environment BV**(2) (The Netherlands)	Chairman through March 20, 2015

* Listed company.

** Member of the Compagnie Plastic Omnium Group/Burelle.

(1) Ex-Inergy Automotive Systèmes SAS.

(2) Ex-Plastic Omnium International BV.



Jean-Michel Szczerba

French
Age 55
Professional address: Plastic Omnium
1, Allée Pierre Burelle – 92300 Levallois-Perret

After graduating from ESSEC business school in 1982, Jean-Michel Szczerba joined Banque Vernes & Commerciale de Paris as a financial

analyst. He joined Plastic Omnium in 1985, where he was successively Financial Controller, Finance Department Manager, and Chief Financial Officer, before becoming Deputy Chief Executive Officer in 2001. He was appointed Chief Operating Officer of Compagnie Plastic Omnium in 2010, Director in 2012 and co-Chief Executive Officer in 2015.

Jean-Michel Szczerba is a *Chevalier de la Légion d'Honneur* and a *Chevalier de l'Ordre National du Mérite*.

Term of office ends in 2018

Co-Chief Executive Director since December 15, 2015
Chief Operating Officer since March 16, 2010
Director since April 26, 2012
Holds 360,000 Plastic Omnium's shares

French companies

Burelle Participations SA**	Director
Plastic Omnium Finance SNC**	Manager
Plastic Omnium Gestion SNC**	Manager
Plastic Omnium Environnement Holding SAS**	Chairman
Groupe Progrès SA	Director

International companies

Plastic Omnium GmbH** (Germany)	Manager
Hella Behr Plastic Omnium GmbH** (Germany)	Director
Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd** (China)	Director
Plastic Omnium Holding (Shanghai) Co. Ltd**	Director
Plastic Omnium Inergy (Shanghai) Consulting Co. Ltd** (China)	Chairman
Plastic Omnium Inc.** (United States of America)	Director
Compania Plastic Omnium** (Spain)	Director
Plastic Omnium Auto Exteriors Spzoo** (Poland)	Manager
Plastic Omnium Auto Spzoo** (Poland)	Manager
Plastic Omnium Automotive NV** (Belgium)	Chairman and Director
Plastic Omnium Automotive Ltd** (Great Britain)	Director
Plastic Omnium Auto Exteriors (India) Pvt Ltd** (India)	Director
DSK Plastic Omnium BV** (The Netherlands)	Chairman and Director
Plastic Omnium Environment BV** (The Netherlands)	Member of the Supervisory Board since March 20, 2015
B-Plas Plastic Omnium Otomotiv AS** (Turkey)	Vice-Chairman of the Board of Directors and Director

Terms of office ended in 2015

Plastic Omnium Environnement SAS	Chief Executive Officer and member of the Supervisory Committee through March 30, 2015
Plastic Omnium International SAS***	Chairman through October 31, 2015
Plastic Omnium Auto Inergy France SAS**(1)	Chairman through March 31, 2015
Plastic Omnium Auto Inergy Services SAS**(2)	Chairman through March 31, 2015

** Member of the Compagnie Plastic Omnium Group/Burelle.

(1) Ex-Plastic Omnium Management 1 SAS.

(2) Ex-Plastic Omnium Management 2 SAS.



Paul Henry Lemarié

French
Age 69
Professional address: Plastic Omnium
1, Allée Pierre Burelle – 92300 Levallois-Perret

Paul Henry Lemarié holds a doctorate in physics from University of Paris-Orsay and a post-graduate degree (DEA) in Management and Finance from University of Paris-Dauphine.

After completing a doctorate in physics at CEA, he began his career in the Finance Department of Paribas bank in 1973. He then joined Sofresid, an engineering group (steel, mining, offshore), before moving to Plastic Omnium Group in 1980 as Head of the 3P (Performance Plastics Products) Division. In 1985, he became Chairman of the Automotive Division. He was appointed Deputy Chief Executive Officer of Compagnie Plastic Omnium in 1987 and Chief Executive Officer in 1988. Appointed Chief Executive Officer of Burelle SA in April 1989, he became Chief Operating Officer of Burelle SA and Compagnie Plastic Omnium on May 15, 2001.

Term of office ends in 2018

Chief Operating Officer since May 15, 2001
Director since June 26, 1987
Holds 190,900 Plastic Omnium's shares

French companies

Burelle SA*/**	Chief Operating Officer and Director
Burelle Participations SA **	Chief Operating Officer and Director
Sofiparc SAS **	Member of the Supervisory Committee

International companies

Compania Plastic Omnium** (Spain)	Director
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Terms of office ended in 2015

Plastic Omnium Environnement SAS	Member of the Supervisory Committee through March 30, 2015
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* Listed company.

** Member of the Compagnie Plastic Omnium Group/Burelle.



Éliane Lemarié

French
Age 70
Professional address: Burelle SA
1, rue François 1^{er} – 75008 Paris

After earning a master's degree in English from the University of Paris-Sorbonne and graduating from Sciences Po, Éliane Lemarié devoted her professional career to the corporate information and communication sector.

She began her career as a journalist and copy editor in various written press publications as part of the Permanent Assembly of Chambers of Commerce and Industry (APCCI) from 1969 to 1975.

In 1976, she was hired by SOGEC to set up and develop a Public Relations, Media Relations and Publishing Department, a position she held until 1983.

In 1983, she founded and developed Irma Communication, a corporate communications consultancy with a client roster of French and international companies listed in Paris, New York and Mumbai, serving as Chairman and Chief Executive Officer until 2010.

Term of office ends in 2018

Permanent representative of Burelle SA
Director since April 28, 2009
Member of the Appointments Committee since July 22, 2014
Holds 395,996 Plastic Omnium's shares

French companies

Sofiparc SA**	Member of the Supervisory Committee
Burelle SA*/**	Director
Union Industrielle	Chairman of the Supervisory Committee

International companies

SOGEC 2 SA** (Belgium)	Deputy Director
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* Listed company.

** Member of the Compagnie Plastic Omnium Group/Burelle.



Jean Burelle

French
Age 77
Professional address: Burelle SA
1, rue François 1^{er} – 75008 Paris

Jean Burelle is a graduate of the Federal Institute of Technology (ETH) in Zurich, and holds an MBA from Harvard Business School.

He began his career in 1966 at L'Oréal, before joining Compagnie Plastic Omnium in 1967 as Department Manager. In 1987, he was appointed Chairman and Chief Executive Officer, a position he held until 2001. Since then, he has been Chairman and Chief Executive Officer of Burelle SA, the majority shareholder of Compagnie Plastic Omnium.

Jean Burelle is Director of Compagnie Plastic Omnium. He is Chairman of Medef International.

Jean Burelle is an *Officier de la Légion d'Honneur* and an *Officier de l'Ordre National du Mérite*.

Term of office ends in 2018

Director since January 1, 1970
Honorary Chairman since September 20, 2001
Holds 416,378 Plastic Omnium's shares

French companies

Burelle SA*/**	Chairman and CEO
Burelle Participations SA**	Chairman and CEO
Sofiparc SAS**	Member of the Supervisory Committee
Sycovest 1	Permanent representative of Burelle Participations SA, itself Director
Soparexo SCA	Member of the Supervisory Committee
Banque Hottinguer SA with Management Board	Member of the Supervisory Board and Compensation Committee
Medef International	Chairman

International companies

Compania Plastic Omnium SA** (Spain)	Director
SOGEC 2 SA** (Belgium)	Chairman of the Board of Directors and Deputy Director

Terms of office ended in 2015

Plastic Omnium Environnement SAS	Member of the Supervisory Committee until March 30, 2015
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* Listed company.

** Member of the Compagnie Plastic Omnium Group/Burelle.



Anne Asensio

French
Age 53
Professional address: Dassault Systèmes
10, rue Marcel Dassault – 78140 Vélizy-Villacoublay

Holder of a master's degree in transport design from the Center for Creative Studies in Detroit, as well as a degree in industrial design

from École Nationale Supérieure des Arts Appliqués in Paris, Anne Asensio began her career with Renault in 1987, where she was notably charged with the design of the Twingo, Clio and Mégane (Scenic) ranges. She then held several management positions with General Motors, leading the development of a number of concept cars.

She joined Dassault Systèmes in November 2007 as Vice President for Design, in charge of design and corporate identity.

Anne Asensio is a *Chevalier de la Légion d'Honneur*.

