

02 CORPORATE GOVERNANCE (AFR)

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REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

2.1 Report from the Board of Directors on corporate governance

In accordance with the provisions of articles L. 225-37 *et seq.* of the *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, and any restrictions that the Board of Directors may have placed on the powers exercised by Senior management. This report restates the provisions applicable to the determination of compensation and benefits of all kinds granted to executive directors.

This report was presented to the Appointments Committee and the Compensation Committee for the sections that fall under their areas of responsibility. Thereafter it was approved by the Board of Directors at its meeting of February 14, 2018.

2.1.1 COMPOSITION AND CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

2.1.1.1 Rules applicable to the governance 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 *Code de commerce*, the Board of Directors of Compagnie Plastic Omnium is composed of up to 18 members.

At December 31, 2017, the Company is governed by a Board of Directors composed of 15 members: the Chairman and CEO, the Co-Chief Executive Officer and Chief Operating Officer, the Chief Operating Officer, 12 directors.

The directors have additional experience (international, financial, industrial, commercial expertise, etc.) with some having former, in-depth knowledge of Compagnie Plastic Omnium and its environment. Compagnie Plastic Omnium seeks to increase the diversity and international experience of its Board of Directors. The quality and diversity of the personalities making it up guarantees the balance of powers within the Board.

The term of office of each director is three years, and is renewable. Directors are appointed 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 fiscal year.

The Board of Directors includes 6 independent Directors (see paragraph "Directors' independence in office – Conflicts of interest"); the percentage of independent Directors is therefore 40%, in compliance with the recommendations of the AFEP-MEDEF Code.

The Board of Directors includes 7 women directors out of 15, which is a representation rate of 46.6%, in compliance with article L. 225-18-1 of the *Code de commerce* which establishes the principle of gender balance within Boards of Directors.

Internal Rules

The Internal Rules of the Board of Directors, which set out the rights and duties of directors, as well as the way in which the Board of Directors operates, was amended by the Board of Directors on December 15, 2017. They are also published on Plastic Omnium's website.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Information about the Directors in office

	Age	Primary role	Date of 1st appointment	End of current term
Mr. Laurent Burelle	68	Chairman and CEO of Compagnie Plastic Omnium	1981	2018
Mr. Jean-Michel Szczerba	57	Co-Chief Executive Officer and Chief Operating Officer of Compagnie Plastic Omnium	2010	2018
Mr. Paul Henry Lemarié	71	Chief Operating Officer of Burelle SA	1987	2018
Mrs. Éliane Lemarié	72	Chairman of the Supervisory Committee of Union Industrielle	2009	2018
Mr. Jean Burelle	79	Chairman and Chief Executive Officer of Burelle SA	1970	2018
Mrs. Anne Asensio	55	Vice Chairperson Design of Dassault System	2011	2020
Mrs. Félicie Burelle	38	Deputy Chief Executive Officer – Strategy and Development Director of Compagnie Plastic Omnium	2017	2020
Mrs. Anne-Marie Couderc	68	Company Director	2010	2018
Mrs. Amélie Oudéa-Castera	39	Chairman of the Rénovons le sport français association (Let's renew French sports)	2014	2019
Mrs. Lucie Maurel Aubert	55	Vice Chairperson and Deputy Chief Executive Officer of Compagnie Financière Martin Maurel	2015	2018
Mrs. Cécile Moutet	45	Director of Compagnie Plastic Omnium	2017	
Mr. Jérôme Gallot	58	Managing Director of JGC	2006	2018
Prof. Dr. Bernd Gottschalk	74	Founder and Chairman of AutoValue GmbH	2009	2018
Mr. Vincent Labruyère	67	Chairman of Financière du Centre	2002	2020
Mr. Alain Mérieux	79	Chairman and Chief Executive Officer of Institut Mérieux	1993	2018



Laurent Burelle

French

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. Laurent Burelle was appointed Chairman of AFEP in May 2017. Furthermore, he is director of the Fondation Jacques Chirac.

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

French Companies and associations

Burelle SA ^{(1)/(2)}	Chief Operating Officer and Director
Sofiparc SAS ⁽²⁾	Chairman and member of the Supervisory Committee
Burelle Participations SA ⁽²⁾	Director
Plastic Omnium Auto Exteriors SA ⁽²⁾	Chairman and Chief Executive Officer
Plastic Omnium Auto Inergy SAS ⁽²⁾	Chairman
AFEP (association)	Chairman since May 9, 2017
Fondation Jacques Chirac (association)	Director
European Transalpine liaison committee Lyon-Turin (association)	Director

International companies

Compañía Plastic Omnium SA ⁽²⁾ (Spain)	Chairman and Chief Executive Officer
Plastic Omnium Holding (Shanghai) Co. Ltd ⁽²⁾ (China)	Chairman
Plastic Omnium Inc. ⁽²⁾ (United States of America)	Chairman
SOGEC 2 SA ⁽²⁾ (Belgium)	Chief Executive Officer
Compagnie Financière de la Cascade SRL ⁽²⁾ (Belgium)	Managing Director

Terms of office ended in 2017

Lyonnaisse de Banque	Director until May 2017
Labruyère-Eberlé SAS	Member of the Supervisory Board until May 2017
Wendel SA ⁽¹⁾	Member of the Supervisory Board until May 2017

(1) Listed company.

(2) Member of the Compagnie Plastic Omnium Group/Burelle.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE



Jean-Michel Szczerba

French

Professional address:

*Plastic Omnium – 1, allée Pierre Burelle
92300 Levallois-Perret*

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*.

After graduating from ESSEC business school in 1982, Jean-Michel Szczerba began his career with Banque Vernes Commerciale de

French companies

Burelle Participations SA ⁽¹⁾	Director
Plastic Omnium Finance SNC ⁽¹⁾	Managing Director
Plastic Omnium Gestion SNC ⁽¹⁾	Managing Director
Plastic Omnium Environnement Holding SAS ⁽¹⁾	Chairman
Plastic Omnium Auto Exteriors SA	Director
Groupe Progrès SA	Director

International companies

Plastic Omnium GmbH ⁽¹⁾ (Germany)	Managing Director
Hella Behr Plastic Omnium GmbH ⁽¹⁾ (Germany)	Director
Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd ⁽¹⁾ (China)	Director
Plastic Omnium Holding (Shanghai) Co. Ltd ⁽¹⁾ (China)	Vice-Chairman
Plastic Omnium Inergy (Shanghai) Consulting Co. Ltd ⁽¹⁾ (China)	Chairman
Plastic Omnium Inc. ⁽¹⁾ (United States of America)	Director
Compañía Plastic Omnium ⁽¹⁾ (Spain)	Director
Plastic Omnium Auto Exteriors Sp.Z.O.O ⁽¹⁾ (Poland)	Managing Director
Plastic OmniumAuto Sp.Z.O.O ⁽¹⁾ (Poland)	Managing Director
Plastic Omnium Automotive Ltd ⁽¹⁾ (Great Britain)	Director
DSK Plastic Omnium BV ⁽¹⁾ (The Netherlands)	Chairman and Director
Plastic Omnium Environment BV ⁽¹⁾ (The Netherlands)	Member of the Supervisory Board
B-Plas Plastic Omnium Otomotiv AS ⁽¹⁾ (Turkey)	Vice-Chairman of the Board of Directors and Director

(1) Member of the Compagnie Plastic Omnium Group/Burelle.



Paul Henry Lemarié

French

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.

French companies

BurelleSA ^{(1)/(2)}	Chief Operating Officer and Director
Burelle Participations SA ⁽²⁾	Chief Operating Officer and Director
Sofiparc SAS ⁽²⁾	Member of the Supervisory Committee

International companies

Compañia Plastic Omnium ⁽²⁾ (Spain)	Director
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(1) Listed company.

(2) Member of the Compagnie Plastic Omnium Group/Burelle.



Éliane Lemarié

French

Professional address:

Burelle SA – 1, rue François I^{er}
75008 Paris

After graduating a master's degree in English from the University of Paris-Sorbonne and graduating from IEP Paris, 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.

French companies

Burelle SA ^{(1)/(2)}	Director
Sofiparc SAS ⁽²⁾	Member of the Supervisory Committee
Union Industrielle	Chairman of the Supervisory Committee

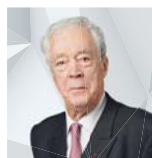
International companies

SOGEC 2 SA ⁽²⁾ (Belgium)	Chief Executive Officer
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(1) Listed company.

(2) Member of the Compagnie Plastic Omnium Group/Burelle.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE



Jean Burelle

French
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 started his career in 1966 with L'Oreal and left for Compagnie Plastic Omnium in 1967 as Department Head. In 1986, he was appointed Executive Vice-President, and in 1987 became

Chairman and Chief Executive Officer, a position that he occupied until June 30, 2001. Since July 1, 2001, he has been Honorary Chairman of Compagnie Plastic Omnium and Chairman and Chief Executive Officer of Burelle SA.

Jean Burelle is a Director of Compagnie Plastic Omnium and member of the Supervisory Committee of Banque Hottinguer and Soparexo. He was the Chairman of MEDEF International until May 25, 2016, when he became Honorary Chairman and Director.

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

French Companies and associations

Burelle SA ^{(1)/(2)}	Chairman and Chief Executive Officer
Burelle Participations SA ⁽²⁾	Chairman and Chief Executive Officer
Sofiparc SAS ⁽²⁾	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 and Supervisory Board	Member of the Supervisory Board and Compensation Committee
MEDEF International	Honorary Chairman
Institut des Relations Internationales (IFRI)	Director
Association pour le Rayonnement de l'Opéra National de Paris (AROP)	Director

International companies

Compañía Plastic Omnium SA ⁽²⁾ (Spain)	Director
SOGEC 2 SA ⁽²⁾ (Belgium)	Chairman of the Board of Directors and Chief Executive Officer

(1) Listed company.

