Financial Report

2017-18

GROUPE BENETEAU

GROUPE BENETEAU

Annual Financial Report

2017 2018.

Combined General Meeting
February 8, 2019

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

GROUPE BENETEAU

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BENETEAU

Management and supervisory bodies

SUPERVISORY BOARD

CHAIRMAN
Yves Lyon-Caen

VICE-CHAIRMAN
Louis-Claude Roux

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

* Observer

MANAGEMENT BOARD

CHAIRMAN
Hervé Gastinel

Christophe Caudrelier
Carla Demaria

STATUTORY AUDITORS

COMPAGNIE RÉGIONALE DE POITIERS
Atlantique Révision Conseil

COMPAGNIE RÉGIONALE DE VERSAILLES
KPMG Audit
Département de KPMG S.A.

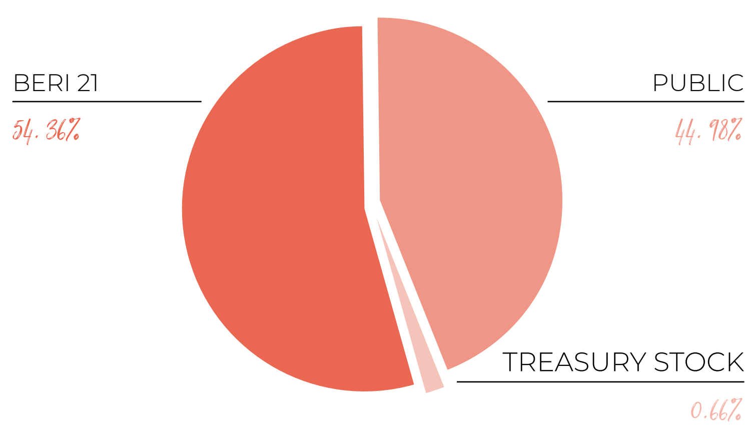
Beneteau and the stock market

SHARE CAPITAL

82,789,840 shares
with a par value of **€0.10**
Share capital: **€8,278,984**

At August 31, 2018, BERI 21, a limited company owned by the family group, held 54.36% of BENETEAU S.A.'s capital.

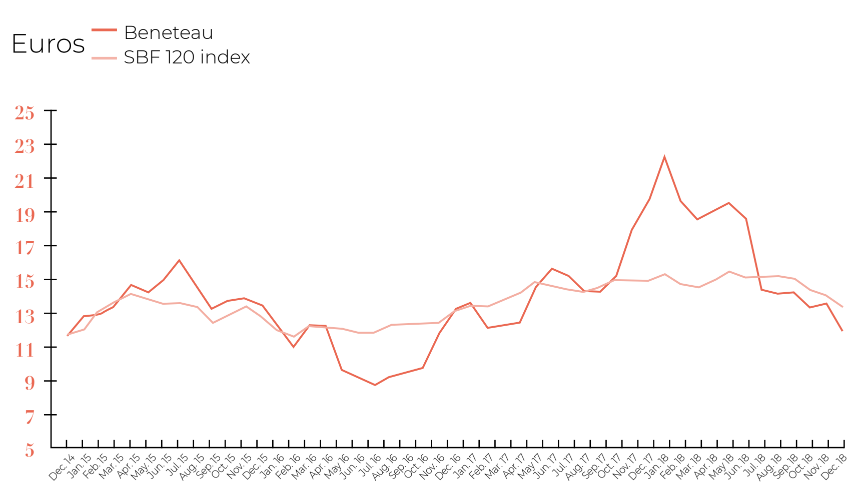
To the best of our knowledge, no other shareholder holds more than 5% of BENETEAU S.A.'s capital.



STOCK MARKET PROFILE

Company name: BENETEAU
Listed on: Euronext Paris
Compartment: Eurolist Compartment A
Date listed: March 1984
Stock name: BENETEAU
ISIN code: FR0000035164
Listed share par value: €0.10
Number of shares: 82,789,840
Voting rights: Yes
Entitlement to ordinary dividend: Yes

CHANGE IN BENETEAU'S SHARE PRICE



Management Board's management report

Groupe Beneteau closed out FY 2017-18 with performance levels that were higher than its latest forecasts. They are linked to the quality of operational execution achieved in the fourth quarter for the Boat and Leisure Homes Divisions, as well as the results of the Transform to Perform plan:

- Boats: business is up +9% at constant exchange rates, the fourth consecutive year of strong growth, supported by a stronger and diversified range, aligned with demand from dynamic segments;
- Housing: business is up +11% for Leisure Homes;

Reported net income came to €60.4 million.

The Group's consolidated net cash represents €161.9 million.

1. Division business and operating income

KEY INDICATORS FOR EACH BUSINESS

€m	2017-18	2016-17	Year-on-year change (reported data)	Year-on-year change (constant exchange rates)
Revenues	**1,287.2**	**1,208.3**	**+ 6.5%**	**+ 8.5%**
· Boats	1,093.7	1,025.5	+ 6.7%	+ 9.0%
· Housing	193.4	182.8	+ 5.8%	+ 5.8%
EBITDA*	**152.8**	**152.9**	**(0.0%)**	+ 7.5%
Income from ordinary operations	**87.6**	**85.6**	**+ 2.4%**	+ 15.3%
· Boats	73.1	78.9	(7.3%)	+ 6.9%
· Housing	14.5	6.7	+ 116.5%	+ 116.5%
Net income (Group share)	**61.3**	**59.7**	**+ 2.7%**	-

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

1. BOAT BUSINESS

The Boat Division is reporting good performances thanks to the dynamic level of sales for the multihull sailing and outboard / inboard motorboat segments, offsetting the contraction in sales for large motor yachts. The delays with deliveries in the third quarter were effectively caught up thanks to the excellent operational execution achieved in the fourth quarter.

€m	2017-18	2016-17	Year-on-year change (reported data)	Year-on-year change (constant exchange rates)
Revenues	1093.7	1025.5	+ 6.7%	+ 9.0%
Income from ordinary operations	**73.1**	**78.9**	(7.2%)	+ 6.9%
EBITDA *	**135.1**	**140.3**	(3.7%)	+ 4.5%

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

Full-year **revenues** for the Boat business are up +9.0% year-on-year at constant exchange rates (+6.7% reported data). The Group's performances in Europe are excellent (+12.7% at constant exchange rates), while they show contrasting trends for North America depending on the market segments (+4.4% at constant exchange rates), with very strong progress for small boats and a contraction for large motor yachts. Sales are robust in Asia-Pacific (+27.3% at constant exchange rates) and with charter fleets (+26.8%). The Rest of the World region (-38.7% at constant exchange rates) has been affected by the lower level of sales for large motor yachts.

Income from ordinary operations is up +6.9% at constant exchange rates (down -7.2% on a reported basis due to the currency effect and the return to profit-sharing in the Group's main subsidiary). In this way, income from ordinary operations represents €73.1 million.

SPBI : (Chantiers Beneteau Chantiers Jeanneau BJ Technologie)	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	772.5	679.2	630.5	576.2	507.1
Operating income (€m)	66.6	44.7	31.2	8.2	(4.6)
Net income (€m)	40.6	36	22.8	14.9	(8.1)
Average headcount	4,175	4,019	3,934	3,426	3,474

Beneteau Inc*	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (USD m)	338.4	324.6	300.3	295.6	192.8
Operating income (USD m)	8.1	3.5	(5.9)	(0.5)	11.1
Net income (USD m)	4.0	0.9	(4.9)	(1.2)	6.5
Average headcount	816	697	685	597	651

* Including Rec Boat Holdings LLC, acquired in June 2014 by Beneteau Inc. Exchange rate at August 31, 2018: €1 = USD 1.1651.
Average exchange rate over the year: €1 = USD 1.1927.

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

Ostroda Yachts	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (PLN m)	393.7	322.1	287.6	233.3	209.9
Operating income (PLN m)	34.9	25.3	23.9	7	4.5
Net income (PLN m)	31.1	23.1	16.8	10.1	7.2
Average headcount	857	742	677	617	575

Exchange rate at August 31, 2018: (euro)1 = PLN4.2913 - Average exchange rate over the year: (euro)1 = PLN4.2412

CNB	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	271.4	236.4	187.3	156.6	144.8
Operating income (€m)	28.1	30.8	21.5	14.3	9.9
Net income (€m)	16.6	17.4	12.2	8.5	5.7
Average headcount	1 039	854	745	457	436

Monte Carlo Yachts	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	47.4	69.1	70.6	58.1	48.9
Operating income (€m)	(7.9)	4.3	4.6	2.1	(0.7)
Net income (€m)	(8.1)	3.1	3.6	4.1	2.2
Average headcount	295	344	261	220	196

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

Seascape	2017-18
Revenues (€m)	0.4
Operating income (€m)	(0.1)
Net income (€m)	(0.1)
Average headcount	25

GBI Holding

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

Beneteau Brazil: Construçao de Embarcaçoes sa	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (BRL m)	2.5	16.4	9.8	13.9	12.2
Operating income (BRL m)	(3.1)	(5)	(5.6)	(3.5)	(5.1)
Net income (BRL m)	(18.6)	(8.3)	(2.1)	(15.5)	(5.6)
Average headcount	0	5	30	31	41

Exchange rate at August 31, 2018: €1 = BRL 4.8591. Average exchange rate over the year: €1 = BRL 4.0886.

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

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

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

Beneteau Italia srl	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	0.0	0.1	0.8	0.9	0.7
Net income (€m)	(0.0)	(0.1)	0	0.2	-
Average headcount	0	0	2	2	2

Jeanneau Italia srl	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	0.7	0.7	0.6	0.6	0.4
Net income (€m)	0.1	0.1	0.0	0	-
Average headcount	1	0	1	1	2

Beneteau Group Asia (ex Jeanneau Asia Pacific)	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	-	-	-	-	0
Net income (€m)	0.1	0.1	0.1	-	(0.1)
Average headcount	9	11	4	3	2

Exchange rate at August 31, 2018: €1 = HKD 9.1453. Average exchange rate over the year: €1 = HKD 9.3392.

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

Band of Boats	2017-18
Revenues (€m)	0
Operating income (€m)	(0.9)
Net income (€m)	(0.9)
Average headcount	0

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

As this business was launched primarily from July 2018, the financials for FY 2017-18 are not significant.

2. HOUSING BUSINESS

En M€	2017-18	2016-17	Year-on-year change
Revenues	**193.4**	**182.8**	**+5.8%**
- Leisure homes	192.8	173.8	+11.0%
- Residential housing	0.6	9.1	(93.7%)
EBITDA*	**17.7**	**12.6**	**+40.4%**
- Leisure homes	19.2	16.5	+16.6%
- Residential housing	(1.5)	(3.9)	(61.4%)
Income from ordinary operations	**14.5**	**6.7**	**+116.5%**
- Leisure homes	14.5	9.2	+57.5%
- Residential housing	0.0	(2.5)	(98.8%)

* EBITDA = operating income restated for allocation / reversal of provisions for liabilities and charges and depreciation charges - See details in point 3 – Financial structure

The Housing Division is benefiting from growth in the Leisure Homes business, buoyed by solid markets. It has delivered good performance levels on the French and Italian markets and is continuing to grow in Germany and the Benelux. The delivery delays seen in the third quarter were effectively caught up thanks to the fourth quarter's good performance.

Leisure homes

Income from ordinary operations shows strong growth (+57.5% to €14.5 million), thanks to the volume effect, product mix and operational improvements.

Residential housing

In line with the decision announced in October 2016, the Residential Housing business line was fully shut down during the year, without any arrears.

BIO Habitat*	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	193.9	175.9	165.5	137.7	15.4
Operating income (€m)	18.2	13.1	2.2	4.1	0.2
Net income (€m)	10.2	7.0	1.4	3.8	0.1
Average headcount	1,048	938	979	745	93

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

O'Hara	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	-	-	-	-	63.8
Operating income (€m)	-	-	-	-	1.2
Net income (€m)	-	-	-	-	0.6
Average headcount	-	-	-	-	277

IRM	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	-	-	-	-	86.6
Operating income (€m)	-	-	-	-	2.9
Net income (€m)	-	-	-	-	2.5
Average headcount	-	-	-	-	449

BIO Habitat Italia	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	13.5	11.2	11.5	11.3	7.5
Operating income (€m)	0.5	(0.2)	(0.9)	(0.6)	(0.5)
Net income (€m)	0.2	(0.5)	(1.0)	(0.7)	(0.5)
Average headcount	61	65	44	36	36

The company **BH** was merged and absorbed into BIO Habitat SAS at December 31, 2017.

BH	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	-	10.2	13.4	16.7	17.3
Operating income (€m)	-	(2.8)	(3.2)	(3.5)	(3.9)
Net income (€m)	-	0	(2.5)	0.1	0.1
Average headcount	-	72	104	100	95
Of which, debt write-off granted by BENETEAU S.A.	-	0	(7.2)	(3.9)	(4.0)

BH Services	2017-18	2016-17	2015-16	2014-15	2013-14
Revenues (€m)	0.3	1.3	1.9	2.0	2.1
Operating income (€m)	0.0	0	0.0	(0.0)	-
Net income (€m)	0.1	1.8	(1.9)	-	-
Average headcount	5	26	24	27	27
Of which. debt write-off granted by BENETEAU S.A.	-	(1.5)	-	-	-

SGB Finance

SGB Finance, a financing company, is consolidated on an equity basis, with €4,180,000 in net income (Group share), versus €4,670,000 the previous year.

2. Transition from income from ordinary operations to net income

1. RECONCILIATION OF INCOME FROM ORDINARY OPERATIONS AND OPERATING INCOME

Operating income came to €87.6 million. It does not include any non-current items.

2. FINANCIAL INCOME / EXPENSE

€m	2017-18	2016-17
Financial income (expense)	1.0	(4.4)
Of which		
· Exchange rate gains (losses)	3.1	(2.5)
· Interest expense net of investment income	(2.1)	(1.9)

The €1.0 million foreign exchange gain primarily reflects the difference between our forward purchase and sales positions and the accounting exchange rate for recording transactions in dollars.

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

At August 31, 2018, the foreign exchange hedging positions were as follows:

- USD 96,000,000 of forward sales at the following average rate: €1 for USD 1.16834
- PLN 321,847,000 of forward sales at the following average rate: €1 for PLN 4.3536

3. NET INCOME

Net income (Group share) has been significantly affected by the increase in tax, with a €32.4 million expense for 2017-18, versus €19.9 million in 2016-17, giving an effective rate of 36.6%. This is linked primarily to the 15% non-recurring contribution to corporate income tax in France, reducing net income by €3.8 million.

Pre-tax income is up +17.7% to €88.6 million.

Net income (Group share) represents €61.3 million, up +2.7%.

3. Financial structure

€m	2017-18	2016-17	Year-on-year change
Income from ordinary operations	**87.6**	**85.6**	**+ 2.4%**
Non-current operating income	0.0	(5.9)	(100.0%)
Depreciation	65.7	71.4	(7.9%)
Provisions	(0.3)	2.1	(113.0%)
Other	(0.2)	(0.3)	(25.7%)
EBITDA	**152.8**	**152.9**	(0.0%)

€m	2017-18	2016-17	Year-on-year change
Income from ordinary operations	87.6	85.6	+ 2.4%
Non-current operating income	0.0	(5.9)	(100.0%)
Depreciation	65.7	71.4	(7.9%)
Provisions	(0.3)	2.1	(113.0%)
Financial income (expense)	1.0	(4.4)	(123.4%)
Tax	(35.8)	(18.7)	+ 90.9%
Dividends from associates	1.5	0.5	+ 200.2%
Net value of assets sold	1.4	0.8	+ 80.0%
Operating cash flow	**121.2**	**131.4**	**(7.7%)**
Net cash flow from investments	(81.3)	(78.7)	+ 3.2%
Change in working capital	33.6	49.9	(32.7%)
Other	0.0	(2.4)	(100.0%)
Exchange gains or losses	(0.9)	4.1	(122.3%)
Free cash flow	**72.6**	**104.2**	**(30.4%)**
Dividends / treasury stock	(18.4)	(8.2)	+ 124.5%
Treasury stock	2.1	0.1	+ 2094.8%
Change in scope	(1.9)	0.0	+ 0.0%
CHANGE IN NET CASH	**52.2**	**96.0**	**(45.6%)**
Opening net cash position[1]	109.7	13.6	+ 705.4%
Closing net cash position[1]	161.9	109.6	+ 47.7%

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

The Group generated €121.2 million of **operating cash flow**. Following a €33.6 million reduction in working capital and €81.3 million of current investments, the Group's net cash position is positive, up +47.7% from the end of FY 2016-17 to €161.9 million. The Group's positive cash position is enabling it to continue investing in product development and industrial facilities and capitalize on opportunities for growth.

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

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

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

€m	2017-18	2016-17
Capital expenditure	82.7	75.9
Income from disposal of fixed assets	0.7	0.8
Change in fixed asset-related liabilities	(2.1)	2.0
Net investments	**81.3**	**78.7**

4. Post-balance sheet events

Delphia Yachts' acquisition is expected to be completed before the end of 2018 and will be effective in FY 2018-19. It will further strengthen production and development capacity for sailing / motorboats in Poland, and bring on board complementary motorboat lines (lake and river boats).

5. Outlook

In FY 2018-19, the Transform to Perform plan will continue moving forward

The Group is continuing to roll out its investment policy to offer a stronger and innovative product range, aligned with buoyant market segments. Illustrating this, 44% of the product range has been renewed over three years (88 models out of 200).

Alongside this, the range of services is being further strengthened to respond to changing consumption trends, while continuing to develop the various initiatives launched in 2017-18: Beneteau and Jeanneau boat clubs, shared ownership with Sailtime and the Leasyboat all-inclusive financing offer. The Band of Boats platform is ramping up its development through exclusive negotiations with a boating startup.

To continue strengthening its leading positions on the market's most dynamic segments, the Group is embarking on the latest phase of its industrial transformation plan in France, the US and Poland. It is on track to achieve its target to double multihull production capacity, with 50% already completed at the halfway point (2016-2020). Lastly, the Group is continuing to organize production transfers between euro and dollar regions in order to limit currency effects.

Initial market trends for the autumn shows

BOAT BUSINESS

The atmosphere has been positive at the season's first shows in Europe and this trend is expected to be confirmed in the US with the upcoming shows. The four models introduced with the acquisition of Seascape have been integrated into Beneteau's First range. The new catamaran brand Excess was unveiled at the Cannes Yachting Festival. The new production capacity and quicker production speeds are making it possible to respond to market demand, with 32 new models launched during the 2018-19 season.

HOUSING BUSINESS

The new models presented at the autumn shows have received a positive response from camping industry clients, in a buoyant market environment.

6. Internal control procedures

6.1 INTERNAL CONTROL OBJECTIVES

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

Implemented by the Supervisory Board, the Management Board and Group staff, internal control aims to obtain reasonable assurance and not an absolute guarantee concerning:

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

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

6.2 GENERAL ORGANIZATION FOR INTERNAL CONTROL PROCEDURES

6.2.1 Key internal control participants

Supervisory Board

In connection with the permanent control of the company's management and the remits granted to it under the bylaws, the Supervisory Board regularly reviews the company's strategies, evaluates the suitability of its investment policy, and assesses its projects to develop new products. Its work is prepared based on ad hoc meetings of the Strategic Committee.

It is regularly provided with reports on the company's accounting and financial information. In its analysis, the Supervisory Board is supported by the Audit Committee, which meets several times during the year, as necessary, with the statutory auditors, and more frequently with the Chief Executive Officer. It also refers to work conducted by the Appointments and Compensation Committee for decisions relating to Management Board member compensation packages and awards of bonus shares or stock options.

Management Board

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

Audit Committee

The Audit Committee's role is to:

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

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

Operational committees

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

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

Subsidiary steering committees

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

Functional and operational managers

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

Financial management

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

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

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

Statutory auditors

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

6.2.2 Main management decisions

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

6.2.3 Risk management

FINANCE

Cash management

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

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

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

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

Foreign exchange and interest rates

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

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

Credit management

· Recreational boats

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

A risk committee meets each month. The credit manager presents all the reports and an update on the current situation. The most important decisions are validated by the risk committee.

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

Weekly monitoring of late payments and outstanding trade receivables makes it possible to effectively monitor financial risks.

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

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

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

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

The risk of non-payment on preowned boats is covered by SGB. Wells Fargo and LH Finance do not handle any financing for preowned boats.

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

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

· Housing

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

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

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

IT

IT security

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

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

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

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

Vulnerability audits are regularly carried out by a specialized external company

Business recovery management

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

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

PROCUREMENT AND LOGISTICS

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

This involves setting up means of control on several levels:

Checking the long-term viability of suppliers

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

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

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

Effectively managing quality risks

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

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

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

Effectively managing dependence on suppliers

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

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

Checking the continuity of supplies

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

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

Checking our suppliers' regulatory compliance

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

INDUSTRY

ISO 9001 certification

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

The certification process targets continuous improvements.

Authorized economic operator (AEO) status

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

Quality management committee

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

LEGAL

Monitoring of cases

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

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

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

Insurance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Sustainability performance report

Deployed in 2017, the Transform to Perform plan sets Groupe Beneteau's strategic heading as it looks ahead to 2020. In a changing and demanding economic and societal environment, the aim is to engage all the Group's employees, suppliers, dealers and partners in our drive for sustainable and profitable growth.

To succeed with this ambitious transformation plan, Groupe Beneteau is capitalizing on its core values of passion, transmission, conquest and audacity, as well as its company culture that promotes respect, mutual help and integrity with its employees and partners.

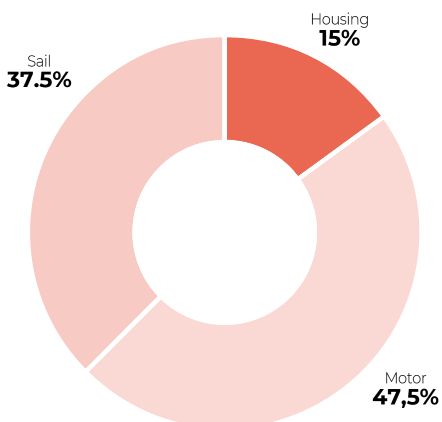
For over 130 years, across the generations, the Group's men and women have cultivated their passion for our products, their sense of innovation and their constant commitment to our customers and the environment. From amateurs to professionals and novices to regatta racers or experienced skippers, the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

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

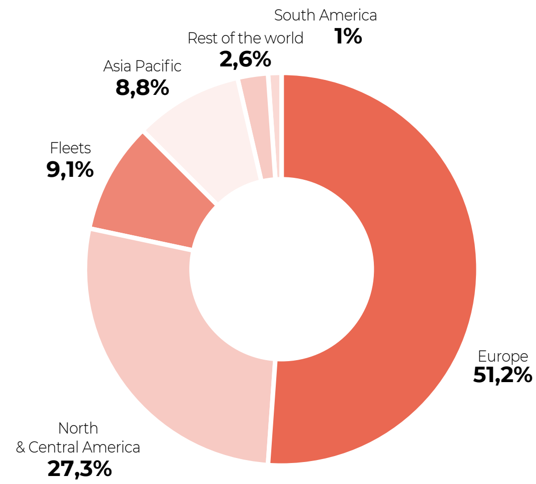
1. OUR CSR POLICY

1.1 Business model

2017-18 Group revenues: €1,287.2M

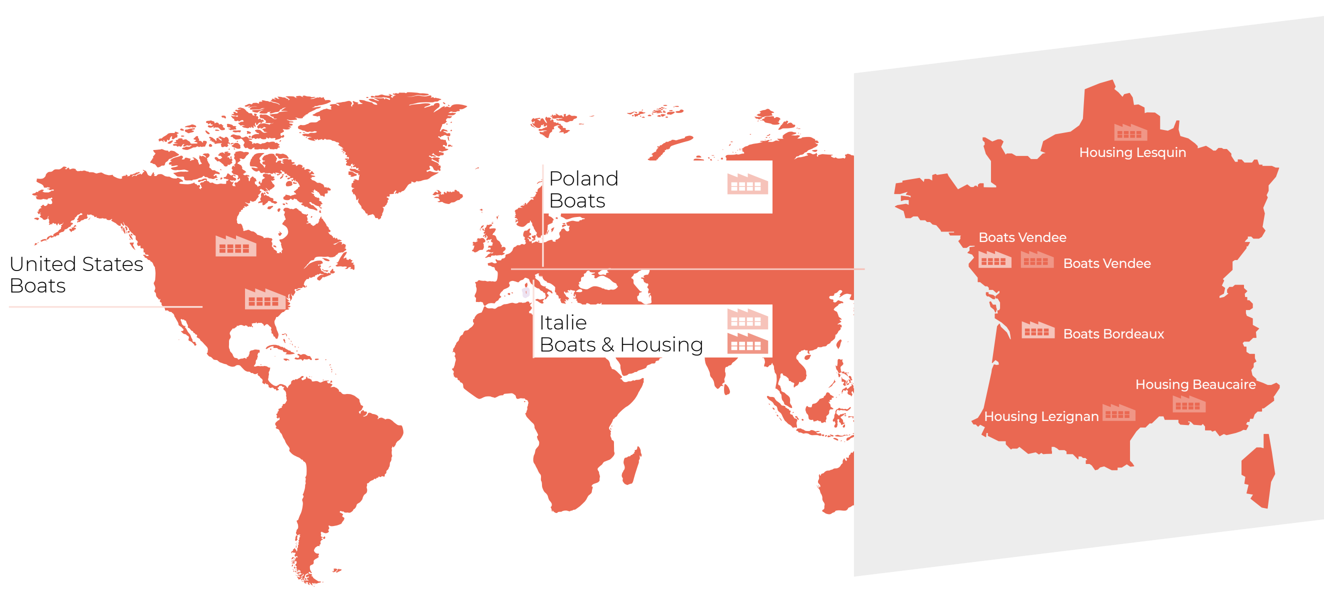


2017-18 Boat Division revenues: €1,093.7M



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

Europe represents more than half of the Boat Division's revenues (15% for France), while North and Central America generate nearly one third of revenues.



27 production sites
in France and in the world

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

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

Groupe Beneteau is present in two sectors through its Boat Division and Housing Division.