Term of office ends in 2017

Director since April 28, 2011
Member of the Audit Committee since February 26, 2013
Chairman of the Audit Committee since February 24, 2015
Holds 900 Plastic Omnium's shares

French companies

Dassault Systèmes*	Vice Chairman of Design Experience
Agence de la Promotion de la Création Industrielle	Directors – Member of the Strategic Board
Strate College	Director

International companies

UMEÄ University of Design (Sweden)	Member of the Strategic Board
World Economic Forum	Member of the Global Advisory Council

* Listed company.



Anne-Marie Couderc

French
Age 66
Professional address: Presstalis
30, rue Raoul Wallenberg – 75019 Paris

After beginning her professional career in 1973 as an attorney in Paris, Anne-Marie Couderc joined the Hachette Group in 1982 as Deputy Corporate Secretary. She became the Group's Deputy Chief Executive Officer in 1993.

A Paris city councilor then Deputy Mayor and Member of Parliament for Paris, she was appointed Secretary of State for Employment in 1995, then Minister Attached to the Ministry of Labor and Social Affairs with responsibility for Employment until 1997.

At the end of 1997, Anne-Marie Couderc was appointed Chief Executive Officer and member of the Editorial Committee of Hachette Filipacchi Medias, and director of several publications.

She became Corporate Secretary of Lagardère Active in 2007, before joining Presstalis as Chief Executive Officer in August 2010, subsequently becoming Chairman of the Board of Directors.

Anne-Marie Couderc is an *Officier de la Légion d'Honneur* and an *Officier de l'Ordre National du Mérite*.

Term of office ends in 2018

Director since June 20, 2010
Chairman of the Compensation Committee since December 31, 2013
Member of the Appointments Committee since July 22, 2014
Holds 1,350 Plastic Omnium's shares

French companies

Presstalis SAS	Chairman of the Board of Directors
Transdev	Director and Chairman of the Compensation & Appointments Committee
Générale de Santé	Director and Chairman of the Compensation Committee and member of the Audit Committee
Alma Consulting	Member of the Supervisory Committee
Veolia Environnement Foundation	Director
Elle Foundation	Director



Amélie Oudéa-Castera

French
Age 37
Professional address: 313, Terrasses de l'Arche
92727 Nanterre

After a career as a professional tennis player, Amélie Oudéa-Castera opted for academia rather than high-level sport. A graduate of IEP Paris and ESSEC while at the same time obtaining a master's degree in Law, she won a place at ENA, graduating in April 2004 and taking

up a position as auditor with the French Court of Auditors, acting as Legal Counselor and Rapporteur of the public report on the situation and outlook of the public finances.

In 2008, Amélie Oudéa-Castera joined the AXA Group, where she performed cross-cutting assignments for the Group CFO. In 2010, she was appointed Director of Strategic Planning. In 2011, she was named Director of Marketing, Brand and Services at AXA France and in 2012 her scope of responsibility was extended to digital business. In 2015, she was appointed CEO of AXA Particuliers/Professionnels, the retail entity of AXA France, while retaining the responsibility of digital business, brand and partnerships of AXA France.

Term of office ends in 2016

Director and member of the Compensation Committee since January 1, 2014
Holds 900 Plastic Omnium's shares

French companies

AXA Particuliers Professionnels	Deputy Chief Executive Officer
AXA France	Director of Digital Business, Brand Partnerships
AXA Strategic Ventures	Member of the Executive Committee
La Poste Group	Member of the Strategic Board of the Digital Business Division
AXA Economic Interest Grouping	Director
Court of Auditors	Legal Counselor



Lucie Maurel Aubert

French
Age 53
Professional address: Banque Martin Maurel
17, avenue Hoche – 75008 Paris

After starting her professional career in 1985 as a business attorney in the law firm Gide Loyrette Nouel, Lucie Maurel Aubert joined, in

2002, the family bank Martin Maurel in which she has been a Director since 1999.

She was appointed as the Deputy Chief Executive Officer of the Compagnie Financière Martin Maurel in 2007, and then as the Vice Chairman and Deputy CEO in 2011. Moreover, she is CEO of the Banque Martin Maurel.

Lucie Maurel Aubert is a *Chevalier de la Légion d'Honneur*.

Term of office ends in 2018

Director since December 15, 2015
Holds 900 Plastic Omnium's shares

French companies

Compagnie Financière Martin Maurel	Vice Chairperson and Deputy Chief Executive Officer
Banque Martin Maurel	Chief Executive Officer
Rotschild & Co.	Member of the Supervisory Board
Montupet SA	Member of the Supervisory Board
French Bankers' Association	Vice Chairperson
Deposit Guarantee Fund	Member of the Supervisory Board
St Joseph Hospital Foundation	Director
Théâtre du Châtelet	Director

Terms of office ended in 2015

Aéroport de Marseille	Member of the Supervisory Board
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Jérôme Gallot

French
Age 56
Professional address: 46, rue du Ranelagh
75016 Paris

Jérôme Gallot graduated from IEP Paris and ENA and was first appointed at the Cour des comptes (Court of Auditors) in 1985, then with the Ministry of Finance, where he was the Managing Director of the Competition, Consumer Affairs and Anti-Fraud Division (1997-2003).

He then joined the Executive Committee of Caisse des Dépôts, where he was responsible for Pension and Employee Benefit Financing and International Operations, before becoming Executive Chairman of CDC Entreprises, CDC's private equity arm. When France created a Strategic Investment Fund, he was appointed to its Executive Committee.

In February 2011, Jérôme Gallot was appointed Chief Executive Officer of Veolia Transdev and acted as Consultant to the Chairman from January 2013 to February 2014. He is also a Director of Nexans and Caixa Seguros, and a non-voting Director of NRJ Group.

Jérôme Gallot is a *Chevalier de la Légion d'honneur*.

Term of office ends in 2018

Director since December 15, 2006
Chairman of the Audit Committee until February 24, 2015
Member of the Audit Committee since July 19, 2011
Member of the Appointments Committee since July 22, 2014
Holds 5,400 Plastic Omnium's shares

French companies

JGC	Manager
SP 3H	Director
Acerde SAS	Member of the Supervisory Board
Nexans SA*	Director
NRJ Group	Non-voting Director

International companies

Caixa Seguros SA (Brazil)	Director
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* Listed company.



Prof. Dr. Bernd Gottschalk

German
Age 72
Professional address: AutoValue GmbH
Savignystrasse 34 – 60325 Frankfurt-am-Main

Prof. Dr. Bernd Gottschalk holds a doctorate in economics from the University of Hamburg, and a degree from Stanford University in

California. He began his career at Daimler-Benz as Communications Director, before becoming Chairman of the Brazilian subsidiary.

In 1992, he was appointed to the Board of Management of the Daimler-Benz Group, Global Vice President of the Commercial Vehicles Division. In 1997, he was appointed Chairman of the Federation of German Automotive Industry (VDA) and in 2007 created AutoValue GmbH, an automotive consultancy that he has headed since that date.

Term of office ends in 2018

Director since April 28, 2009
Member of the Compensation Committee since December 13, 2013
Holds 900 Plastic Omnium's shares

German companies

Plastic Omnium GmbH**	Member of the Advisory Board
Serafin Group, Munich	Member of the Advisory Board
AutoValue GmbH	Managing Partner
Schaeffler GmbH	Director
Jost Group	Director
Joh Hay GmbH & Co. KG	Chairman of the Board of Directors
Facton GmbH	Chairman of the Board of Directors
Woco Group	Chairman of the Board

** Member of the Compagnie Plastic Omnium Group/Burelle.



Vincent Labruyère

French
Age 65
Professional address: Financière du Centre
70, avenue Édouard Herriot
71009 Mâcon

A graduate of the Federal Institute of Technology (ETH) in Zurich, Vincent Labruyère began his career in 1976 at Éts Bergeaud Mâcon, a subsidiary of Rexnord Inc., a US-based manufacturer of materials preparation equipment.

In 1981, he became head of Imprimerie Perroux, a printer of checks and bank forms, which he diversified in 1985 by creating DCP

Technologies, a subsidiary specializing in credit card manufacture and encoding.

In 1989, he founded the SPEOS Group, specialized in desktop publishing and electronic archiving of management documents and the manufacture of means of payment, which he sold to the Belgian Post Office in 2001.

He then joined Labruyère-Eberlé as Chief Executive Officer and then Chairman of the Management Board. Labruyère-Eberlé is a family-owned company operating vineyards in France and the United States, which also operates supermarkets and invests growth capital in France and abroad.