(2) Member of the Compagnie Plastic Omnium Group/Burelle.



Anne Asensio

French
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, innovation and corporate identity.

Anne Asensio is a *Chevalier de la Légion d'honneur* and a *Chevalier de l'Ordre National du Mérite*.

French companies

Dassault Systèmes ⁽¹⁾	Vice-Chairman of Design Experience
Agence de la Promotion de la Création Industrielle	Director – Member of the Board of Directors
Strate College	Director
University of Nîmes	Member of the Strategic Board (2016)
Design Île-de-France (Region)	Board member

International companies

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

(1) Listed company.



Félicie Burelle

French

Professional address:

Plastic Omnium – 1, allée Pierre Burelle
92300 Levallois-Perret

Félicie Burelle graduated from the ESCE Business School and holds a graduate degree in Business-Finance from South Bank University of London and an MBA from the Instituto de Empresa (IE) Business School of Madrid.

After beginning her career in Compagnie Plastic Omnium in 2001 as Accounting Manager of a subsidiary of the Auto Exterior Division in Spain (Madrid), Félicie Burelle moved on to the Merger

& Acquisitions Department of Ernst & Young Transaction Services in 2005. In 2010, she joined Compagnie Plastic Omnium once again and took over the Department of Strategic Planning and Commercial Coordination of the Auto Exterior Division. She also became member of the Executive Committee of this Division.

Félicie Burelle has been a member of the Burelle SA Board of Directors since 2013.

In 2015, she became Strategy and Development Director of Plastic Omnium and is member of the Executive Committee since then.

Since January 1, 2018, Félicie Burelle is Deputy Chief Executive Officer of Compagnie Plastic Omnium.

French companies

Burelle SA ^{(1)/(2)}	Director
CIC Lyonnaise de Banque	Director

International companies

Compañía Plastic Omnium ⁽²⁾ (Spain)	Director
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(1) Listed company.

(2) Member of the Compagnie Plastic Omnium Group/Burelle.



Anne-Marie Couderc

French

Address:

88, boulevard Arago
75014 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 councillor, 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, and subsequently was Chairman of the Board of Directors until June 2017.

Anne-Marie Couderc is an *Officier de la Légion d'honneur* and an *Officier de l'Ordre national du mérite*.

French companies

Transdev	Director and Chairperson of the Audit Committee
Ramsay – Générale de Santé	Director and Chairman of the Compensation Committee and Member of the Audit Committee
Air France KLM ⁽¹⁾	Director – Chairperson of the Appointments Committee and Member of the Audit Committee
AYMING	Member of the Supervisory Committee
Veolia Environnement Foundation	Director
Elle Foundation	Director

Terms of office ended in 2017

Presstalis SAS	Chairman of the Board of Directors
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(1) Listed company.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE



Amélie Oudéa-Castera

French

Professional address:

140, rue de Grenelle
75007 Paris

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 Business School 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 Public Audit or with the French Court of Auditors (*Cour des Comptes*), 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, Amélie Oudéa-Castera was appointed Deputy CEO of AXA Particuliers/Professionnels, the retail entity of AXA France, while retaining the responsibility of digital business, brand and partnerships of AXA France. In July 2016, she was appointed Director of Marketing and Digital for the entire AXA Group.

Since January 2018, Amélie Oudéa-Castera has been Chairman of the *Rénovons le sport français* (Let's renovate French Sport) Association.

French companies and associations – Jurisdiction

Rénovons le sport français association (Let's renew French sports)	Chairman
Court of Auditors	Legal Counselor

Terms of office and positions ended in 2017

AXA Strategic Ventures	Member of the Executive Committee
AXA Group	Director of Marketing and Digital
Kamet	Member of the Supervisory Board
French Tennis Federation	Member of the Executive Committee

(1) Listed company.



Lucie Maurel Aubert

French

Professional address:

Rothschild Martin Maurel – 29, avenue de Messine
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*.

French companies

Rothschild Martin Maurel Associés	Vice-Chairperson
STEF	Director
Grand Palais endowment fund	Director
Rothschild & Co.	Member of the Supervisory Board
French Bankers' Association	Vice-Chairperson
Deposit Guarantee Fund	Member of the Supervisory Board

Terms of office ended in 2017

Compagnie Financière Martin Maurel	Vice-Chairperson and Deputy Chief Executive Officer
Banque Martin Maurel	Chief Executive Officer
Saint Joseph Hospital Foundation	Director
Théâtre du Châtelet	Director



Cécile Moutet

French
Professional address:
Plastic Omnium – 1, allée Pierre Burelle
92300 Levallois-Perret

Cécile Moutet has a Specialized Masters degree in Market Research and Marketing Management from NEOMA Business School (former ESC Rouen) and the Institut européen des affaires.

She started her career as a communication consultant in the IRMA Communication agency, where she assumed the responsibility of the Client Division, designed press relations campaigns of various groups and organized public relations events.

Between 2006 and 2008, Cécile Moutet was self-employed in Spain as a communication consultant.

In 2009 and 2010, Cécile Moutet worked at IRMA Communication (which became Cap & Cime PR in 2010) and coordinated various consulting assignments.



Jérôme Gallot

French
Professional address:
46, rue du Ranelagh
75016 Paris

Jérôme Gallot graduated from IEP Paris and ENA and was first appointed at the French Court of Auditors (Cour des Comptes) 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 NRJ Group.

Jérôme Gallot is a Chevalier de la Légion d’honneur.

French companies	
JGC	Managing Director
SP 3H	Director
Acerde SAS	Member of the Supervisory Board
NRJ Group	Director
Geocorail	Director
Holding Incubative chimie verte	Director
Terms of office ended in 2017	
Nexans SA ⁽¹⁾	Director
OHT	Director

(1) Listed company.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE



Prof. Dr. Bernd Gottschalk

German

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.

German companies

Plastic Omnium GmbH ⁽²⁾	Member of the Advisory Board
Serafin Group, Munich	Member of the Advisory Board
AutoValue GmbH	Managing Partner
Schaeffler GmbH	Director
Jost ⁽¹⁾ Weske AG	Director, Deputy President
Facton GmbH	Chairman of the Board of Directors
Woco Group	Chairman of the Board
Schlemmer Group	Chairman of the Board

Terms of office ended in 2017

Hay Group	Chairman of the Board of Directors
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(1) Listed company.

(2) Member of the Compagnie Plastic Omnium Group.



Vincent Labruyère

French

Professional address:

Groupe Labruyère-Eberlé
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 Établissements Bergeaud Mâcon, a subsidiary of Rexnord Inc. USA, 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.

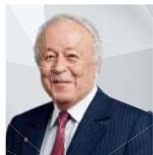
Vincent Labruyère is a Director of Mathon Développement and Imprimerie Perroux.

French companies

Société Financière du Centre SAS	Chairman
Labruyère-Eberlé SAS	Chairman
Société Commerciale de Bioux SAS	Member of the Management Board
Perroux et fils	Director
SNPI SCA	Member of the Supervisory Board as permanent representative
Pige SA	Permanent representative of Labruyère-Eberlé SAS, Director
SC Domaine Jacques Prieur	Managing Director

Terms of office ended in 2017

Martin Maurel	Director
Slota SA	Director



Dr. Alain Mérieux

French

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, environ-

ment, nutrition). Institut Mérieux also includes: 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.

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.

Dr. Alain Mérieux is a *Grand Officier de la Légion d'honneur*.

French companies and foundations

Institut Mérieux	Chairman and CEO
Fondation Mérieux	Chairman and Director
Fondation Christophe et Rodolphe Mérieux – Institut de France	Honorary Chairman and Director
Fondation Pierre Fabre	Director
CIC Lyonnaise de Banque	Director
Transgène SA	Director
HCL Foundation	Director

International companies

BioMérieux Italia SpA (Italy)	Director
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Terms of office ended in 2017

BioMérieux SA ⁽¹⁾	Director – until May, 2017
Institut Mérieux	Chairman and CEO until September 2017
Mérieux NutriSciences (United States of America)	Director – until March, 2017

(1) Listed company.

Composition of the Board of Directors at December 31, 2017

	Age	Date of 1 st appointment	Independence	Board of Directors' Committees		
				Audit	Appointments	Compensation
Mr. Laurent Burelle	68	1981				
Mr. Jean-Michel Szczerba	57	2012				
Mr. Paul Henry Lemarié	70	1987				
Mrs. Éliane Lemarié	72	2009			●	
Mr. Jean Burelle	78	1970				
Mrs. Anne Asensio	55	2011	■	● (Chairman)		
Mrs. Anne-Marie Couderc	67	2010	■		● (Chairman)	● (Chairman)
Mrs. Amélie Oudéa-Castera	39	2013	■			●
Mrs. Lucie Maurel Aubert	55	2015	■	●		
Mr. Jérôme Gallot	58	2006	■	●	●	
Prof. Dr. Bernd Gottschalk	74	2009	■			●
Mr. Vincent Labruyère	67	2002		●		
Mr. Alain Mérieux	79	1993				
Mrs. Félicie Burelle	38	2017				
Mrs. Cécile Moutet	44	2017				

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Change in the composition of the Board of Directors proposed at the Shareholders' Meeting of April 26, 2018

Changes planned in 2018 in the composition of the Board of Directors

Departure	Appointment	Renewals
Alain Mérieux	Alexandre Mérieux	Laurent Burelle Jean-Michel Szczerba Paul Henry Lemarié Burelle SA, represented by Éliane Lemarié Jean Burelle Anne-Marie Couderc Lucie Maurel Aubert Jérôme Gallot Prof. Dr. Bernd Gottschalk

Appointment of a new Director: Mr. Alexandre Mérieux

Alexandre Mérieux was born in 1974. He graduated from the University of Lyon with a degree in biology and from HEC Montreal Business School.