The Boat Division represents 85% of the Group's workforce and revenues. Its business is linked exclusively to recreational boats. It includes designing the interior and exterior of sailing yachts and motor boats, from 4.5m to nearly 30m long, as well as their production and marketing. The Boat Division also produces, on demand, the spare parts required to maintain and repair the boats sold. The resources required are primarily reinforcing materials (fiberglass), polyester resins and timber (FSC sustainable certification). The hulls, decks and other parts, such as tanks, are built with composite materials (primarily fiberglass and polyester resins). The interior features in timber (plywood and solid wood) are designed and produced by the two woodwork units in Vendée. For peak activity levels, the production sites may use subcontracting to produce timber and composite parts. The engines, electronic equipment and systems are purchased and installed at the Group's production sites. In 2017-18, the Boat Division had 14 production sites in France, two sites in the US, one site in Poland (second site currently being acquired) and one site in Italy. It is present in the Asia-Pacific region through its commercial representative office in Hong Kong (China). In 2018, the Group created a new service activity through its subsidiary Band of Boats, an online boat services platform, with operations in Europe. All the boats built are sold by networks of independent dealers, with the exception of the fleets of charter boats, which are sold directly to charter firms.

The Housing Division represents 15% of the Group's workforce and revenues. Following the decision in October 2016 to shut down the Residential Housing business, it is now made up exclusively of the Leisure Homes business, which involves designing, producing and marketing leisure homes for the campsite sector. The Residential Housing activity's industrial facilities have been successfully converted to produce leisure homes. All the leisure home components (chassis, interior fittings, roofing and external cladding) are built in our plants. For peak activity levels, the production sites may use subcontracting to produce chassis and furniture elements and install the electrics. The production process integrates the systems and appliances purchased from suppliers. All the leisure homes are sold directly to campsite managers and operators.

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

Transform to Perform 2017-2020

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

Sustainable growth is ensured through four key areas for action:

- Moving forward with our international development in Europe, North America and emerging markets;
- Ramping up the development of the products and services offered, thanks to effective management of the brand portfolio (10 Boat brands and three Housing brands), a stronger focus on innovation and the deployment of the digital strategy;
- Further strengthening the organization, from its managerial culture to more transversality and collaborative work, and developing training programs for all employees (temporary staff and employees) thanks to the training centers set up in France, Poland and the US;
- The Group's environmental policy, based on ISO 14001 and 50001 certification, includes five key areas (eco-design, production, procurement, use and maintenance, end of product lives).

Profitable growth is a financial goal that reflects the Group's good management and particularly the effective implementation of the following two drivers for action:

- Reducing development costs thanks to the reorganization of product development in the Boat division, a better sharing of resources between brands and a stronger capacity for innovation;
- Improving industrial performance through safety, quality, efficiency, supply chain and procurement, flexibility and multi-capability indicators for the production sites to effectively meet our customers' needs and respond to market opportunities.

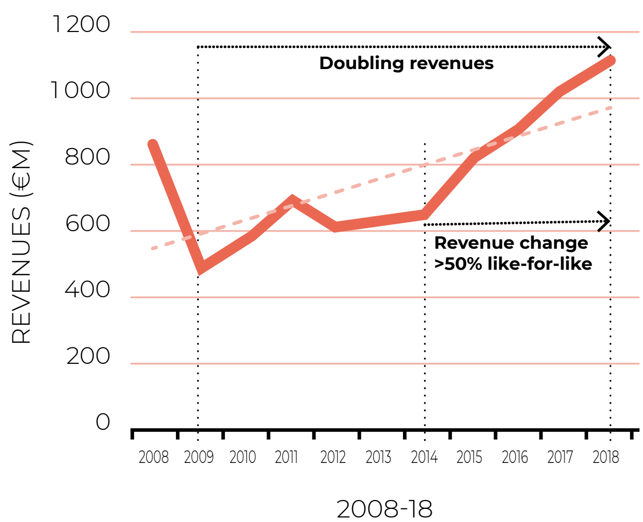
The Transform to Perform objectives looking ahead to 2020 are as follows:

- Revenues of around €1.5 billion (€1,287.2 million recorded in FY 2017-18)
- Income from ordinary operations of between 8.5% and 9% at constant exchange rates, with around €130 million (6.8% and €87.6 million for 2017-18)
- Aggregate cash generation of €200 to 250 million (€161.9 million of net cash at year-end 2017-18)

Demanding recovery context

While the 2008 crisis reduced the Group's revenues by 40% and required a reduction in both activity and staffing levels, for the past four years Groupe Beneteau has had to respond to the challenge of growth.

Boat Division revenues



The Transform to Perform plan is enabling the Group to:

- Respond to the strong market upturn following a significant crisis
- Grow more quickly than the market
- Achieve operational performance gains despite the product plan's growing complexity.

In 2017-18, it therefore launched the 500 Permanent Contracts Plan in France and also recruited staff for its international sites (particularly in the US and Poland). Groupe Beneteau has a longstanding commitment to creating and safeguarding industrial jobs in the regions where its production sites are located, in France, the US, Poland and Italy. In addition to the major recruitment drive for permanent positions, carried out in partnership with temporary employment agencies in France, the Group has further strengthened its partnerships with training centers in France and internationally. Alongside its recruitment and training partners, it took part in a number of boating industry and professional events to promote the career opportunities available with boatbuilding and generate public interest in these often relatively unknown careers. A large number of the new recruits from the 500 Permanent Contracts Plan, which was completed in May 2018, benefited from professional redeployments thanks in particular to the possibilities offered by the POEC operational preparation for collective employment initiative.

1.2 ESG risks and challenges

Materiality approach

To identify Groupe Beneteau's ESG risks, the internal control department has capitalized on work carried out for the implementation of the French Sapin II and Potier Laws. Groupe Beneteau has carried out a specific analysis of risks relating to corruption, fraud (including tax fraud), personal safety and security, fundamental freedoms and the environment. The dedicated risk map will be validated by the Group Management Committee and the Audit Committee. This approach has taken into account the Group's organization and how the CSR policy links in with the Group's other policies and projects. The analysis has been based more specifically on the environmental management program mapped out for ISO 14001 and 50001 certification.

The risk mapping methodology used is based on several series of interviews carried out with the management teams and employees with social, societal or environmental responsibilities. In this way, around 20 staff have been interviewed with a view to identifying the priority challenges and defining action plans to manage financial and ESG risks more effectively. A risk rating scale has been drawn up, factoring in the potential reputation, commercial, legal and financial risks. Each risk identified was prioritized during a workshop that brought together key people from the Group's organization. A global map of the specific risks for its activities, incorporating social, environmental and societal challenges, will be prepared through a wider consultation process with around 100 managers. The risk map and priority action plan proposals will be presented to the Group Management Committee and the Audit Committee.

The Sapin II and Potier measures are currently being defined and deployed within the Group. Full details of the policies and the results achieved will be presented in 2018-19.

The following policies and actions have been rolled out or are planned to build Groupe Beneteau's vigilance plan:

- Setting up a health and safety policy in France since 2015. This policy has led to the implementation of the B SAFE plan, presented in further detail in section 2.2. This policy covers both employees and the suppliers and subcontractors working at our sites;
- Achieving ISO 14001 and ISO 50001 certification for environmental risks.
- Drawing up a Group Code of Ethics and Group Code of Conduct setting out our commitments, particularly in terms of respect for human rights, respect for the environment, health and safety;
- Improving our processes to assess and audit our third parties, especially those located in risky countries or with activities that are considered to be risky in terms of health, safety, the environment and human rights;
- Putting arrangements in place for whistleblowing and collecting reports.

In 2018-19, the Group will further strengthen the arrangements that are already operational to develop the vigilance plan, with a focus on continuous improvement, both in France and in our business units around the world.

In addition, the Group Management Committee has set out plans to start drawing up a materiality matrix with a view to strengthening its analysis and its effective management of the social, environmental and societal impacts of its activities, while enabling it to define the most relevant action plans.

Major risks and challenges

The materiality matrix will be drawn up over the coming year. Only the ESG risks and challenges are presented here. The presentation of the financial risks can be found in the management report (see Point 6. Internal control procedures).

To date, the work carried out on mapping the Group's risks has made it possible to identify seven major challenges and the corresponding risks. The policy put in place and the actions taken are detailed in the following three commitments.

Commitment to employees	1. Management of human resources with respect for equal opportunities and human rights 2. Workplace health and safety
Environmental commitment	3. Compliance with environmental regulations 4. Environmental footprint of products
Societal commitment	5. Business ethics 6. Relations with the distribution networks and end customers 7. Procurement policy

2. COMMITMENT TO EMPLOYEES

"At the heart of our Transform to Perform strategic plan, talents represent one of the pillars making it possible to ensure our Group's sustainable growth. Our employees' team spirit, engagement and commitment to being part of the Group's development and transformation are essential because they contribute to our success. Today, we are proud to stand out in the boating industry through the quality of the resources we allocate for training all our staff, whether they are on permanent or temporary contracts. Capitalizing on our very positive experience with our in-house training center in Vendée, Groupe Beneteau has decided to set up other centers in Bordeaux, as well as in the US and Poland", confirms Hervé Gastinel, Groupe Beneteau Chief Executive Officer.

Faced with the strong upturn in the Boat and Housing activities in the past few years, and a generational transition phenomenon marked by the retirement of employees who have contributed to the company's success over several decades, the Transform to Perform plan includes a key section focused on employees and the organization. Seven challenges have been covered by specific actions: supporting health and safety, recruiting and integrating staff, organizing and developing skills, developing the managerial culture, ensuring workplace wellness and motivating employees, promoting collaborative work, uniting employees and promoting equal treatment.

In addition, Groupe Beneteau complies with the French law combating tax fraud and serious economic and financial crime by ensuring that it does not have any legal entities in tax havens and by having up-to-date transfer pricing documentation. This documentation, prepared within the Group, defines the framework for all international transactions within the Group and is revised each year. Groupe Beneteau declares and pays taxes in the countries where it is present, i.e. France, the US, Hong Kong, Italy, Poland and Slovenia.

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

2.1 Groupe Beneteau's men and women

Group workforce – CSR scope

Headcount at Aug 31 (permanent and fixed-term contracts)	2017-18	2016-17	2015-16
France	5,338	4,979	4,783
Poland	893	746	691
United States	795	702	662
Italy [1]	314	329	
Headcount - CSR scope	**7,340**	**6,756**	**6,136**
Headcount - Group	**7,379**	**6,778**	**6,479**

[1] The scope was extended to include Italy in 2016-17

The Group's workforce is continuing to grow, up 9% between August 31, 2017 and August 31, 2018. With its international focus, Groupe Beneteau has employees from more than 42 different nationalities in its European subsidiaries.

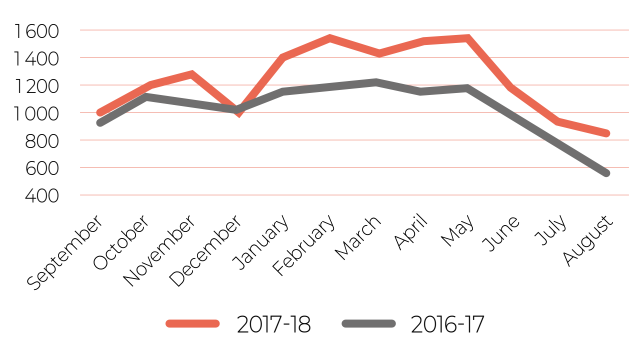
Breakdown of the workforce by status	2017-18	2016-17	2015-16
Permanent contracts	92.9%	93.7%	95.1%
Fixed-term contracts	7.1%	6.3%	4.9%

In France, the Group uses fixed-term contracts very rarely, primarily in the production teams, and the majority of these positions are part of work-based training programs.

Temporary staff – French scope

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

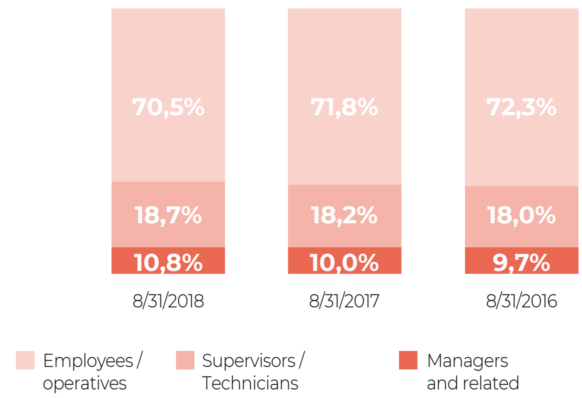
Number of temporary staff at the end of each month



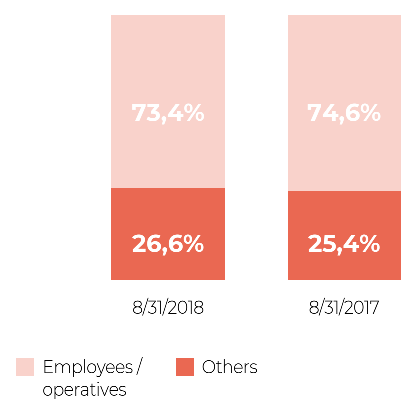
Temporary staff are primarily recruited in the Group's plants to cover production needs.

Breakdown of the workforce by status and age range

Breakdown of the workforce by status - French scope



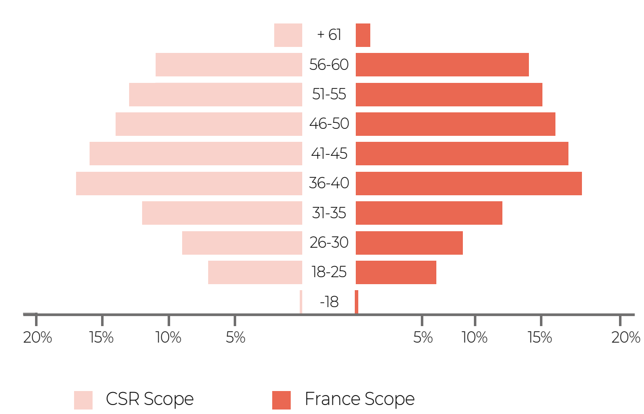
Breakdown of the workforce by status - CSR scope



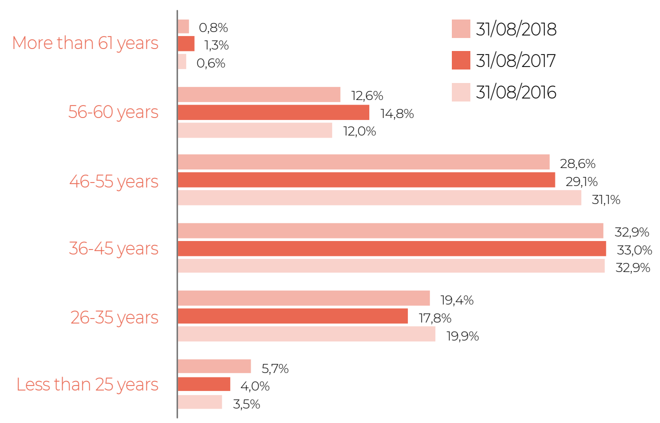
The "other" category includes technicians, supervisors and managers.

Considering the industrial nature of the Group's activities, employees and operatives account for a majority of the total workforce. However, the number of technicians, supervisors and managers has increased over the past few years linked into the structuring of operations.

Age structure as of 31st August 2018



Breakdown of the workforce by age - France scope



With more than 40% of employees aged over 46, the Group is able to count on experienced staff with strong levels of technical value-added, while ensuring that their know-how can be passed on. The Permanent Contract Plan carried out in 2017-18 has notably made it possible to respond to the challenge of the generational transition and handing down knowledge.

Work-time organization

CSR scope	2017-18	2016-17
Percentage of part-time staff	4.1%	4.5%
Staff working nights[1]	184	

[1] Indicator's first year of publication for the CSR scope

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

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

Absenteeism

Absenteeism rate - CSR scope	2017-18	2016-17[1]
Illness	5.70%	5.70%
Occupational accidents / illnesses	1.36%	1.41%
Other [2]	0.63%	0.39%
Total absenteeism rate	**7.69%**	**7.50%**

[1] The data for FY 2016-17 has been recalculated to ensure better consistency with the data for FY 2017-18

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

The absenteeism rate is stable for 2017-18.

Various actions are being rolled out to reduce the absenteeism rate linked to illness and making it easier for staff on long-term leave or regular absentees to return to work. The human resources teams at SPBI are currently working, in partnership with a specialist company, to set up interviews for welcoming these staff back to work. Eight training sessions are planned to train up nearly 80 managers to carry out these interviews.

2.2 upporting workplace health and safety

B SAFE plan

Protecting the physical integrity and safety of each of its employees is an absolute priority for the Group's leadership team, and it has deployed the B SAFE safety action plan since 2015.

B SAFE
SAFETY, A NON-NEGOTIABLE VALUE

- Establishing safety as a core value for the Group
- Halving the frequency rate for occupational accidents
- By working on organizational aspects and changing behaviors

- Training up the leadership team
- Raising employee awareness
- Working upstream from production
- Drawing up and clarifying guidelines
- Eradicating technical risks
- Adopting long-term budgets

Initially deployed at SPBI's production facilities, this plan has now been rolled out across all the production sites in France and the US. In Italy, a similar program is being put in place for the Monte Carlo Yachts plant.

The B SAFE plan is headed up by a Group steering committee, made up of three Health-Safety-Environment (HSE) managers from the French business units (SPBI, CNB and Housing Division), Human Resources and the executive leadership team. This committee meets once a month to take stock of the B SAFE plan's deployment in the French subsidiaries and define the health-safety policy.

This policy is then rolled out:

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

Training up the leadership team

Engaging managers to prevent risky situations is an essential part of the B SAFE plan. The production management teams have a key role to play with deploying this approach on a day-to-day basis.

All the Group's managers, from Management Committee members to site supervisors, in France and the US, representing 720 staff, have received training since July 2016 on the safety dialogue tool and understanding the mechanisms behind accidents. This two-day training course is provided by ETSCAF, a specialist workplace safety organization. The managers will all be trained up again with a new campaign based on a one-day training course from the end of 2018.

Raising employee awareness

Employees are made aware of safety aspects as soon as they join the Group. The onboarding programs for new recruits, covering both employees and temporary staff, all include a presentation of the main safety risks and challenges in the plants.

A half-day safety awareness session, led by key Group employees, is planned for all employees, temporary staff and interns from the production and support teams. These safety ambassadors (plant directors, HSE managers, human resources managers or continuous improvement manager) receive two days' training beforehand on how to lead these half-day sessions. At SPBI, 52 leaders were trained up and nearly 2,600 people benefited from this half-day awareness initiative during the year. Around 30 leaders from the Housing Division and CNB are currently being trained up and will provide training for nearly 2,000 people by the end of next year.

Specific training courses are also organized in each of the subsidiaries. They may focus on the use of certain machines or tools, or cover more transversal topics such as the deployment of a one-day course on root-cause analysis, followed by a half day of "action" on specific cases making it possible to identify the root causes of undesired events, provided for 180 managers from SPBI this year by the external firm PREVANCE this year.

Safety awareness training is also provided for apprentices and interns. Each year, a meeting with apprentices is hosted by SPBI's HSEE director, at the Maison Familiale Rurale (MFR) composites training center in Saint Gilles-Croix-de-Vie, for apprentices during the first 15 days of their training, accompanied by mentors, to inform them about the safety guidelines for their activities. A specific three-hour safety training session for interns was organized in March 2018.

This year, 27,061 hours of training were devoted to health and safety for the French scope, up 51% from the previous year. 11,209 hours, representing 41% of the total training time focused on health and safety, concerned the training programs organized as part of the B SAFE action plan.

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

DEPLOYMENT OF SPECIFIC POSTERS

The B SAFE posters, deployed at all the sites in France, are currently being translated for use in the international subsidiaries.

1000 DAYS AND 500 DAYS ACCIDENT-FREE

Awards are planned for teams that achieve 500 or 1,000 days (i.e. nearly five years) without any workplace accidents. The awards are given out in the presence of the plant director and a member of the Group leadership team.

Working upstream from production

Various initiatives to integrate ergonomics from the product design phase are implemented in the Boat Division. New criteria relating to safety and ergonomics are defined in SPBI's tool and product design fact sheets. Various safety and ergonomics-related items are already included in the project milestones. The product development teams will receive ergonomics training and awareness sessions to ensure this aspect is factored in to product design more effectively.

The HSE teams regularly communicate with the procurement and logistics teams to identify and resolve difficulties escalated by the plants (size or weight of certain products, delivery methods with potential safety issues, etc.). In the Housing Division, monthly reviews are carried out between the HSE department and the methods and procurement teams to find the best responses to issues raised by the height of the leisure homes and the weight of their windows and furnishings.

The HSE team has also been involved in the industrial projects to redeploy the Chaize le Vicomte, Beaucaire, Lézignan and Givrand sites.

Drawing up and clarifying guidelines

Based on the principle that to be respected, guidelines must be written, the Group has worked to **draw up safety fundamentals** with a view to:

- Establishing a safety frame of reference and defining shared procedures; the actions taken this year in this area focused in particular on:
  - SPBI creating 35 fact sheets on the best practices to be applied when using machines or performing certain tasks and 50 product prevention fact sheets presenting the medical and environmental risks relating to the use of these products. All new products used by SPBI are now covered by a prevention fact sheet;
  - Drafting safety documents for the 26 priority machines identified in the Housing Division;
  - Displaying workstation safety guidelines for 41 Housing Division positions;
  - Updating and distributing all the individual protective equipment fact sheets on the B-Web intranet;
- Defining onboarding procedures with professional fact sheets created for temporary staff and new recruits, and systematically presenting the 10 golden safety rules during induction days.

1	I am trained and qualified in the use of high-risk equipment
2	I use chemicals in full knowledge of the risks and safety precautions
3	I ensure that all the collective safety measures are in place and that my work area is safe
4	I am responsible for my own safety and that of the people around me
5	I wear my safety harness for all work at height, in the absence of collective protection
6	I never walk or stand underneath or near a load that is suspended or being turned
7	I always use the lifting/handling aids provided
8	I wear/use PPE appropriate to my activity, in accordance with the applicable rules
9	I draw attention to any high-risk area by marking it off and communicating to my colleagues about what is wrong
10	I always use the circulation paths provided for my activity, including while walking

All the Group's sites in France have **updated their dedicated workplace risk assessment reports**. This approach involves identifying workstations, rating their risks, prioritizing them and defining action plans in response to the risks identified in this way. The updated dedicated reports are used as a steering tool for safety-related risks. By the end of August 2018, 80% of SPBI's sites and 15% of the Housing Division's sites had finalized the rating of their risks, and more than half of the SPBI sites and the CNB site had presented their action plans to the health, safety and working conditions committee.

Eradicating technical risks

The B SAFE plan is based around safety dialogue sessions, which represent a tool for observing and reviewing safety. In 2017-18, 6,700 safety dialogue reviews were carried out at the Group's plants in France and the US, always with the same methodology: observing operators onsite at their workstations, discussing best practices and the risks identified, then working together to define the improvements to be made. The safety dialogue process always identifies actions making it possible to eliminate the most dangerous behaviors or situations immediately and set up mutual commitments on the behaviors and actions to be developed over the medium term (deferred action). To date, 83% of the deferred actions identified during the safety dialogue reviews have been implemented for SPBI, with 63% for the Housing Division, 84% for the Marion plant and 92% for the Cadillac plant.

In January 2018, SPBI's continuous improvement team launched a "Production System" initiative. This project is in line with the focus on profitable growth from the Transform to Perform plan, which notably includes operational efficiency targets. This involves defining a production frame of reference and assessing each plant in relation to this. The first assessment made it possible to model, based on the best practices identified at each site, a benchmark plant to set the level of excellence to be achieved in 12 key areas, with safety as the first one. The assessment process, rolled out for the first time this year, is based on an initial self-assessment by the plants using a matrix incorporating the 12 key areas from the production framework, followed by a two-day audit carried out by four people: two members of the continuous improvement team and two lead correspondents for each category. Following these assessments, the plants draw up an action plan that must be implemented within six months of being defined and must be reported on each month to the continuous improvement team. By the end of August 2018, all of SPBI's plants had completed their initial self-assessments.

At CNB, actions have focused primarily on machine-related risks. A control unit checked the compliance of all the machines deployed at the site. Following this review, the obsolete machines were removed and 75 machines benefited from work by the safety, maintenance, metalwork and industrialization teams to bring them into line with requirements. A procedure has been drawn up, in partnership with the occupational health and retirement fund CARSAT, to check the compliance of new machines added to the fleet. CNB has also reviewed its facilities' extraction system to reduce levels of dust, moving the composite unit's small parts section, working with the CARSAT fund on extraction compliance and setting up extraction booths to create air flows. In the Housing Division, actions have focused in particular on checking the compliance of equipment, primarily for the timber cutting area and lifelines.

Adopting long-term budgets

Safety investments represented over €3 million this year for all the sites in France.

Nearly half of these investments concerned the VOC - volatile organic compound - project carried out in connection with the changes in styrene regulations, setting new limits for workplace exposure to styrene applicable from 2017 and mandatory from 2019. The actions taken to reduce operators' exposure to styrene included:

- Carrying out work to replace chemical products, focusing on resins with low styrene levels to replace conventional resins. Illustrating this, the percentage of low-styrene resins used by SPBI was raised from 9% in 2016 to 16% in 2017;
- Developing the use of lower-emission injection / infusion techniques;
- Reviewing the facilities' organization, particularly in terms of the positioning of boats, the sequencing of tasks and the geographical breakdown to avoid any excessive concentration at a given location;
- Deploying extraction-based ventilation systems to limit the level of pollutants in the air by capturing them directly or close to their source. Ventilation units have been set up at the Boat business plants;
- Raising employee awareness of the correct use of ventilation guidelines and providing support for operational managers;
- Separating the various sections for activities.

The other safety investments primarily concerned:

- Reducing manual load handling operations by setting up more ergonomic tools, such as lifting tables, suction grippers or articulated machine arms, for a total budget of €400,000;
- Ensuring protection against falls from height by securing lifelines and setting up safer walkways for a total budget of €350,000.

In the US, 2 million dollars have been invested to reopen the Sport Plant, which had been shut down in 2008, focused primarily on improving this site's safety.

Two occupational physicians and two ergonomists are employed in the French subsidiaries. In the US, the Cadillac site has a part-time nurse.

Accident frequency figures[1]

Accident frequency[1] – CSR scope	2017-18	2016-17	2015-16
Frequency rate – CSR scope[2]	25.0	22.2	32.7
Severity rate – CSR scope[2]	0.88	0.92	1.63
Number of days of absence due to occupational illness – French scope	14,656	14,410	14,805

[1] Exclusively for companies with production activities.

[2] In addition to the French scope, the CSR scope includes Poland and the United States for FY 2015-16, and Poland, the United States and Italy for FY 2016-17 and FY 2017-18.

The target from the B SAFE plan to halve the number of accidents in the plants compared with 2015-16 was not achieved this year. After observing this situation, the Group relaunched various training and awareness actions and renewed its target to halve the number of accidents in the plants within two years.