Vincent Labruyère is a Director of Banque Martin Maurel, Slota, Mathon Développement and Imprimerie Perroux.

Term of office ends in 2017

Director and member of the Audit Committee
since May 16, 2002
Holds 10,332 Plastic Omnium's shares

French companies

Société Financière du Centre SAS	Chairman
Labruyère-Eberlé SAS	Chairman of the Management Board
Société Commercial de Bioux SAS	Member of the Management Board
Perroux et fils	Director
Martin Maurel	Director
Slota SA	Director
SNPI SCA	Member of the Supervisory Board
Pige SA	Permanent representative of Labruyère-Eberlé, itself Director



Dr. Alain Mérieux

French
Age 77
Professional address: Institut Mérieux
17, rue Bourgelat – 69002 Lyon

Dr. Alain Mérieux is Chairman of Institut Mérieux, a family-owned holding company for three industrial biology companies dedicated to serving public healthcare worldwide: bioMérieux (in vitro diagnostics), Transgène (immunotherapy to treat cancer and infectious diseases) and Mérieux NutriSciences (food safety, environment, nutrition).

Institut Mérieux also comprises: ABL, a research company, Mérieux Développement, an investment company operating in healthcare. Institut Mérieux currently has over 15,000 employees in more than 40 countries worldwide.

Dr. Alain Mérieux is Chairman of the Fondation Mérieux, an independent family foundation registered as a public charity. He is Honorary Chairman and Director of Fondation Christophe et Rodolphe Mérieux, which operates under the aegis of the Institut de France. These two foundations are dedicated to the fight against infectious diseases in developing countries.

He is a Member of the *Ordre National du Mérite* and a *Grand Officier de la Légion d'Honneur*.

Term of office ends in 2018

Director since June 23, 1993
Holds 6,318 Plastic Omnium's shares

French companies and foundations

Institut Mérieux	Chairman and CEO
Fondation Mérieux	Chairman of the Board of Directors and Director
Fondation Christophe et Rodolphe Mérieux – Institut de France	Honorary Chairman and Director
Biomérieux SA*	Director
Fondation Pierre Fabre	Director
Fondation Pierre Vérots	Director
CIC Lyonnaise de Banque	Director
Transgène SA	Director

International companies

BioMérieux Italia SpA (Italy)	Director
Mérieux NutriSciences (United States of America)	Director

* Listed company.



Jean-Pierre Ergas

French and American
Age 76
Professional address: 83, rue Jules Rein
78600 Le Mesnil-le-Roi

A graduate of the Institut d'Études Politiques de Paris and holder of a Masters Degree in Business Administration from Harvard University, Jean-Pierre Ergas had headed up various industrial manufacturing groups in the metallurgy and packaging sectors in Europe and the United States for over thirty years.

Chief Executive Officer of Cebal and then Cégédur Pechiney, Chairman of the Chambre Syndicale de l'Aluminium, he was appointed Deputy Chief Executive Officer of Pechiney Group in 1986. Jean-Pierre Ergas has lived in Chicago (USA) since 1989 and was Chairman and Chief Executive Officer of American National Can in 1990. He served as Chairman and Chief Executive Officer of Alcan Europe from 1995 to 2000 and subsequently became Chief Executive Officer of BWAY Corporation (NYSE) in 2000, a company he sold in 2010.

Jean-Pierre Ergas is a Director of Dover Corporation (NYSE), and Managing Partner of Ergas Ventures LLP and Sagre LP.

Jean-Pierre Ergas is a *Chevalier de la Légion d'Honneur*.

Director from July 26, 1990 to December 16, 2015

French companies

FIBI-Aplix SA	Director
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International companies

Dover Corporation (United States of America)	Director
Sagre Group LP (United States of America)	Director
Ergas Ventures LLC (United States of America)	Director

Procedure for exercise of implementing powers of Senior management

During its meeting held on February 24, 2015, the Board of Directors decided to renew the combining of the duties of Chairman and CEO and re-appointed Laurent Burelle to this position.

This decision was taken in line with the recommendations of the Appointments Committee, in the best interest of the Company. Since its establishment, the General managers of Compagnie Plastic Omnium have had a clear vision of the Group's prospects, based on their perfect knowledge of the Group's activities and its local and international environment. The Company has to be responsive in a highly competitive international environment. Furthermore, this mode of governance is best suited to the specific characteristics of Compagnie Plastic Omnium and the structure of its shareholding, composed primarily of the family group committed to the Group's long-term development.

In its meeting held on December 15, 2015, on the recommendation of the Chairman and Chief Executive Officer and after the validation of the Appointments Committee, the Board of Directors decided to appoint Jean-Michel Szczerba as Co-CEO. This appointment is intended to guarantee continuity and governance of the Group and pave the way for the succession of the Chairman and CEO.

Organization and work of the Board of Directors

The work of the Board is set out in Article 12 of the bylaws, and its organization is described in Article 1 of the Internal Procedures of the Board of Directors. The Internal Procedures may be amended by the Board of Directors in response to changes in laws and regulations, but also to changes in its own organization.

The Board of Directors meets as often as the interests of the Company require and, pursuant to the Internal Procedures, at least four times per year. Board meetings may be held by any means of videoconferencing or telecommunication allowing the identification of directors and ensuring their effective participation in accordance with the terms and conditions laid down in the Internal Procedures.

The Chairman of the Board of Directors directs the proceedings and ensures compliance with the provisions of the Internal Procedures. He seeks to ensure the quality of discussions and to promote collective decision-making. He also ensures that the Board devotes sufficient time to its discussions, giving each item on the agenda time proportionate to the importance it represents for the Company. The directors collectively ensure that there is a correct balance in the speaking time of each one of them. The Chairman ensures that the questions asked in line with the agenda receive appropriate answers.

The Secretary of the Board of Directors assumes responsibilities of the secretariat of the Board and draws up the minutes of its meetings.

Pursuant to the provisions of Article 11 of the bylaws, each director must own at least nine hundred shares in the Company.

Changes in the terms of office and positions of corporate officers

Renewal of the Directors' terms of office

The Shareholders' Meeting of April 30, 2015 renewed the directorships of Laurent Burelle, Paul Henry Lemarié, Jean-Michel Szczerba, the company Burelle SA represented by Éliane Lemarié, Jean Burelle, Anne-Marie Couderc, Jean-Pierre Ergas, Jérôme Gallot, Bernd Gottschalk and Alain Mérieux for a new three years period.

Resignation of a Director

After being actively involved in the work of the Board of Directors for twenty-five years, Jean-Pierre Ergas resigned from his directorship at the end of the Board meeting of December 15, 2015.

Jean-Pierre Ergas had been appointed as director of Compagnie Plastic Omnium in 1990.

Appointment of a Director

At its meeting of December 15, 2015 and based on the recommendation of the Appointments committee, the Board of directors appointed Lucie Maurel Aubert as director by co-optation for Jean-Pierre Ergas' remaining term of office, *i.e.* until 2018.

With her experience, Lucie Maurel Aubert seamlessly complements the competence of the Board, specifically in the financial field. Lucie Maurel Aubert serves as an independent director, free of motive, accessible and competent.

The ratification of Lucie Maurel Aubert's appointment as director shall be subject to the approval of the Shareholders' Meeting of April 28, 2016.

Directors' independence

Each director has continuous information and means suited to the performance of his or her mission. The directors have a duty of vigilance and fully independent participation in the work and decisions of the Board of Directors and, where applicable, its Review Committees.

All are subject to compliance with the rules applicable to conflicts of interest.

With regard to the independence criteria mentioned in the AFEP-MEDEF Code, a member of the Board of Directors is independent if he or she does not maintain any relation with the Company, its Group or its Management that might compromise the exercise of his or her freedom of judgment. The criteria laid down in the AFEP-MEDEF Corporate Governance Code are:

- not to be an employee or executive corporate officer of the Company, or an employee or director of the parent or a consolidated company, and not having been so in the previous five years (criterion No. 1);
- not to be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which a directorship is held by an employee, designated as such, or a corporate officer of the Company (currently or within the previous five years) (criterion No. 2);

- not to be customer, supplier, investment banker, corporate banker of significant importance to the Company or the Group, or for which the Company or its Group represents a significant part of its activity (criterion No. 3);
- not to have close family ties with a corporate officer (criterion No. 4);
- not to have been an auditor of the Company during the previous five years (criterion No. 5);
- not to have been a director of the Company for more than twelve years (criterion No. 6).