From 1999 to 2004, Alexandre Mérieux was responsible for marketing in the United States and Europe at Silliker Group Corporation, then Director of Marketing and Business Unit Head.

Chairman and Chief Executive Officer of bioMérieux since December 2017, Alexandre Mérieux is also Vice-Chairman of the Institut Mérieux and Chairman of Mérieux Développement. He also chairs the Board of Directors at Mérieux NutriSciences.

He has held various operational positions within bioMérieux. Alexandre Mérieux has been Chief Operating Officer since 2014 after having headed the Industrial Microbiology unit between 2005 and 2011, and the Microbiology unit between 2011 and 2014.

Features of the Board of Directors subject to approval by the Shareholders' Meeting of April 26, 2018 of the renewal of the above-mentioned terms of office and approval of the proposed appointment

	Reminder of the AFEP-MEDEF recommendations and the law	Composition after the 2015 Shareholders' Meeting	Composition after the 2016 Shareholders' Meeting	Composition after the 2017 Shareholders' Meeting	Composition after the 2018 Shareholders' Meeting
Percentage independence	33,33%	38.46%	46.15%	40%	46.6%
Feminization rate	40%	30.8%	38.5%	46.6%	46.6%
Average age of Directors	NA	63.3 years	62.8 years	60.6 years	59.3 years
Average term of office	NA	15.5 years	14.5 years	13.5 years	12.9 years

Holdings of Plastic Omnium shares by Directors

Although French law does not require Directors to hold a minimum number of shares, the bylaws of Compagnie Plastic Omnium, in compliance with the AFEP-MEDEF code, require each Director to hold a minimum of 900 shares.

	Number of shares	Number of stock-options
Mr. Laurent Burelle	847,000	0
Mr. Jean-Michel Szczerba	360,000	40,000
Mr. Paul Henry Lemarié	289,900	0
Mrs. Éliane Lemarié	395,996	0
Mr. Jean Burelle	416,378	0
Mrs. Anne Asensio	900	0
Mrs. Anne-Marie Couderc	900	0
Mrs. Amélie Oudéa-Castera	900	0
Mrs. Lucie Maurel Aubert	910	0
Mr. Jérôme Gallot	5,500	0
Prof. Dr. Bernd Gottschalk	900	0
Mr. Vincent Labruyère	10,332	0
Mr. Alain Mérieux	6,318	0
Mrs. Félicie Burelle	900	20,000
Mrs. Cécile Moutet	8,160	0

Procedure for exercise of implementing powers of senior management

Compagnie Plastic Omnium's mode of corporate governance is suited to its specific characteristics and is based on an approach of continuous progress.

The Board of Directors decided to renew the combining of the duties of Chairman and CEO.

This decision was made following the recommendations by the Appointments Committee, in the best interest of the Company, and with the constant concern that the mode of governance chosen optimizes the Group's economic and financial performances and creates the most favorable conditions for its long-term development. The quality and sustainability of this performance go hand in hand with the clear vision of the Group's prospects, directly shared with the members of the Board. This vision carried by the senior managers of Compagnie Plastic Omnium is 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 appropriate for 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.

Powers of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer has the broadest powers to act under any circumstances in the name of the Company, within the limits of the corporate purpose and subject to the powers that the law expressly grants to shareholders' meetings and to the Board of Directors. The Internal Rules of the Board of Directors contain limits on his powers to take certain decisions which, on account of their purpose or their amount, are subject to the prior approval of the Board of Directors.

Thus, the Board of Directors must approve material transactions likely to affect the Group's strategy or significantly change its financial structure or scope of activities.

Directors' independence – Conflicts of interest

Independence

Article 4.7 of the Internal Rules provides that every year the Board of Directors shall conduct an assessment of the independence of each Director with respect to the criteria listed in the AFEP-MEDEF Code. The process for assessing the independence of Directors was reviewed by the Appointments Committee at its meeting of December 7, 2017, then by the Board of Directors on December 15, 2017.

The Appointments Committee's meeting of December 7, 2017 and the Board of Directors' meeting of December 15, 2017 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.

Besides the three executive directors, the following directors cannot be considered as independent: Éliane Lemarié, Permanent representative of Burelle SA which is itself a director, Jean Burelle, Félicie Burelle and Cécile Moutet, directors having family ties with one of the executive directors, Vincent Labruyère and Alain Merieux, directors of Compagnie Plastic Omnium for more than twelve years.

At December 31, 2017, six directors are considered as independent; this represents a percentage of independent directors of 40%, in compliance with the provisions of the AFEP-MEDEF Code recommending a minimum threshold of one-third independent directors for controlled listed companies.

Conflicts of interest

Within the scope of the law and the rights and duties of directors as defined in the Internal Rules of the Board of Directors of Compagnie Plastic Omnium and in accordance with the AFEP-MEDEF Code, directors are subject to compliance with the rules applicable to the situation of conflict of interest and stock exchange Code of Ethics.

Based on the declarations made by each director, the Board concluded that there was no conflict of interest. In particular, based on the work of the Appointments Committee, the Board of Directors found that there was no business relationship of any nature between the Plastic Omnium Group and any of its directors, which could lead to conflicts of interest.

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, Éliane Lemarié, Félicie Burelle et Cécile Moutet 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 six independent directors within the Company.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

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

No corporate officer is 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 applicable rules on the prevention of insider misconduct, in particular with regard to the periods during which trading in securities of the Company is prohibited. As a result, it has had the opportunity to modify the Internal Rules and update the charter for the prevention of insider trading.

Based on the legal texts, regulations and market recommendations, 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 Rules of the Board of Directors state the Board members' obligation to respect the terms of the charter.

During the meeting of the Board of Directors of December 15, 2017, each director received the schedule of closed periods for 2018 outside of which they can trade in Plastic Omnium's shares.

Furthermore, 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. The Company periodically reminds them of this obligation (see the summary of transactions carried out by executive directors in 2017 involving Plastic Omnium securities).

Assessment

In compliance with its Internal Rules, the Board of Directors carries out an assessment every three years of its composition, its organization and its operation, as well as for each of the Committees. The findings from this assessment are reviewed by the Appointments Committee. In addition, once a year, the Board includes an item on the agenda of one of its meetings to discuss the way in which it operates.

In 2017, an assessment of the way in which the Board of Directors operates was conducted through a detailed questionnaire sent to each director. The questions concerned in particular strategy and performance, knowledge of the Group's business lines and the relationships with management, risk management and control, the way in which the Committees operate.

In accordance with the recommendations of the AFEP-MEDEF Code, during the Board meeting of December 15, 2017, the directors met without the presence of the executive directors and family directors. Thus, they were able to discuss in particular the evaluation of the Board's work and the performances of executive directors.

The results of this assessment were presented to the Appointments Committee on December 7, 2017 and to the Board on December 15, 2017 and its main findings are as follows:

- the Board of Directors of Compagnie Plastic Omnium has momentum and operates efficiently;
- the current form of governance is suitable for the Group's needs.

The main areas of satisfaction as regards governance are:

- the moderation and intensity of discussions at the Board level;
- the diversity and complementarity of the Board's composition with strong commitment from directors;
- the organization of a Board meeting held remotely at an industrial site.

2.1.1.2 Preparation and organization of the work of the Board of Directors

The powers of the Board of Directors

The Board of Directors determines the Group's strategic approaches. The directors control its economic and financial management, they review and approve the broad lines of actions considered by the senior management, which implements them.

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

The works of the Board of Directors are based on its regularly updated Internal Rules, which aim at completing the legal, regulatory and statutory rules and the industry recommendations that the Board refers to.

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 Rules of the Board of Directors.

The Board of Directors meets as often as the interests of the Company require and, pursuant to the Internal Rules, 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 Rules.

The Chairman of the Board of Directors directs the proceedings and ensures compliance with the provisions of the Internal Rules. 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.

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.

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 collectively ensure that the measures adopted contribute to implementing the strategy of the Plastic Omnium Group. The Board debates issues transparently and in detail.

2.1.1.3 Activity of the Board of Directors

In 2017, the Board of Directors met four times. The average attendance rate at Board meetings was 90%. The attendance rate at meetings of Board of Directors Committees is specified in the following sections.

The work of the Board of Directors focused on strategy

In 2017, 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 the General Management has enabled the Board to prepare the strategy, especially by analyzing the strategic interest of acquisitions or disposals, their impact on the Company's financial structure and its long-term development capacities.

During each meeting, it is systematically informed about the Group's activities and performance, and the revenue by Division and region. The Board is also informed about market developments, competitors' performance and the Group's position in terms of corporate and social responsibility. The Board is therefore totally aware of the Group's economic situation. Informed about the performances and challenges specific to each Division, the Board has a clear and independent vision of the Group's development opportunities for years to come.

The Board also focuses on monitoring the acquisitions, their consolidation into the Group, the synergies developed, the implementation of the business plan and the value created for Plastic Omnium.

In 2017, the Board monitored the acquisition of the Faurecia Exterior Systems and its integration into the Plastic Omnium Auto Exterior Division.

The Board also examined the proposed disposal of the Environment Division which would allow the Group to focus on the development of the Automotive businesses.

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. The Board of Directors thus met on October 25, 2017 at the Auto Inergy Division of Lublin in Poland. On this occasion, the directors visited the industrial site and met with various operational heads.

Board of Directors 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 other 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.