2.3 Recruiting and integrating staff to ensure a successful generational transition and take growth on board

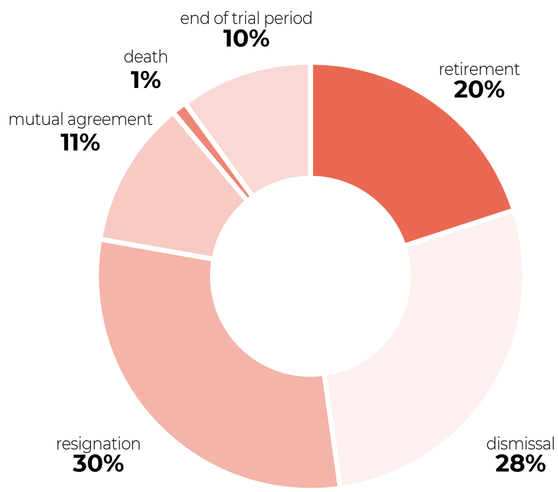
Recruitment: a major challenge to take on board growth in business and retirements

Change in workforce on permanent contracts	2017-18	2016-17	2015-16
Recruitments on permanent contracts – France	+616	+403	+244
Recruitments on permanent contracts – Poland	+95	+28	+48
Recruitments on permanent contracts – USA	+261	+171	+113
Recruitments on permanent contracts – Italy	+17	+26	
Recruitments on permanent contracts - Total	**+989**	**+628**	**+405**
Departures of permanent contracts – France	-277	-241	-260
Departures of permanent contracts – Poland	-26	-28	-17
Departures of permanent contracts – USA	-168	-131	-96
Departures of permanent contracts – Italy	-27	-17	
Departures of permanent contracts - Total	**-498**	**-417**	**-373**
Change in scope		+281	+693
Change in workforce on permanent contracts	**+491**	**+492**	**+725**

Change in workforce on fixed-term contracts - CSR scope	2017-18	2016-17	2015-16
Recruitments on fixed-term contracts	+540	+363	+270
Departures of fixed-term contracts	-447	-271	-208
Change in scope		+36	0
Change in workforce on fixed-term contracts	**+93**	**+128**	**+62**

The CSR scope was extended in 2016-17 to include Italy.

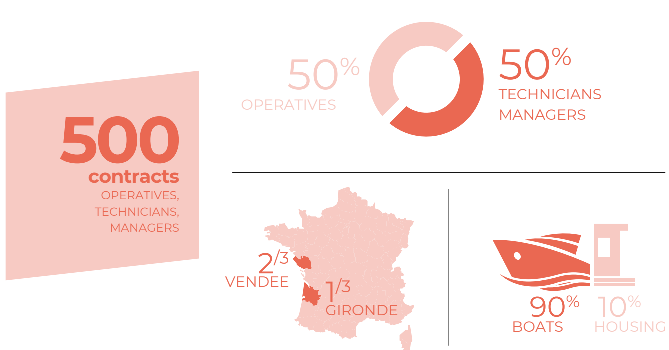
Reasons for leave – Permanent contracts – CSR scope



Attracting new employees

1. 500 Permanent Contracts Plan in France

In 2017-18, Groupe Beneteau launched an ambitious plan to recruit 500 new staff on permanent contracts in line with its growth and the generational transition. Announced in September 2017, during the Grand Pavois boat show in La Rochelle, the 500 Permanent Contracts Plan was the Group's largest ever recruitment plan. The recruitment of the 500th permanent employee was completed in May 2018, confirming the success of this recruitment plan.



Almost half of the recruitments with this plan concerned permanent operator positions for professionals with at least three years' experience in molding and assembly roles.

To roll out this plan, the Group's Human Resources teams worked with public and private partners (Pôle Emploi employment agency, Department and Region, temporary employment agencies, recruitment firms) and notably carried out the following actions:

- HR presence with a dedicated stand throughout the Paris Boat Show in December 2017, making it possible to meet 500 potential candidates;
- Presence at local forums;
- Participation in the Sea Week event in March 2018 to enable people to discover the Group's career opportunities;
- Organization of a dedicated recruitment day for young engineering graduates on June 15, 2018 at the Dompierre-sur-Yon site (Vendée);
- Hosting of a virtual forum with the Pôle Emploi employment agency for two weeks in May 2018;
- Organization of open day operations at the Group's plants;
- Creation of two films presenting the production careers available and one film with employee testimonials.

Following on from the 500 Permanent Contracts Plan, Groupe Beneteau announced its recruitment plan for 2018-19 in October 2018. It aims to recruit more than 650 staff on permanent contracts, with nearly 490 permanent positions in France and over 160 in other countries. Half concern job creations linked to growth in the Boat and Housing activities, with the other half to cover staff retirements. Internationally, these recruitments will cover job creations linked to the industrial investments made in Poland and the US to strengthen production capacity and support the Boat business' growth.

2. Recommand'Action campaign

To continue moving forward and further strengthen these actions, the Recommand'Action campaign was launched in July 2018. This campaign aims to empower employees to take an active role in recruitments by recommending candidates whose profiles, experience and values match the positions to be filled.

Integrating new staff

In line with the recruitment efforts made with the 500 Permanent Contracts Plan, the Group focused this year on the integration of new staff:

- **Organizing an onboarding morning for SPBI's non-production staff**: since September 2018, SPBI has organized integration mornings for all non-production staff (permanent staff, interns, trainees / fixed-term contracts over six months). The morning starts off with a presentation of the Group, its values and the Transform to Perform plan by a member of the Management Committee. This is followed by a visit of a production site and a safety induction session introducing the B SAFE plan. It ends with lunch at the Bellevigny site. Each manager then prepares an individualized onboarding program based on the requirements and the features of their employee's position;
- **Setting up a standard onboarding program for new arrivals at CNB**: since January 2018, CNB has put in place a standard onboarding program for new arrivals to ensure a core foundation of information for everyone from their first day. Arrivals are now grouped together on Mondays and start off with an onboarding day: presentation of CNB by a Management Committee member, discovery of the site, boat visit, welcome, safety and awareness of chemical risks. The onboarding program then continues over two to three days set aside for professional training, integration in the units and safety. 700 permanent employees, temporary staff and interns have been

welcomed since the start of 2018. The satisfaction questionnaire given out to participants following the first onboarding day found that 100% of the people surveyed were satisfied with this day;

- **Deploying an onboarding program for temporary staff in the Housing Division**: this year, the Housing Division's sites deployed a one-day onboarding program for temporary staff, covering quality, safety and process aspects. This program is led by eight key technical correspondents with operational experience who have been specifically trained up to provide this course;
- **Training in the internal training centers**: since 2011, operators joining SPBI, on temporary or permanent contracts, have benefited from a specific one-day course provided by the internal training center, presenting the tools, products, human organization for production, safety and basic practices. Local training centers were opened this year in Bordeaux, Poland and the US. The onboarding programs for new recruits at these plants have been reviewed to incorporate these new training courses.

Organizing pre-recruitment training programs

Working closely with the training structures, Groupe Beneteau supports and welcomes candidates to the company during their training, particularly as part of the POEC operational preparation for collective employment initiative. Thanks to this approach, temporary staff receive training from an external training organization for six to 12 weeks before they join the Group. The content of these training programs is approved upstream by the human resources teams, with support from the technical training center. The training, initially focused on three professions (draping molding, gelcoat repairs and use of digitally-controlled machines), was extended this year to include joinery, timber assembly, options and fittings roles. In 2017-18, 203 people were trained as part of the collective POEC initiative, eight times more than in 2016-17. Out of the 25 people trained during the year in 2016-17, 11 of them were integrated on permanent contracts, representing 44%.

Promoting work-based training

To meet the challenges involved with the generational transition and help ensure that knowledge is effectively shared and handed down, the Group trains a growing number of interns each year. As part of these training programs, each young person is mentored by a more senior employee, with support from the Group's technical training center for certain activities, helping promote intergenerational cooperation.

The second Internship Speed Dating event was held in April 2018 at the BJT site in Dompierre-sur-Yon (Vendée).

This recruitment day provided an opportunity for nearly 300 candidates for internships to meet with Groupe Beneteau managers and visit the Bellevigny production site.

Key figures for INTERNSHIP SPEED DATING

1 day of meetings and exchanges
48 Group HR representatives and managers to meet up with
300 interns during the day
51 contracts signed during the event, i.e. 80% of the positions to be filled

New partnerships have been set up in the Housing Division with schools located near production sites with a view to promoting work-based training programs.

At August 31, 2018, the French subsidiaries had 127 internship contracts in place, representing 84% of the workforce on fixed-term contracts, compared with 107 at August 31, 2017. This year, 73 interns were recruited, compared with 57 the previous year. 19% of internship contracts have been transformed into permanent contracts.

2.4 Enabling employees to develop their careers

Employees' professional development is a strong focus with the Group's transformation. It makes it possible to support its growth, while promoting each person's individual development and achievements.

Supporting skills development

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

In addition to the annual appraisals and career reviews, a review of the entire management-grade population is carried out each year as part of the People Review process. During the People Reviews, the HR teams work with each manager to carry out a review of all the management-level staff in their team with a view to identifying their specific skills, their development goals and their structure's future needs. The People Reviews enable the HR teams to benefit from a global view of the management-level population, making it easier to prepare succession plans, helping open up different career paths and promoting internal mobility. Deployed for the last three years at the Group's sites in France, this approach was extended to include the sites in the US this year.

Facilitating internal development paths

The development of training programs and internal mobility are core components within the transformation plan. The list of the Group's vacancies for technicians, supervisors and managers is distributed in-house before being released externally. When they have similar skills, internal candidates are given priority over external applicants.

In December 2017, SPBI's timber product development team opened up four timber development technician positions exclusively for internal candidates. Out of the 43 applications received, 13 candidates successfully completed the first challenge, passing the IT test organized by the AFPIA training center. The four employees selected following this recruitment process benefited from a two-month training program on IT tools and an immersion in the product development teams for the brands and woodwork units.

Training employees

The training plan has been created to support the Group's priority areas: technical know-how, managerial efficiency (presented in section 2.5) and safety awareness (presented in section 2.2).

Since 2012, the technical training center, located in Vendée, has provided training for SPBI's operators on all technical activities, from molding to boat assembly, effectively aligned with the needs of the various sites. Targeted training programs are also developed for staff from the product development teams, designers, technicians and engineers when they join the Group. The training center makes it possible to gain new skills and work independently. It also helps create the connections that ensure successful teamwork.

VENDÉE TRAINING CENTER
IN FIGURES – 2017-18:
2.507 people trained,
including **1.363** temporary staff
469 «risky activity» certificates awarded

The Vendée technical training center's courses are led by the center's eight permanent training staff, all former operators within the Group, with extensive experience, ensuring that Groupe Beneteau's culture and professional practices can be passed on under optimum conditions. Employees who have been trained up can then receive on-the-job support from their trainer to help ensure that the skills they have learned can be put into practice. The training catalogue covers around 100 technical topics and is continuing to grow. Each year, new modules are rolled out to ensure continued alignment with technological innovations for the boats produced by the Group.

The training center also provides certificates, valid for three years, for risky activities (quality and/or safety), such as installing gas circuits, sticking portlights and gluing decks. The accreditation process is based on a training program, followed by practical experience in the facilities, which is validated with an audit that is carried out by the training team within two months. Since it was set up, the training center has awarded nearly 1,800 accreditations.

Buoyed by its success, the technical training center concept was deployed in Bordeaux, the US and Poland this year.

To be able to offer training programs that are effectively aligned with production needs, CNB opened an in-house training school in December 2017, working with the technical training center. The courses are led by three dedicated in-house trainers, who are all former CNB operators. They focus on molding and assembly activities, as well as plant safety, and are, for the moment, intended primarily for operators who join the company on permanent or temporary contracts. The training center also awards in-house certificates for risky activities, such as moving overhead cranes. In 2017-18, it provided 1,200 hours of training. Its scope for action is expected to be ramped up in 2018-19 with the arrival of two additional trainers and the extension of the training courses to include electrician positions.

In the US, the Cadillac plant launched the Groupe Beneteau Marine University in May 2018. The training programs, led by nine in-house trainers, cover all the plant's activities. This year, the Cadillac center trained 60 new recruits. At the Marion plant, the local training center was launched this year, with 40 modules developed by the Vendée training center and identified as priority areas for action. The courses are provided for new recruits during the first four days of their onboarding process within the plant.

In Poland, the training center created in January 2018 has focused on pre-recruitment training for new operators to respond to growing production needs and the start of operations at the new production unit. 110 operators were trained over 20 days by the two permanent trainers, who were previously team leaders at the Ostroda Yacht site, and 59 joined the plant following their training.

Number of hours of training

French scope	2017-18	2016-17	2015-16
Number of hours of training per employee	12.2	10.6	12.0
Total number of hours of training	61.325	50.731	56.130
Ratio of training costs to payroll[1]	2.5%	2.6%	2.3%

[1] The data for 2016-17 and 2015-16 have been adjusted.

The increase in the number of hours of training is linked primarily to health and safety training programs.

Enabling the organizations to evolve

The development of skills is also being accompanied by significant operational changes, such as the transformation of the product development teams. This transformation, with its organizational section completed at the end of August 2017, involved reorganizing the product development teams around two sectors - sailing and motorboats - in order to break down barriers between the brands and business lines, while pooling resources. In this context, a project section and methods section were opened last year, with a redefinition of the job descriptions and creation of new positions. The training courses provided for project leaders last year to support them in connection with the redefinition of their roles were extended this year to include the "launch pilots", responsible for coordinating the entire methods section (new function created with the reorganization). This new organization also promotes the exchanging and sharing of best practices, thanks in particular to the organization of joint days, the mixing of the teams and the shared tools set up.

All the job descriptions for SPBI employees, technicians and supervisors, representing around 100 descriptions in total, have been reviewed in order to better define the scope for each position, improving transparency across the various positions. Employees can access these job descriptions.

In 2016-17, the Group launched its major Plant of the Future project, representing the industrial section of the Transform to Perform strategic plan. Nearly 550 employees took part in a series of short interviews carried out at all the SPBI plants to collect their ideas for the plant of the future.

Following these interviews, all the management committees for the various plants were brought together with the support functions (supply chain, HR, quality, procurement, product development, etc.) to define the priorities.

This process revealed eight core priorities:

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

A working group representing multiple plants and support teams, headed up by a member of the management committee from an SPBI plant, has been set up for each priority. The work is currently underway.

2.5 Enabling the managerial culture to evolve

The findings from the HR survey revealed that recognizing and valuing skills are key factors for improving the overall sense of satisfaction among employees. Various actions have been decided on and rolled out to transform the managerial culture and skills.

Building a frame of reference for managerial behaviors

110 managers from all the Group's subsidiaries were brought together in March 2018 for a management seminar focused on transforming the managerial culture and commitments. Following an initial phase to present progress with the Transform to Perform plan and the findings from the opinion survey, various working groups were set up to review the managerial commitments to be put in place within the Group. After this seminar, four commitments were retained by the managers:

- Build confidence and trust,
- Be exemplary,
- Give direction and meaning,
- Balance benevolence and demands.

This seminar represents the first step towards building a frame of reference for managerial behaviors. A working group, led by the human resources and internal communications teams, will monitor the commitments and define the actions needed to deliver on them, in line with the training policy, the workplace wellness plan and the skills assessment.

Adapting the manager training plan

The range of manager training programs has been overhauled and is based around several tools.

1. Visa Manager

Visa Manager is a training program organized in partnership with Audencia to prepare and support the Group's managers for their managerial missions. This program's content was modified this year to align it more effectively with the Group's development and the objectives set with the Transform to Perform plan, with a focus on supporting change. The training now has a stronger focus on managers' knowledge of themselves and their positioning within Groupe Beneteau. The number of sessions was increased to open up this training to more managers.

In the Housing Division, an additional tool was developed this year alongside Visa Manager with the theme of co-development. The first sessions were held in spring with a group of 50 managers from multidisciplinary teams.

2. Beneteau Corporate MBA

Beneteau Corporate MBA is an accredited Level I "Operational Unit Manager-Director" training program, partly in English, to develop and prepare outstanding managers who can contribute to new missions or roles within the Group and lead the way forward for the Group's transformation. Seven staff benefited from this training during the year.

3. Training for operational managers

Intended for supervisors, plant managers and support function managers, it has been fully reviewed in line with the new Profession Manager approach, which has replaced the production operational management school. Its content has been redefined, in partnership with a training organization, to remove technical topics and focus more on management and communications training. An initial pilot group of nine managers from the Boat Division are currently completing their program and the initial feedback has been positive. This training is expected to be deployed for around 40 managers over the next year.

All of CNB's non-production managers, i.e. 24 staff, completed a specific six-day training program during the year. This course is now provided for non-production managers when they join the company.

2.6 Ensuring workplace wellness and motivation

The HR survey found that 83% of the Group's employees are proud to work for the Group.

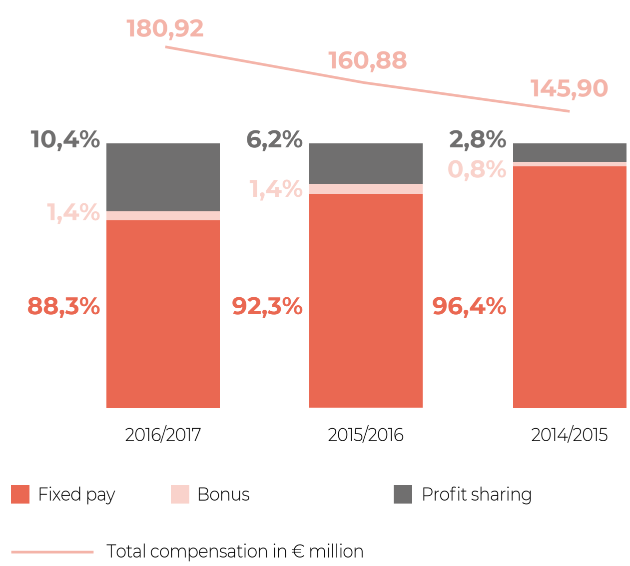
Workplace wellness project

The workplace wellness project has been launched based on the findings from the HR survey from September 2017. It is focused on three key areas:

- Ensuring that managers help people to develop;
- Having good working conditions;
- Being able to evolve within the Group

As part of this project, a working group of 12 people has been set up to work on the three key areas.

Compensation and benefits



[1] Amounts provisioned. The data for the previous year have been adjusted.

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

In addition to their fixed pay, staff benefit from a system of profit-sharing and performance-related bonuses; alongside this, executive-grade staff are entitled to a variable compensation package based, depending on their positions, on the company's results and their individual or commercial performances. To harmonize payments for company performance-related bonuses, and ensure consistency between the Group's employees, a Group performance-related bonus agreement was signed last year for all the companies from the French scope. It was reviewed this year to raise the percentage for Group objectives in the total calculation of company performance-related bonuses from 30% to 40%.

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

Working environment

A collective Group agreement introducing the right to disconnect from digital tools for all the Group's French subsidiaries was signed in September 2018 to ensure that employees' personal and family lives and rest and holiday times are respected.

Since December 2017, SPBI has had a social assistant who can intervene at the company's sites to provide support for employees who need social assistance.

Social dialogue

The Group is particularly committed to maintaining a relationship based on continuous and constructive exchanges with its employee representative partners. The members of the Works Councils and the staff representatives have exchanges with the human resources team on a monthly basis.

Alongside these meetings, a Central Boat Committee also meets at Group level, covering the Boat business, while a Group Committee covers all the activities in France. This year, for the first time, employee representative partners were appointed to sign HR agreements at Group level. Two Group agreements were signed this year: an amendment to the Group profit-sharing agreement and an agreement on the right to disconnect.

In May 2018, the Housing Division set up an economic and social committee (CSE). This economic and social committee replaces the four works councils and seven health, safety and working conditions committees that BIO Habitat previously had. In addition, local representatives have been appointed by the economic and social committee at each of the division's seven sites to maintain social dialogue with the site's local management team and be able to escalate issues so that they can be dealt with as closely as possible to operational activities, particularly in terms of working conditions and safety.

B-One project – New human resources information system

Following a preliminary study phase, Groupe Beneteau officially launched the project for B-One, its human resources information system, in May 2018. With B-One, one dedicated tool will be used across the entire Group, from France to the US, Italy, Poland and Asia. The first services are scheduled for delivery in 2019.

On their computer, tablet or phone, B-One will provide employees with email addresses, managers and Human Resources departments with access to various information and services enabling:

- All employees to benefit from easier information exchanges and services (accessing and updating their personal data, requesting holidays, looking up information, etc.);
- Managers to have the means to manage and develop their teams more effectively;
- Further strengthen each individual's role: employees, managers and HR team members;
- Guarantee the same services for everyone, harmonized throughout the Group.

Ensuring effective control over turnover

Turnover rate	2017-18	2016-17	2015-16
France	3.69%	2.83%	3.31%
CSR scope	5.91%	4.78%	4.37%

For the French scope, the turnover rate is less than 4%. This low level of turnover, kept effectively under control, reflects the loyalty of our staff.

2.7 Promoting collaborative work and uniting employees

Promoting collaborative work

The internal communications strategy developed within the Group reflects the objectives from the transformation plan:

- Developing a collective spirit and helping staff to work together better;
- Promoting exchanges on best practices;
- Improving individual and collective performance.

The internal newsletter BCOM, initially published in French, has been available in English for its last two issues. It covers topics such as changes within the Group, products and employee developments, through examples and testimonials collected from the various business units in France and around the world. This enables employees to benefit from a global view of the Group and the various projects that are underway.

Growing numbers of staff are using the company social network Yammer, communicating on their projects and initiatives, publishing information on their activities or teams, and posting photos of fun moments shared between colleagues. Out of 2.500 people who have email addresses, 1.366 are on Yammer.

Uniting employees

With the first key area from the Quality plan (further strengthening our customer satisfaction culture), and to motivate and engage all the Group's employees, various initiatives have been rolled out by internal communications to promote the boating culture. The approach put in place by the technical training center, which has already trained more than 800 employees on the boating culture, also includes offering opportunities for employees to use boats. An in-house film has been created to collect the impressions of operators from the production sites and woodwork units for these outings at sea. They are unanimous: these outings at sea make it possible to better understand their work and put themselves in the customer's position with a view to optimizing boat safety and quality.

Several teambuilding events are organized to bring the teams even closer together:

- **B Awards**: on September 7, 2018, the second event brought together 1.500 of the Group's staff, with 95 teams, for a day of sport;
- **B CUP in-house regatta**: nine crews of employees took part in this in-house regatta in Port Bourgenay in May 2018 with Sun Fast 3200s. During this event, introduction to sailing sessions were offered for around 50 staff from the Boat and Housing Divisions.
- In the US, 153 employees with more than 20 years' seniority were recognized during ceremonies held in the plants.

2.8 Promoting equal opportunities and respect for human rights

On October 30, 2018, the Ethics Committee was set up. To build employees' awareness and promote respect for the company culture, the Ethics Committee decided to work in priority on producing a Code of Ethics and Code of Conduct.

The Code of Ethics was approved by BSA's Supervisory Board on October 30, 2018. It sets out the core ethical principles that provide a framework of fundamental values and guiding principles. The Code of Conduct makes it possible to define the way all employees need to behave. This Code and its principles must be respected by each employee, each brand and each activity throughout the Group. Its principles will also be used to update the Group's contracts with its dealers and suppliers.

The full versions of the Code of Ethics
and Code of Conduct will be available on
beneteau-group.com

Groupe Beneteau is opposed to all forms of discrimination, whether they are linked to ethnic origins, gender, political views or religious beliefs, both at the time of recruitment and during employment contracts. Diversity and fairness are core values that the Group is particularly committed to. To make equal opportunities effective, it also takes action to support people with disabilities.

Groupe Beneteau is committed to tackling psychological and sexual harassment in order to ensure a healthy workplace environment within which each employee can fulfil their potential.

It ensures compliance with legislation relating to the freedom of association and right to collective bargaining. Employees have the right to freely create and belong to a trade union, in accordance with local legislation. The Group is particularly committed to maintaining a relationship based on continuous and constructive exchanges with its employee representative partners. Although it has limited direct exposure to this risk due to its industrial presence in Europe and the US, Groupe Beneteau is committed to combating forced labor and child labor. More specifically, it ensures that its suppliers and dealers are also made aware of this, and that fundamental values are respected in all the countries where it operates.

Gender equality

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

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

Women represent 26.5% of the total CSR workforce. This breakdown is consistent with data published by the French national statistics office (INSEE) for the manufacturing industry.

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

For SPBI, the agreement signed in October 2016 to promote gender equality in the workplace led to the following actions:

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

In spring 2018, the Housing Division signed a new agreement with stronger commitments with several joint workplace equality committees. An action plan has been adopted, focused in particular on raising awareness both internally and externally with recruitment partners. There are also plans to keep salary levels at 100% during paternity leave, to offer a departure and return interview for any parenting-related leave (men or women), and to cover one day in case employees have children who are sick.

In the US, the Marion plant organized a dedicated Women in Leadership training program to help them develop their management skills. Eight women have been able to benefit from this training, based on one session per week over six weeks. The satisfaction rate was 93%.

Disabled people

French scope	2017-18	2016-17	2015-16
Number of units of value recognized for disabled people	352.7	356.0	338.1
% of the average French headcount	7.0%	7.4%	6.4%

SPBI works in partnership with the SAMETH support service to offer solutions for ensuring continued employment for disabled staff by adapting their working times or workstations and supporting them to put in place specially adapted part-time arrangements.

A disability committee, set up in SPBI, supports disabled staff to complete administrative formalities relating to their situation and works with the ergonomist to adapt their workstations. Nearly 30 employees received support this year with this approach.

The Group is committed to supporting the integration of communities who may face various difficulties by promoting the use of work-based support centers and charities for disabled workers. In Poland, Ostroda Yacht works with companies that exclusively employ disabled people for its security and cleaning services. Ostroda Yacht currently has 43 disabled people working under these contracts.

3. ENVIRONMENTAL COMMITMENT

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

- Reducing the environmental impacts of activities
- Limiting the environmental footprint of products.

In line with this commitment, a steering committee representing multiple activities was set up in July 2018 to monitor environmental improvement actions. With the executive leadership team, this committee has approved the new version of the Boat Division's environmental policy, which will be integrated into the Transform to Perform plan: "Ensuring effective control over our environmental impacts from designing to decommissioning our boats".

For several years, Groupe Beneteau has been working to get all the Boat Division's production sites ISO 14001 certified. At August 31, 2018, 14 of the Boat Division's 16 production sites in Europe were ISO 14001 certified, in line with the new version from 2015. Some of the Housing Division's sites are following an ISO 14001 approach, although without aiming to renew their certification. All of SPBI's sites were recertified under ISO 50001 in March 2018. 20 of the Group's 22 French sites are classed as regulated environmental protection facilities (ICPE) and therefore subject to very strict regulations. This year, the CNB site's status changed from declaration to registration.