The Appointments Committee's meeting of December 10, 2015 and the Board of Directors' meeting of December 15, 2015, reviewed on a case-by-case basis the situation of each of the members concerned with regard to the independence criteria mentioned in the AFEP-MEDEF Code.

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Qualification applied
Anne Asensio	yes	yes	yes	yes	yes	yes	Independent
Anne-Marie Couderc	yes	yes	yes	yes	yes	yes	Independent
Lucie Maurel Aubert	yes	yes	yes	yes	yes	yes	Independent
Amélie Oudéa-Castera	yes	yes	yes	yes	yes	yes	Independent
Jérôme Gallot	yes	yes	yes	yes	yes	yes	Independent
Bernd Gottschalk	yes	yes	yes	yes	yes	yes	Independent

As a result, on December 31, 2015, 6 out of the 13 members of the Board of Directors, i.e. 46.15%, qualified as independent, with the AFEP-MEDEF Code recommending a minimum threshold of 33.33% independent directors for controlled listed companies.

Conflicts of interest

Under the law and as part of the rights and duties of directors defined in the Internal Procedures of the Board of Directors of Compagnie Plastic Omnium and in accordance with the AFEP-MEDEF Code, directors are subject to the rules applicable to the situation of conflict of interests and stock exchange code of ethics.

In this respect, based on each director's declarations, the Board did not identify any conflict of interests.

Information on corporate officers referred to in Annex 1 of European Regulation No. 809/2004

Existing family ties between corporate officers (Article 14.1 of the Annex)

Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Éliane Lemarié are related.

No conviction or incrimination of corporate officers (Article 14.1 of the Annex)

To the Company's knowledge, none of its directors has been convicted of fraud, none has been involved as a corporate officer in a bankruptcy, receivership or liquidation in the past five years, and none has been the subject of any official charges or public sanctions pronounced by a statutory or regulatory authority. None of the members of the Board of Directors has been disqualified by a court from acting as a member of a governing, administrative or supervisory body of an issuer, or from taking part in the management or business of an issuer during the past five years.

Potential conflicts of interests between the duties of the corporate officers vis-à-vis the Compagnie Plastic Omnium and their personal interests and/or other duties (Articles 14.2 and 18.3 of the Annex)

The method for the organization and working of the Board of Directors of the Compagnie Plastic Omnium would enable it, where applicable, to prevent any misuse of control by a shareholder, largely due to the presence of independent directors within the Company.

Information on service contracts with members of the governing bodies (article 16.2 of the Annex)

No corporate officers are bound either to the company or to any of its subsidiaries through service contracts providing benefits of any kind.

Stock exchange code of ethics

The Board of Directors is aware of the rules to be applied to prevent insider misconduct, in particular with regard to the periods during which trading in securities of the Company is prohibited. It has had the opportunity to update the charter for the prevention of insider trading and issue recommendations to Senior Management.

Based on the legal texts, regulations and recommendations in place, this code states that inside information must be transmitted and used only for professional purposes.

This charter requires the exercise of great caution, where the person with inside information is carrying out financial transactions or is having financial transactions carried out on Plastic Omnium's securities in the stock exchange and points out that misconduct in this regard is subject to criminal penalties. Directors with permanent insider status are particularly requested not to carry out transactions on the securities of Plastic Omnium during certain periods if they have insider information. The Internal procedures of the Board of Directors states the Board members' obligation to respect the terms of the charter.

During the meeting of the Board of Directors of December 15, 2015, the directors received the schedule for 2016 with open and closed periods enabling them to trade in Plastic Omnium's shares.

Finally, the executive corporate officers notify the Autorité des Marchés Financiers (AMF) of each transaction carried out by them or by their relatives on Plastic Omnium's securities. They are periodically reminded of this obligation by the Company (cf. the summary of transactions carried out by corporate officers in 2015 on the securities of Plastic Omnium see chapter 7.3).

2.1.1.2 Preparation and Organization of the Work of the Board of Directors

General information on the meetings of the Board of Directors and its Committees in 2015

Involved and informed directors

Preparing and holding meetings of the Board of Directors and its Committees require ever greater availability and involvement from each director. In this respect, the directors of the Compagnie Plastic Omnium are regularly informed of all the Company's activities and its performances.

On the agenda, directors may propose in a totally independent manner work for the Board and its committee comprising any topic useful for corporate governance.

Each committee prepares the discussions and proceedings of the Board in its domain.

With their expertise coming from outside and freedom of judgment, the directors jointly ensure the measures adopted contribute to implementing the strategy of the Plastic Omnium Group. The Board debates issues transparently and in detail.

Diligent directors

In 2015, the Board of Directors met four times. The average attendance rate at Board meetings was 93%. The attendance rate at the meetings of Board of Director Committees is specified in the statements on pages 31 to 32.

Details of the distribution of directors' fees is given on page 39. The rules for the distribution of fees allocated for 2015 take on board the recommendations of the AFEP-MEDEF Code into account, with a major variable portion taking account of the diligence of each of the directors at Board meetings and the effective presence at Committee meetings.

Activity of the Board of Directors

General missions of the Board of Directors

The directors monitor the Group's economic and financial management and help define its strategy. They examine and approve the broad lines of action laid down by senior management, which then implements them.

In this context, the Board constantly seeks a working method which, while strictly complying with the Law, is conducive to the conditions of good corporate governance.

The work of the Board of Directors is based on its Internal Procedures, which aim at completing and specifying the legal, regulatory and statutory rules and the industry recommendations that the Board refers to. The Internal Procedures are published on Plastic Omnium's website.

The work of the Board of Directors

In 2015, apart from the regular monitoring of the Group's activity (markets, business, geographical development, competition, quantitative and qualitative objectives), the Board of Directors continued its work on defining the Compagnie Plastic Omnium's strategy and monitoring its implementation.

Continuous dialogue with Management has enabled the Board to prepare strategy, especially by analyzing the strategic interest of acquisition transactions, their impact on the Company's financial structure and long-term development capacities.

Thus, the Board took part in the strategic thinking related to the proposed acquisition of Faurecia's Exterior Systems business.

The Board also focuses on monitoring the acquisitions made in the previous years and requires a statement of operations carried out to be submitted to it, which mainly includes integration within the Group, developed synergies, implementation of the Business plan prepared during the acquisition and value creation for Plastic Omnium.

In order to benefit from the best possible knowledge of Plastic Omnium's businesses, the Board of Directors holds regular meetings at the Group's French or international industrial sites. Thus, in 2015, the Board met on October 23, 2015 in the new α -Alphatech research center of the Auto Inergy Division located in the Oise Region and, during the site visit, various operational heads were able to present the technological developments to the directors.

Board of Director information as to the Company's financial position, cash position and commitments

The Company's financial position and cash position are analyzed at least twice a year during the Board's meeting when approving the financial statements and reviewing the half-yearly financial statements. If required, they may be reviewed at any time.

The Company's commitments are reviewed as part of the annual renewal of the authorizations given to the Chairman and CEO and the delegations that he grants.

2.1.1.3 Activity of Board of Directors' Committees

The Board's discussions and decisions are facilitated by the work of its Review Committees which report to it after each of their meetings. The details of the missions of each Committee are given in the Internal Procedures of the Board of Directors.

In 2015, Board Committees were once again mandated by the Board to prepare its deliberations. The details of the composition of these Committees, their missions and work in 2015 are given below.

Board of Director Committees act strictly within the framework of the missions allocated to them by the Board. They actively prepare its work, put forward proposals, but have no decision-making powers.