As evidenced by the preparatory work of its Committees (see paragraph 2.1.1.4), the Board also analyzes other aspects of its strategy, the Group's economic and financial management and its environmental, corporate and social commitment. Reports on the work of the Committees are systematically presented by their Chairman at Board meetings.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

The work of the Board of Directors on corporate governance

Amendment of the Internal Rules

The Board of Directors changed its Internal Rules to ensure their compliance with legal and regulatory changes and update them to reflect the latest changes to the AFEP-MEDEF Corporate Governance Code. The Internal Rules are available on the Group's website.

Regarding the Shareholders' Meeting of April 27, 2017

The Board of Directors reviewed the composition of the Board and in particular (i) the proposed appointment of Mrs. Félicie Burelle and Mrs. Cécile Moutet as Directors (ii) the renewal of the terms of office as Director of Mrs. Anne Asensio and Mr. Vincent Labruyère.

It discussed the work of the Board of Directors' Committees and conducted the annual review of related-party agreements.

Regarding the Shareholders' Meeting of April 26, 2018

The Board of Directors analyzed the composition of the Board, in particular the diversification of its composition. This analysis led to the following proposals: (i) renewal of the directors' terms of office of Messrs. Laurent Burelle, Jean-Michel Szczerba and Paul Henry Lemarié, (ii) renewal of their respective terms of office as Chairman and CEO, co-Chief Executive Officer and Chief Operating Officer and Chief Operating Officer, subject to the condition precedent of renewal of their terms of office as director by the Shareholders' Meeting, (iii) renewal of the directors' terms of office of Burelle SA, represented by Mrs. Éliane Lemarié, of Mrs. Anne-Marie Couderc and Mrs. Lucie Maurel Aubert and Messrs. Jean Burelle, Jérôme Gallot and Prof. Dr Bernd Gottschalk and (iv) Appointment of Mr. Alexandre Mérieux as Director.

It reviewed the reports of the Board of Directors' Committees and conducted the annual review of related-party agreements.

2.1.1.4 Activity of Board of Directors' Committees

Discussions and decisions of the Board of Directors are assisted 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 Rules of the Board of Directors.

Board of Directors 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 on their own.

The Board of Directors, on the proposal from the Chairman and CEO, and following the recommendation of the Appointments Committee, appoints members of the Committees as well as their Chairperson, taking into account the skills and experience of the Directors.

To carry out their work, after having informed the Chairman and CEO and subject to reporting to the Board of Directors, the Committees may hear any responsible person within the Group and/or request technical studies on subjects falling within their areas of responsibility, at the expense of the Company. In the event of recourse by the Committees to the services of external consultants, the Committees must ensure the objectivity of the consultant concerned.

Three Committees support the Board of Directors: the Audit Committee, the Appointments Committee and the Compensation Committee. Secretarial services for Committees of the Board are provided by the Corporate Secretary.

In 2017, Board Committees were again mandated by the Board to prepare its deliberations. The details of the composition of these Committees, their missions and work in 2017 are given hereafter.

Audit Committee

Composition	<p>Composition as at December 31, 2017:</p> <ul style="list-style-type: none"> • Anne Asensio (Chairman) • Lucie Maurel Aubert • 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>The number of independent directors is three out of four and there is no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors who are members of the Audit Committee have the necessary qualification and skills due to their professional experience and knowledge of the Group's accounting and financial procedures, which are regularly reported to them.</p> <p>The Committee had the opportunity to hear the directors in charge of the specific fields, the activity of which it reviews, in particular 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 2017, 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 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 • Reviewing the scope of consolidation and reasons why some companies would not be included • Review of matters likely to have a significant impact on the Group's financial situation
Principal activities in 2017	<ul style="list-style-type: none"> • Approval of the statutory and consolidated accounts 2016 • Approval of half-yearly statutory and consolidated financial statements at June 30, 2017 • Review of Statutory Auditors' reports • Estimates and forecasts at 2017 year-end • Reviewing the audit plan and the outcome of the verification carried out, their recommendations as well as the action taken as part of the statutory audit • Reviewing the audits carried out by the Statutory Auditors with regard to social, environmental and societal information • 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 • Analysis of the risk mapping and the related action plans, in particular the risk relating to information systems, digital and industrial safety • 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 • Review of the report of the Chairman of the Board of Directors on corporate governance and on internal control and risk management processes • Review of the financial resolutions proposed at the Shareholders' Meeting of April 27, 2017 • 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

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Compensation Committee

Composition	<p>Composition as at December 31, 2017:</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>The number of independent directors is three, i.e. 100% and the Committee has no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</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 2017, the Compensation Committee met twice, with an attendance rate of 100%.</p>
Principal missions	<ul style="list-style-type: none"> • Drafting proposals for the compensation of executive directors and conditions for the grant thereof • Proposals relating to the pension and insurance plans • Fixing the budget for the attendance 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 2017	<ul style="list-style-type: none"> • Reviewing the fixed salary and bonus components of executive directors and recommendations to the Board • Analyzing the performance of executive directors in 2016 and communicating the recommendation to the Board for an annual bonus for 2016 • Analyzing the performance of executive directors in 2017 and communicating the recommendation to the Board for an annual bonus for 2017 • Analyzing and considering the structure of the executive directors' annual bonus and the objectives for 2018 • Preparing resolutions relating to the compensation of executive directors, submitted to the Shareholders' Meeting of April 26, 2018 • Retirement of senior managers: reviewing the situation of each executive director • Distribution of attendance fees pursuant to the rules providing a majority variable share

Appointments Committee

Composition	<p>Composition as at December 31, 2017:</p> <ul style="list-style-type: none"> • Anne-Marie Couderc (Chairman) • Eliane 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>The Appointments Committee is primarily composed of independent directors and there is no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</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 2017, the Appointments Committee met once, with an attendance rate of 100%.</p>
Principal missions	<ul style="list-style-type: none"> • Consideration and recommendations to the Board regarding procedures for the exercise 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 directors in the event of unforeseen vacancies
Principal activities in 2017	<ul style="list-style-type: none"> • Reviewing the succession plans of executive directors to ensure continuity of the senior management • Reviewing the conditions for the exercise of powers by senior management: uniqueness of the responsibilities of the Chairman and Chief Executive Officer • Discussing the composition of the Board: diversity, complementary profiles, skills, gender balance, plurality of offices, etc. • Presenting the candidacy of Mr. Alexandre Mérieux to the Board and proposal to submit his appointment to the vote of the Shareholders' Meeting of April 26, 2018 • Proposal to renew the term of office of 9 Directors: Laurent Burelle, Jean-Michel Szczerba, Paul Henry Lemarié, the company Burelle SA represented by Eliane Lemarié, Jean Burelle, Anne-Marie Couderc and Lucie Maurel Aubert, Jérôme Gallot and Prof. Dr Bernd Gottschalk. • Discussing the composition of Board Committees and recommendations • Reviewing the independence of each director with respect to the criteria listed in the AFEP-MEDEF Code • Review of the report of the Chairman of the Board of Directors on corporate governance and on internal control and risk management processes

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.com>.

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 en masse (article 13.2)	The term of office of ten of the fifteen members of the Board of directors expires in 2021, the term of office of one Board member expires in 2019 and that of four of them expires in 2020. The Company wished to prioritize a frequent appointment principle for directors by stipulating a statutory three-year terms of office.
Information on the ceiling applicable to variable compensation	The annual fixed salary of Messrs. Laurent Burelle and Paul Henry Lemarié correspond to a rate of 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940). Mr. Laurent Burelle and Mr. Paul Henry Lemarié received compensation of €88,824 in this respect in 2017. The variable compensation of Messrs. Laurent Burelle and Paul Henry Lemarié is based on the cash flow from operations of Burelle SA, Plastic Omnium's parent company. Since this base fluctuates according to the performance of Burelle SA, it is not possible to indicate a ceiling.
Sub-ceiling on the number of options or free share awards that may be allocated to the executive directors compared to the overall budget (article 24.3.3)	This limitation is irrelevant for Compagnie Plastic Omnium, as only Jean-Michel Szczerba may receive options or free share awards; Messrs. Laurent Burelle and Paul Henry Lemarié have waived theirs since 2016 and 2013, respectively.

2.1.2 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE DIRECTORS

2.1.2.1 Compensation of members of the Board of Directors

Each director receives attendance fees, the maximum amount whereof is voted by the Ordinary Shareholders' Meeting and the distribution whereof is decided by the Board of Directors.

2.1.2.1.1 Distribution rules for 2017

The amount of attendance fees distributed among the directors includes a major variable portion depending on their attendance at meetings, in accordance with the recommendations of the AFEP-MEDEF Code.

The Board considered the following distribution for 2017:

- Chairman: €3,200 per Board meeting;
- Directors: €1,600 per Board meeting;
- Committee Chairman: €2,400 per Committee meeting;
- Committee member: €1,600 per Committee meeting;
- balance allocated proportionately among all Board members in line with actual attendance at meetings.

2.1.2.1.2 Amounts paid for 2017

A total amount of €526,240, within the limits of the budget of €580,000 voted by the Shareholders' Meeting of April 27, 2017, was distributed to directors for 2017, for a total of four board meetings and six committee meetings.