3.1 Reducing the environmental impacts of activities

Groupe Beneteau has identified six major challenges in terms of the environmental impact of its production sites:

- Reducing environmental impacts (VOC, dust, wastewater);
- Improving site energy efficiency;
- Ensuring effective control over waste generation;
- Improving the prevention of emergency situations (fire, spillage, security risk);
- Carrying out management actions to develop an environmental culture;
- Reducing our consumption of resources.

These challenges correspond to the objectives from the environmental management program rolled out with the ISO 14001 and ISO 50001 certification.

Reducing environmental impacts

Reducing volatile organic compound (VOC) emissions

CSR scope[1]	2017-18	2016-17	2015-16
Production site VOC emissions kg / 1.000 hours worked	98	109	110

[1] Data based on calendar year for SPBI. The data for 2015-16 do not include the Italian subsidiaries Monte Carlo Yachts and BIO Habitat Italy.

Volatile organic compound (VOC) emissions are mainly linked to composite activities, for which the Group uses resins, gelcoats, adhesive sealants and solvents.

To reduce its VOC emissions, in line with the changes in styrene regulations, the Group is working on techniques and products with lower emission levels:

- **Developing the use of injection and infusion techniques**: an internal procedure makes it possible to define the decision framework for choosing technologies depending on the type and size of boats. All the hulls and hull counter moldings over 45 feet (around 15 meters), and all the decks and deck counter moldings for 26 to 44-foot sailing yachts are systematically produced using one of these low-emission molding techniques. For the boats from 35 to 44 feet, a technical and economic study makes it possible to define the choice of procedures based on various criteria. The percentage of boats produced using closed molds at SPBI was raised from 31% for the 2016 calendar year to 40% for the 2017 calendar year;
- **Using low VOC laminating resins** with an industrial approach at the Bellevigny, Poiré sur Vie and Challans sites; their deployment is continuing to move forward at the Cholet, L'Herbaudière and Bois Verts (Les Herbiers) sites.

Actions to reduce VOC emissions are also focused on reducing acetone consumption levels by promoting the use of alternative products. Acetone is no longer used in virtually any boat assembly activities. Acetone-free cleaning machines or units with recycled acetone (closed loop) have been deployed, particularly for floors in the molding facilities and spray guns for gelcoat repair activities.

Each year, the material assessments and solvent management plans are communicated on with the stakeholders concerned. Under its commitments for 2012-2017, SPBI aimed to reduce VOC emissions by 12% to 18% compared with the figures for 2010, based on an equivalent level of activity. The actions rolled out since then have made it possible to reduce the overall level of emissions by 43%.

Maintaining the compliance rate for discharges (water, tanks, dusts, noise, boilers)

French scope[1]	2017-18	2016-17	2015-16
Compliance rate for industrial water discharges	95.8%	86.7%	95.3%

[1] The data for 2015-16 do not include the company CNB.

All the Group's sites have oil interceptors which are regularly maintained and make it possible to treat water before it is discharged into the natural environment. Water discharges are monitored with regular measurements. This year, the Group set up tank water quality measurements to be able to work with the stakeholders if required for discharges. An algae and sludge biological treatment system has been deployed at the Housing Division's Givrand site to reduce the use of chemical products for dredging and cleaning water.

During the year, the Housing Division carried out extensive work to reduce noise pollution at the U2 site. This €400.000 project was completed in October 2018.

Improving site energy efficiency

CSR scope[1]	2017-18	2016-17	2015-16
Electricity consumption kWh / 1.000 hours worked	4,694	4,845	5,076
Gas consumption kWh GCV / 1.000 hours worked	9,367	9,517	9,348
CO_2 emissions linked to energy consumption $kgCO_2$ eq / 1.000 hours worked	2,976	3,037	2,996

[1] Data based on calendar year for SPBI. The data for 2015-16 do not include the Italian subsidiaries Monte Carlo Yachts and BIO Habitat Italy.

[2] The data for the previous two years have been modified following the correction of the emission factors.

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

Energy consumption was reduced this year despite the styrene plan's deployment. This plan, which requires the air treatment and temperature control systems to be further strengthened, consumes very high levels of energy. To reduce this plan's negative impacts on energy consumption, a lead energy correspondent was deployed to manage this and the following actions were taken:

- Managing times for starting up and shutting down with the central technical management systems (automated management solutions);
- Checking consumption levels each week, with a sub-meter, to identify the consumption discrepancies to be addressed;
- -Setting up energy patrols at most of the sites to power down facilities.

Various actions are being taken at all the sites to improve energy performance, in line with SPBI's ISO 50001 approach and CNB's energy audit, carried out this year by DEKRA.

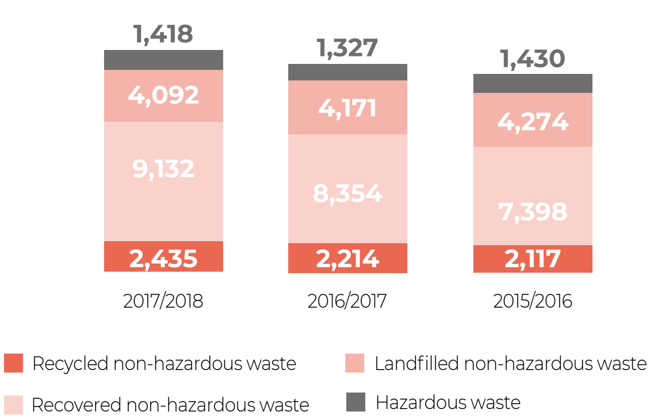
These actions are focused in particular on:

- **Thermal insulation for buildings:** the Group has continued moving forward with its building insulation actions. This year, work focused on insulating and removing asbestos from roofing at the Challans sites and the Les Herbiers woodwork unit, replacing all the openings at the Saint-Gilles-Croix-De-Vie plant, and refurbishing part of the roof at the Lesquin plant.
- **Centralized energy monitoring**, making it possible to adapt the level of use of the various energies depending on activity levels, thanks to the central technical management systems set up. Energy meters are added and supervised, through the central technical management systems, each time equipment is added with a potential impact on consumption levels. These meters make it possible to improve the operational monitoring of energy consumption levels. To date, 60% of SPBI's energy use is covered by gas or electricity sub-meters, with a target to gradually reach 100%. At SPBI, two staff from each site are trained to maintain this equipment.
- **Fitting of destratifier fans** in most of the molding units, with this activity accounting for around 60% of total gas consumption for the Boat business, to ensure a better consistency of heat within the workshops, avoid the highest temperatures below the ceiling and prevent heat loss.
- **Actions to detect compressed air leaks**, overseen by a dedicated central team, through regular monitoring of consumption levels and regular inspections of facilities by maintenance teams in the units. On average, compressed air represents 10% of consumption. Air leaks are therefore measured at least twice a year. Corrective actions are put in place when leakage rates exceed 10%. For this year, the average leakage rate for SPBI was 7.58%, compared with 8% the previous year.

- **Optimization of ventilation within the units**, thanks in particular to the speed adjusters set up on the rotating machines. All the rotating machines at SPBI sites (>2 KW) are fitted with variable speed adjusters.
- **Reducing fuel consumption** thanks to a system set up for booking vehicles and ride-sharing.
- **Deploying actions to raise awareness** (eliminating waste), when welcoming new recruits and through quarterly communications in the plants.
- **Optimizing heating use**: the temperature was lowered by 1 degree at the Monte Carlo Yachts plant this year.
- **Putting in place energy performance criteria** for equipment purchases and consulting with the Energy manager for all projects with potential impacts on these areas.
- **Fitting more efficient lighting systems**: following a study to identify equipment with the lowest consumption levels (during use and at end-of-life), the Group has published a catalogue of light fittings, available on B WEB. Over time, the lights in place are being replaced with more efficient lighting systems from this catalogue. In SPBI's facilities, more than 2.000 lights were replaced this year with LEDs. Following the energy audit, CNB switched all its buildings to LEDs this year.
- **Linking the energy department**, initially part of the industrialization team, to the Health-Safety-Environment department.

Ensuring effective control over waste generation

Quantity of industrial waste generated in each category (tons)



French scope	2017-18	2016-17	2015-16
Non-hazardous waste recovery / recycling rate	73.9%	71.7%	69.0%

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

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

All the Group's sites have sorted their waste for several years, with various channels for recovery and reclamation, particularly for packaging (cardboard, plastics, metals) and wood waste. Part of the non-hazardous waste that cannot be recycled is used to produce energy in incinerators. According to information from our provider, each ton of waste processed enables it to produce 30 KWh of electricity. The rest of the non-hazardous waste that cannot be recycled or recovered is sent to accredited regional landfill facilities (CET), making it possible to limit the carbon impact during transportation.

Thanks to these actions, the recovery / recycling rate for non-hazardous waste is progressing each year.

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

Improving the prevention of emergency situations (fire / spillage / security risk)

1. Preventing spillage risks

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

This year, two new underground fuel tanks aligned with the growing needs for boat engines was set up at the Les Herbiers site, with a dual membrane and retention system in the pipes making it possible to ensure compliance when filling tanks, while reducing the risk of accidental spillages. A shutter mechanism has been installed in the sorting area at the Les Herbiers and L'Herbaudière sites. Ostroda Yacht has set up containment trays and a tank below its resin tank. All the Housing Division's anti-spillage kits have been updated and training sessions have been held at all the sites on how to use these kits.

2. Preventing fire-related risks

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

Specific first-response teams are trained up on how to use the emergency equipment (extinguishers, fire hose stations) and receive regular training during exercises. Some sites also have Level 2 fire-fighting teams authorized to tackle larger fires. The sites are all equipped with fire detection systems, in addition to sprinklers for the most sensitive sites. Audits are carried out on a regular basis by the insurers at the sites.

The Group's various sites have continued moving forward with their fire risk prevention actions. The Housing business has launched a project for around €200.000 to review fire risk compliance at the U2 site. A complete detection and extinguishing system has been set up for the Saint Hilaire woodwork unit and is currently being deployed for the woodwork section at Les Herbiers. CNB appointed an independent consulting firm at the end of 2017 to assess its explosive atmosphere (ATEX) risk (zoning, assessing risks and drawing up the explosion protection document), following which an action plan was launched during the first half of 2018.

3. Achieving highly protected risk certification

In the Boat Division, these actions are being rolled out as part of an approach with the insurers with a view to achieving the "highly protected risk" label. Nine of the Boat business' 13 production sites in France are currently covered by this "highly protected risk" label. This certification enables work to be carried out on three levels:

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

Carrying out management actions to develop an environmental culture

A steering committee to monitor the Group's environmental impacts was set up in July 2018 to oversee and centralize actions to reduce environmental impacts across the Group's business units and share the major regulatory developments in terms of environmental aspects.

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

To make employees more aware of environmental issues and engage them in the Group's sustainable development approach, each new member of staff - permanent or temporary - takes part in an information meeting during which they are notably reminded about the principles of sorting waste and day-to-day actions to reduce consumption levels for water, electricity, heating and components. Training courses are regularly arranged to raise employees' awareness of environmental issues. Health-safety-environment correspondents and coordinators are given specific training, particularly to remind them about their roles and responsibilities in terms of respect for and protection of the environment. In addition, environmental training programs are rolled out for all staff at sites that are ISO 14001 certified, or adopting this approach, at least once every three years, in connection with the renewal of their certification.

Reducing our consumption of resources

1. Water

CSR scope [1]	2017-18	2016-17	2015-16
Water consumption M³ / 1.000 hours worked	9.0	10.3	11.4

[1] Data based on calendar year for SPBI.

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

2. Raw materials

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

CSR scope[1]	2017-18	2016-17	2015-16
Resin / gelcoat consumption Tons / 1.000 hours worked	1.276	1.344	1.425

(1) Data based on calendar year for SPBI. These data relate exclusively to the Boat business. The data for 2015-16 do not include Monte Carlo Yachts.

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

French scope[1]	2017-18	2016-17	2015-16
Timber consumption (tons)	64,552	75,239	55,983
Quantity of scrap timber / quantity of timber consumed	21.2%	16.5%	18.3%

(1) Due to errors with the data for the previous two years, the data are not comparable.

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

The Group also seeks to manage its use of timber effectively by optimizing its cutting plans and managing the end of product lives with a view to generating the least amount of waste possible. All timber waste, excluding sawdust from certain sites, is reclaimed. The Saint Hilaire woodwork unit has been working since 2014 to optimize its consumption of plywood panels by recovering offcuts more effectively and eliminating excess production to prevent parts being scrapped at the end of runs. The actions taken have made it possible to achieve estimated materials savings of over €2 million since the action plan was launched.

Tackling food waste

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

3.2 Limiting the environmental footprint of products

Limiting pollution at sea for boats produced by the Group

More than 80% of the greenhouse gas emissions generated by motorboats during their lifecycle are linked to their use. The proportion is 45% for sailing yachts.

From the design phase, the Group looks into solutions to reduce their consumption at sea: reducing the boats' weight, designing hulls to improve buoyancy on water, optimizing the bonding systems for anti-fouling paint on the gelcoat. The Group is also working to design boats with more environmentally-responsible equipment (solar panels, electric engines).

Motorboats are equipped with engines that meet the highest performance standards for consumption and greenhouse gas emissions. For several years, the Boat Division has had a procedure making it possible to select the types of products (clean technique) that are best suited to the size of the boats with a view to reducing emission levels

Being part of the boat decommissioning sector

Created in 2009, this sector has been set up voluntarily in France by the boatbuilding industry, in which Groupe Beneteau is the leading operator, united within the French boating industry federation (FIN). Since then, the French energy transition for green growth act 2015-992 and Decree 2016-1840 have defined the national regulatory framework required for this channel's accreditation, as well as the eco-organization that will ensure its effective management and financing. From January 1, 2019, all companies that put recreational or sports boats, subject to registration, on the French market will be required to contribute towards or provide for the processing of the waste resulting from these products.

As a member of the French boating industry federation (FIN), and part of its management structures, Groupe Beneteau has been actively involved in work to set up a channel for the deconstruction of decommissioned recreational boats, in its voluntary form since 2009 and more recently through the creation of the eco-organization, within which it is also part of its management bodies.

From January 2019, the sector will be managed by the association for eco-responsible recreational boating (APER), whose accreditation will be issued on this date. A French non-profit organization under the Law of 1901, its objective is to organize and coordinate the French sector for the deconstruction and recycling of decommissioned recreational boats.

To date, no other countries have put similar obligations in place.

Eco-designing leisure homes

The Housing Division's eco-design approach is based on the definition of an eco-profile, which includes over 100 criteria, for each product range. A rating by a multidisciplinary group enables improvements to be assessed for all aspects during the design phase. The eco-design approach is based on the choice of eco-friendly materials, energy-efficient equipment and solutions to facilitate the decommissioning process, focusing on the following areas:

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

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

4. SOCIETAL COMMITMENT

By positioning sustainable growth at the heart of the Transform to Perform strategic plan, Groupe Beneteau is setting out its focus on taking action as a socially responsible company within the communities where it operates through its various commitments.

Its societal commitments are as follows:

- Ensuring fair business practices and integrity;
- Ensuring a strong regional presence;
- Building sustainable relationships with its stakeholders (customers, suppliers, dealers);
- Opening up access to its products for as many people as possible.

4.1 Ensuring fair practices / business ethics

Acting with integrity is fundamental: Groupe Beneteau expects the behavior of all its employees, suppliers, dealers, customers and partners to be beyond reproach.

In connection with their activities, Groupe Beneteau, its employees and its partners may find themselves faced with various situations that could put business ethics at risk:

- Corruption and bribery;
- Facilitation payments;
- Conflicts of interest;
- Gifts and courtesies with the potential to influence decisions;
- Corporate patronage and sponsoring requests;
- Fraud;
- Money-laundering;
- Insider trading;
- Non-compliance with product quality and safety requirements;
- Anti-competitive practices.

Groupe Beneteau's Code of Conduct is currently being drawn up and will cover each of these situations, presenting examples and the best practices and behaviors to adopt.

4.2 Ensuring a strong regional presence

As an international business, Groupe Beneteau is committed to playing an active role in the social and economic development of the regions where it is based.

Building on commitments to employment and training

Both in France and internationally, the Group is a leading local employer.

The Group is involved in the creation of a boating industry campus in France's Pays de Loire region. It has made a commitment to take part in the Campus' working groups and to work alongside all the partners to develop and improve the visibility of career and training opportunities in the boating sector.

In Italy, Monte Carlo Yachts, in partnership with a public training center and with support from the Friuli-Venezia Giulia region, has developed professional training programs for jobseekers so they can gain the skills needed to complete a work placement at its plant. These 400-hour training programs include 200 hours of work placements at the Monte Carlo Yachts plant and 80 theoretical hours provided by operators. This year, 12 people benefited from training on assembly activities and are expected to join the Monte Carlo Yachts plant on a fixed-term contract or internship.

In the US, the Marion plant is supporting South Carolina's integration and training programs and has welcomed 13 people for training at its plant.

Valuing and promoting the Group's careers

The Group regularly gives presentations to audiences of all ages covering the boating world and sharing the careers available in the boat and housing sectors:

- **Welcoming high school or college students:** all the Group's plants, in France and around the world, welcome high school or college students each year for discovery placements lasting three to four weeks.
- **Welcoming interns:** the Group's companies welcome more than 200 interns each year.
- **Working in schools and universities,** with around 40 students from ICAM Nantes and various students from UTBM Belfort-Montbéliard; in Italy, Monte Carlo Yachts took part in the recruitment days organized by Trieste and Udine Universities (500 students met).
- **Organizing open days:** In Italy, Monte Carlo Yachts held three open days during which around 100 students were able to visit the plant and discover the careers available in the boating industry. Each year, the Cadillac plant hosts the Young Professionals Club, a professional network of young graduates.
- **Organizing a young graduate day:**: in June 2018, the Group organized a dedicated recruitment day for young engineering graduates for the Boat and Housing Divisions. Around 15 candidates were able to visit the production site and take part in interviews.
- **Ensuring the HR teams' presence at sports events and shows,** such as the Paris Boat Show in December 2017, and in September 2018 the Solitaire URGO Le Figaro race village in St Gilles Croix de Vie, then the Grand Pavois de La Rochelle show.

Being part of local economic networks

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

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

Carrying out solidarity actions in its regions

1. With employees

At Ostroda Yacht, a support fund provides financial assistance for employees whose members of family have a chronic illness or disability. During the year, this fund provided support for six staff. In Italy, Monte Carlo Yachts offers a scholarship program for employees' children based on their school results. This year, 25 scholarships were awarded through this initiative.

2. Around the world of boating

When the Tour de France cycling race passed through Saint-Gilles-Croix-de-Vie on Saturday July 7, 2017, Groupe Beneteau took part in the "All in Sailor Shirts" operation. In the Conserverie car park, spectators were offered breakfast and invited to buy branded sailor shirts, with all the profits donated to the Saint-Gilles-Croix-de-Vie lifeboat association (SNSM). Carried out to mark the passage of the Tour de France through the city where the Beneteau family yard was first set up and its current headquarters are located, this operation was an opportunity for Groupe Beneteau to celebrate its team spirit and solidarity, in a fun and festive atmosphere.

In September 2017, Monte Carlo Yachts donated boating equipment and defibrillators to the country's lifeboat association.

Working in consultation with local authorities

Groupe Beneteau works in consultation with local authorities. For the 500 Permanent Contracts Plan, a monthly meeting was organized with the Pays de la Loire region to look at the training programs put in place for careers in the boating industry (initial training, POEC operational preparation for collective employment and other initiatives). For the development of regional infrastructures, the Group takes part in work and review processes led by local authorities on the current and future routes for transporting boats and leisure homes. Lastly, in connection with the hosting of major sports events, such as the Tour de France or the arrival of the La Solitaire URGO Le Figaro, the Group links up with the events and activities organized by St Gilles Croix de Vie city hall.

4.3 Building sustainable relationships with the stakeholders

Meeting customers' needs

The quality of the Group's products is one of the key areas within the 2017-2020 positive transformation plan. In the Boat business, the Group has rolled out a quality roadmap, with strategic directions defined by key contributors including the executive leadership team and plant directors, as well as the sales, marketing, product development and support teams. This plan is structured around six key areas:

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

In connection with its new quality plan, the Boat Division is targeting a customer satisfaction rating of over 85%. For 2017-18, this rate was 82%.

For the Housing business, the quality approach is a priority ambition within the continuous improvement plan. Its mission is to share a common quality culture and goals for results with all staff. Exchanges of best practices between the eight production sites are promoted through constant communications and regular reviews to take stock of developments. For several years, the Housing business has rolled out a structured quality approach, with an industrial monitoring plan, based on 13 compulsory checkpoints throughout the production process: safety, functional and design checks during production and on existing products. From a technical perspective, tests are carried out upstream from production to validate all the components and products: salt fog testing, materials resistance measurements and endurance testing. This approach makes it possible to reduce faults and non-compliance issues, and to further strengthen customer satisfaction.

Promoting a sustainable procurement policy

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

The procurement departments are able to count on a local network, which they have worked with for a long time, and with which the Group benefits from strong levels of confidence and trust, enabling supplier relations to be managed on a balanced basis. In line with this collaborative spirit, which is one of the pillars for the procurement policy, suppliers are engaged in the Group's development strategy. The Boat Division's quarterly innovation committee meetings are opened up to suppliers who can present their innovations to the management team and discuss future areas for innovation. The Group has launched co-design initiatives with certain suppliers, such as the upholstery suppliers for the Boat business.

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

A schedule is drawn up each year for supplier quality audits. It is based on the importance and critical nature of the various suppliers (level of dependence on the supplier, ability to replace the supplier, severity of the risk if the supplier does not deliver for production, or recurring quality issues). These audits are carried out by teams from Groupe Beneteau's Quality Department and the various Procurement Departments based on procedures and tools defined in-house. They make it possible to assess the performance of the Group's suppliers, ensure that the internal procedures put in place are aligned with the Group's requirements, and identify and correct potential shortcomings before they become critical. For 2017-18, they covered 50 suppliers for the Boat business in France and Italy.

The Boat business subcontracts its composites and fine woodwork operations. In the Housing business, subcontracting primarily concerns furniture, wiring bundles and frameworks. Production purchases with subcontractors are defined as all the services purchased to replace work in the facilities. For FY 2017-18, subcontracting represented the equivalent of 187 FTEs for the Boat Division in Europe and 40 FTEs for the Housing Division.

Supporting dealers

The Group takes great care to ensure the quality of its relationships with its partner dealers, as well as their economic health. Each year, international conferences are organized, enabling the brands to present their business strategies, new product ranges, innovations and communications tools. These conferences, offering ideal opportunities for sharing, enable the Group's brands to support dealers with their development.

The Group offers four-day technical training programs for its dealers, hosted in the Group's training center and led by the after-sales service teams, with support from certain suppliers. Each year, nearly 150 technical staff from its dealer networks are trained up by the Group. The technical leaders from the after-sales service teams also host specific training sessions for dealers once or twice a year in the US or Asia. The Boat business' brands all have a dedicated mobile after-sales service team made up of six or seven staff who visit dealers worldwide to provide them with support and training on technical aspects.

In addition to technical support, the Group has provided financial support for its network of dealers for over 19 years. Its subsidiary SGB Finance makes it possible to finance their stock in all the countries where it is present.

4.4 Opening up our products to as many people as possible

Facilitating access to our products

1. Financing

To make it easier for people to buy their own boats, sharing the pleasure of boating as widely as possible, Groupe Beneteau, through the financing company SGB Finance, enables its customers to benefit from bespoke financing solutions that are tailored to their personal situations (loan or lease purchase), as well as insurance cover designed specifically for the boating world. More than half of the new boats sold by the Group in France are covered by financing with SGB Finance.

In February 2018, Groupe Beneteau signed an agreement with LH-Finance for the North American market, enabling it to offer financing solutions under the trading name Groupe Beneteau Financial Services. The bespoke financing solutions offered are available exclusively to dealers and customers for Groupe Beneteau's various boat brands.

Initially developed for recreational boats, the partnership with SGB Finance has been extended to include the Leisure Homes business, offering financing solutions for campsites to acquire leisure homes.

2. Offer reviewed and extended for preowned, rental and services

The Band of Boats platform was launched in March 2018 and will eventually replace EYB. Unique on the boating market, Band of Boats offers a complete solution for you to enjoy a truly on-demand boating experience. The platform incorporates all the features of EYB, the Group's dedicated preowned subsidiary, and offers new online services such as introductions for short-term boat rentals with or without skippers, searches for financing, insurance and transport, as well as help to choose the boat that is the best fit for your plans. The work carried out by the Digital Transformation Committee, launched in 2016, led the Group to rethink EYB's mission and transform it in line with consumers' expectations.

3. Boat club: boating on demand

Boat clubs are becoming increasingly popular and offer an interesting alternative to occasional boat hire or buying your own boat. This year saw the launch of the Beneteau Boat Club and Jeanneau's partnership agreement with the US market leader, Freedom Boat Club. Developed following a collective review by Groupe Beneteau looking into future solutions to be developed, the Beneteau and Jeanneau brands have each developed a boat club offer in line with their own specific features.

Supporting charity projects around the boating world

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

In the US, the Marion plant sponsored the 12th regatta organized by the charity CRAB. This Annapolis-based charity enables people with disabilities to enjoy the thrill and freedom of sailing.

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

Promoting the Beneteau Foundation's activities

The Beneteau company foundation has supported the following projects:

- Team Vendée Formation
- Marins sans Frontières
- Sail catamaran architecture competition
- Restoration of the F40 Jeanneau-Fleury Michon yacht
- AACSM Award
- Lady Valentine yacht

1. Team Vendée Formation

Team Vendée Formation plays a key role in promoting the career opportunities available in the boating world. It aims to train young people on the professions involved with offshore racing.

2. Marins sans Frontières

This charity's humanitarian actions are fully aligned with the Foundation's values and objectives, bringing assistance to communities that are isolated by the sea or waterways or that depend on them, with a constant focus on safeguarding the marine environment, restoring rescue boats and preserving coastal heritage around the world. The Foundation has helped fund the renovation of a fourth boat on the island of Madagascar.

3. Sail catamaran architecture competition

The Beneteau Foundation encourages creation and innovation in all its forms for the boating and housing sectors. Through the competition it organized in 2017, it wanted to offer an opportunity for all students from French and European architecture and design schools to create a sail catamaran. The idea is to combine future designs and innovations with a view to protecting the marine environment.