Audit Committee

Composition	<p>Composition as at December 31, 2015:</p> <ul style="list-style-type: none"> • Anne Asensio (Chairman) • Jérôme Gallot • Vincent Labruyère <p>Since February 24, 2015, the Committee has been chaired by Anne Asensio, an independent director and member of the Committee since February 26, 2013.</p> <p>In compliance with the AFEP-MEDEF Code recommendations, the number of independent directors is two from three, i.e. 67%.</p> <p>The directors who are members of the Audit Committee have the necessary qualification due to their professional experience and good knowledge of the Group's accounting and financial procedures, which are regularly reported to them.</p> <p>The Chairman and CEO is not a member of the Committee.</p> <p>The Committee had the opportunity to hear the directors in charge of the fields whose activity is reviewed by it, largely as part of the processes related to risk management and control.</p> <p>The Statutory Auditors attend Committee meetings.</p> <p>The Committee did not seek advice from external experts.</p> <p>In 2015, the Audit Committee met three times with an attendance rate of 100%.</p>
Principal missions	<ul style="list-style-type: none"> • Monitoring the basis of preparation for the Group's financial information • Monitoring the legal audit of the financial statements and consolidated financial statements by the Statutory Auditors • Reviewing the Statutory Auditors' audit plans and engagement program and the outcome of their verifications • Monitoring the independence of the Statutory Auditors • Monitoring the efficacy of the Internal Control and Risk systems • Monitoring the Group's major exposures and sensitivity to risks • Warning role of the Chairman of the Board in the event of detection of a major risk, which, according to him, has not been treated appropriately • Reviewing the program and objectives of the Internal Audit Department, as well as the methods and procedures of the internal control systems used
Principal activities in 2015	<p>Reviewing the annual results for 2014 and the 1st half of 2015</p> <ul style="list-style-type: none"> • Reviewing the Statutory Auditors' report • Reviewing the audit plan and the outcome of the verification carried out, their recommendations as well as the action taken as part as the statutory audit • Reviewing the audits carried out by the Statutory Auditors with regard to social, environmental and societal information • Proposed renewal of the term of office of the Statutory Auditors • Monitoring the Internal Audit activity, the Committee having concluded that Internal Audit has carried out a detailed review of the key processes with exacting criteria. • Reviewing risk factors and risk mapping, the Committee having concluded that risk management is controlled and assumed at the operational level and the level of corporate departments • Monitoring the results of programs raising awareness with regard to risk of fraud and prevention of corruption • Information on legal risks and potential disputes and major facts that are likely to have a significant impact on the financial situation of Plastic Omnium

Compensation Committee

Composition	<p>Composition as at December 31, 2015:</p> <ul style="list-style-type: none"> • Anne-Marie Couderc (Chairman) • Amélie Oudéa-Castera • Bernd Gottschalk <p>Since December 13, 2013, the Committee has been chaired by Anne-Marie Couderc, an independent director and Committee member since December 13, 2013.</p> <p>In compliance with the AFEP-MEDEF Code recommendations, the number of independent directors is three, <i>i.e.</i> 100%.</p> <p>The directors actively participate in Committee meetings, acting in the interests of the shareholders and exercising their judgment in a completely independent manner.</p> <p>In 2015, the Compensation Committee met three times with an attendance rate of 100%.</p>
Principal missions	<ul style="list-style-type: none"> • Drafting proposals for the compensation of the Chairman-CEO and the Chief Operating Officer and for the pension and insurance plans • Fixing the budget for the directors' fees to be submitted to the Shareholders' Meeting and the distribution method • Determining the long-term incentive plan policy, mainly including plans for the allocation of free shares
Principal activities in 2015	<ul style="list-style-type: none"> • Reviewing the components of the fixed salary and bonus of executive corporate officers and recommendations to the Board • Analyzing the performance of executive corporate officers in 2014 and recommendation to the Board for an annual bonus • Analyzing the performance of executive corporate officers in 2015 and recommendation to the Board for an annual bonus for 2015 • Say on Pay: preparing the resolutions submitted at the Shareholders' Meeting of April 30, 2015 • Reviewing the stock-option plan set up by the Board of Directors on July 21, 2015 and proposed allocation to executive corporate officers • Distribution of directors' fees pursuant to the rules providing a majority variable share

Appointments Committee

Composition	<p>Composition as at December 31, 2015:</p> <ul style="list-style-type: none"> • Anne-Marie Couderc (Chairman) • Éliane Lemarié • Jérôme Gallot <p>Since July 22, 2014, the Committee has been chaired by Anne-Marie Couderc, an independent director and Committee member since the same date.</p> <p>In compliance with the AFEP-MEDEF Code recommendations, the number of independent directors is two from three, <i>i.e.</i> 67%.</p> <p>The directors actively participate in Committee meetings, acting in the interests of the shareholders and exercising their judgment in a completely independent manner.</p> <p>In 2015, the Appointments Committee met once with an attendance rate of 100%.</p>
Principal missions	<ul style="list-style-type: none"> • Consideration and recommendation to the Board regarding procedures for the exercising of powers by Senior management • Opinion on the proposal of the Chairman of the Board of Directors for the appointment of Chief Operating Officers • Recommendation for new directors to the Board • Examination of the qualification of independent directors, reviewed by the Board of Directors every year • Verification of the proper application of the Corporate Governance Code referred to by the Company • Discussion on issues pertaining to the governance related to the working and organization of the Board • Preparation of succession plans for executive corporate officers in the event of unforeseen vacancies
Principal activities in 2015	<ul style="list-style-type: none"> • Reviewing the succession plans of executive corporate officers to ensure continuity of Senior Management • Reviewing the conditions for the exercising of powers by Senior Management: uniqueness of the responsibilities of the Chairman and Chief Executive Officer • Discussing the composition of the Board: diversity, complementary nature of profiles, competence, gender balance • Selecting and meeting with candidates, proposed candidature of Lucie Maurel Aubert as new director • Reviewing and validating the Chairman's proposal on the renewal of the term of office of Chief Operating Officers Jean-Michel Szczerba and Paul Henry Lemarié • Reviewing and validating the Chairman's proposal as to the appointment of Jean-Michel Szczerba as Co-Chief Executive Officer • Discussing the composition of Board Committees • Reviewing the independence of each director with respect to the criteria listed in the AFEP-MEDEF Code

2.1.1.4 Self-assessment of the Board of Directors

Every year, the Board carries out a formal assessment, stipulated by the AFEP-MEDEF Code, of its composition, organization and method of working, largely so as to ensure, under certain conditions, that the agenda of its work covers the extent of its missions, that major issues have been suitably prepared and discussed and so as to measure the contribution of each member in the Board's work.

This assessment complies with the recommendations of the AMF and those of the AFEP-MEDEF Code referred to by the Company.

The directors once again exercised total freedom of judgment in 2015. This freedom of judgment allowed them to take part with full independence in the work and collective decisions of the Board of Directors, and, for those concerned, the preparatory work and the Board Committee's proposals.

The Board concluded that the quality of its meetings, with regard to what was considered as avenues of progress at the end of the self-assessment in late 2014, continues to improve, mainly with respect to the analysis of the Group's strategic challenges, which are regularly discussed and debated.

This year as well, the strategic approach was reviewed in detail in the Board's work with regard to the development of the countries and markets in which the Group operates.

In 2015, the Board was fully satisfied with the tempo, frequency of the meetings and the format of the information forwarded to it as part of activity in general and the principal events of the Group's life. The availability of documentation prior to Board or Committee meetings, in keeping with the confidentiality requirements and time constraints that the Company is subject to, enhance the quality of discussions.

2.1.1.5 Corporate Governance Code

AFEP-MEDEF Code: the reference code

The Compagnie Plastic Omnium remains committed to the application of rules of corporate governance laid down by AFEP-MEDEF, by referring to the Corporate Governance Code of listed companies, available on the website <http://medef.fr>.

The table below provides the Company's explanations for the recommendations of the AFEP-MEDEF Code that are not applied.

Recommendations of the AFEP-MEDEF Code	Compagnie Plastic Omnium practices and justifications
Terms of office of directors must be staggered so as to prevent reappointment <i>en masse</i> (Article 14)	The term of office of ten from the thirteen members of the Board of directors expires in 2018, the terms of office of two Board members expire in 2017 and that of one expires in 2016. The Company wished to prioritize a frequent appointment principle for directors by stipulating a statutory three-year term of office.
Adequate time for reviewing the accounts by the Audit Committee , at least two days before the Board meeting (Article 16.2.1)	As part of the publication of the annual and interim results, the meeting of the Audit Committee for reviewing the financial statements is close to that of their presentation to the Board of Directors. It may be noted that the Board and its Audit Committee have prior useful information for accomplishing their audit mission, which is sent to them systematically prior to the meetings.

2.1.2 Procedures of internal control and risk management

Management System Objectives of the Company's internal control and risk management system

Definition and objectives of internal control and risk management

Internal control and risk management are the responsibility of senior management, and require the involvement of all stakeholders in the Company, in accordance with the tasks assigned to them. Compagnie Plastic Omnium's internal control and risk management systems are designed to ensure:

- compliance with applicable laws and regulations;
- effective and controlled implementation of guidelines and objectives set by senior management, particularly with regard to risk;

- the smooth running of Compagnie Plastic Omnium's internal processes, particularly those relating to the safeguarding of the Group's assets in the broadest sense;
- the reliability of financial information;
- the commitment of Company employees to shared values and a shared vision of the risks they are helping to control.