In 2017, the attendance rate at the meetings was 90% for the Board of Directors, 100% for the Audit Committee, the Remunerations Committee and the Appointments Committee.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Amount of attendance fees allocated (in euros)

Directors	2017 fiscal year (4 meetings and 6 Committee meetings)	2016 fiscal year (5 meetings and 7 Committee meetings)
Mr. Laurent Burelle	43,520	38,585
Mr. Paul Henry Lemarié	37,120	32,985
Mr. Jean Burelle	37,120	32,985
Mr. Jean-Michel Szczerba	37,120	32,985
Mrs. Éliane Lemarié	38,720	34,285
Mr. Jérôme Gallot	43,520	38,185
Mr. Vincent Labruyère	32,640	36,885
Mr. Alain Mérieux	27,840	16,492
Prof. Dr. Bernd Gottschalk	20,160	35,585
Mrs. Félicie Burelle	18,560	–
Mrs. Anne-Marie Couderc	41,920	41,385
Mrs. Anne Asensio	44,320	28,938
Mrs. Amélie Oudéa-Castera	38,720	36,885
Mrs. Lucie Maurel Aubert	37,120	32,985
Mrs. Cécile Moutet	27,840	–
Total	526,240	439,165

2.1.2.1.3 Distribution rules for 2017

The Board will recommend to the Shareholders' Meeting of April 26, 2018 to increase the maximum budget for attendance fees from €580,000 to €640,000 as of January 1, 2018.

In its meeting dated February 14, 2018, the Board of Directors decided to set the attendance fees as follows:

- Chairman: €3,200 per Board meeting;
- Directors: €1,600 per Board meeting;
- Committee Chairman: €2,400 per Committee meeting;
- Committee Member: €1,600 per Committee meeting;
- the remaining amount available will be shared between the directors depending on their attendance at Board meetings.

2.1.2.2 Compensation paid to executive directors

2.1.2.2.1 Principles and rules approved by the Board of Directors to fix the compensation and all kinds of benefits granted to the executive directors

In accordance with the provisions of the AFEP-MEDEF Code, compensation paid to executive corporate officers is decided by the Board of Directors based on the proposal of the Compensation Committee.

The compensation policy is reviewed every year by the Compensation Committee. In its recommendations to the Board of Directors, it ensures that the compensation policy complies with the principles of comprehensiveness, balance, consistency and measurement and takes into account the practices of comparable international groups.

The compensation of executive directors is closely related to the performance of the Company to encourage attainment of the short-, medium-and long-term objectives. For this purpose, the Compensation Committee proposes demanding, complementary and stable performance criteria.

The Board of Directors differentiates the elements for determining the compensation of Mr. Laurent Burelle, Chairman and Chief Executive Officer, and Mr. Paul Henry Lemarié, Chief Operating Officer, members of the family group and majority shareholder, from that of Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer.

2.1.2.2.2 Components of the compensation of executive directors

Compensation of Mr. Laurent Burelle, Chairman and Chief Executive Officer

Fixed salary 2017

Mr. Laurent Burelle's fixed salary equals 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

Accordingly, Mr. Laurent Burelle received compensation from Burelle SA of €88,824 in 2017, up 1% compared to 2016.

Bonus in respect of 2017

Mr. Laurent Burelle's bonus is based on the funds from operations of Burelle SA, Plastic Omnium's parent company, after payment of interests and taxes, plus the share of funds from operations of joint-ventures, after payment of interests and taxes, and net of dividends paid by these companies.

Burelle SA pays gross compensation to executive directors for their services, which is then billed to Compagnie Plastic Omnium and its subsidiaries, calculated on the basis of the estimated time spent by each of them on business relating to the Plastic Omnium Group.

Based on Burelle SA's audited and certified operating cash flow of €732,000,000 for fiscal year 2017, the total amount of profit-sharing net of social security costs, distributable to the executive directors of Burelle SA, Mr. Laurent Burelle, Mr. Jean Burelle and Paul Henry Lemarié is €9,098,209. Mr. Laurent Burelle receives 52% of this total amount from Burelle SA, of which 76% is re-invoiced to Compagnie Plastic Omnium and its subsidiaries, i.e., €4,731,069. The payment of this amount from Burelle SA is subject to the vote of the Shareholders' Meeting.

Furthermore, Mr. Laurent Burelle no longer receives stock options since 2015. He does not have an employment contract or a non-competition clause.

Compensation of Mr. Jean-Michel Szczerba, Co-Chief Executive Officer, Chief Operating Officer

Fixed salary 2017

The annual fixed compensation of Mr. Jean-Michel Szczerba earned in 2017 increased by 3.64% compared with 2016

This compensation, decided by the Board of Directors upon the recommendation of the Compensation Committee, was based on a review of the position from a sample representative of listed industrial companies comparable to Plastic Omnium.

As a result, the fixed salary received by Mr. Jean-Michel Szczerba for 2017 amounted to €1,027,638.

Bonus 2017

On the recommendation of the Compensation Committee, the Board of Directors set the terms for determining Mr. Jean-Michel Szczerba's bonus for 2017. Mr. Jean-Michel Szczerba's bonus is expressed as a percentage of the fixed salary. This percentage is capped at 50% of the fixed salary.

This annual bonus is determined on the basis of performance assessment criteria based on both quantitative objectives and qualitative objectives.

This variable portion is paid to Mr. Jean-Michel Szczerba after the Compensation Committee and the Board of Directors confirm that the results have been achieved.

Mr. Jean-Michel Szczerba's bonus is made up of the following two components: a quantitative component (60%) and a qualitative component (40%).

The quantitative component is fixed, for 2017, based on the following criteria:

- amount of savings achieved from the former Faurecia plants acquired in Germany, in Spain, in Brazil and in Argentina (20%) ;
- recurring EBIT (GOM) vs budget (20%) ;
- debt vs budget (20%).

The qualitative component is based on the following criteria:

- successful integration of the Exterior Division of Faurecia (20%) ;
- assessment of his role as Co-Chief Executive Officer by the Chairman and Chief Executive Officer (20%).

Based on the recommendations of the Compensation Committee, the Board of Directors at its meeting held on February 14, 2018 reviewed the level achieved of the aforesaid criteria and decided to set the annual bonus in respect of 2017 at €525,000 for Mr. Jean-Michel Szczerba, i.e. 50% of the annual fixed salary amount.

Compensation of Mr. Paul Henry Lemarié, Chief Operating Officer

Fixed salary 2017

The annual fixed salary of Mr. Paul Henry Lemarié equals 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

Accordingly, Mr. Paul Henri Lemarié received compensation from Burelle SA of €88,824 in 2017, up 1% compared to 2016.

Bonus 2017

Mr. Paul Henry Lemarié's bonus is based on the operating cash flow of Burelle SA, parent company of Compagnie Plastic Omnium, 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 by these companies).

Burelle SA pays gross compensation to executive directors for their services, which is then billed to Compagnie Plastic Omnium and its subsidiaries, calculated on the basis of the estimated time spent by each of them on business relating to the Plastic Omnium Group.

Based on Burelle SA's audited and certified operating cash flow of €732,000,000 for fiscal year 2017, the total amount of profit-sharing net of social security costs, distributable to the executive directors of Burelle SA, Mr. Laurent Burelle, Mr. Jean Burelle and Paul Henry Lemarié is €9,098,209. Mr. Paul Henry Lemarié receives 24% from Burelle SA of this total amount, of which 50% is re-invoiced to Compagnie Plastic Omnium and its subsidiaries, i.e., €2,183,570. The payment of this amount is subject to the vote of the Shareholders' Meeting.

Furthermore, Mr. Paul Henry Lemarié no longer receives stock options since 2013. He does not have an employment contract or a non-competition clause.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

2.1.2.2.3 Pension plan, severance pay, supplementary social protection and non-competition clause

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to introduce a supplementary pension plan for executive corporate officers in particular. The plan guarantees them defined-benefit retirement compensation, 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 of the executive corporate officers	43 years	
Mr. Laurent Burelle	38 years	
Mr. Paul Henry Lemarié	32 years	
Mr. Jean-Michel Szczerba		
Reference compensation	Average of the average total annual compensation for the 5 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. In respect of 2017, Burelle SA paid no contribution into the supplemental pension plan. In respect of 2016, Burelle SA paid €581,685 for Mr. Laurent Burelle and €372,082 for Mr. Paul Henry Lemarié to a third party organization, in respect of top-up contributions to the supplemental pension plan.

In respect of 2017, Compagnie Plastic Omnium and its subsidiaries paid €878,387 to a third party organization in respect of top-up contributions to the supplemental pension plan of Mr. Jean-Michel Szczerba. In respect of 2016, the amount paid was €291,969. The other pension plans for executive directors are the same as those in place for the Group's managerial employees.

	Employment contract	Supplementary pension plans	Compensation or benefits due or likely to be due for loss or change of office	Compensation relating to the non-competition clause
Laurent Burelle <i>Chairman and CEO</i>	No	See above	No	No
Jean-Michel Szczerba <i>Co-Chief Executive Officer and Chief Operating Officer</i>	Suspended	See above	No	No
Paul Henry Lemarié <i>Chief Operating Officer</i>	No	See above	No	No

The employment contract of Mr. Jean-Michel Szczerba has been suspended since 2015. It does not include any specific compensation for non-competition or length-of-service.

It should be noted that there is no system of paying an arrival/departure bonus to executive directors in Plastic Omnium and that no compensation is due under the non-competition clauses.

Summary table of compensation of each executive director

The amount of the components of compensation paid or allocated by Burelle SA to Mr. Laurent Burelle, Chairman and CEO, and Mr. Paul Henry Lemarié, Chief Operating Officer, is rebilled to Compagnie Plastic Omnium and its affiliates. The amounts shown in the table below comprise the total amounts paid or allocated by Burelle SA.