4. Restoration of the F40 Fleury Michon yacht

The Beneteau Foundation is committed to preserving boats that have marked the history of yachting. Through its actions, it seeks to bring these boats back to life, linking past to future. One example is this catamaran that was built in the shipyards of Jeanneau Technique Avancé (JTA) in 1985. It competed in outstanding regattas with the greatest sailors at its helm.

5. AACSM Award

During Aimée Hilda's presentation at the 2015 Nautic Boat Show, the AACSM launched the AACSM Award, with funding from the Beneteau Foundation, for saving lifeboats. This initiative is fully in line with the Foundation's goals to safeguard naval heritage.

6. Lady Valentine yacht

The Foundation renovated the hybrid yacht for five months before launching it again, offering opportunities to introduce people to sailing or providing access to charities who would like people to discover the marine environment. Lady Valentine welcomes Groupe Beneteau employees on board for one day for the sailing culture training course. This course enables trainees to learn about the boat (four hours of training in dock) and experience critical or risky situations (three hours at sea). It enables participants to learn the right boating vocabulary and understand the expectations of end customers in terms of quality and safety. Each session is recognized with a certificate confirming their level of knowledge. In 2017, 195 trainees benefited from this program, taking the total number up to 796 since it was launched.

5. CSR REPORTING METHODOLOGY AND SCOPE

5.1 Reporting procedure

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

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

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

5.2 Reporting period

The data collected cover the period from September 1, 2017 to August 31, 2018.

However, to correlate the information provided in this report with the data from the various regulatory environmental disclosures, SPBI reports on water consumption and VOC emission indicators based on the calendar year (January 1 to December 31, 2017). SPBI's contribution represents around 50% of each indicator. This choice factors in the desire to correlate the information provided in this report with the data from the various regulatory environmental disclosures. The indicators relating to the number of units of value recognized for disabled staff, the ratio of training costs to payroll, and the resin and gelcoat consumption figures are also reported over the calendar year for certain companies.

5.3 Reporting scope

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

The scope for companies included in the CSR reporting framework at August 31, 2018 is identical to August 31, 2017 and includes:

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

The companies included in the CSR reporting scope represent 99.5% of the Group's total workforce at August 31, 2018, compared with 99.7% at August 31, 2017.

5.4 Scope for indicators

To ensure the relevance and reliability of the data published, the non-French companies have been excluded from the scope for certain indicators. The scope for each indicator is presented in the indicator's heading.

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

- Breakdown of the workforce by age
- Number of people working nights

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

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

5.5 Clarifications concerning certain indicators

Human resources section

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

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

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

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

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

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

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

Leave entitlements for family events are excluded.

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

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

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

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

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

Frequency rate: the frequency rate is the number of occupational accidents resulting in time off work x 1.000.000 / actual number of hours worked.

Severity rate: the severity rate is the number of days off work for occupational accidents x 1.000 / actual number of hours worked.

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

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

Environmental section

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

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

Waste: the following classification is applied:

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

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

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

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

Burial: storage underground or disposal in landfill.

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

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

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

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

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

Societal section

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

BENETEAU S.A.

Breakdown of earnings

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

ITS EARNINGS CAN BE BROKEN DOWN AS FOLLOWS:

€m	2017-18	2016-17
Revenues	**17.9**	**15.1**
Operating income	(7.9)	(5.6)
Financial income (expense)	18.6	11.6
Net income	8.2	(0.2)

During the year, BENETEAU S.A. received €27.6 million in dividends from CNB SA, BIO Habitat SAS, SPBI SA and SGB.

The company's total net banking resources represented €166.4 million at August 31, 2018, compared with €89.4 million at August 31, 2017.

Information on terms of payment for suppliers and customers

BY PERIOD FOR LATE PAYMENTS (A)

€'000	Unpaid invoices received at Aug 31, 18 in arrears					
Late payment brackets	0 days	1 to 30 days	31 to 60 days	61 to 91 days	Longer	TOTAL
Total amount of invoices concerned including VAT	0	207	11	8	36	262
Percentage of total amount of purchases including VAT	0.0%	1.3%	0.1%	0.0%	0.2%	1.6%
Number of invoices						137

€'000	Unpaid invoices issued at Aug 31,18 in arrears					
Late payment brackets	0 days	1 to 30 days	31 to 60 days	61 to 91 days	Longer	TOTAL
Total amount of invoices concerned including VAT	442	42	14	1	31	530
Percentage of revenues including VAT	2.1%	0.2%	0.1%	0.0%	0.1%	2.5%
Number of invoices						197

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

	Unpaid invoices received at Aug 31, 18 in arrears	Unpaid invoices issued at Aug 31, 18 in arrears
Number of invoices excluded	na	1
Total amount of invoices excluded (€'000)	na	128

REFERENCE TERMS OF PAYMENT USED

	Unpaid invoices received at Aug 31, 18 in arrears	Unpaid invoices issued at Aug 31, 18 in arrears
Number of invoices excluded	Legal	Legal

Other items

To the best of our knowledge, with the exception of BERI 21 S.A., three other legal entities hold more than 2.5% of the capital of BENETEAU SA, with 3.8610% for the Franklin Ressources Inc fund, 2.51% for Financière de l'Echiquier and 2.70% for Norges Bank.

The Management Board would like to add that 374,000 shares, representing 0.45% of the capital, are held by current and former staff under the BENETEAU ACTION company mutual fund, in accordance with Article L.225-102 of the French commercial code.

The expenditure covered by Article 39-4 of the French general tax code (Code Général des Impôts, CGI) came to €40,270 for the year.

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

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

- Buying a total of 460,618 shares at an average price of €16.54 per share
- Selling a total of 491,818 shares at an average price of €16.38 per share
- Trading costs: €74,000.

This gives a balance of 550,742 treasury shares at August 31, 2018, with a par value of €0.10, representing 0.67% of the capital, with 0.67% for shares awarded. The net balance sheet value represents €5,295,000, while the value at August 31, 2018, based on the average share price for August 2018, came to €7,643,000.

The reasons for acquisitions are included in the treasury stock buyback program approved at the general meeting on February 9, 2018.

Appropriation of earnings

The Management Board proposes the following appropriation of the €8,239,164.36 in net income for BENETEAU S.A. for the year ended August 31, 2018, plus €264,185.50 in prior retained earnings:

- Other reserves: €8,503,349.86
  Reducing other reserves from €127,082,991.42 to €135,586,341.28
  And to draw €21,525,358.40 from other reserves for:
- Dividends: -€21,525,358.40

In this way, other reserves will be reduced from €135,586,341.28 to €114,060,982.88.

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

The proposed dividend represents €0.26 for each one of the 82,789,840 shares, with a par value of €0.10.

It will be paid out on Friday February 15, 2019, after deducting social security charges.

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

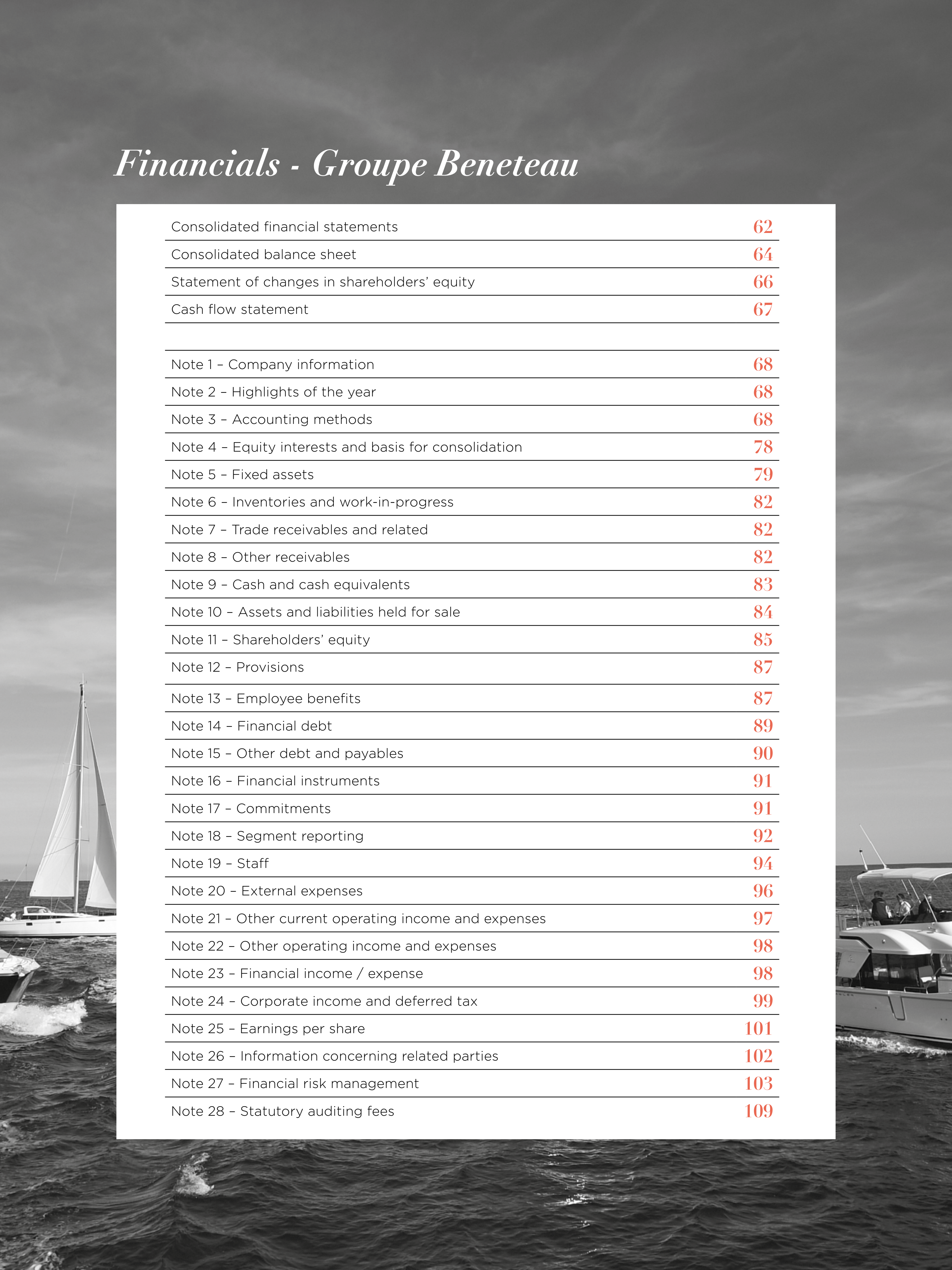
	2014-15	2015-16	2016-17
Share par value	€0.10	€ 0.10	€ 0.10
Number of shares	82,789,840	82,789,840	82,789,840
Net dividend	€0.06	€0.10	€0.25

Acquisitions of significant capital stakes and controlling interests

During the year, Beneteau SA subscribed for the full amount of the capital of the company Band of Boats for €1 million.

Five-year financial summary for BENETEAU S.A.

€	2013-14	2014-15	2015-16	2016-17	2017-18
Capital at year-end					
Share capital	8,278,984	8,278,984	8,278,984	8,278,984	8,278,984
Number of shares	82,789,840	82,789,840	82,789,840	82,789,840	82,789,840
Operations and earnings for the year					
Revenues (net of tax)	12,678,398	13,562,132	14,359,635	15,126,363	17,900,536
Earnings before tax, profit-sharing, depreciation and provisions	(8,547,966)	(12,546,473)	(7,779,580)	9,181,307	16,137,137
Corporate income tax	(3,483,946)	(5,561,452)	(5,447,177)	(602,351)	2,271,212
Employee profit-sharing	0	7,638	42,387	69,578	170,725
Net income	(7,036,659)	(6,911,283)	(1,706,206)	(211,015)	8,239,164
Distributed earnings	3,311,594	4,967,390	8,278,984	20,697,460	21,525,358
Earnings per share					
Earnings after tax and profit-sharing, but before depreciation and provisions	(0.06)	(0.08)	(0.03)	0.12	0.17
Net income	(0.08)	(0.08)	(0.02)	(0.00)	0.10
Dividend per share	0.04	0.06	0.10	0.25	0.26
Workforce					
Average headcount	23	24	27	30	38
Payroll	1,847,271	2,670,953	3,458,392	3,281,244	4,394,253
Employee benefits	1,356,679	1,226,214	7,326,158	1,525,858	5,354,910



Financials - Groupe Beneteau

Consolidated financial statements

Consolidated income statement at August 31, 2018

€'000	Note	Aug 31, 2018	Aug 31, 2017
Revenues	Note 18	**1,287,197**	**1,208,318**
Change in inventories of finished products and work-in-progress		7,136	(3,792)
Other income from operations		1,247	479
Purchases consumed		(623,294)	(590,124)
Staff costs	Note 19	(367,595)	(320,533)
External expenses	Note 20	(127,189)	(121,710)
Taxes		(22,907)	(20,783)
Depreciation		(65,299)	(63,990)
Other current operating expenses	Note 21	(4,468)	(4,339)
Other current operating income	Note 21	2,794	2,056
Income from ordinary operations	Note 18	**87,620**	**85,582**
Other income and expenses	Note 22	0	(5,877)
Operating income		**87,620**	**79,705**
Income from cash and cash equivalents	Note 23	164	35
Gross finance costs	Note 23	(3,024)	(2,326)
Net finance costs	Note 23	**(2,860)**	**(2,291)**
Other financial income	Note 23	4,086	565
Other financial expenses	Note 23	(202)	(2,655)
Financial income (expense)	Note 23	**1,024**	**(4,381)**
Share in income of associates		4,180	4,670
Corporate income tax	Note 24	(32,434)	(19,899)
Consolidated net income		**60,390**	**60,092**
Minority interests		(932)	386
Net income (Group share)		**61,322**	**59,709**
€			
Net income (Group share) per share	Note 25	0.74	0.72
Diluted net earnings per share	Note 25	0.74	0.72

Statement of comprehensive income

€'000	Aug 31, 2018	Aug 31, 2017
Items that will not be restated in profit or loss subsequently		
Actuarial gains or losses	469	4,520
Tax effect	(136)	(1,307)
Subtotal	333	3,213
Items that will be restated in profit or loss subsequently		
Foreign currency translation adjustments	(10)	53
Fair value adjustments on financial hedging instruments	(2,571)	3,113
Fair value adjustments on available-for-sale financial assets	0	0
Share of gains and losses recognized directly in equity for associates	0	0
Tax effect	756	(915)
Subtotal	(1,826)	2,251
Subtotal for gains and losses recognized directly in equity	**(1,492)**	**5,463**
Net income for the period	**60,391**	**60,095**
Net income and gains and losses recognized directly in equity	**58,898**	**65,558**
Of which, share attributable to owners of the parent	59,830	65,158
Of which, share attributable to non-controlling interests	(932)	401

Consolidated balance sheet at August 31, 2018

ASSETS (€'000)	Notes	Aug 31, 2018	Aug 31, 2017
Goodwill		81,394	78,507
Other intangible assets	5	28,352	28,641
Property, plant and equipment	5	330,224	312,555
Investments in associates	5	39,099	36,378
Non-current financial assets	5	336	194
Deferred tax assets	24	7,656	5,817
Non-current assets		**487,061**	**462,092**
Inventories and work-in-progress	6	239,777	219,536
Trade receivables and related	7	67,656	73,254
Other receivables	8	45,773	45,981
Current tax assets		1,413	16,651
Cash and cash equivalents	9	265,258	214,296
Current assets		**619,877**	**569,718**
Assets held for sale	10	**1,315**	**1,842**
Total assets		**1,108,253**	**1,033,652**

Consolidated balance sheet at August 31, 2018 (contd.)

SHAREHOLDERS' EQUITY AND LIABILITIES (€'000)	Notes	Aug 31, 2018	Aug 31, 2017
Share capital	11	8,279	8,279
Additional paid-in capital		27,850	27,850
Treasury stock	11	(5,299)	(10,604)
Consolidated reserves		539,484	504,072
Consolidated income		61,322	59,709
Shareholders' equity (Group share)		**631,636**	**589,306**
Minority interests		1,663	1,335
Total shareholders' equity		**633,299**	**590,641**
Provisions	12	4,168	8,617
Employee benefits	13	26,022	25,611
Financial liabilities	14	32,192	38,516
Deferred tax liabilities	24	0	2,145
Non-current liabilities		**62,382**	**74,889**
Short-term loans and current portion of long-term loans	14	71,167	66,126
Trade payables and related	15	106,632	96,946
Other liabilities	15	196,492	175,631
Other provisions	12	28,847	27,553
Current tax liabilities	15	8,844	409
Current liabilities		**411,982**	**366,665**
Liabilities held for sale	10	**590**	**1,458**
Total shareholders' equity and liabilities		**1,108,253**	**1,033,653**

Statement of changes in shareholders' equity

€'000	Capital stock	Additional paid-in capital	Treasury stock	Consolidated reserves	Translation adjustments	Earnings	Shareholders' equity (Group share)	Minority interests	Total shareholders' equity
Net position at August 31, 2016	**8,279**	**27,850**	**(10,697)**	**490,518**	**(9,504)**	**24,772**	**531,217**	**1,039**	**532,256**
Earnings for 2016-17						59,709	59,709	386	60,094
Other comprehensive income				5,395	53		5,448	15	5,463
Comprehensive income for 2016-17				5,395	53	59,709	65,157	401	65,558
Appropriation of earnings for 2015-16				24,772		(24,772)	0		0
Dividends paid				(8,168)			(8,168)	(105)	(8,273)
Foreign currency translation adjustments					(407)		(407)		(407)
Change in scope				0			0	0	0
Changes in treasury stock			94	33			128	0	128
Other [1]				1,378			1,378	0	1,380
Net position at August 31, 2017	**8,279**	**27,850**	**(10,603)**	**513,928**	**(9,858)**	**59,709**	**589,305**	**1,335**	**590,641**
Earnings for 2017-18						61,322	61,322	(932)	60,389
Other comprehensive income				(1,482)	(10)		(1,493)	0	(1,493)
Comprehensive income for 2017-18				(1,482)	(10)	61,322	59,828	(932)	58,896
Appropriation of earnings for 2016-17				59,709		(59,709)	0		0
Dividends paid				(20,432)			(20,432)	1	(20,431)
Foreign currency translation adjustments					112		112		112
Change in scope				(1,231)			(1,231)	1,260	29
Changes in treasury stock			5,304	(3,270)			2,034	0	2,034
Other [1]				2,022			2,022	0	2,022
Net position at August 31, 2018	**8,279**	**27,850**	**(5,299)**	**549,241**	**(9,758)**	**61,322**	**631,636**	**1,663**	**633,299**

[1] Detailed breakdown of other changes
IFRS 2 -€2,022,000 (Note 19)

Cash flow statement

€'000	2017-18	2017-18	2016-17	2016-17
Operating activities				
Net income for the year		57,669		55,912
Consolidated net income	60,390		60,096	
Share in income of associates (restated for dividends received)	(2,721)		(4,184)	
Elimination of income and expenses without any impact on cash flow or unrelated to operations		63,551		75,496
Depreciation and provisions	65,455		73,509	
Capital gains or losses on disposals	1,449		840	
Deferred tax	(3,353)		1,147	
Operating cash flow		**121,220**		**131,408**
Change in working capital requirements		33,534		50,034
Inventories and work-in-progress	(18,090)		10,121	
Receivables	13,423		32,423	
Current tax	23,693		11,364	
Payables	14,508		(3,874)	
Total 1 - Cash flow from operating activities		**154,754**		**181,442**
Investment activities				
Fixed asset acquisitions		(82,727)		(75,878)
Fixed asset disposals		(719)		(843)
Fixed asset-related receivables - payables		2,155		(2,058)
Impact of changes in scope		(1,781)		0
Total 2 - Cash flow from investment activities		**(83,072)**		**(78,779)**
Financing activities				
Change in share capital		0		0
Other cash flow from financing activities		(1)		0
Treasury stock		2,066		94
Dividends paid to shareholders		(20,432)		(8,276)
Payments received for financial debt		5,251		61,733
Repayments of financial debt		(11,677)		(17,598)
Total 3 - Cash flow from financing activities		**(24,793)**		**35,953**
CHANGE IN CASH POSITION (1+2+3)		46,889		138,616
Opening cash position (1)		209,347		72,056
Closing cash position (1)		256,297		209,347
Impact of changes in exchange rates		61		(1,324)
Change		46,889		138,615
Of which, Other transferable securities		25,000		41,150
Cash at bank and in hand		240,258		173,146
Bank overdrafts		(8,961)		(4,950)

NOTE 1 - COMPANY INFORMATION

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

The Group has two main activities:

- Designing, producing and selling sailing yachts and motor boats through an international network of dealers, with this activity grouped together under the "Boats" sector. As the boating industry's global market leader, Groupe Beneteau, through its Boat division's 10 brands, offers over 200 recreational boat models serving its customers' diverse navigational needs and uses, from sailing to motorboating, monohulls and catamarans;
- Designing, manufacturing and selling leisure homes, and manufacturing and selling timber-frame homes, with this activity grouped together under the "Housing" sector. Leading the European leisure homes market, the three brands from the Group's Housing division offer a comprehensive range of leisure homes, lodges and pods that combine eco-design with high standards of quality, comfort and practicality. This division also includes the design and manufacturing of timber-frame residential housing: the decision was taken to restructure this business after August 31, 2016 and its reorganization was carried out in 2017, with this activity shut down in 2018.

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

The consolidated financial statements at August 31, 2018 reflect the accounting position of the company and its subsidiaries (hereafter "the Group").

During its meeting on October 29, 2018, the Management Board approved the consolidated annual financial statements and authorized the statements to be published for the year ended August 31, 2018. These accounts will be submitted for approval at the next general shareholders' meeting.

NOTE 2 - HIGHLIGHTS OF THE YEAR

In July 2018, Groupe Beneteau finalized its acquisition of a 60% stake in the Slovenian company Seascape, specialized in designing, building and marketing performance sailing yachts. This company's accounts have therefore been consolidated since July 1, 2018 (two months of business).

NOTE 3 - ACCOUNTING METHODS

The annual financial statements are presented for the period ended August 31, 2018 in line with all of the IFRS published by the International Accounting Standards Board (IASB) and adopted by the European Union.

Impact of new standards and amendments to existing standards:

For the preparation of the financial statements at August 31, 2018, the Group has applied the mandatory standards at September 1, 2017, i.e.:

- Amendments to IAS 12 concerning the recognition of deferred tax assets for unrealized losses;
- Amendments to IAS 7 concerning the improvement of notes disclosures relating to the cash flow statement.

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

In addition, the Group has opted against the early application of any other standards whose application date is after September 1, 2017, but could be applied early. Lastly, with regard to the standards whose application has become mandatory since September 1, 2018, the Group:

- Is currently assessing the potential impacts of the application of IFRS 9 and IFRS 16 on its consolidated financial statements, but does not yet have any quantitative information;
- Has identified all the types of services sold by the Group, as well as the corresponding contractual provisions. This analysis shows that the application of IFRS 15 would not have any significant impact on the conditions for recognizing earnings within the Group or the financial statements.

Impact of the consolidation of Seascape D.o.o.

The Group has acquired a 60% stake in Seascape D.o.o. through its subsidiary SPBI.

In accordance with IFRS 3, the Group has identified the assets acquired and liabilities assumed, measuring them at fair value on the acquisition date. The following table presents the fair value on the acquisition date of the identifiable assets and liabilities of Seascape D.o.o.

€'000	
Net intangible assets	101
Net property, plant and equipment	202
Other non-current assets	5
Other non-current receivables	124
Deferred tax assets	11
Non-current assets	**443**
Inventories and work-in-progress	1.040
Trade receivables and related	252
Other receivables	195
Current assets	**1.487**
TOTAL ASSETS	**1.930**
Financial liabilities	150
Non-current liabilities	150
Short-term loans and current portion of long-term loans	41
Trade payables and related	**2.240**
Other current liabilities	378
Current liabilities	**2.659**
TOTAL LIABILITIES	**2.809**
TOTAL NET ASSETS	**(879)**
Goodwill	**2.660**

The assets and liabilities recognized may be adjusted subsequently within 12 months of the acquisition date.

The acquisition price does not take into account an earnout.

The acquisition agreement includes an option to buy the 40% held outside of the Group, with a price of between €1.1 million and €2.2 million. It has been recognized based on the lower range, with €1.1 million at August 31, 2018.

3.1 Presentation of the consolidated financial statements

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

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

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

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

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

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

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

Notes	Estimate	Type of disclosure
Note 3.5.1	Principal acquisitions, disposals and changes in scope	As relevant, presentation of the principal valuation assumptions and methods applied for the identification of intangible assets in connection with business combinations, and assumptions retained for annual impairment tests
Note 3.5.2	Development costs	If applicable, presentation of impairment methods
Note 13	Employee benefits	Discount rate, inflation, yield for plan assets, rate for increase in wages
Note 11.2 and 19	Share-based payments	Underlying assumptions and model for determining fair values
Note 12	Provisions	Underlying assumptions for assessing and estimating risks
Note 24.2	Corporate income tax	Assumptions retained for recognizing deferred tax assets and the conditions for application of tax legislation

3.2. Consolidation methods

Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed or entitled to variable returns as a result of its links with the entity and it has the capacity to influence these returns as a result of its power over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control is obtained up until the date when it ceases to have control over them.

Non-controlling interests

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

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

Interests in associates or joint ventures

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

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

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

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

Methods applied for the Group

At August 31, 2018, the Group's companies were exclusively controlled by BENETEAU S.A. As such, the accounts of these companies are fully consolidated. Only SGB Finance, over which the Group has joint control, with a 49% controlling interest, is consolidated on an equity basis.

Any unrealized income, expenses and balance sheet items resulting from intragroup transactions are eliminated when preparing the consolidated financial statements. Any unrealized gains and losses resulting from transactions with associates are eliminated under equity-consolidated securities. In accordance with IFRS 10, control is determined in relation to the Group's ability to exert power over the entities concerned with a view to influencing the variable returns that it is exposed or entitled to through its links with them. In accordance with IFRS 11, it records its interests in partnerships either as joint operations or joint ventures, depending on its rights to the assets and its obligations for the liabilities, relating to the partnership. When evaluating this, the Group factors in the arrangement structure, the legal form of the separate vehicle, the contractual arrangements and, if applicable, other facts and circumstances. A review of these new provisions shows that the Group exclusively has joint ventures. As a result, they are consolidated using the equity method, in line with IFRS 11.