Internal control and risk management systems play a critical role in Compagnie Plastic Omnium's management. However, they cannot provide an absolute assurance that the Company's objectives will be achieved or that all risks will be eliminated.

Compagnie Plastic Omnium is actively working to reinforce its internal control and risk management systems as part of a continuous improvement process that relies in large part on the Implementation Guide to the Reference Framework for Risk Management and Internal Control Systems of the Autorité des Marchés Financiers (AMF).

Scope of this report

This report describes the internal control system of Compagnie Plastic Omnium, the parent company of the Plastic Omnium Group. It therefore focuses on the procedures intended to guarantee (i) the reliability of the consolidated financial statements and (ii) the Company's control over entities in which it has a majority interest.

Compagnie Plastic Omnium regularly reviews and assesses the operations of significant investments over which it exercises joint control, and uses all of its influence to ensure that these entities comply with its internal control requirements.

Summary description of the internal control and risk management system

Organization

Compagnie Plastic Omnium is built around two Divisions:

- **Automotive** (Auto Exterior and Auto Inergy Divisions);
- **Environment** (Environment Division).

Under the supervision and control of Compagnie Plastic Omnium's senior management, these two autonomous divisions are each responsible for implementing the means and resources necessary to achieve the financial targets set in their annual budgets approved by senior management.

Organization of the internal control and risk management system

The internal control and risk management system deployed within the Group is based on the rules and principles of its internal control framework and the implementation of processes aimed at continuously improving the management of the main risks to which it may be exposed.

The organization of the system involves all Company employees. However, its oversight and controls are performed by the following seven key functions:

- Senior management, the Risk Management Department and the Internal Control Committee, which monitor the system;
- the operational management teams of each Division, corporate departments and the Internal Audit Department, which represent three distinct levels of control;
- the Board of Directors.

The senior management of Compagnie Plastic Omnium sets the guidelines for organizing and running the internal control and risk management system.

They are assisted in this task by the **Executive Committee**, which has management and decision-making powers with regard to the Company's business. It is composed of the Chairman-CEO, Co-CEO

and Chief Operating Officer, the Director of Strategy and Development, Director of Finance, General Secretary – Legal Director, Director of Human Resources, Director of Communication and the Executive Directors of various Divisions. It meets once a month to review the Group's business performance and recent developments, and to discuss its outlook. It addresses cross-business issues such as sales and marketing, organization, investment, legal and human resources issues, safety and the environment, research and development, mergers and acquisitions, and financing. Each month, it analyzes the results and balance sheets of all Divisions and subsidiaries, including trends in respect of capital expenditure and working capital compared with the situation of the prior year and monthly budget projections. It also reviews three-month forecasts for the consolidated income statement and balance sheet, and plays a pro-active role in steering the Company's management. It also validates updates of current-year forecasts. Every June, it analyzes the strategic five-year plans for each Division and the Group. These plans are then used in preparing the budget, which is definitively adopted in December each year.

The Internal Control Framework

The cornerstone of Compagnie Plastic Omnium's internal control system is its Internal Control Framework, which sets out the rules and principles applicable to the companies it controls. It comprises a **Code of Conduct, Internal Control Rules** and **Procedures** and an **Accounting and Financial Procedures Handbook**.

- **The Code of Conduct:** in addition to its economic responsibilities, Compagnie Plastic Omnium attaches great importance to human rights and sustainable development. Compagnie Plastic Omnium is a signatory of the UN Global Compact, a set of principles that stand alongside the Plastic Omnium Code of Conduct to exemplify the spirit of responsibility that has always informed the Group's commitment. Together, these texts highlight the values governing individual and collective conduct that Compagnie Plastic Omnium aims to promote, and which determine the fundamental principles in which the rules and procedures of its internal control system are rooted. In 2010, Compagnie Plastic Omnium adopted a Code of Conduct on practices governed by competition law, which has been circulated throughout the Group as part of a compliance program.

The Code of Conduct applies to Compagnie Plastic Omnium and to all the affiliates in which it holds a majority stake. Plastic Omnium does everything in its power to encourage other affiliates to establish rules of conduct consistent with the provisions of the Code. It is the responsibility of senior management, members of the Executive Committee, divisional CEOs and plant managers to ensure that all employees are aware of the contents of the Code, and that they have sufficient resources to comply with its provisions. In return, the Code requires individual employees to behave in a way that demonstrates a personal and ongoing commitment to complying with the prevailing laws and regulations, and with the ethical rules it lays down.

- **Group Internal Control Rules and Procedures:** Compagnie Plastic Omnium has a set of rules that define the roles and responsibilities of the senior management, the corporate departments of Compagnie Plastic Omnium and the operational departments of its divisions and subsidiaries in the following areas:

- Legal Affairs and Corporate Governance;
- Human Resources;
- Treasury (financing and routine transactions);
- Sales;
- Purchasing (operations and capital expenditure);
- Inventory and Supply Chain;
- Automotive Projects;
- Accounting and Taxation;
- Production and Quality;
- Real Estate;
- Information Systems;
- Health, Safety and Environment.

The rules cover routine and non-routine business operations alike. They are a single and comprehensive reference framework designed to ensure that the internal control procedures implemented by the Group are both consistent and appropriate. In a number of cases, they include procedures that describe their application.

- **The Accounting and Financial Procedures Handbook:** Compagnie Plastic Omnium has an Accounting and Financial Procedures Handbook prepared in accordance with IFRS. These accounting procedures are applicable to all consolidated companies.

As part of a process of continuous improvement in terms of internal control, the Internal Control Framework is subject to additions, and is updated regularly to reflect established practices, as well as changes in organization and the applicable regulations.

Risk management

The main risks to which Compagnie Plastic Omnium is exposed are described in the "Risk Management" section. This section also describes the key measures and processes used to effectively prevent and manage these risks.

The risk management system incorporates, as part of the organizational framework presented in this report, a process of mapping and analyzing the main risks facing the Company, the purpose of which is to verify the pertinence of approaches implemented at Group level and to take action to strengthen or complement existing approaches. At Group level, this process is led by the Risk Management Department in conjunction with the operational management teams and corporate departments.

The system is overseen by senior management.

Control activities

Compagnie Plastic Omnium seeks to combine accountability and independence of judgment at the three levels responsible for controlling its operations and its risk management system: the operational management departments, corporate departments and the Internal Audit Department.

The **operational management** teams implement the structures and resources necessary for the satisfactory implementation of the rules and principles governing internal control in their respective activities. They are tasked in particular with assessing the pertinence of remedial measures implemented as a result of assignments undertaken by Internal Audit. They are also responsible for identifying the risks inherent to their own activity and for taking reasonable steps to control them.

The **corporate departments**, namely Human Resources and Sustainable Development, Corporate Finance and Information Systems, and Legal Affairs, have the broadest powers in their areas of expertise, and under the supervision of senior management, to establish rules and procedures applying within Compagnie Plastic Omnium. They are tasked with coordinating and monitoring the activities of their functional networks with a view to protecting the interests of the Group and all its stakeholders.

In the particular area of internal control and risk management, they are responsible for analyzing the risks inherent in their activities and for defining the appropriate structures and systems to ensure their smooth running. They prepare and update the Internal Control Framework and cross-business approaches to risk management. In doing so, they are required to ensure the adequacy of the Internal Control Framework in respect of prevailing standards, regulations and laws, and to implement the appropriate means for relaying the information they produce.

Compagnie Plastic Omnium has a centralized **Internal Audit Department** that is part of the Corporate Risk Management Department and reports to the Corporate Secretary. It also reports regularly to the Internal Control Committee, which is responsible for overseeing internal control procedures. It conducts assessments of the general system, and ensures the efficiency of its implementation.

The Internal Audit Department conducts audits on a scope covering all subsidiaries, whether or not Compagnie Plastic Omnium exercises control. At the conclusion of each audit, it makes recommendations to the audited units, which respond with appropriate action plans subject to systematic monitoring by divisional management teams. The annual internal audit plan is based on criteria relating to how often audits are performed and to each entity's risk and control environment. None of the audits performed in 2015 revealed any serious weaknesses in the internal control and risk management system.