In euros	2017		2016	
	Amounts due in respect of 2017 and subject to vote	Amounts paid in 2017	Amounts due in respect of 2016	Amounts paid in 2016
Mr. Laurent Burelle <i>Chairman and CEO</i>				
Fixed compensation	88,824	88,824	87,909	87,909
Annual bonus	4,731,069	4,506,476	4,523,438	4,431,061
Exceptional compensation	0	0	0	0
Directors' fees*	236,261	236,261	227,218	227,218
Benefits in kind (company car and driver) (book value)	7,079	7,079	7,079	7,079
Compensation relating to the non-competition clause	0	0	0	0
Total	5,063,233	4,838,640	4,845,644	4,753,267
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>				
Fixed compensation	88,824	88,824	87,909	87,909
Annual bonus	2,183,570	2,074,836	2,173,024	2,215,531
Exceptional compensation	0	0	0	0
Directors' fees*	98,861	98,861	90,618	90,618
Benefits in kind (company car and driver) (book value)	7,308	7,308	6,465	6,465
Compensation relating to the non-competition clause	0	0	0	0
Total	2,378,563	2,269,829	2,358,016	2,400,523

* The directors' fees include those paid by Compagnie Plastic Omnium subsidiaries.

In accordance with Article L. 225-37-3 of the *Code de commerce*, the compensation paid by Burelle SA to Mr. Laurent Burelle and Mr. Paul Henry Lemarié of Compagnie Plastic Omnium in 2017 and rebilled to Compagnie Plastic Omnium and its subsidiaries for management services is presented in the table below:

	Gross compensation paid by Burelle SA in 2017	Amount billed to the Plastic Omnium Group in 2017	Bonus subject to the vote of the Shareholders' Meeting
Mr. Laurent Burelle <i>Chairman and CEO</i>	4,626,041	3,492,428	4,731,069
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	2,194,401	1,081,830	2,183,570

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

The amount of the components of compensation paid or allocated by Compagnie Plastic Omnium and its subsidiaries to Mr. Jean-Michel Szczerba, co-Chief Executive Officer, Chief Operating Officer, is presented in the table below:

In euros	2017		2016	
	Amounts due in respect of 2017 and subject to vote	Amounts paid in 2017	Amounts due in respect of 2016	Amounts paid in 2016
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>				
Fixed compensation	1,027,638	1,027,638	991,471	991,471
Annual bonus	525,000	495,735	495,735	445,691
Exceptional compensation	100,000	100,000	200,000	200,000
Directors' fees*	114,120	114,120	109,985	109,985
Benefits in kind (company car and driver) (book value)	12,149	12,149	11,297	11,297
Compensation relating to the non-competition clause	0	0	0	0
Total	1,778,907	1,749,642	1,808,488	1,758,444

(1) The directors' fees include those paid by Compagnie Plastic Omnium subsidiaries

Summary table of the compensation and stock options awarded to each executive director

In euros	2017 Fiscal year	2016 fiscal year
Mr. Laurent Burelle <i>Chairman and CEO</i>		
Compensation due in respect of the year (see details in the table above)	5,063,233	4,845,644
Value of stock options awarded during the year	-	-
Value of performance shares awarded during the year	-	-
Valuation of other long-term compensation plans	-	-
Total	5,063,233	4,845,644
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>		
Compensation due in respect of the year (see details in the table above)	1,778,907	1,808,488
Value of stock options awarded during the year	175,600	-
Value of performance shares awarded during the year	-	-
Valuation of other long-term compensation plans	-	-
Total	1,954,507	1,808,488
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>		
Compensation due in respect of the year (see details in the table above)	2,378,563	2,358,016
Value of stock options awarded during the year	-	-
Value of performance shares awarded during the year	-	-
Valuation of other long-term compensation plans	-	-
Total	2,378,563	2,358,016

Stock options awarded during the year to each executive director

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
Mr. Laurent Burelle <i>Chairman and CEO</i>	0	0	0	N/A
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>	40,000	175,600	€32.84	From 03/11/2021 to 03/10/2024
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	0	0	0	N/A

Performance shares awarded during the year to each executive director by Compagnie Plastic Omnium and by any other Group company

Name and position of the executive director	Performance shares awarded	Plan date	Number of shares awarded	Recovery of the shares ⁽¹⁾	Vesting date	End of vesting period
Mr. Laurent Burelle <i>Chairman and CEO</i>	0	N/A	N/A	N/A	N/A	N/A
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>	0	N/A	N/A	N/A	N/A	N/A
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	0	N/A	N/A	N/A	N/A	N/A

(1) Using the method applied in the consolidated financial statements.

History of stock options awarded to each executive director that are still exercisable on December 31, 2017

Date of plans	Number of options awarded	Number of options not exercised	Date of 1 st possible exercise	Date of expiry	Subscription price
Mr. Laurent Burelle <i>Chairman and CEO</i>					
08/07/2013 Plan	180,000	180,000	08/07/2017	08/07/2020	€16.16
08/06/2015 Plan	150,000	150,000	08/07/2019	08/07/2022	€24.72
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>					
08/07/2013 Plan	120,000	120,000	08/07/2017	08/07/2020	€16.16
08/06/2015 Plan	150,000	150,000	08/07/2019	08/07/2022	€24.72
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>					
08/07/2013 Plan	60,000	60,000	08/07/2017	08/07/2020	€16.16

In accordance with the recommendations of the AFEP-MEDEF Code, the exercise of stock options granted in 2013, 2015 and 2017 is subject to two performance conditions related to the outperformance over the vesting period of the options in respect of:

- the share price relative to the SBF 120 index;
- the Company's operating margin compared with its main competitors.

The executive directors shall retain, in bearer form, until the end of their appointment, a number of shares corresponding to 10% of the balance of shares resulting from the exercise of the option. The "balance shares resulting from the exercise of option" refers

to the total number of shares resulting from the decreased exercise of stock options, which must be transferred in order to finance the exercise of options in question and, where applicable, the payment of any immediate or deferred tax, social contributions and charges relating to the exercise of these options as applicable on the date of exercise of the options. If the number of shares fixed as a result, which must be retained until the loss of office, is a fraction, it is rounded off to the nearest lower whole number.

The executive directors are committed not to resort to risk hedging transactions.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Table of stock options exercised by each executive director during the fiscal year

Date of plans	Stock options exercised	Exercise price
Mr. Laurent Burelle <i>Chairman and CEO</i> 08/07/2013	250,000	€16,16
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i> 08/07/2013	0	N/A
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i> 08/07/2013	60,000	€16,16

History of performance share allocations to each executive director

Not applicable, if no performance share has been awarded to executive director.

History of performance shares that vested during the year for each executive director

Not applicable, if no performance share has been awarded to executive director.

2.1.2.2.4 Components of compensation due or allocated to each executive director in respect of 2018, subject to the approval of shareholders

Upon the recommendation of the Compensation Committee and pursuant to article L. 225-37-2 of the *Code de commerce*, the Board of Directors decided at its meeting of February 14, 2018 on the compensation policy for each executive director. This policy is applicable from January 1, 2018 and is in keeping with the policy applied in 2017 as described § 2.1.2.2 above. It will be subject to the approval of the Ordinary Shareholders' Meeting to be held on April 26, 2018.

The policy is reviewed every year by the Compensation Committee. In its recommendations to the Board of Directors, the Compensation Committee ensures that the proposed compensation policy complies with the practices of comparable international groups.

Precise and demanding quantifiable and qualitative performance criteria are set for the bonus. The compensation of executive directors is made up of a fixed component and an annual bonus.

The fixed component is reviewed every year. It does not vary much unless the Board of Directors, upon the recommendation of the Compensation Committee, decides otherwise in the light of market conditions and the Group's development.

The objective of the bonus is to recognize the contribution of each executive director to the Group's development and the growth in its profits. It is based on precise criteria consistent with the annual assessment by the Compensation Committee of each executive director and with the Group's strategy.

The payment of the bonus and the exceptional compensation for 2018 will be subject to approval by the Ordinary Shareholders' Meeting to be held in 2019.

Executive directors will continue to enjoy the supplementary retirement plan as defined above.

Pursuant to these principles, a proposal will be made at the 2019 Annual Shareholders' Meeting to approve the components of compensation due or allocated in respect of 2018 to:

- Mr. Laurent Burelle, Chairman and Chief Executive Officer;
- Mr. Jean-Michel Szczerba, Co-Chief Executive Officer, Chief Operating Officer;
- Mr. Paul Henry Lemarié, Chief Operating Officer.

It should be noted that there is no system of paying an arrival/departure bonus to executive directors at Plastic Omnium.

Executive directors are entitled to a company car and Mr. Laurent Burelle, Chairman and CEO, is also entitled to the services of a driver.

2.1.2.3 Summary of transactions in 2017 by executive directors involving Plastic Omnium shares

Article 223-26 of the General Regulation of the French Financial Market Authority (Autorité des Marchés Financiers) and article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Description of the financial instrument	Transaction	Number of transactions	Amount total
Mr. Laurent Burelle <i>Chairman and CEO</i>	Equities	Acquisition	1	€2,908,800
People associated with Mr. Laurent Burelle, <i>Chairman and CEO</i>	Not applicable, since no one related to Laurent Burelle, as defined in article R. 621-43-1 of the French Monetary and Financial Code, carried out transactions on Plastic Omnium shares in fiscal year 2017			
Mr. Jean-Michel Szczerba <i>Chief Operating Officer</i>	N/A	N/A	0	N/A
People associated with Mr. Jean-Michel Szczerba, <i>Chief Operating Officer</i>	Not applicable, since no one related to Jean-Michel Szczerba, as defined in article R. 621-43-1 of the French Monetary and Financial Code, carried out transactions on Plastic Omnium shares in fiscal year 2017			
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	Equities	Disposal	1	€871,978
		Acquisition	2	€969,600
People associated with Mr. Paul Henry Lemarié, <i>Chief Operating Officer</i>	Not applicable, since no one related to Paul Henry Lemarié, as defined in article R. 621-43-1 of the French Monetary and Financial Code, carried out transactions on Plastic Omnium shares in fiscal year 2017			

2.1.2.4 Information on stock-options and awards of free shares

Stock option plans

Plastic Omnium stock option policy

For years Compagnie Plastic Omnium has put long-term incentive plans in place for the benefit of its employees and executive corporate Officers in an international context.