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

3.3 Conversion method

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

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

3.4 Valuation of intangible assets

3.4.1 Business combinations and goodwill

Business combinations are recorded in accordance with the acquisition method on the acquisition date, which is the date when control is transferred to the Group. Control is the power to direct an entity's financial and operational policies with a view to benefiting from its activities. When assessing control, the Group takes into consideration the potential voting rights that may currently be exercised. On the acquisition date, goodwill corresponds to the sum of the consideration transferred and any non-controlling interests, less the net amount recognized (generally at fair value) for the identifiable assets acquired and liabilities assumed.

When the difference is negative, a gain is recognized immediately in profit and loss for the acquisition under preferential conditions. The consideration transferred excludes the amounts relating to the settlement of any preexisting relationships. These amounts are generally recognized in profit and loss.

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

3.4.2 Research and development costs

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

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

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

The main categories of intangible assets correspond to development costs.

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

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

The necessary resources are available to complete the projects successfully.

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

3.5 Depreciation of non-financial assets

3.5.1 Goodwill

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

The main value recorded as an asset concerns the cash-generating unit (CGU) BIO Habitat, included in the Housing business. The CGU previously recognized as IRM is now recorded as BIO Habitat, as a result of the merger between IRM, O'Hara and BIO Habitat in June 2015.

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

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

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

	BIO Habitat		RecBoat Holdings LLC	
€'000	Aug 31, 2018	Aug 31, 2017	Aug 31, 2018	Aug 31, 2017
Gross value of goodwill	63,335	63,335	15,399 (*)	15,172
Net book value of the CGU	136,000	127,000	48,272	42,579
Enterprise value	177,000	148,000	102,007	44,218
DISCOUNT RATE	7.68%	7.43%	11.48%	11.65%
- Cost of equity capital	7.44%	8.94%	13.93%	14.39%
- Net cost of debt	0.24%	1.41%	4.14%	3.42%
Perpetuity growth rate	1%	1%	3%	3%
Discount rate resulting in an impairment	9.84%	8.51%	19.73%	11.95%
Reduction in the margin rate resulting in an impairment	-0.85%	-0.90%	-3.59%	-0.18%

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

In addition, Seascape's acquisition generated €2.660.000 of goodwill, which has not been depreciated.

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

3.5.2 Development costs

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

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

The solution was deployed for the first time for the Housing business in July 2015. After it was brought into service, various processes needed to be changed and certain developments rewritten, calling into question the initial deployment plan for the Boat business.

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

The following method was applied to determine the provision:

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

3.5.3 Other intangible assets

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

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

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

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

3.6. Property, plant and equipment

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

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

3.7. Depreciation and amortization of property, plant and equipment

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

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

The depreciation periods retained are as follows:

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

3.8. Leases

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

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

Other leases are classified as operating leases. Lease charges are recorded as expenses on a straight-line basis through to the end of the lease.

3.9. Financial assets and liabilities (excluding derivatives)

Financial assets and liabilities comprise trade receivables, other receivables, trade payables, borrowings and financial debt.

When a financial asset or liability is initially recorded in the accounts, it is measured at fair value, in addition to, as relevant, any transaction costs that may be directly attributed to the acquisition.

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

The fair value is determined with reference to the market price published on the closing date for financial investments that are actively traded on an organized financial market. In other cases, it is determined in relation to a virtually identical instrument traded on a given market, or by discounting the future cash flow expected from the assets.

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

- **Level 1**: the fair value corresponds to the market value of instruments listed on an active market.
- **Level 2**: the fair value is measured with a valuation based on observable data.
- **Level 3**: the fair value is measured with a valuation based on non-observable data.

The financial instruments used by the Group are listed below:

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

3.10 Inventories and work-in-progress

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

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

Provisions for depreciation are calculated based on the difference between the gross value, determined in line with the abovementioned principles, and the net realizable value. This net realizable value corresponds to the expected sales price for the inventories in question.

3.11 Assets held for sale

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

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

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

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

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

3.12 Share capital and reserves

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

3.13 Employee benefits

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

Retirement benefits

The Group records provisions for retirement benefits in line with the usual measures applicable. This concerns a defined benefit plan. Provisions are assessed by an independent actuary based on the projected unit credit method, the same method as for defined benefit plans, with a discount rate of 2% at August 31, 2017 and August 31, 2018.

The sensitivity of commitments to a 1-point increase in the discount rate represented €4.732.000 at August 31, 2018.

In accordance with the obligation set out by IAS 19 (revised), Groupe Beneteau recognizes actuarial gains or losses in other comprehensive income. In this respect, during the financial year, the Group reduced the rate of payroll taxes for manager-grade staff by 0.39 points from 56.64% to 56.25%, and the payroll taxes rate for non-manager staff by 3.89 points from 47.58% to 43.69%. This reduction in the rate for payroll taxes is linked primarily to the inclusion of the tax credit promoting competitiveness and employment (Crédit d'Impôt Compétitivité Emploi) in the calculation of the average payroll taxes rate, taking into account its change to a deduction against payroll taxes from January 1, 2019.

Long-service awards (médailles du travail)

Long-service awards are linked to company agreements applying to the Group's various French companies. These additional bonuses are paid in one installment to employees who have a certain level of seniority on a given date. The Group books provisions in relation to their amount depending on the likelihood of employees being present in the Group on the payment date.

3.14. Share-based payments

Stock options or warrants awarded to employees must be measured at fair value. This fair value must be recorded in profit and loss against reserves over the vesting period for staff to acquire rights to exercise options. The fair value of options has been determined using the Black & Scholes valuation model, based on assumptions drawn up by an actuary. The fair value of bonus shares has been determined using the Monte Carlo model in order to take performance conditions into consideration.

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

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

Performance conditions: for the plans in force at August 31, 2018, when they apply, the performance conditions concern the change in Beneteau's share price in relation to the SBF120 index and changes in the percentage of the operating margin in relation to targets set by the Supervisory Board.

3.15 Provisions

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

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

3.16 Management of financial risks

Customer credit risk

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

BOATS

Invoicing occurs when the product is made available for the Boat business (see Point 3.18).

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

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

HOUSING

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

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

Other credit risk

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

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

Liquidity risk

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

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

The Group may use means of financing during the winter period. In FY 2016, the Group secured a medium-term revolving credit line for €150 million over five years, with a possible two-year extension, with a pool of partner banks, amended in 2017 to allow a maximum drawdown in dollars equivalent to €50 million. The current agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 3). These requirements were met at August 31, 2018.

In addition, the Group took out a loan in dollars from a banking pool to finance its acquisition of Rec Boat Holdings LLC. This loan agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 2.75). These requirements were met at August 31, 2018.

During the year, the Group set up a credit agreement with a banking partner for $20 million. This agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 3). These requirements were met at August 31, 2018.

Market risk

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

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

The hedge accounting eligibility criteria are as follows:

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

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

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

Interest rate risk

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

3.17 Tax

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

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

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

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

Deferred taxes have been determined based on a tax rate of 28.92% for items unwinding after September 1, 2020 and 34.43% for other items at August 31, 2018, as at August 31, 2017.

3.18 Revenues

Revenue from ordinary activities is recorded when the risks and benefits inherent in ownership of the assets in question are transferred to the buyer, and their amount can be valued on a reliable basis. This amount is net of any discounts granted to customers and certain costs relating to commercial services.

In the Boat business, the Group recognizes revenues on the date when the product is made available. This corresponds to the date from which the boat may be collected by the customer, with this date confirmed by the customer.

On this date, the most significant risks and benefits have been transferred to the customer.

The limited company Construction Navale Bordeaux S.A. bills for its work as and when progress is made on models with development timeframes exceeding one year.

3.19 Earnings per share

Earnings per share

This figure is determined by dividing the amount of net income by the weighted average number of shares outstanding.

Diluted earnings per share

These earnings are determined by adjusting the earnings attributable to holders of outstanding ordinary shares for the impact of any potentially dilutive ordinary shares, including options on shares awarded to members of staff.

3.20 Segment reporting

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

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

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

Other activities are considered as reconciliation items.

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

Revenue from ordinary activities is broken down by region depending on the customer's location. More specifically, the Group has assets in France, the United States, Poland, Italy, Spain, the UK and Brazil.

NOTE 4 – EQUITY INTERESTS AND BASIS FOR CONSOLIDATION

At August 31, 2018, the following entities were consolidated:

	Registered office	Siren no.	% interest	Method	BENETEAU S.A. Parent company Tax consolidation
Beneteau Inc Holding USA (Charleston)	Marion – USA		100.00	FC	
Beneteau America Inc	Marion – USA		100.00	FC	
BGM America Inc	Marion – USA		100.00	FC	
Beneteau Italia	Parma – Italy		95.00	FC	
Beneteau Brasil Construçao de Embarcaçoes SA	Angra dos Reis (RJ) - Brazil		100.00	FC	
SPBI*	Dompierre-sur-Yon – France	491,372,702	100.00	FC	X
Ostroda Yacht	Ostroda – Poland		100.00	FC	
Jeanneau America Inc	Annapolis – USA		100.00	FC	
Beneteau Group Asia Pacific	Hong Kong		100.00	FC	
Jeanneau Italia	Rome – Italy		100.00	FC	
Rec Boat Holdings LLC	Cadillac – USA		100.00	FC	
925 Frisble Street LLC	Cadillac – USA		100.00	FC	
Wellcraft LLC	Cadillac – USA		100.00	FC	
Glastron LLC	Cadillac – USA		100.00	FC	
Four Winns LLC	Cadillac – USA		100.00	FC	
Band of Boats	Nantes – France		100.0	FC	
Beneteau Boats Club	Pornic – France		61.93	FC	
Seascape D.o.o.	Ljubljana - Slovenia		60.00	FC	
Construction Navale Bordeaux	Bordeaux – France	342,012,390	100.00	FC	X
GBI Holding	Turin - Italy		100.00	FC	
Monte Carlo Yacht	Turin - Italy		90.00	FC	
BIO Habitat**	La-Chaize-le-Vicomte - France	511,239,915	100.00	FC	X
BIO Habitat Italia	Turin - Italy		100.00	FC	
BH Services	La-Chaize-le-Vicomte - France	518,504,170	100.00	FC	X
SGB Finance	Marcq-en-Barœul - France	422,518,746	100.00	EM	

FC: fully consolidated - EM: equity method
* SPBI is made up of three entities: Chantiers Beneteau, Chantiers Jeanneau and BJ Technologie
** Effective retroactively to September 1, 2014, the companies O'Hara and IRM were merged within BIO Habitat; at December 31, 2017, the company BH was merged into BIO Habitat.

NOTE 5 – FIXED ASSETS

Change in fixed assets (gross)

€'000	Year started Sep 1, 2017	Acquisitions	Disposals, retire-ments	Translation differences	Change in scope	Change through inter-item transfers	Other *	Year ended Aug 31, 2018
Goodwill	**78,507**	**0**	**0**	**227**	**2,660**	**0**	**0**	**81,394**
Start-up costs and business goodwill	0	0	0	0	0	0	0	0
Development costs	11,320	123	0	(3)	690	64	(1)	12,193
Concessions, patents, licenses	23,225	5	0	299	40	0	(0)	23,569
Other intangible assets	10,266	803	(444)	(3)	35	463	1	11,121
Current intangible assets	9,119	1,049	0	(0)	0	(245)	(0)	9,922
Advances and deposits	0	0	0	0	0	0	0	0
Total intangible assets	**53,930**	**1,980**	**(444)**	**293**	**765**	**282**	**(0)**	**56,805**
Land (1)	59,934	958	(106)	(3)	(1)	156	0	60,939
Property and facilities (2)	264,265	9,880	(962)	57	1	3,639	44	276,924
Plant and equipment (3)	449,857	32,311	(9,803)	321	449	16,367	1,014	490,515
Other property, plant and equipment	45,804	2,567	(1,432)	66	21	526	84	47,637
Current tangible assets	31,893	35,031	(571)	65	0	(20,968)	(1)	45,451
Advances and deposits on fixed assets	566	1,315	(285)	(0)	0	0	0	1,596
Total property, plant and equipment	**852,320**	**82,062**	**(13,159)**	**507**	**471**	**(280)**	**1,141**	**923,061**
Investments in associates and joint-ventures	**36,378**	**2,721**	**0**	**0**	**0**	**0**	**(0)**	**39,099**
Equity interests	45	0	0	0	0	0	(0)	44
Other capitalized securities	22	0	0	0	0	0	0	22
Loans	0	0	0	0	5	0	0	5
Other non-current financial assets	128	46	(37)	1	(0)	0	3	140
Total non-current financial assets	**194**	**46**	**(37)**	**1**	**5**	**0**	**3**	**211**
TOTAL FIXED ASSETS	**1,021,328**	**86,809**	**(13,641)**	**1,027**	**3,900**	**2**	**1,143**	**1,100,569**
(1) Of which, finance-leased land	173							173
(2) Of which, finance-leased building	2,193							2,193
(3) Of which, finance-leased technical facilities	219							219
* Of which, transfer from assets held for sale	1,141							

The goodwill on the balance sheet corresponds to goodwill generated on the acquisition of IRM (Housing business), the acquisition of Rec Boat Holdings LLC in 2014 and the acquisition of Seascape in 2018. The conditions for recognizing goodwill and conducting impairment tests are presented in Note 3.5.1.

Change in depreciation and provisions

€'000	Year started Sep 1, 2017	Charges for the year	Disposals and reversals	Translation differences	Change in scope	Change through inter-item transfers	Other *	Year ended Aug 31, 2018
Goodwill	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Start-up costs and business goodwill	0	0	0	0	0	0	0	0
Development costs	(6,341)	(1,459)	0	3	(596)	0	0	(8,393)
Concessions, patents, licenses	(3,144)	(403)	0	(25)	(33)	0	1	(3,605)
Other intangible assets	(9,061)	(1,096)	442	2	0	0	(0)	(9,713)
Current intangible assets	(6,743)	0	0	0	0	0	0	(6,743)
Advances and deposits	0	0	0	0	0	0	0	0
Total intangible assets	**(25,289)**	**(2,959)**	**442**	**(20)**	**(629)**	**0**	**0**	**(28,453)**
Land (1)	(21,884)	(2,190)	340	0	0	0	1	(23,733)
Property and facilities (2)	(140,545)	(12,927)	1,141	(108)	0	1,173	131	(151,135)
Plant and equipment (3)	(340,685)	(43,527)	8,359	(284)	(268)	(1,379)	(765)	(378,549)
Other property, plant and equipment	(36,650)	(4,130)	1,218	(58)	0	207	(6)	(39,420)
Current tangible assets	0	0	0	0	0	0	0	0
Advances and deposits on fixed assets	0	0	0	0	0	0	0	0
Total property, plant and equipment	**(539,764)**	**(62,774)**	**11,057**	**(450)**	**(268)**	**1**	**(639)**	**(592,837)**
Investments in associates and joint-ventures	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity interests	(0)	0	0	0	0	0	0	(0)
Other capitalized securities	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0
Other non-current financial assets	0	0	0	0	0	0	0	0
Total non-current financial assets	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**
TOTAL FIXED ASSETS	**(565,054)**	**(65,733)**	**11,500**	**(470)**	**(897)**	**1**	**(638)**	**(621,290)**
(1) Of which, finance-leased land								
(2) Of which, finance-leased building	1,894	49	0	0	0	0		1,942
(3) Of which, finance-leased technical facilities	219	0	0	0		0		219
• Of which, transfer from assets held for sale	(635)							

5.1 Equity interests

This concerns companies not included in the basis for consolidation on account of their non-significant nature:

€'000	Year-end	Fair value of securities	Revenues	Shareholders' equity excluding earnings for the year	Earnings for the year
Maritime Technology Cluster FVG Scarl	Dec 31, 2017	40	328	325	15
Total equity interests	-	**40**	-	-	-

5.2 Partnerships

This concerns the 49% equity interest in SGB Finance, with the other 51% owned by CGL (Société Générale Group). SGB Finance paid out a dividend of €7.5 per share, representing €2,978,000, with €1,459,000 for Groupe Beneteau.

Information concerning associates:

SGB - €'000	Aug 31, 2018	Aug 31, 2017
Total net assets	**814,381**	**717,845**
Shareholders' equity	79,793	74,240
Accounts and borrowings (*)	667,790	576,940
Net banking income	19,382	18,570
Net income (**)	**8,531**	**9,530**

(*) With Société Générale

(**) Restated for impact of IFRS 9

NOTE 6 – INVENTORIES AND WORK-IN-PROGRESS

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

En k€	Gross Aug 31, 2018	Depreciation & provisions	Net Aug 31, 2018	Net Aug 31, 2017
Raw materials and other supplies	75,833	(5,565)	70,269	56,676
Production work-in-progress	77,939	0	77,939	69,825
Intermediate and finished products	94,445	(2,876)	91,570	93,035
Total	**248,218**	**(8,440)**	**239,777**	**219,536**

For the valuation of inventories, the revision of production contingency times for the French companies had a 0.9% impact at August 31, 2018.

Provisions for depreciation are calculated based on the difference between the gross value, determined in line with the abovementioned principles, and the net realizable value.

The provision for impairment on inventories of raw materials has been determined in line with a statistical method, based primarily on the risk of such parts not being used.

A provision for impairment on inventories of finished products is recorded if the sales price is lower than the cost price, with inventories therefore valued at the probable sales value.

NOTE 7 – TRADE RECEIVABLES AND RELATED

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

€'000	Gross Aug 31, 2018	Depreciation & provisions	Net Aug 31, 2018	Net Aug 31, 2017
Trade receivables and related	71,750	(4,094)	67,656	73,254
TOTAL	**71,750**	**(4,094)**	**67,656**	**73,254**

NOTE 8 – OTHER RECEIVABLES

€'000	Notes	Aug 31, 2018	Aug 31, 2017
Advances and deposits on orders		3,482	5,018
Receivables on financial instruments	Note 16	511	3,114
Sundry tax and social security receivables		25,630	24,859
Other receivables		6,608	5,084
Prepaid expenses		9,542	7,906
OTHER RECEIVABLES		**45,773**	**45,981**

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

NOTE 9 - CASH AND CASH EQUIVALENTS

€'000	Notes	Aug 31, 2018	Aug 31, 2017
Transferable securities and accrued interest	-	25,000	41,150
Cash at bank and in hand	-	240,258	173,146
CASH AND CASH EQUIVALENTS	-	**265,258**	**214,296**

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

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

The net cash position can be broken down as follows:

€'000	Notes	Aug 31, 2018	Aug 31, 2017
Transferable securities and accrued interest	-	25,000	41,150
Cash at bank and in hand	-	240,258	173,146
Bank borrowings and accrued interest	-	(8,961)	(4,950)
Financial debt with credit institutions	-	(91,250)	(96,582)
Other sundry financial liabilities	-	(3,148)	(3,110)
NET CASH		**161,899**	**109,655**

The change in net cash after financial debt is as follows:

€'000	Aug 31, 2017	Change	Change in scope	Translation differences	Aug 31, 2018
Gross cash position	214,296	52,771	(1,781)	(28)	265,258
Bank overdrafts and current borrowings	(4,950)	(3,922)	(13)	(76)	(8,961)
Net cash before financial debt	**209,347**	**48,849**	**(1,794)**	**(104)**	**256,297**
Gross financial debt	(99,692)	6,428	(175)	(959)	(94,398)
Net cash	**109,655**	**55,276**	**(1,969)**	**(1,063)**	**161,899**

NOTE 10 – ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale at August 31, 2018 correspond primarily to the assets and liabilities of Groupe Beneteau's Brazilian subsidiary (Beneteau Brasil Construçao de Embarcaçoes SA).

Indeed, the Group has decided to transfer commercial operations from Brazil to its American subsidiaries and to mothball the Beneteau brand's recreational boat production operations at the Angra dos Reis site. The corresponding assets and liabilities represent €1,115,000 and €590,000 respectively, with a detailed breakdown presented in the following table:

€'000	Aug 31, 2018	Aug 31, 2017
Net fixed assets	0	36
Non-current assets	**0**	**36**
Inventories and work-in-progress	0	622
Trade receivables and related	0	248
Other receivables	223	109
Current tax assets	0	0
Cash and cash equivalents	892	627
Current assets	**1,115**	**1,606**
Total assets	**1,115**	**1,642**
Short-term loans and current portion of long-term loans	0	87
Trade payables and related	6	578
Other liabilities	63	274
Other provisions	522	519
Current liabilities	**590**	**1,458**
Total liabilities	**590**	**1,458**
Net assets held for sale	**525**	**184**

The balance of the amount recorded under assets held for sale includes €200,000 for a site that is currently being sold.

NOTE 11 - SHAREHOLDERS' EQUITY

11.1 Share capital

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

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

	Number	Valuation (€'000)
Shares at August 31. 2017	1,111,942	10,604
Acquisitions	460,618	7,618
Allocation	(530,000)	(4,863)
Sales	(491,818)	(8,060)
Shares at August 31, 2018	**550,742**	**5,299**

11.2 Bonus share schemes

The changes over the year can be broken down as follows:

In number of shares	Bonus shares
Shares at year-start	530,000
Shares awarded during the period	(530,000)
Shares at end of period	**0**

11.3 Capital management strategy

Capital structure at August 31, 2018:

	Aug 31, 2018		Aug 31, 2017	
	Shares	Voting rights	Shares	Voting rights
BERI 21	45,002,027	89,983,516	45,002,027	89,983,516
Treasury stock	550,742		1,111,942	
Public	37,237,071	38,372,532	36,675,871	38,372,532
Direct employee shareholders	-		-	
TOTAL	**82,789,840**	**128,356,048**	**82,789,840**	**128,356,048**

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

- The limited company BERI 21 holds 54.36% of the capital and 70.10% of the voting rights.
- 0.67% of the capital is held as treasury stock, without any voting rights.
- The rest of the capital is held by the public. In accordance with the bylaws, any shareholder owning more than 2.5% of the capital is required to notify the company. At August 31, 2018, three shareholders in addition to BERI 21 held more than 2.5% of the capital, including the Franklin Ressources Inc fund with 3.8610%.

The Management Board would like to add that 374.000 shares, representing 0.45% of the capital, are held by current and former staff under the BENETEAU ACTION company mutual fund, in accordance with Article L.225-102 of the French commercial code.

There are no preferred shares.

Dividend policy

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

Stock option and bonus share policy

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

Treasury stock management policy

Every 18 months at most, a new share buyback program is defined and submitted for approval at the general meeting. The current program was approved at the general meeting on February 9, 2018.

NOTE 12 - PROVISIONS

€'000	Aug 31, 2017	Charges	Reversal (prov. used)	Reversal (prov. not used)	Translation differences	Other	Aug 31, 2018
Non-current provisions	8,617	1,518	(4,411)	(1,495)	3	(63)	4,168
Provisions for warranties	27,260	10,171	(8,694)	(218)	71	3	28,593
Other current provisions	293	86	(128)	0	3	0	255
Provisions for exchange rate risk	0	0	0	0	0	0	0
Total provisions	**36,170**	**11,775**	**(13,234)**	**(1,714)**	**78**	**(60)**	**33,016**

Provisions were reviewed at August 31, 2018 based on the elements available at year-end. Reversals that are no longer applicable primarily correspond to the updating of technical risks in view of actual historical data.

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

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

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

Two tax inspections are underway, notably concerning research tax credits.

NOTE 13 – EMPLOYEE BENEFITS

There are four different pension plans in place within the Group, depending on the countries where the subsidiaries are based: Poland, the United States, Italy and France. They are all defined contribution plans.

€'000	Aug 31, 2018	Aug 31, 2017
Long-service awards	1,487	1,820
Retirement benefits	24,535	23,791
Total	**26,022**	**25,611**

Retirement benefits

€'000	Aug 31, 2018	Aug 31, 2017
Financial hedging assets		
Value at year-start	6,373	5,962
Return	448	411
Supplementary payments		
Benefits paid		
Value at year-end	**6,821**	**6,373**
Provisions recorded on the balance sheet		
Actuarial value of commitments to be hedged with financial assets (actuarial liability)	31,356	30,164
Value of financial assets	(6,821)	(6,373)
Actuarial value of unhedged commitments		
Unrecognized actuarial gains and losses		
Provisions on the balance sheet	**24,535**	**23,791**
Annual expense components		
Cost of services provided	1,325	1,085
Interest charges on actuarial liability	498	427
Expected return on assets	(448)	(411)
Actuarial gains and losses recognized in profit or loss		
Expense for the year	**1,375**	**1,101**
Change in provisions on the balance sheet		
Year-start	23,791	27,465
Change in scope		
Disbursements	(162)	(429)
Expense for the year	1,375	1,101
Actuarial gains and losses recognized in reserves	(468)	(4,346)
Provisions at year-end	**24,535**	**23,791**
Principal actuarial assumptions		
Discount rate	2.0%	2.0%
Average rate for wage growth (with inflation)	2.0%	2.0%
RETIREMENT AGE MANAGER BORN BEFORE 1952	60	60
Manager born after 1952	65	65
Non-manager born before 1952	60	60
Non-manager born after 1952	65	65

A 1-point change in the actuarial rate would have a (-)€4,732,000 impact on the provision for retirement benefits.

Long-service awards (médailles du travail)

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

The actuarial rate retained was 2% at August 31, 2018, the same rate as August 31, 2017.

€'000	Aug 31, 2018	Aug 31, 2017
Year-start	1,820	1,984
Change in scope	(-)	(-)
Disbursements	(481)	(96)
Expense for the year	148	104
Actuarial gains and losses recognized in reserves	(-)	(172)
Provisions at year-end	**1,487**	**1,820**

NOTE 14 – FINANCIAL DEBT

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

€'000	Aug 31, 2018	Aug 31, 2017
Bank overdrafts	**8,961**	**4,950**
Finance-lease borrowings	59	0
Financial debt and borrowings from credit institutions	59,001	58,067
Sundry borrowings and financial debt	3,147	3,109
Short-term financial debt	**62,206**	**61,176**
Finance-lease borrowings	0	0
Financial debt and borrowings from credit institutions	32,192	38,516
Sundry borrowings and financial debt	0	(0)
Long-term financial debt	**32,192**	**38,516**
Financial debt	**103,359**	**104,642**

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

€'000	Currency	Nominal interest rate	Year due	Aug 31, 2018		
				Nominal value	Short-term book value	Long-term book value
Guaranteed bank loan	USD	US Libor +1.425% on average	2021	22,995	7,868	15,127
Guaranteed bank loan	EUR	80% 6-month Euribor +0.85%	2025	2,450	377	2,073
Guaranteed bank loan	EUR	35% 6-month Euribor +0.45%	2021	4,620	1,540	3,080
Guaranteed bank loan	EUR	80% 6-month Euribor +0.85%	2031	2,925	216	2,709
Guaranteed bank loan	EUR	80% 6-month Euribor +0.95%	2027	1,933	228	1,705
Guaranteed bank loan	EUR	80% 6-month Euribor +0.85%	2026	2,960	370	2,590
Guaranteed bank loan	EUR	Fixed rate of 0.67%	2022	4,261	992	3,269
Short-term drawdown line	USD	USD 3-month Libor +1.25%	Oct 24, 2017	29,895	29,895	
Short-term drawdown line	USD	USD 3-month Libor +0.8%	Oct 24, 2017	17,083	17,083	

Rate swap agreements were set up during the year and the previous year with the following features: conversion of the 3-month LIBOR USD into an average fixed rate of 1.6110% for $50 million and 2.5375% for $25 million.