The Internal Audit Department also oversees annual internal control **self-assessment** campaigns, launched in 2006. The questionnaire design is based on the Implementation Guide to the AMF Framework. It is both an effective assessment tool and a means of raising the awareness of local organizations. Lastly, it is a useful tool for the Internal Audit Department in preparing its audit work.

Note that the application of international safety, environmental and quality assurance standards, in addition to the audit of our insurance companies and our customers, gives rise to regular specialized audits conducted by independent bodies. As of December 31, 2015, 88% of the eligible facilities that were at least 50%-owned had earned ISO 14001 certification and 85% were OHSAS 18001-certified.

Information and communication

The internal control rules and procedures are available to employees on the home page of the Group's intranet portal. However, the internal control system is deployed largely through formal documents, awareness raising, training programs and reporting processes conducted by the corporate departments. These activities, which include the self-assessment referred to above, allow local management teams to appreciate senior management's profound commitment to internal control processes.

Finally, the relaying of information on the preparation of financial and accounting data is subject to specific processes described later in this report.

Oversight

Senior management, assisted by the Risk Management Department, is responsible for the overall oversight of the Company's internal control and risk management processes.

The Risk Management Department exercises a critical oversight role concerning the internal control system as part of its specific remit. It reports its analysis and recommendations to senior management, to which it reports directly, as well as the Internal Control Committee. It is also responsible for the process of identifying business risks undertaken at Group level, and coordinates the preparation of the ensuing risk management plan.

The **Internal Control Committee** coordinates the internal control system, and ensures that it runs smoothly. It is chaired by the Compagnie Plastic Omnium Corporate Secretary. Its other members include the Head of Human Resources, the Chief Financial Officer, the Head of Risk Management and Internal Audit, the Chief Executive Officers and the Chief Financial Officers of the Divisions. It is tasked with ensuring the quality and effectiveness of the system. It relays the decisions and recommendations of the Chairman and Chief Executive Officer, to whom it reports its findings. Its composition gives it the authority to coordinate the efforts of all actors involved in internal control and risk management in each division or corporate function.

Lastly, **the Board of Directors** reviews all of the major assumptions and strategies laid down for Compagnie Plastic Omnium by senior management. It reviews the broad outlines of the internal control and risk management system and acquires an understanding of the various procedures involved in the preparation and processing of overall and financial information.

Internal control relating to the preparation of financial and accounting information

Basis of preparation of the Group's financial information

The Finance Department is responsible for ensuring that the preparation of the Group's financial information is consistent. As such, it is tasked with:

- laying down financial and accounting standards for the Group, in accordance with international standards;
- determining the policy in respect of the preparation of financial information;
- coordinating information systems used for the preparation of financial and accounting data;
- reviewing subsidiaries' financial information;
- preparing financial information for the Group's consolidated financial statements.

The consistency of the Group's financial statements is guaranteed by the use of the same accounting standards and a single chart of accounts by all Group entities. The standards and chart of accounts take into account the specific characteristics of the subsidiaries' various businesses. They are laid down by the Accounting Standards and Principles Department, which is part of the Accounting and Tax Department and is the sole entity with authority to change them.

Consistency is further ensured by the coordinated management of information systems that contribute to the preparation of the financial information of each subsidiary: the use of a single software application guarantees that reporting and consolidation processes are standardized and applied consistently; moreover, based on a software package recommended by the Group, the various divisions have developed integrated management systems and rolled them out across the majority of their plants, thereby helping to ensure that the information used in the preparation of the financial statements is properly controlled.

Consolidated financial information is prepared for the following key processes:

- weekly cash reporting;
- monthly reporting;
- interim and annual consolidated reporting;
- annual budget.

These four processes apply to all subsidiaries controlled directly and indirectly by Compagnie Plastic Omnium.

Financial reporting and control procedures

Each subsidiary is responsible for producing its own accounts. First-tier controls and analyses of subsidiaries' financial statements are performed locally. Second-tier controls are performed centrally in each division. Third-tier controls are performed by the Finance Department.

Reporting is done on a monthly basis. It is submitted to senior management one week after the close of the monthly accounts, and is reviewed by the Senior Management and analyzed by the Executive Committee. The reporting package comprises an income statement broken down by function, with an analysis of production costs, overheads, and research and development expenditure. It also includes a full cash flow statement, business forecasts for the subsequent three months and a set of environmental and safety indicators. The information is prepared at Group, division and subsidiary level. It provides comparisons between the various items – monthly actual, year-to-date actual, prior-year actual and current-year budget – together with an analysis of material differences.

The budget process begins in September each year, when the subsidiaries prepare their figures, which are consolidated at division level. Budgets are then submitted to senior management in November and validated in December, before being presented to Compagnie Plastic Omnium's Board of Directors. The budget package comprises an income statement, cash-flow statement and data concerning return on capital employed for each subsidiary and division for the year N+1.

Revised forecasts are regularly produced to allow remedial measures to be made with a view to ensuring that initial budget targets are met. They also allow senior management to report reliably on changes in the situation.

The budget is based on the rolling four-year business plan approved in July of each year by Senior Management, which includes income statement and balance-sheet projections prepared on the basis of the sales, industrial and financial strategies of the Group and the divisions.

Compagnie Plastic Omnium is responsible for managing the medium-term financing requirements of all the subsidiaries controlled by the Group, while Plastic Omnium Finance covers short-term financing. Through Plastic Omnium Finance, the Group has set up a global cash-pooling and netting system for all Group subsidiaries in all countries where local rules allow this practice. In addition, intragroup receivables and payables are netted monthly. In this way, it manages funding streams and verifies cash positions on a daily basis.

In general, subsidiaries cannot negotiate external financing arrangements without the prior authorization of the Work planned in 2016 Group's Central Treasury.

Plastic Omnium Finance is also responsible for controlling all currency and interest rate hedging transactions.

Cash reports are sent to the senior management on a weekly basis. They provide an analysis of the cash position of each division, and of the Group as a whole, together with comparisons with the prior year and the budget for the current year.

No material incidents or significant changes occurred in 2015 that could have compromised the effectiveness of the internal control system described above.

Work planned in 2016

As part of a process of continuous improvement of its internal control system, Compagnie Plastic Omnium plans to upgrade a number of procedures in order to enhance their pertinence and encourage operational staff to appropriate them. This approach, in which the Risk Management Department is playing an important role, covers internal control procedures, accounting and financial, and risk management procedures.

The Internal Audit Department will conduct 42 audits in 2016, compared with 37 in 2015.

To improve the internal control and risk management system, the Company will continue to apply the procedure for tracking progress on implementing recommendations issued by the Internal Audit Department.

2.2 Compensation of Corporate Officers

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code and the AFEP-MEDEF Corporate Governance Code, the total compensation and benefits in kind paid to each corporate officer is presented in the tables below.

Gross compensation paid and stock options and performance shares awarded to each executive corporate officer

Laurent Burelle Chairman and Chief Executive Officer	Year 2014	Year 2015
Compensation due in respect of the year (see details below)	4,234,744	4,584,864
Value of stock options awarded during the year (see details below)	0	651,000
Total	4,234,744	5,235,864

Jean-Michel Szczerba Director, Co-Chief Executive Officer and Chief Operating Officer	Year 2014	Year 2015
Compensation due in respect of the year (see details below)	1,295,873	1,358,351
Value of stock options awarded during the year (see details below)	0	651,000
Total	1,295,873	2,009,315

Paul Henry Lemarié Director and Chief Operating Officer	Year 2014	Year 2015
Compensation due in respect of the year (see details below)	2,120,342	2,310,619
Value of stock options awarded during the year (see details below)	0	0
Total	2,120,342	2,310,619

Gross compensation paid to each executive corporate officer

Laurent Burelle Chairman and Chief Executive Officer	Year 2014		Year 2015	
	Totals due	Totals paid	Totals due	Totals paid
• fixed salary ⁽¹⁾	86,573	86,573	87,471	87,471
• bonus ⁽¹⁾⁽²⁾	3,905,604	3,774,709	4,275,290	4,133,631
• exceptional compensation	0	0	0	0
• directors' fees	242,567	242,567	222,103	222,103
• benefits in kind	Company car		Company car	
Total	4,234,744	4,103,849	4,584,864	4,443,205

Paul Henry Lemarié Director and Chief Operating Officer	Year 2014		Year 2015	
	Totals due	Totals paid	Totals due	Totals paid
• fixed salary ⁽¹⁾	86,573	86,573	87,471	87,471
• bonus ⁽¹⁾⁽²⁾	1,952,802	1,887,355	2,137,645	2,066,815
• exceptional compensation	0	0	0	0
• directors' fees	80,967	80,967	85,503	85,503
• benefits in kind	Company car		Company car	
Total	2,120,342	2,054,895	2,310,619	2,239,789

(1) Paid by Burelle SA. This fixed compensation equals 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

(2) Burelle SA pays gross compensation to executive corporate officers for their management services, which is then billed to Compagnie Plastic Omnium and its subsidiaries, calculated on the basis of the estimated time spent by each director on business relating to the Plastic Omnium Group. Directors' bonuses are paid by Burelle SA, and are determined on the basis of the Burelle Group's consolidated operating cash flow. This calculation is based on consolidated IFRS operating cash flow after tax and interest expense plus the share of operating cash flow of joint ventures (after tax and interest expense and net of dividends paid (see Note 5.1.14, page 120).