These plans have a dual purpose:

- to motivate key staff members and give them a stake in the Group's future results;
- to strengthen teamwork and a sense of belonging among managers and thus encourage them to make their careers at the Company.

At the recommendation of the Compensation Committee, Plastic Omnium's Board of Directors grants stock options to managers and executive corporate officers who the Company wishes to recognize for their performance and their important role in business development and the Group's current and future projects, wherever they may be based.

Stock options are granted after publication of the financial statements for the previous year, in accordance with the AFEF-MEDEF recommendation. In any case, stock options are granted on the basis of the performance of the individual in question at the time the plan is put in place.

Employees and corporate officers who receive stock options thus have a stake along with shareholders in the Group's strong and consistent growth.

307 employees are beneficiaries of at least one stock option plan (including 45,28% in international subsidiaries).

Stock option beneficiaries must comply with the regulations in force relating to inside information. They must familiarize themselves and abide by the stock exchange code of ethics accompanying the rules governing stock option plans.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Compagnie Plastic Omnium stock option plans

Current Compagnie Plastic Omnium stock option plans

As at December 31, 2017, Compagnie Plastic Omnium had several stock option plans; key information about these plans is given below:

Date authorized by Shareholders' Meeting	04/28/2009	04/28/2011
Date of Board meeting	03/16/2010	03/06/2012
Total number of recipients	124	208
Total number of shares offered for purchase	3,375,000	2,668,500
<i>Of which can be bought by executive directors:</i>		
• Laurent Burelle	450,000	360,000
• Jean-Michel Szczerba	270,000	240,000
• Paul Henry Lemarié	360,000	180,000
Start date for exercise of the options	04/01/2014	03/21/2016
Date of expiry	03/31/2017	03/20/2019
Purchase price (in euros)	2.84	7.37
Number of options exercised at 12/31/2017	1,511,000	1,764,488
Total number of stock options that have been cancelled or lapsed	1,864,000	330,000
Options outstanding at the year end	0	574,012
Date authorized by Shareholders' Meeting	04/25/2013	04/25/2013
Date of Board meeting	07/23/2013	07/21/2015
Total number of recipients	184	172
Total number of shares offered for purchase	1,272,000	1,253,000
<i>Of which can be subscribed for or bought by corporate officers:</i>		
• Laurent Burelle	180,000	150,000
• Jean-Michel Szczerba	120,000	150,000
• Paul Henry Lemarié	60,000	-
Start date for exercise of the options	08/07/2017	08/07/2019
Date of expiry	08/06/2020	08/06/2022
Purchase price (in euros)	16.17	24.72
Number of options exercised at 12/31/2017	473,840	-
Total number of stock options that have been cancelled or lapsed	111,000	84,000
Options outstanding at the year end	687,160	1,169,000
Date authorized by Shareholders' Meeting	4/28/2016	
Date of Board meeting	02/22/2017	
Total number of recipients	195	
Total number of shares offered for purchase	552,500	
<i>Of which can be subscribed for or bought by corporate officers:</i>		
• Laurent Burelle	0	
• Jean-Michel Szczerba	40,000	
• Paul Henry Lemarié	0	
Start date for exercise of the options	3/11/2021	
Date of expiry	3/11/2024	
Purchase price (in euros)	32.84	
Number of options exercised at 12/31/2017	0	
Total number of stock options that have been cancelled or lapsed	26,000	
Options outstanding at the year end	552,500	

At December 31, 2017, the number of options outstanding awarded by the Board of Directors under the authorizations voted by the Shareholders' Meetings and not yet exercised was equivalent to 2,982,672 stock options at an average purchase price of €20.91 per share (1,97% of the 150,976,720 shares making up the share capital at that date).

Stock options awarded to the ten non-executive director employees of the Group whose number of options is the highest within the scope of option awards, or stock options exercised during the 2017 financial year

Number of options awarded	Weighted average price (in euros)	Exercise date
165,000	32.84	03/10/2021
	Total number of shares purchased	Weighted average price (in euros)
Options to buy Compagnie Plastic Omnium shares exercised by the ten employees ⁽¹⁾ whose number of options is the highest		
• 03/16/2010 plan	88,500	2.84
• 03/06/2012 plan	207,000	7.38
• 08/07/2013 plan	14,000	16.16
• 02/22/2017 plan	non exercisable	32.84

(1) Plastic Omnium employees other than executive directors included in the scope of option awards.

2.1.3 EQUITY CAPITAL

Share capital

Shares in Compagnie Plastic Omnium are listed on Euronext Paris (compartment A). Plastic Omnium shares are included in the SBF 120 and CAC Mid 60 indices.

At December 31, 2017, Plastic Omnium's share capital amounted to €9,058,603.20 divided into 150,976,720 fully paid-up shares with a par value of €0.06 each.

Voting rights

Shareholders have the right to vote and speak at Shareholders' Meetings. Each shareholder has one vote per fully paid-up share he or she holds.

In accordance with article 16 of the bylaws, all fully paid-up shares held on a registered basis in the name of the same shareholder for at least two years are entitled to a double voting right with the shareholder having either bought or inherited the shares under intestacy rules or being a spouse or a relative entitled to inherit the shares who received them as an inter vivos gift.

If the equity capital is increased by incorporating reserves, profits or share premiums, the double voting right is also attached to the registered bonus shares linked to the shares with double voting rights already held by the shareholder.

A double voting right shall cease for any share, which has been the subject of a conversion to bearer form or a transfer.

It may also be canceled by decision of an Extraordinary Shareholders' Meeting.

At December 31, 2017, excluding treasury shares, the Company had 147,670,650 shares with the same number of voting rights, including 89,450,769 shares with double voting rights.

Potential equity capital and securities giving rights to equity capital

As at December 31, 2017, there were no securities or rights giving direct or indirect access to the share capital of Compagnie Plastic Omnium.

REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Current authorizations relating to capital and securities carrying rights to the allocation of debt securities – use of authorizations

The Company's shareholders have delegated the following powers and financial authorizations to the Board of Directors:

Authorizations and delegations given to the Board of Directors at the Combined Shareholders' Meeting on April 28, 2016

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
17	Authorization to grant stock options to corporate officers and/or employees of the Company and/or Group companies	38 months – until June 27, 2019	Maximum holding: 1% of the equity capital, to be deducted from the 1% in the 18 th resolution approved at the Shareholders' Meeting on April 28, 2016	None
18	Authorization for free allocation of Company's shares to corporate officers and/or employees of the Company and/or Group companies	38 months – until June 27, 2019	Maximum holding: 1% of the equity capital, to be deducted from the 1% in the 17 th resolution approved at the Shareholders' Meeting on April 28, 2016	None
19	Authorization to reduce the equity capital by canceling treasury shares	26 months – until June 27, 2018	10% of the share capital per 24-month period	None

Authorizations and delegations given to the Board of Directors at the Combined Shareholders' Meeting on April 27, 2017

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
6	Buyback by the Company of its own shares	18 months – until October 26, 2018	Maximum purchase price: €60 Maximum holding: 10% of share capital – Accumulated value of acquisitions: €914,860,320	At December 31, 2017, Compagnie Plastic Omnium held 2.19% of its equity capital
16	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with preferential subscription rights	26 months – until June 26, 2019	€1 million for shares and €750 million for debt securities.	None
17	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation	26 months – until June 26, 2019	€1 million for shares by way of an offer referred to in par. II of article L. 411-2 of the French Monetary and Financial Code – €750 million for debt securities	None
18	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights by way of an offer referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code	26 months – until June 26, 2019	€1 million for shares by way of an offer referred to in par. II of article L. 411-2 of the French Monetary and Financial Code – €750 million for debt securities	None
19	Delegation of authority to increase the number of shares or securities to be issued when a share issue with or without preferential subscription rights is made under the 16 th to 18 th resolutions up to a maximum of 15% of the initial issue	26 months – until June 26, 2019	15% of the initial issue, the maximum authorized amount of which are: €1 million for shares – €750 million for transferable securities representative of debt	None
20	Share capital increase reserved for Plastic Omnium employees savings plan (PEE)	26 months – until June 26, 2019	Maximum holding: 3% of the equity capital at the date of the Shareholders' Meeting (i.e. a maximum of 4,574,301 shares at December 31, 2016)	None

Authorizations relating to capital and securities carrying rights to the allocation of debt securities to be proposed to the Shareholders' Meeting on April 26, 2018

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power
5	Buyback by the Company of its own shares	18 months – until October 25, 2019	Maximum purchase price: €60 Maximum holding: 10% of share capital – Accumulated value of acquisitions: €9,056,860,320
21	Authorization to grant stock options to corporate Officers and/or employees of the company and/or Group companies	38 months until June 25, 2021	Maximum holding: 1% of the equity capital, to be deducted from the 1% in the 18 th resolution approved at the Shareholders' Meeting on April 26, 2016
22	To reduce the equity capital by canceling treasury shares	26 months – until June 26, 2020	10% of the share capital per 24-month period

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Changes in the Company's equity capital over the last five years

Year and type of corporate transaction	Amount of capital increase/reduction		Share capital (in euros)	Number of shares comprising the equity capital	Par value of share (in euros)
	Nominal	Premium			
September 2013 Capital increase resulting from the decision to round up the par value after the three-for-one share split reducing the par value from €0.17 to €0.06	516,590	–	9,298,621	154,977,021	0.06
October 2014 Reduction in equity capital by canceling 1,400,301 treasury shares	84,018	27,275,732	9,214,603	153,576,720	0.06
March 2016 Capital reduction by canceling 1,100,000 treasury shares	66,000	32,579,380	9,148,603	152,476,720	0.06
August 2017 Reduction in equity capital by cancelling 1,500,000 treasury shares	90,000	49,819,507	9,058,603	150,976,720	0.06

Buyback by the Company of its own shares

Percentage of equity capital held directly and indirectly by the Company as at December 31, 2017 including:	2.19%
• backing existing stock option plans	2.05%
• intended for cancellation	None
Number of shares canceled over the past 24 months	2,600,000
Number of securities in the portfolio on December 31, 2017	3,306,070
Carrying amount of portfolio on December 31, 2017	€61,764,318
Market value of portfolio on December 31, 2017	€125,300,053

Share buybacks during the 2017 fiscal year

	Aggregate gross movements		
	Purchases	Sales	Options exercised
Number of securities	2,330,665	766,197	984,865
Average transaction price	€33.81	€33.75	–
Average exercise price	–	–	€11.06
Totals	€78,796,350	€25,857,002	€10,892,899

Dealing fees of €102 thousand were incurred in buying back shares during the 2017 fiscal year.