A CAP was also purchased during the year to hedge $25 million, with the following features: ensuring a maximum rate of 2.80% on the 3-month USD LIBOR, with activation deferred to July 26, 2019.

NOTE 15 – OTHER DEBT AND PAYABLES

€'000	Notes	Aug 31, 2018	Aug 31, 2017
Trade payables		**106,632**	**96,946**
Advances and deposits received on orders		55,969	50,831
Tax and social security liabilities		102,041	91,562
Other trade payables		28,251	24,447
Payables on financial instruments	Note 16	105	141
Fixed asset-related liabilities		9,025	7,457
Accrued income		1,100	1,193
Other liabilities		**196,492**	**175,631**
Current tax liabilities		**8,844**	**409**

NOTE 16 - FINANCIAL INSTRUMENTS

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

At August 31, 2018, the portfolio of financial instruments was as follows:

Nature	Volume ('000 in each currency	Maturing	Fair value (€'000)	IFRS-compliant hedging	Gross impact on profit and loss (€'000)	Gross impact on reserves (€'000)
VAT$	106,000	Between Sep 2018 and May 2019	(573)	Yes	(513)	(57)
AAT PLN	326,518	Between Dec 2018 and Aug 2019	23	Yes	(50)	73

At August 31, 2018, the Group held:

- $ forward sales, with an average rate of 1.1685 €/$, including options for $ forward sales for $10,000,000;
- PLN forward purchases against the €, with an average rate of 4.3536 PLN/€.

NOTE 17 – COMMITMENTS

	Aug 31, 2018		
	Inter-company	Given	Received
Deposits	0	886	299
Guarantees	156,329[1]	24,772[2]	5,941[3]
Guarantees with associates	54,650[1]	424[4]	0
Group total	**210,979**	**26,081**	**6,240**

(1) €210,979,000 Commitments linked to product financing contracts

(2) €5,092,000 Bank guarantees

€705,000 Commitments relating to furniture leases

€4,087,000 Commitments given on lease agreements

€14,888,000 Collateral on borrowings

(3) €4,656,000 Commitments received on lease agreements

(4) Commitments on lease agreements

NOTE 18 - SEGMENT REPORTING

18.1 Operating segments

FY 2017-18

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

FY 2016-17

€'000	Boats	Housing	Reconciliation items	Total
Revenue from ordinary activities	1,025,478	182,840	-	1,208,318
Depreciation of segment assets	57,446	6,543	-	63,990
Income from ordinary operations	78,880	6,702	-	85,582
Segment assets	1,477,493	186,024	(629,865)	1,033,652
Segment liabilities	975,106	97,800	(629,895)	443,011
Acquisitions of property, plant and equipment and intangible assets	71,463	4,415	-	75,878

18.2- Geographical reporting

FY 2017-18 - €'000

Business	Region	Revenue from ordinary activities	Segment assets	Acquisitions of property, plant and equipment and intangible assets
Boats	France	192,987	1,067,011	55,742
	Rest of Europe	438,522	193,431	15,768
	North America	300,992	355,286	5,819
	South America	10,878	(3,738)	
	Asia	64,037	362	0
	Rest of world	86,334	0	0
Total BOATS		**1,093,749**	**1,612,352**	**77,328**
Housing	France	166,111	190,324	5,228
	Europe	26,481	19,789	171
	Rest of world	814	0	0
Total HOUSING		**193,406**	**210,114**	**5,399**
Reconciliation items		**0**	**(714,211)**	
TOTAL		**1,287,155**	**1,108,254**	**82,727**

FY 2016-17 - €'000

Business	Region	Revenue from ordinary activities	Segment assets	Acquisitions of property, plant and equipment and intangible assets
Boats	France	186,401	951,322	54,961
	Rest of Europe	362,698	184,973	12,639
	North America	312,803	344,004	3,834
	South America	19,705	(3,091)	29
	Asia	53,399	285	0
	Rest of world	90,471	0	0
Total BOATS		**1,025,478**	**1,477,493**	**71,463**
Housing	France	156,280	168,792	4,156
	Europe	26,560	17,232	259
	Rest of world	0	0	0
Total HOUSING		**182,840**	**186,024**	4,415
Reconciliation items		**0**	**(629,865)**	
TOTAL		**1,208,318**	**1,033,652**	**75,878**

NOTE 19 - STAFF

Staff costs can be broken down as follows:

€'000	2017-18	2017-18 like-for-like*	2016-17
Salaries and wages	198,359	198,277	183,139
Payroll taxes	85,992	85,967	77,223
External staff	61,076	61,011	45,460
Employee benefits resulting in provisions	307	307	654
Share-based payments (IFRS 2)	2,208	2,208	1,370
Profit sharing and performance-related bonuses	19,653	19,653	12,686
Staff costs	**367,595**	**367,423**	**320,533**

* Excluding Seascape, acquired in July 2018

At August 31, 2018, Groupe Beneteau had a total of 7.379 employees (excluding temporary staff) around the world, with the following breakdown:

	At Aug 31, 2018 *	At Aug 31, 2017
France	4,506	4,181
Rest of Europe	1,186	1,029
USA - Brazil - Asia	821	717
Boats	**6,513**	**5,927**
France	820	804
Rest of Europe	46	47
Housing	**866**	**851**
TOTAL	**7,379**	**6,778**

* Including 25 employees from SEASCAPE, the company consolidated since July 2018

Breakdown by category (excluding temporary staff):

	At Aug 31, 2018	At Aug 31, 2018 like-for-like *	At Aug 31, 2017
Operatives	5,155	5,142	4,800
Employees, supervisors and technicians	1,630	1,621	1,399
Managers and related	594	591	579
Headcount excluding temporary staff	**7,379**	**7,354**	**6,778**

* Excluding Seascape, acquired in July 2018

The average headcount (including temporary staff) can be broken down for each business as follows:

	At Aug 31, 2018	At Aug 31, 2018 like-for-like *	At Aug 31, 2017
Boats	7,216	7,191	6,699
Housing	1,153	1,153	1,106
Total average headcount (including temporary staff)	**8,369**	**8,344**	**7,804**

* Excluding Seascape, acquired in July 2018

In light of the Group's seasonal activity, it uses temporary staff.

An average of 1,298 temporary staff worked within the Group (1,015 for the Boat business and 282 for Housing), compared with 1,084 the previous year.

Breakdown of the average headcount by category	At Aug 31, 2018	At Aug 31, 2018 like-for-like *	At Aug 31, 2017
Managers	557	554	575
Supervisors	354	354	274
Employees	1,209	1,200	1,112
Operatives	6,249	6,236	5,843
Total headcount	**8,369**	**8,344**	**7,804**

* Excluding Seascape, acquired in July 2018

NOTE 20 – EXTERNAL EXPENSES

€'000	2017-18	2017-18 like-for-like*	2016-17
Consumables, outsourcing, maintenance	54,038	54,028	49,677
Marketing, advertising	17,027	17,025	17,387
Fees, commissions, research, insurance	23,809	23,799	23,361
Leasing	9,987	9,961	9,513
Other	22,329	22,317	21,772
External expenses	**127,189**	**127,129**	**121,710**

* Excluding Seascape, acquired in July 2018

The Group's commitments for minimum future lease payments represent €1,881,000, with €928,000 under one year and €952,000 due within one to five years.

NOTE 21 - OTHER CURRENT OPERATING INCOME AND EXPENSES

€'000	2017-18	2016-17
Obsolete provisions	1,452	439
Net capital gains on disposal of fixed assets	0	144
Net income on unrecoverable receivables	0	531
Sundry income	1,341	942
Other current operating income	**2,794**	**2,056**

€'000	2017-18	2016-17
Patents, copyright royalties, attendance fees	(1,641)	(875)
Net capital losses on disposal of fixed assets	(679)	0
Net expenses on unrecoverable receivables	(635)	0
Commercial compensation	(202)	(243)
Other	(1,311)	(3,221)
Other current operating expenses	**(4,468)**	**(4,339)**

Provisions recorded in relation to technical disputes have been updated in view of the new elements available, leading to a reduction in the residual risk.

More specifically, sundry income includes compensation received in connection with the resolution of disputes.

NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

€'000	2017-18	2016-17
Provisions – ERP – Boats	-	(6,743)
Other provisions	-	(833)
Provisions – proposed restructuring of Residential Housing business	-	1,698
Provisions – proposed mothballing of Brazilian subsidiaries	-	-
Provisions for bankruptcy of a boat design partner	-	-
Positive resolution of a dispute	-	-
Other operating income and expenses	**-**	**(5,877)**

NOTE 23 – RÉSULTAT FINANCIER

€'000	2017-18	2016-17
Interest income from cash and cash equivalents	164	35
Income from cash and cash equivalents	164	35
Interest and related expenses	(3,024)	(2,256)
Fair value adjustment on investments held for trading	0	(69)
Gross finance costs	(3,024)	(2,325)
Net finance costs	**(2,860)**	**(2,291)**
Net foreign exchange loss	0	(2,655)
Fair value adjustment on financial instruments (IAS 32-39)*	(202)	0
Other financial expenses	**(202)**	**(2,655)**
Net foreign exchange gain	3,310	0
Fair value adjustment on financial instruments (IAS 32-39)*	0	152
Other interest and related income	776	413
Other financial income	**4,086**	**565**
Financial income (expense)	**1,024**	**(4,381)**

* This concerns the ineffective portion of value adjustments on hedging instruments.

NOTE 24 – CORPORATE INCOME AND DEFERRED TAX

24.1- Tax expense

The tax expense can be broken down as follows:

€'000	2017-18	2016-17
Current tax	35,792	18,749
Deferred tax	(3,358)	1,150
Corporate income tax	**32,434**	**19,899**

As the total revenues for companies included in the French tax consolidation scope are higher than €1 billion, Groupe Beneteau is subject to the exceptional 15% contribution, representing €3.8 million at August 31, 2018.

The reconciliation between the theoretical tax expense and the tax expense recorded in the accounts can be broken down as follows:

€'000	2017-18	2016-17
Theoretical tax on consolidated income (excluding associates)	34,957	25,876
Calculated at a rate of	39.44%	34.33%
Impact of tax credits	(5,543)	(5,417)
Impact of tax losses	357	(563)
Impact of other permanent differences	3,497	(344)
Impact of tax adjustments	24	210
Impact of tax rate changes	(860)	137
Tax on the income statement	**32,434**	**19,899**

The aggregate amount of uncapitalized losses represents €16,678,000 and concerns the Brazilian subsidiary's losses.

24.2- Deferred tax

Deferred tax assets and liabilities at year-end can be broken down as follows:

€'000	2017-18	2016-17
Intangible assets	240	340
Inventories	1,691	1,341
Employee benefits	6,103	6,072
Financial instruments	0	
Other	366	7
Timing differences	7,633	6,618
Offsetting	(8,378)	(8,561)
Total deferred tax assets	**7,656**	**5,817**

€'000	2017-18	2016-17
Accelerated depreciation	5,567	5,306
Financial instruments	23	776
Other	2,788	4,624
Offsetting	(8,378)	(8,561)
Total deferred tax liabilities	**0**	**2,145**
Net deferred tax assets	**7,656**	**3,672**

The change in net deferred tax assets can be broken down as follows:

€'000	2017-18	2016-17
At September 1	**3,672**	**7,046**
Change in scope	0	0
IAS 32 & 39	756	(860)
Foreign currency translation adjustments	7	(33)
Deferred tax income (expenses)	3,358	(1,120)
Other tax recognized in equity	(136)	(1361)
At August 31	**7,656**	**3,672**

NOTE 25 - EARNINGS PER SHARE

	2017/2018	2016/2017
Net income, Group share (€'000)	57,113	59,709
Weighted average number of shares outstanding	82,789,870	82,789,870
Net earnings per share (€)	**0.69**	**0.72**
Weighted average number of shares after dilution	83,327,870	83,327,870
Net earnings per share (€)	**0.69**	**0.72**

NOTE 26 – INFORMATION CONCERNING RELATED PARTIES

Transactions with related parties concern:

- Transactions with companies or directors of companies that perform management and supervisory functions within Groupe Beneteau, including transactions with the company BERI 21, the Group's majority shareholder. This company carries out research for the design of the Group's industrial buildings and invoices Group companies in this capacity. It also invoices for legal assistance, organization and investment assistance and advisory, and strategic advisory services. Furthermore, the Group leases part of its offices to BERI 21.
- Compensation and related benefits awarded to members of Groupe Beneteau's administrative and management bodies.
- Transactions with the joint venture SGB Finance.

26.1 Transactions with related parties

€'000	2017-18	2016-17
Sales of goods and services	516	68
Purchases of goods and services	897	994
Receivables	6	23
Payables	292	392

26.2 Executive benefits

All the compensation and related benefits awarded to members of the Group's administrative and management bodies, booked under expenses, can be broken down as follows:

€'000	2017-18	2016-17
Short-term benefits	2,182	2,515
Other long-term benefits	18	20
Attendance fees	237	220
Share-based payments[1]	813	568
Total	**3,250**	**3,323**

1 Amount determined in accordance with IFRS 2 Share-based Payment and the conditions presented in Notes 3.12 and 19

26.3 Transactions with joint ventures

Transactions with the joint venture SGB Finance (49% interest) were as follows:

€'000	2017-18	2016-17
Sales of goods and services	50,270	35,377
Purchases of goods and services	1,601	40
Financial expenses	196	179
Transferable securities	10,000	11,150
Receivables	1,755	481
Payables	18	12

NOTE 27 – FINANCIAL RISK MANAGEMENT

27.1. Breakdown of financial instruments by category for recognition

The tax expense can be broken down as follows:

€'000	Book value at Aug 31, 2018	Fair value at Aug 31, 2018	Financial assets at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets / liabilities	Liabilities at amortized cost
Other equity securities	22	22			22	
Loans and deposits	140	140		140		
Trade receivables	67,656	67,656		67,656		
Other receivables	45,773	45,773	511	45,262	0	
Cash and cash equivalents	265,258	265,258	265,258			
Financial liabilities	(103,359)	(103,359)				(103,359)
Other liabilities	(105)	(105)	(105)		0	
Subtotal	**275,385**	**275,385**	**265,664**	**113,058**	**22**	**(103,359)**

€'000	Book value at Aug 31, 2018	Fair value at Aug 31, 2018	Financial assets at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets / liabilities	Liabilities at amortized cost
Other equity securities	22	22			22	
Loans and deposits	128	128		128		
Trade receivables	73,254	73,254		73,254		
Other receivables	45,981	45,981	3,114	42,867	0	
Cash and cash equivalents	214,296	214,296	214,296			
Financial liabilities	(104,642)	(104,642)				(104,642)
Other liabilities	(141)	(141)	(141)		0	
Subtotal	**228,898**	**228,898**	**217,269**	**116,249**	**22**	**(104,642)**

27.2 Breakdown of financial assets and liabilities measured at fair value depending on fair value levels

	At August 31, 2018			
€'000	Level 1	Level 2	Level 3	Total
Available-for-sale securities	0		22	22
Hedging instruments	0	511	0	511
Other financial assets at fair value through profit and loss	0	0	265,258	265,258
Financial assets	**0**	**511**	**265,280**	**265,791**
Hedging instruments	0	(105)		(105)
Other financial liabilities at fair value through profit and loss	0	0	(94,398)	(94,398)
Financial liabilities	**0**	**(105)**	**(94,398)**	**(94,503)**

€'000	At August 31, 2017 Level 1	Level 2	Level 3	Total
Available-for-sale securities	0	-	22	22
Hedging instruments	0	3,114	0	3,114
Other financial assets at fair value through profit and loss	0	0	214,296	214,296
Financial assets	**0**	**3,114**	**214,318**	**217,432**
Hedging instruments	0	(141)	-	(141)
Other financial liabilities at fair value through profit and loss	0	0	(104,642)	(104,642)
Financial liabilities	**0**	**(141)**	**(104,642)**	**(104,783)**

27.3 Breakdown of financial instruments by risk category

€'000	Book value at Aug 31, 2018	Credit risk (fair value)	Liquidity risk (fair value)	Rate risk (fair value)	Foreign exchange risk (fair value)
Loans and deposits	140	140	-	-	-
Trade receivables	67,656	67,656	-	-	-
Other receivables	45,773	45,262	-	-	511
Cash at bank and in hand	240,258	240.258	-	-	-
Mutual funds and other investments	25,000	25,000	-	-	-
Finance lease	0	-	-	-	-
Other borrowings	(94,398)	-	(94,398)	-	-
Bank borrowings	(8,961)	-	(8,961)	-	-
Total	**275,468**	**378,316**	**(103,359)**	**-**	**511**

€'000	Book value at Aug 31, 2017	Credit risk (fair value)	Liquidity risk (fair value)	Rate risk (fair value	Foreign exchange risk (fair value)
Loans and deposits	128	128	-	-	-
Trade receivables	73,254	73,254	-	-	-
Other receivables	45,981	42,867	-	-	3,114
Cash at bank and in hand	173,146	173,146	-	-	-
Mutual funds and other investments	41,150	41,150	-	-	-
Other borrowings	(99,692)	-	(99,692)	-	-
Bank borrowings	(4,950)	-	(4,950)	-	-
Total	**229,017**	**330,545**	**(104,642)**	**0**	**3,114**

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

27.4 Credit risk

Breakdown of trade receivables due and not due

	At August 31, 2018			
€'000	Gross	Of which, export	Depreciation	Net
Not due	**22,957**	11,348	0	**22,957**
Due	**48,792**	38,730	(4,094)	**44,698**
Trade receivables	**71,750**	50,078	(4,094)	**67,656**

€'000	At August 31, 2017 Gross	Of which, export	Depreciation	Net
Not due	**36,610**	26,548	0	**36,610**
Due	**40,555**	32,241	(3,910)	**36,645**
Trade receivables	**77,164**	58,789	(3,910)	**73,254**

At August 31, 2018, the €44,698,000 in net receivables due primarily concern:

- Within the Boat business (€40,378,000), boats made available to customers and not yet collected, in line with the rule adopted by the Group for recognizing revenues when products are made available;
- Within the Housing business (€4,320,000), late payments from customers compared with the theoretical deadline for payment, with the credit risk determined by the Group.

The breakdown of receivables due by age, excluding bad debt, is as follows:

€'000	Due for longer than 90 days	Due between 30 and 90 days	Due for less than 30 days	Total
Boats	11,884	7,909	20,584	40,377
Housing	1,109	1,994	1,218	4,321
TOTAL	**12,993**	**9,903**	**21,802**	**44,698**

At November 10, 2018, outstanding receivables can be broken down as follows:

€'000	Due for longer than 90 days	Due between 30 and 90 days	Due for less than 30 days	Total
Boats	11,765	4,361	5,621	21,748
Housing	982	1,214	457	2,653
TOTAL	**12,747**	**5,575**	**6,078**	**24,401**

Change in depreciation on trade receivables

€'000	Aug 31, 2017	Aug 31, 2018
Balance at September 1	4.431	3.911
Impairment recognized	(521)	183
Balance at August 31	**3,910**	**4,094**

Percentage of receivables due out of receivables that may be assigned

€'000	Aug 31, 2018	Aug 31, 2017
Trade receivables (gross)	71,750	77,165
Provisions for bad debt	(4,094)	(3,911)
Trade receivables (net)	**67,656**	**73,254**
Receivables due at August 31	44,698	36,645
Of which, export receivables	35,544	29,648
% of receivables due out of receivables that may be assigned	66.1%	50.0%

27.5 Exchange rate risk

The Group's exchange risk exposure can be broken down as follows:

	Aug 31, 2018		Aug 31, 2017	
	USD '000	PLN '000	USD '000	PLN '000
Trade receivables	33,902	0	44,714	0
Trade payables	(14,866)	(17,951)	(20,599)	(14,803)
Gross balance sheet exposure	**19,036**	**(17,951)**	**24,115**	**(14,803)**
Estimated sales forecasts	172,196	0	169,661	0
Estimated purchase forecasts	(61,045)	(322,392)	**(62,401)**	**(273,943)**
Gross forecast exposure	**111,151**	(322,392)	107,260	(273,943)
Currency forwards	(106,000)	326,518	(95,360)	129,461
Net exposure	**24,187**	**(13,826)**	**36,015**	**(159,284)**

NOTE 28 – STATUTORY AUDITING FEES

Fees billed by the statutory auditors in relation to the legal auditing of the accounts and directly related advisory and other services can be broken down as follows:

	ATLANTIQUE REVISION CONSEIL				KPMG Audit			
	Aug 31, 2018		Aug 31, 2017		Aug 31, 2018		Aug 31, 2017	
€'000 and %	€'000	%	€'000	%	€'000	%	€'000	%
Statutory auditing, certification of accounts, review of parent company and consolidated accounts	226	94%	222	100%	257	87%	199	90%
- Parent company	63	26%	54	24%	82	28%	73	33%
- Subsidiaries	163	68%	167	75%	175	59%	126	57%
Other audits and services linked directly to statutory auditing assignment	14	6%	0	0%	37	13%	23	10%
Subtotal	240	100%	222	100%	294	100%	222	100%
Other services provided by networks to fully-consolidated subsidiaries								
Subtotal	0	0%	0	0%	0	0%	0	0%
Total fees	**240**		**222**		**294**		**222**	

Statutory auditors' report on the consolidated financial statements

Year ended August 31, 2018

For the shareholders of BENETEAU S.A.,

Opinion

In accordance with the terms of our appointment by your general meetings, we have audited the consolidated financial statements of BENETEAU S.A. for the year ended August 31, 2018, as appended to this report.

We certify that the consolidated financial statements present fairly, in all material respects, the results of operations for the past year, as well as the financial position, assets and liabilities at year-end for all the parties and entities included in the basis for consolidation, in accordance with IFRS, as adopted in the European Union.

The opinion presented above is consistent with the content of our report for the Audit Committee.

Basis for our opinion

Audit standards

We conducted our audit in accordance with the industry standards applicable in France. We believe that we have collected sufficient and appropriate elements on which to base our opinion.

Our responsibilities under these standards are indicated in the section on "Statutory auditors' responsibilities relating to the auditing of the consolidated financial statements" in this report.

Independence

We conducted our audit in accordance with the rules governing us in terms of independence for the period from September 1, 2017 to the date of our report. More specifically, we have not provided any services forbidden by Article 5, Paragraph 1, of EU Regulation 537/2014 or by the professional code of conduct for statutory auditors.

Basis for our opinions - Key points from the audit

In accordance with Articles L. 823-9 and R.823-7 of the French commercial code relating to the forming of our opinions, we would like to draw your attention to the key points from the audit relating to the risks of material misstatements which, in our professional judgement, were the most significant for the audit of the consolidated financial statements, as well as our responses to these risks.

The assessments made in this way are part of our audit of the consolidated financial statements in general and the formation of our opinion as expressed above. We are not expressing an opinion on the elements from these consolidated financial statements taken individually.

Recognition of revenues

Risk identified

As indicated in Note 3.18, the Group recognizes its revenues "when the risks and benefits inherent in ownership of the assets in question are transferred to the buyer, and their amount can be valued on a reliable basis". More specifically, "in the Boat business, the Group recognizes revenues on the date when the product is made available. This corresponds to the date from which the boat may be collected by the customer, with this date confirmed by the customer. On this date, the most significant risks and benefits have been transferred to the customer".

We considered compliance with the principle retained for recognizing revenues and described above as a key point for our audit on account of the inherent risk involved with the process to determine the date when products are made available.

Our response

Our work notably involved:

- Assessing the reliability of internal control relating to the systems and procedures for monitoring orders, notably testing the effectiveness of IT controls making it possible to determine the date when products are made available.
- Analyzing the data concerning revenues for new boats by reconstituting revenues based on management extractions.
- Analyzing the change in monthly revenues in relation to the order book and historical data.
- Reconciling outflows of stocks of finished products valued at their sales price and the revenues recorded on Boat sales.
- Testing compliance with the accounting principle for "independent financial years" on a sample of sales recorded before and after the year-end date based on relevant selection criteria by notably carrying out reconciliations with customer confirmations.

Measurement of goodwill

Risk identified

In connection with its development, the Group has carried out targeted external growth operations and recognized several items of goodwill.

This goodwill, which corresponds to the difference between the price paid and the fair value of the assets and liabilities acquired, recorded on the balance sheet for a total of €81 million, is allocated to the cash generating units (CGUs) for the activities which the acquired companies have been integrated into, as presented in Note 3.5.1 to the consolidated financial statements. In this way, the goodwill for the companies integrated with the activities of BIO Habitat, Recboat Holdings LLC and Seascape has been allocated to the CGUs for these respective activities.

For the close of accounts each year and in the event of any signs of impairment in value, management ensures that the book value of this goodwill is not higher than its recoverable value.

The recoverable values are calculated based on discounted future cash flows, determined in line with the business plan prepared by the Management Board and assumptions for discount rates and perpetuity growth rates, as described in the abovementioned note.

However, any unfavorable change in the expected returns on the activities which the goodwill has been allocated to, as a result of internal or external factors for instance linked to the economic and financial environment within which the activity operates, is likely to significantly affect the recoverable value and require an impairment to be recorded, if applicable. Such a change would require a reassessment of the relevance of all the assumptions retained to determine this value, as well as the reasonable and consistent nature of the calculation parameters.

The recoverable value for goodwill on the BIO Habitat, Recboat Holdings LLC and Seascape activities, which represent a significant amount, is determined based on management's judgement, since it notably involves forecasts for future cash flow, discount rates and long-term growth rates applied for the cash flow forecasts. We therefore considered the measurement of goodwill to be a key point for the audit.

Our response

We reviewed the compliance of the company's methodology with the accounting standards in force.

We also carried out a critical review of the conditions for applying this methodology. Our work notably involved:

- Corroborating, notably through interviews with management, the main business assumptions included in the business plans prepared by the Group's Management Board and analyzing the differences between the actual figures at August 31, 2018 and the budgets Included in the 2018 business plans.
- Corroborating the actuarial assumptions, including the calculation of the discount rate applied for cash flow forecasts by checking the various discounting parameters included in the weighted average cost of capital for the CGUs.
- Reviewing the sensitivity analyses carried out by management for the value-in-use in relation to a change in the main assumptions applied.
- Testing the arithmetical accuracy of the assessments retained by management.