Jean-Michel Szczerba Director, Co-Chief Executive Officer and Chief Operating Officer	Year 2014		Year 2015	
	Totals due	Totals paid	Totals due	Totals paid
• fixed salary	830,929	830,929	872,464	872,464
• bonus ⁽¹⁾	363,829	363,829	382,020	382,020
• exceptional compensation	0	0	0	0
• directors' fees	101,115	101,115	103,831	103,831
• benefits in kind	Company car		Company car	
Total	1,295,873	1,295,873	1,358,315	1,358,315

(1) Calculated on individual objectives and financial performance (operating margin and debt).

In accordance with Article L. 225-102-1 of the French Commercial Code, the compensation paid by Burelle SA to Compagnie Plastic Omnium's corporate officers in 2015 and the portion billed to Compagnie Plastic Omnium for management services are presented in the table below:

	Gross compensation paid by Burelle SA in 2015	O/w bonus	Amount billed to the Plastic Omnium Group in 2015	O/w bonus
Laurent Burelle	4,246,774	4,133,631	3,208,037	3,141,559
Paul Henry Lemarié	2,179,958	2,066,815	1,077,143	1,033,407
Jean Burelle	2,196,659	2,066,815	409,314	392,695
Jean-Michel Szczerba	0	0	0	0

Directors' fees

Paid by Compagnie Plastic Omnium

Members of the Board	Directors' fees paid in 2014	Directors' fees paid in 2015
Laurent Burelle	29,715	34,431
Paul Henry Lemarié	24,115	28,831
Jean Burelle	24,115	28,831
Jean-Michel Szczerba	24,115	28,831
Éliane Lemarié	25,415	30,131
Jean-Pierre Ergas	26,715	21,623
Jérôme Gallot	31,715	34,831
Vincent Labruyère	28,015	32,731
Alain Mérieux	12,058	14,415
Bernd Gottschalk	24,115	30,131
Anne-Marie Couderc	28,315	33,031
Anne Asensio	26,715	34,331
Amélie Oudéa-Castera	25,415	30,131
Total	330,538	382,279

At its meeting of December 11, 2014, the Board of Directors allocated directors' fees for 2015 as follows:

- Chairman:€2,700 per Board meeting;
- Directors:€1,300 per Board meeting;
- Committee Chairman:€2,100 per Committee meeting;
- Committee Member:€1,300 per Committee meeting;
- Balance allocated proportionately among all Board members in line with actual attendance at meetings.

Total directors' fees paid (by Compagnie Plastic Omnium, other controlled companies and Burelle SA)

Corporate officer	Directors' fees paid in 2014	Directors' fees paid in 2015
Laurent Burelle	242,567	222,103
Paul Henry Lemarié	80,967	85,503
Jean Burelle	118,492	102,203
Jean-Michel Szczerba	101,115	103,831
Total	543,141	513,640

Stock options awarded during the year to each executive corporate officer

Name and position of the corporate officer	Number of options awarded during the year	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Laurent Burelle <i>Chairman and Chief Executive Officer</i>	150,000	€651,000	€24.72	2019-2022
Jean-Michel Szczerba <i>Director, Co-Chief Executive Officer and Chief Operating Officer</i>	150,000	€651,000	€24.72	2019-2022
Paul Henry Lemarié <i>Director and Chief Operating Officer</i>	0	-	-	-

In accordance with the AFEP-MEDEF Code recommendations:

- the exercise of stock options granted in 2015 is subject to two performance conditions related to the outperformance over the vesting period of the options (2015-2019) in respect of:
 - (i) the share price relative to the SBF 120 index,
 - (ii) the Company's operating margin compared with its main competitors;
- each director must retain 10% of the shares resulting from the exercise of options in registered form until the end of his or her term of office.

Stock options exercised during the year by each executive corporate officer

Name and position of the corporate officer	Plan date	Number of options exercised during the year	Exercise price
Laurent Burelle <i>Chairman and Chief Executive Officer</i>	2008 plan 2010 plan	54,000 200,000	€2.94 €2.84
Jean-Michel Szczerba <i>Director, Co-Chief Executive Officer and Chief Operating Officer</i>	-	0	-
Paul Henry Lemarié <i>Director and Chief Operating Officer</i>	2010 plan	270,000	€2.84

Performance shares awarded to each executive corporate officer

Name and position of the corporate officer	Performance shares awarded during the year to each executive corporate officer by the issuer or any Group company	Plan date	Number of shares awarded during the year	Value of shares using the method applied in the consolidated financial statements	Vesting date	End of vesting period
Laurent Burelle <i>Chairman and Chief Executive Officer</i>	0	–	–	–	–	–
Jean-Michel Szczerba <i>Director, Co-Chief Executive Officer and Chief Operating Officer</i>	0	–	–	–	–	–
Paul Henry Lemarié <i>Director – and Chief Operating Officer</i>	0	–	–	–	–	–

Performance shares that vested during the year for each executive corporate officer

Name and position of the corporate officer	Performance shares that vested during the year for executive corporate officers	Plan date	Number of shares that vested during the year	Vesting conditions
Laurent Burelle <i>Chairman and CEO</i>	0	–	–	–
Jean-Michel Szczerba <i>Director, Co-Chief Executive Officer and Chief Operating Officer</i>	0	–	–	–
Paul Henry Lemarié <i>Director and Chief Operating Officer</i>	0	–	–	–

Supplementary pension plans

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to introduce a supplementary pension plan for the Executive Committee members of Compagnie Plastic Omnium. The plan guarantees these employees defined-benefit retirement compensation, provided they are still employed by the Group when they retire at age 65, under the following terms:

	Plastic Omnium Plan	Recommendations of the AFEP-MEDEF Code
Required length of service	7 years	At least 2 years
Actual length of service	The length of service of the three executive corporate officer is: Laurent Burelle: 41 years – Paul Henry Lemarié: 36 years – Jean-Michel Szczerba: 31 years	
Reference compensation	Average of the average total annual compensation for the five years prior to retirement	Several years
Annual amount paid (% of the reference compensation)	1%	5% maximum
Ceilings	10 % of the reference compensation or 8 times the Social Security ceiling	45% of compensation

The Board of Directors of Burelle SA approved a similar plan for corporate officers in 2003. The portion of the annual cost in respect of this plan billed by Burelle SA to Compagnie Plastic Omnium and its controlled companies was €670,769 in 2015. The other pension plans for senior management are the same as those in place for the Group's managerial employees.

Employment contracts – termination benefits

In compliance with AFEP-MEDEF Code recommendations, Laurent Burelle and Paul Henry Lemarié are no longer under an employment contract, Jean-Michel Szczerba's employment contract was suspended.

The Company has no commitment to pay the corporate officers any compensation for loss or change of office or due to a non-competition clause.

2.3 Statutory Auditors' Report

Statutory Auditors' report in accordance with Article L. 225-235 of French Commercial Code (Code de commerce) on the report prepared by the Chairman of the Board of Directors of Compagnie Plastic Omnium

Year ended December 31, 2015

To the Shareholders,

As Statutory Auditors of Compagnie Plastic Omnium and in accordance with the Article L. 225-235 of French Commercial Code (*Code de commerce*), we hereby present our report on the Chairman of the Board of Directors report in compliance with the Article L. 225-37 of French Commercial Code regarding fiscal year ending December 31, 2015.

It is the Chairman's responsibility to establish and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

It is our responsibility to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

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

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Paris-la Défense, February 24, 2016

The Statutory Auditors

MAZARS

Jean-Luc Barlet

ERNST & YOUNG et Autres

Gilles Rabier