The change in the number of outstanding shares between the opening date and the closing date of fiscal year 2017 is as follows:

	January 1, 2017	Movements for 2017 ⁽¹⁾	December 31, 2017
Number of shares comprising the share capital	152,476,720	–1,500,000	150,976,720
Number of treasury shares	4,226,467	–620,397	3,606,070
Number of outstanding shares	148,250,253	–879,603	147,370,650

(1) See purchase flows, sales flows and options exercised, indicated above.

The sixth resolution of the Combined Shareholders' Meeting on April 27, 2017 authorized the Company to buyback in its own shares, subject to the following conditions:

Maximum purchase price	€60 per share (excluding acquisition costs)
Maximum shares that may be held	10% of the share capital on the date of the Combined Shareholders' Meeting on April 27, 2017
Maximum investment in the buyback program	€914,860,320

A new liquidity agreement was made with Kepler Capital Markets SA on January 1, 2015. It has a term of one year, renewable automatically, in accordance with the Code of Ethics drawn up by AMAFI (Association française des marchés financiers – the representative body for professionals working in the securities industry and financial markets in France) had an initial value of €3 million. The primary purpose of the agreement is to reduce the volatility of the Compagnie Plastic Omnium share price, and thus the risk perceived by investors.

Information about share buybacks since April 28, 2017

Between April 28, 2017 and January 31, 2018, the Company bought back 914,156 of its own shares for a total amount of

€31,547,771 (€34,51 per share), including 514,156 shares under the liquidity agreement, and 400,000 shares outside this contract. Over the same period, the Company sold 1,112,541 shares under the liquidity contract for a total amount of €26,626,537 (€23,93 per share).

Between April 28, 2017 and January 31, 2018, the Company did not buyback any of its own shares to cover its commitments to those benefiting from options, free shares and company savings schemes.

At January 31, 2018, Compagnie Plastic Omnium held 3,283,420 treasury shares (2,17% of share capital), broken down as follows:

8,500 shares	Liquidity agreement AMAFI
0 share	Shares allocated to employees or corporate officers of the Company or of Group companies
0 share	Cancellation
3,074,920 shares	Hedging of securities carrying rights to the allocation of shares
200,000 shares	External growth

Description of the share buyback policy submitted for approval to the Combined Shareholders' Meeting on April 26, 2018

Under Articles 241-1 to 241-6 of the AMF General Regulations, this description defines the objectives of the Compagnie Plastic Omnium share buyback policy and how it will be implemented. The program will be submitted for approval to the Combined Shareholders' Meeting convened for April 26, 2018.

Objectives of the share buyback program

Compagnie Plastic Omnium intends to use the share buyback program to achieve the following objectives:

- to use an investment service provider to maintain the secondary market or the liquidity of Compagnie Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- to potentially cancel the shares purchased, subject to approval by the Shareholders' Meeting of the authorization submitted to its vote in its 22nd extraordinary resolution;
- to cover stock option plans and/or free share plans (or similar) for Group employees and/or corporate officers, as well as any allocations of shares for a company or group savings scheme (or similar), in respect of employee profit sharing and/or all other forms of allocation of shares to employees and/or corporate officers of Compagnie Plastic Omnium;

- to retain the shares acquired and use them later on for exchange or in payment for any external growth transactions, with the understanding that shares purchased for this purpose may not exceed 5% of the Company's capital;
- to implement all market practices currently accepted or accepted in the future by the market authorities.

Practical implementation – The maximum proportion of the equity capital that may be acquired and the maximum amount payable by Compagnie Plastic Omnium

Compagnie Plastic Omnium is authorized to acquire a maximum of up to 10% of its equity capital on December 31, 2017, 15,097,672 shares, each with a par value of €0.06.

Since the Company held 3,306,070 treasury shares as at December 31, 2017, the maximum number of its shares it could purchase under the share buyback program is 11,791,602. In the event that the treasury shares already held are canceled or used, the maximum that the Company can pay out to acquire the 11,791,602 shares is €707,496,120.

Thus, the total value of acquisitions (net of costs) may not exceed €707,496,120 based on the maximum purchase price of €60 provided in the fifth resolution to be proposed to the Combined Shareholders' Meeting on April 26, 2018.

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Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. These means include the use of any derivatives, traded on a regulated market or over the counter, and the setting up of option operations such as the purchase and sale of call and put options. Transactions may be made at any time.

Term of the buyback program

The buyback program may continue for a period of eighteen months from the approval of the fifth resolution to be voted by shareholders at the Combined Shareholders' Meeting on April 26, 2018, i.e. until October 25, 2019.

Bonds

Details of the bonds issued by the Company in circulation on December 31, 2017 are given below:

Issuer	Currency	Coupon	Initial issue date	Maturity date	Amount outstanding (in millions of euros)	Listing market
Compagnie Plastic Omnium	EUR	3.875%	10/04/2012	12/12/2018	250	Paris
Compagnie Plastic Omnium	EUR	2.875%	05/21/2013	05/29/2020	500	Paris
Compagnie Plastic Omnium	EUR	1.25%	06/26/2017	06/26/2024	500	Paris

2.1.4 INFORMATION ABOUT SHAREHOLDERS

Compagnie Plastic Omnium shareholder structure

Equity holdings in Compagnie Plastic Omnium as at December 31, 2017 comprising 150,976,720 shares

	December 31, 2017		December 31, 2016		December 31, 2015	
	% equity capital	% voting rights	% equity capital	% voting rights	% equity capital	% voting rights
Burelle SA	57.57	71.91	57.01	71.91	56.6	73.4
Employee shareholders	0.98	0.98	1	1	1.1	1.1
Held by Company	2.19	-	2.77	-	3.6	-
Public	39.26	27.11	39.22	27.09	38.7	25.5
	100	100	100	100	100	100

At December 31, 2017, Burelle SA held 57,57% of the equity capital of Compagnie Plastic Omnium. To the Company's knowledge, no other shareholder owns 5% or more of the share capital.

In France, at December 31, 2017, the 1,906 employee members of the Group stock ownership plan held 1,476,225 Compagnie Plastic Omnium shares purchased on the market, representing 0,98% of share capital.

Compagnie Plastic Omnium reviewed identifiable bearer securities at December 31, 2017 and concluded that 56,512,091 shares were held by individual investors.

The Company has not been informed of any shareholders' agreement.

Factors that could have an impact in the event of a public offer

None.

Agreements concluded by a significant manager or shareholder of Compagnie Plastic Omnium, with a subsidiary

Pursuant to article L. 225-37-4, 2° of the *Code de commerce*, it is stated that no new agreement was made during 2017, either directly or through an intermediary, between, on the one hand, the Chief Executive Officer, one of the Co-Chief Executive Officers, one of the directors, one of the shareholders holding greater than 10% share of the voting rights of the company and, on the other hand, one of the subsidiaries of Compagnie Plastic Omnium held directly or indirectly, for more than 50% of its capital.

Shareholders' Meeting (article 16 of the bylaws)

Notice of Meetings

The Shareholders' Meetings are convened, meet and deliberate under conditions set forth by law. The agenda of the Meetings is determined by the author of the notice; however, one or more shareholders may, under conditions set forth by law, require draft resolutions to be written into the agenda.

The Meeting takes place at the headquarters, or at any other place indicated in the notice.

The notice of meeting for the Shareholders' Meeting is published in the *Bulletin des Annonces Légales Obligatoires* (BALO) under conditions set forth by law and regulations.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director who is specially authorized for such purpose by the Board of Directors. Otherwise, the Meeting shall itself elect its Chairman.

The duties of the tellers shall be performed by the two members of the Meeting who are present and accept such duty, and who have the greatest number of votes. The officers of the Meeting shall appoint a Secretary, who may be chosen from outside of the shareholders.

There shall be an attendance list kept under conditions set forth by law. The minutes of the Shareholders' Meetings shall be drawn up, and copies thereof shall be delivered and certified under conditions set forth by law.

Participation in the Meetings

Every shareholder has the right to participate in the Meetings, provided that all payments due for such shares have been met.

The right to participate in the Meetings, or arrange to be represented, is subject to the accounting entry of the shares in the name of the shareholder by the second business day preceding the Meeting at 0:00 hours, Paris time, either in registered share accounts kept by the Company, or in bearer share accounts kept by an authorized intermediary.

The Board of Directors may, if it deems it useful, arrange for the delivery to the shareholders of admission cards with their names, and require the presentation of the same in order to access the Shareholders' Meeting.