Lastly, we assessed the appropriate nature of the information provided in Note 3.5.1 to the consolidated financial statements.

Checking of information relating to the group in the management report

In accordance with industry standards in France, we also performed the specific procedures required under French law to verify the information given in the Management Board's management report relating to the group.

We do not have any observations to make regarding the true and accurate nature of this information or its application for the consolidated financial statements.

Information resulting from other legal and regulatory requirements

Appointment of the statutory auditors

We were appointed as statutory auditors for BENETEAU S.A. by your general meeting on February 24, 1989 for Atlantique Révision Conseil and on February 1, 2002 for KPMG S.A.

At August 31, 2018, Atlantique Révision Conseil was in the 30th consecutive year of its mission, while KPMG S.A. was in its 17th year.

Responsibilities of management and corporate governance representatives in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and accurate image in accordance with IFRS, as adopted in the European Union, in addition to putting in place the internal control arrangements that it considers necessary to prepare the consolidated accounts without any material misstatements, whether these result from fraud or errors.

When preparing the consolidated financial statements, management has a responsibility to assess the company's capacity to continue operating, to present the information required relating to the continuity of operations in these accounts, if applicable, and to apply the accounting conventions for continuous operations unless there are plans to liquidate the company or cease its activities.

The audit committee has a responsibility to monitor the process for preparing financial information and to monitor the efficiency and effectiveness of the internal control and risk management systems, in addition to, if applicable, the internal audit arrangements, with regard to the procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements have been drawn up under the responsibility of the Management Board.

Statutory auditors' responsibilities relating to the auditing of the consolidated financial statements

Audit approach and objective

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements in general are free from any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in line with industry standards might make it possible to systematically detect any material misstatements. Misstatements may be the result of fraud or errors and are considered to be material when they can reasonably be expected, taken individually or collectively, to potentially influence the economic decisions taken by users of the accounts based on them.

As indicated in Article L.823-10-1 of the French commercial code, our mission to certify the accounts does not involve guaranteeing the viability or quality of your company's management.

Based on an audit carried out in accordance with the industry standards applicable in France, the statutory auditors exercise their professional judgement throughout this audit. In addition:

- They identify and assess the risks that the consolidated financial statements include material misstatements, that these are the result of fraud or errors, define and put in place audit procedures faced with these risks, and collect the elements that they consider sufficient and appropriate to form a basis for their opinion. The risk of a material misstatement resulting from fraud not being detected is higher than for a material misstatement resulting from an error, because fraud may imply collusion, falsification, voluntary omissions, misrepresentation or a bypassing of internal control arrangements.
- They review the relevant internal control arrangements for the audit in order to define audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- They assess the appropriate nature of the accounting methods applied and the reasonable nature of any accounting estimates made by management, in addition to the information concerning them provided in the consolidated financial statements.
- They assess the management team's appropriate application of the accounting convention for continuous operations and, depending on the elements collected, whether or not there is any significant uncertainty relating to events or circumstances that might call into question the company's capacity to continue operating. This assessment is based on the elements collected up until the date of their report, while noting however that subsequent circumstances or events might call into question the continuity of operations. If they conclude that there is

any significant uncertainty, they draw the attention of readers of their report to the information provided in the consolidated financial statements relating to this uncertainty or, if this information is not provided or is not relevant, they issue their certification with reservations or refuse to certify the accounts.

- They assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements accurately reflect the underlying events and operations.
- With regard to the financial information for parties or entities included in the basis for consolidation, they collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated accounts. They are responsible for the management, supervision and performance of the audit of the consolidated financial statements, as well as the opinion expressed concerning these accounts.

Report for the audit committee

We provide a report to the audit committee which notably presents the scope of the audit work and the program of work carried out, as well as the conclusions based on our work. If applicable, we also bring to the committee's attention any significant shortcomings with internal control that we have identified with the procedures applied for the preparation and processing of accounting and financial information.

The elements provided in the report for the audit committee include the risks of material misstatements which we considered to be most significant for the audit of the consolidated financial statements and which therefore constitute the key points from the audit, which it is our responsibility to present in this report.

We also provide the audit committee with the declaration required under Article 6 of EU Regulation 537-2014 confirming our independence, in accordance with the rules applicable in France as notably set by Articles L.822-10 to L.822-14 of the French commercial code and in the professional code of conduct for statutory auditors. If applicable, we conduct discussions with the audit committee to review the risks concerning our independence and any safeguard measures adopted.

The Statutory Auditors

Nantes, December 18, 2018 KPMG Audit Department of KPMG S.A. Franck Noël Partner	La Roche-sur-Yon, December 18, 2018 Atlantique Révision Conseil Jérôme Boutolleau Partner

Report by the statutory auditor, appointed as an independent third party, on the consolidated sustainability performance report presented in the management report

Year ended August 31, 2018

For the general meeting of BENETEAU S.A.,

In our capacity as Beneteau S.A's statutory auditor appointed as an independent third party, accredited by the French national accreditation body COFRAC under number 3- 1049 1 , please find hereafter our report on the consolidated sustainability performance report for the year ended August 31, 2018 (the "Sustainability Report"), presented in the group's management report in accordance with the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French commercial code.

Company's responsibility

The Management Board is responsible for preparing a Sustainability Report in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main ESG risks, a presentation of the policies applied in view of these risks, and the results of these policies, including key performance indicators.

The Sustainability Report has been prepared by applying the company's procedures (the "Reporting Standards"), with their significant elements presented in the Sustainability Report (or available on the company's website or on request from its registered office).

Independence and quality control

Our independence is defined by the terms of Article L. 822-11-3 of the French commercial code and the industry code of conduct. We have put in place a quality control system that includes documented policies and procedures aimed at ensuring compliance with the applicable ethical rules, industry standards, legislation and regulations.

Statutory auditor's responsibility

It is our responsibility, based on our work, to issue a considered opinion expressing a conclusion of moderate assurance regarding:

- The Sustainability Report's compliance with the terms of Article R. 225-105 of the French commercial code;
- The accuracy of the information provided in accordance with paragraph 3 of sections I and II of Article R. 225 105 of the French commercial code, i.e. the results of the policies, including key performance indicators, and the actions relating to the main risks, hereafter the "Information".

However, it is not our responsibility to express an opinion on:

- The company's compliance with any other legal and regulatory provisions applicable, notably with regard to the vigilance plan and measures to combat corruption and tax evasion;
- The compliance of products and services with the regulations applicable.

Nature and scope of our work

We conducted the work described hereafter in accordance with the terms of Articles A. 225-1 et seq of the French commercial code defining the conditions under which the independent third party performs its engagement and the industry standards set by the French national statutory auditors board (CNCC) relating to this engagement, as well as the international standard ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We carried out work allowing us to assess the Sustainability Report's compliance with the legal and regulatory provisions, in addition to the accuracy of the Information:

- We reviewed the activities of all the consolidated companies, the presentation of the main social and environmental risks relating to these activities, and, if applicable, their effects concerning respect for human rights and measures to combat corruption and tax evasion, as well as the resulting policies and their results;
- We assessed the appropriate nature of the Reporting Standards in terms of their relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, industry best practices;
- We checked that the Sustainability Report covers each category of information provided for under section III of Article L. 225-102-1 in terms of social and environmental aspects, as well as respect for human rights and the fight against corruption and tax evasion;

[1] *Scope available on www.cofrac.fr*

- We checked that the Sustainability Report presents the business model and the main risks relating to the activities of all the consolidated companies, including, when relevant and proportionate, the risks arising from its business relations, its products or its services, in relation to the information required under section I of Article R. 225-105, as well as the policies, the due diligence procedures and the results, including the key performance indicators; Nous avons vérifié, lorsqu'elles sont pertinentes au regard des principaux risques ou des politiques présentés, que la Déclaration présente les informations prévues au II de l'article R. 225-105 ;
- When relevant with regard to the main risks or policies presented, we checked that the Sustainability Report presents the information provided for under section II of Article R. 225-105;
- We assessed the process for identifying, prioritizing and approving the main risks;
- We inquired about the existence of internal control and risk management procedures put in place by the company;
- We checked that the Sustainability Report covers the consolidated scope, i.e. all the companies included in the basis for consolidation in accordance with Article L. 233-16, with the limits indicated in the Sustainability Report;
- We assessed the collection process put in place by the entity with a view to ensuring the exhaustiveness and accuracy of the results of the policies and the key performance indicators to be presented in the Sustainability Report;
- For the key performance indicators and the other quantitative results that we considered to be most important:
  - we applied analytical procedures to check the correct consolidation of the data collected, and the consistency of their changes;
  - we carried out detailed tests based on samples, checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of contributing entities and covers 41% to 97% of the consolidated data for the key performance indicators and results selected for these tests;
- We consulted the document sources and conducted interviews to corroborate the due diligence procedures (organization, policies, actions, qualitative results) that we considered to be most important;
- We assessed the Sustainability Report's overall consistency in relation to our knowledge of the company.

We consider that the sampling methods and sample sizes that we have used, exercising our professional judgment, allow us to express a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

As a result of the use of sampling techniques, and the limitations inherent in the functioning of any internal control and information system, the risk of a material anomaly in the Sustainability Report not being detected cannot be ruled out entirely.

[2] *Employee-related indicators: Total headcount at August 31, 2018, Number of recruitments during the year – fixed-term and permanent contracts, Number of dismissals during the year, Total number of hours of training per year and per employee, Occupational accident frequency rate, Occupational accident severity rate.*

Environmental indicators: Number of ISO 14001 certified sites, VOC emissions at production sites, Water consumption, Electricity consumption, Gas consumption, CO2 emissions linked to energy consumption at the sites, Quantity of industrial waste generated in each category, Non-hazardous waste recovery / recycling rate, Quantity of scrap timber / quantity of timber consumed.

Societal indicators: Percentage of expenditure placed with local suppliers.

[3] *SPBI (France), BIO Habitat (France)*

[4] *Attracting and retaining talents, Skills management, Workplace health and safety, Compliance with environmental regulations, Environmental footprint of products, Business ethics, Procurement policy, Relations with the distribution networks and end customers.*

Means and resources

Our work was carried out by five people.

To assist us with our work, we called on our sustainable development and corporate social responsibility specialists. We conducted around 10 interviews with the people responsible for the preparation of the Sustainability Report.

Conclusion

Based on our work, and considering the scope of our responsibilities, we have not identified any material anomalies likely to call into question the fact that the Sustainability Report is compliant with regulatory requirements and that the Information overall is presented in a true and fair way, in accordance with the Reporting Standards.

Comments

Without calling into question the conclusion set out above, and in accordance with Article A. 225-3 of the French commercial code, we would like to make the following comments:

- The reporting scope covers 73% of the consolidated workforce for the indicators "Number of hours of training per employee", "Quantity of industrial waste generated in each category", "Non-hazardous waste recovery / recycling rate", "Timber consumption" and "Quantity of scrap timber / quantity of timber consumed", and specifically does not include the countries other than France (Poland, US and Italy).
- The process for the identification of the main risks and their approval by the governance structure is currently being put in place, as indicated in section 1.2 of the consolidated sustainability performance report.
- The review of the effective implementation of the vigilance plan relating to the French duty of vigilance law is not developed in the management report.

The Statutory Auditors

Paris-La Défense, December 18, 2018 KPMG S.A. Département de KPMG S.A.	Paris-La Défense, December 18, 2018 KPMG S.A.
Anne GARANS Partner Sustainability Services	Franck NOEL Partner

BENETEAU S.A.

Financials - BENETEAU S.A.

BENETEAU S.A. - Parent company financial statements

Balance sheet at August 31, 2018

Assets

En k€	Notes	Gross Aug 31, 2018	Depreciation and provisions	Net Aug 31, 2018	Net Aug 31, 2017
Intangible assets	1.2				
Research and development costs	1.3	4,887	2,725	2,162	2,894
Concessions, patents, licenses and brands	1.4	1,180	133	1,047	1,074
Goodwill (1)		-	-	-	-
Other intangible assets		6,650	5,985	665	869
Current intangible assets		9,259	6,743	2,516	2,143
Property, plant and equipment	1.5				
Land		392	126	266	275
Property		6,617	5,052	1,565	1,870
Plant and equipment		781	756	25	64
Other property, plant and equipment		3,415	2,858	557	710
Current fixed assets		281	-	281	258
Advances and deposits		10	-	10	-
Non-current financial assets (2)	1.6				
Equity interests		93,558	-	93,558	92,558
Equity interest-related receivables		-	-	-	-
Other capitalized securities		5,319	4	5,315	5,757
Loans		-		-	-
Other non-current financial assets		19		19	19
Fixed assets	1.1	**132,368**	**24,382**	**107,986**	**108,491**
Inventories and work-in-progress					
Raw materials and other supplies		-	-	-	-
Production work-in-progress		-	-	-	-
Intermediate and finished products		-	-	-	-
Advances and deposits on orders		4,244	3,341	903	885
Receivables	1.7				
Trade receivables and related		4,013	107	3,906	6,970
Other receivables		124,411	4,800	119,611	143,179
Transferable securities	1.8	25,000	-	25,000	45,863
Cash at bank and in hand		216,058	-	216,058	121,834
Prepaid expenses	1.9	978	-	978	619
Current assets		**374,704**	**8,248**	**366,456**	**319,350**
Foreign currency translation gains		-	-	-	-
TOTAL ASSETS		**507,072**	**32,630**	**474,442**	**427,841**
(1) Of which, right to lease		-	-	-	-
(2) Of which, less than one year		-	-	-	-

Balance sheet at August 31, 2018

Liabilities

€'000	Notes	Aug 31, 2018	Aug 31, 2017
Share capital (including capital paid)	2.1	8,279	8,279
Additional paid-in capital		27,850	27,850
Reserves			
Legal reserve		871	871
Regulated reserves		-	-
Other reserves		127,083	147,880
Retained earnings		264	112
Earnings for the year		8,239	(211)
Investment subsidies		-	-
Regulated provisions		387	380
Shareholders' equity	2.11	**172,974**	**185,161**
Provisions			
Provisions for liabilities		-	-
Provisions for charges		415	2,023
Provisions for liabilities and charges	2.2	**415**	**2,023**
Financial liabilities (1)			
Loans and borrowings from credit institutions (2)		74,687	78,316
Sundry borrowings and financial debt		206,886	135,798
Advances and deposits received on orders		6	7
Operating liabilities (1)			
Trade payables and related		3,947	3,280
Tax and social security liabilities		12,037	3,216
Other		3,010	19,566
Other liabilities (1)			
Fixed asset liabilities and related		481	474
Accrued income (1)		-	-
Current liabilities	2.3	**301,053**	**240,657**
Foreign currency translation losses		**-**	**-**
TOTAL LIABILITIES		**474,442**	**427,841**
(1) Of which, less than one year		284,226	220,048
(2) Of which, current bank borrowings		928	843

BENETEAU S.A.

Income statement at August 31, 2018

€'000	Notes	2017-18	2016-17
Operating income		-	-
Production sold: goods and services		17,901	15,126
Net revenues	3.1	**17,901**	**15,126**
Stored production		-	-
Capitalized production			
Operating subsidies			
Reversal of provisions, depreciation and transferred expenses	3.2	2,148	35
Other income		0	0
Operating income		**20,049**	**15,161**
Operating expenses			
Purchases of goods		-	-
Other external purchases		13,504	11,354
Tax and related		228	205
Staff costs	3.3		
Salaries and wages		4,394	3,281
Payroll taxes		5,355	1,526
Depreciation and provisions			
On fixed assets: depreciation		2,257	2,286
On fixed assets: provisions		-	-
On current assets: provisions			
For liabilities and charges: provisions		407	1,093
Other expenses		1,775	1,039
Operating expenses		**27,920**	**20,784**
Operating income		**(7,871)**	**(5,623)**
Financial income			
From equity interests		27,653	12,752
Other interest and related income		3,564	2,191
Reversal of provisions and transferred expenses		4,867	220
Net income on sale of transferable securities		163	
Net foreign exchange gains		177	2,828
Financial income		**36,424**	**17,991**
Financial expenses			
Depreciation and provisions		4,804	3
Interest and related expenses		3,190	3,197
Net expenses on sale of transferable securities		4,937	40
Net foreign exchange losses		4,900	3,195
Financial expenses		**17,831**	**6,435**
Financial income (expense)	3.4	**18,593**	**11,556**
Pre-tax income from ordinary operations		**10,722**	**5,934**

BENETEAU S.A.

Income statement at August 31, 2018 (contd.)

€'000	Note	2017-18	2016-17
Non-recurring income			
On management operations		102	131
On capital operations		9	14
Reversal of provisions and transferred expenses		39	33
Non-recurring income		**150**	**178**
Non-recurring expenses			
On management operations		142	42
On capital operations		3	15
Depreciation and provisions		46	6,799
Non-recurring expenses		**191**	**6,856**
Non-recurring income (expense)	**3.5**	**(41)**	**(6,678)**
Employee profit-sharing		**(171)**	**(69)**
Corporate income tax	**3.6**	**2,271**	**(602)**
NET INCOME		**8,239**	**(211)**

Notes to the financial statements of BENETEAU S.A.

These notes represent an integral part of the annual financial statements for the year ended August 31, 2018.

Any items of information that are not mandatory are given only when significant.

Highlights of the year

Considering the future financing requirements of GBI Holding (and its subsidiaries Monte Carlo Yachts and BIO Habitat Italia), and to comply with Italian legislation requiring a certain level of equity in relation to the share capital throughout the financial year, a current account provision, expected to lead to a write-off next year, was recorded for €4.800.000.

BH was merged into BIO Habitat at December 31, 2017, without any impact on the accounts of Beneteau SA.

Accounting methods, principles and the presentation of the financial statements

The figures provided in these notes are given in thousands of euros, unless otherwise indicated.

The financial statements for the year ended August 31, 2018 have been prepared in accordance with the principles and methods set out under the French commercial code (Art. 123-12 to 123-23), the decree of November 29, 1983, and French GAAP (Regulation 2014-03 amended by ANC Regulations 2016-07 and 2015-06).

The accounting rules have been applied in accordance with the principle of conservatism, in light of the following basic assumptions: continuous operations, independent financial years, and unchanged accounting methods from one financial year to the next.

1 - NOTES TO THE BALANCE SHEET: ASSETS

1.1 Changes in fixed assets, depreciation and provisions for impairment of fixed assets

Gross values

€'000	Gross value of fixed assets at Aug 31, 2017	Change through inter-item transfers	Acquisitions, creations, increase in assets	Disposals, retirements, reduction in assets	Gross value of fixed assets at Aug 31, 2018
Research and development costs	4,887	-	-	-	4,887
Concessions, patents, licenses and brands	1,081	-	-	-	1,081
Goodwill	99	-	-	-	99
Software	6,370	342	164	(227)	6,650
Current intangible assets	8,887	(244)	617	0	9,260
TOTAL Intangible assets	**21,324**	**98**	**781**	**(227)**	**21,976**
Land and developments	392	-	-	-	392
Property and facilities	6,599	6	12	-	6,617
Plant and equipment	781	-	-	-	781
Other property, plant and equipment	3,183	149	119	(36)	3,415
Current fixed assets	259	(247)	268	-	280
Advances and deposits on fixed assets	-	-	10	-	10
TOTAL Property, plant and equipment	**11,213**	**(93)**	**409**	**(35)**	**11,496**
Equity interests	97,558	(5,000)	1,000	-	93,558
Equity interest-related receivables	-	-	-		-
Other capitalized securities	5,760	-	7,618	(8 060)	5,319
Loans	-	-	-	-	-
Other non-current financial assets	20	-	-	(1)	19
TOTAL Non-current financial assets	**103,338**	**(5,000)**	**8,618**	**(8,061)**	**98,896**
GENERAL TOTAL	**135,874**	**(4,995)**	**9,809**	**(8,323)**	**132,368**

Depreciation and provisions

€'000	Depreciation at Aug 31, 2017	Increase in charges over year	Change through inter-item transfers	Reduction linked to disposals and retirements	Depreciation at Aug 31, 2018
TOTAL Intangible assets	**14,344**	**1,465**	**-**	**(224)**	**15,586**
Land and developments	117	9	-	-	126
Property	4,728	324	-	-	5,052
Plant and equipment	716	40	-	-	756
Other property, plant and equipment	2,474	419	-	(35)	2,858
TOTAL Property, plant and equipment	**8,036**	**791**	**-**	**(35)**	**8,791**
TOTAL DEPRECIATION AND PROVISIONS ON FIXED ASSETS	**22,379**	**2,257**	**-**	**(259)**	**24,377**
Provision for impairment of assets					
On equity interests	5,000	-	(5,000)	-	0
On other capitalized securities	4	3	-	(4)	3
TOTAL PROVISIONS	**5,004**	**3**	**(5,000)**	**(4)**	**3**
GENERAL TOTAL	**27,383**	**2,260**	**(5,000)**	**(263)**	**24,382**

1.2 Intangible assets

Intangible assets represent €21,976,000 gross and €6,390,000 net after depreciation and provisions at August 31, 2018, compared with €6,980,000 net at August 31, 2017.

This item can be broken down as follows:

1.2.1 Research and development costs

In previous years, the company launched a research and development project focusing on totally different processes for designing, developing and producing boats.

On account of the nature of this project, the Group decided to capitalize the external costs (primarily fees) and the internal costs (workforce linked directly to the project) and record them as an asset on the balance sheet under research and development costs.

The depreciation of these research and development costs began when the boats concerned were brought into production and released, i.e. September 1, 2004.

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

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

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

The following method was applied to determine the provision:

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

1.2.2 Concessions, patents, licenses and brands

The timeframe for consuming the economic benefits expected from the brand cannot be determined. As such, it has not been subject to depreciation.

It will be depreciated if the value-in-use falls below the net book value.

The concession concerns an exclusive long-term usage right making it possible to benefit from full use of dark fiber optics; it is being depreciated over its useful life, i.e. 15 years.

1.2.3 Software

Software are depreciated over one to five years, in line with their planned life.

1.3 Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost or at their production cost for assets produced by the company. They have never been revalued.

Economic depreciation is calculated on a straight-line basis in accordance with the planned useful life:

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

When possible, the company applies the diminishing balance method for accelerated depreciation charges for the fraction exceeding the level of economic depreciation. The provision booked in this way represents a total of €386,000.

1.4 Non-current financial assets

Non-current financial assets totaled €98,896,000 at August 31, 2018, compared with €103,338,000 at August 31, 2017.

The gross value of equity securities is based on the purchase cost less any related expenses.

A provision for impairment is recorded for the relevant amount when the subsidiary's going-concern value is lower than its historical value:

- For industrial subsidiaries, the going-concern value is based on a discounting of future earnings prospects for the subsidiary in question.
- For purely commercial subsidiaries, or subsidiaries for which the assessment of the business outlook is not relevant, the going-concern value is determined in light of the amount of the capital interest held, after applying the exchange rate in force at August 31 for foreign subsidiaries.

The table of subsidiaries and associates is presented in Note 4.3.

Other capitalized securities primarily comprise treasury stock, with a detailed breakdown of changes presented in Note 4.6. Based on the average share price for August 2018, their value represents €7,643,000, with a net balance sheet value of €5,295,000,

1.5 Receivables

Receivables are measured at their nominal value.

Receivables denominated in foreign currencies are converted at the closing exchange rate or converted at the hedging rate if they are subject to forward exchange hedge agreements.

A provision for expenses is recorded concerning any unrealized exchange rate losses for the relevant amount.

At year-end, trade receivables did not include any items outstanding for over one year, and can be broken down as follows:

€'000	Aug 31, 2018	Aug 31, 2017
Ordinary trade receivables	71	57
Trade receivables for associates	3,814	6,891
Notes receivable	-	-
Bad debt	129	129
Provisions for impairment of trade receivables	(108)	(108)
TOTAL	**3,906**	**6,969**

Other trade receivables do not include any items outstanding for over one year, and can be broken down as follows:

€'000	Aug 31, 2018	Aug 31, 2017
Tax	406	15,902
Other receivables	159	1,167
Other receivables for associates	123,846	126,110
Provisions for impairment of receivables *	(4,800)	-
TOTAL	**119,611**	**143,179**

* Impairment of receivable for associate: GBI Holding for the amount of the planned debt write-off

1.6 Transferable securities

There were no longer any treasury shares allocated and reserved for the bonus share plans (see Notes 4.4 and 4.5) at August 31, 2018.

Other securities comprise mutual funds for €25,000,000 with a carrying value also of €25,000,000.

1.7 Accruals and related - assets

Accrued expenses represent €978,000 and consist exclusively of operating expenses, compared with €619,000 at August 31, 2017.

Revenue accruals totaled €54,000 and can be broken down as follows:

€'000	Aug 31, 2018	Aug 31, 2017
Operating income	54	70
Operating income for associates	-	-
Financial income	-	-
TOTAL	**54**	**70**

2.1 Share capital

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

Detailed information on treasury stock and share plans is given in Points 4.4, 4.5 and 4.6.

2.1.1 Shareholders' equity

The change in shareholders' equity over the year can be broken down as follows:

€'000

Shareholders' equity at Sep 1, 2017	185,161
Accelerated depreciation	7
Dividends paid	(20,433)
Earnings for the year	8,239
Shareholders' equity at Aug 31, 2018	**172,974**

Net income excluding the impact of optional tax provisions came to €8,246,000 at August 31, 2018.

For our company, the tax provisions are reflected in a future tax liability of €133,000 (net), calculated at a rate of 34.43%.

2.2 Provisions for liabilities and charges

€'000	Amount at year-end Aug 31, 2017	Increase over year	Reversal of provisions used	Reversal of provisions not used	Amount at year-end Aug 31, 2018
Provisions for exchange rate loss	-	-	-	-	-
Provisions for liabilities	-	-	-	-	-
Other provisions for liabilities and charges	2,023	407	(2,015)	-	415
TOTAL	**2,023**	**407**	**(2,015)**	-	**415**

At August 31, 2018, BENETEAU S.A.

- A €407,000 provision for charges relating to the BENETEAU SA shares to be acquired on the market to cover the bonus share plan from February 9, 2018,
- A €2,015,000 reversal of provisions for charges relating to treasury stock reserved for the bonus share plans from April 29, 2017 and May 17, 2016, as the shares concerned were definitively awarded during the year,
- A €100 reversal of provisions for long-service awards, whose valuation factors in staff present in the company on the calculation date, as well as their seniority, the scale for bonuses based on this seniority, the survival rate, the turnover rate and a financial discounting process.

2.3 Liabilities

The breakdown of liabilities based on their due dates is presented in the following table as at August 31, 2018:

€'000	Total amount	< 1 year	1 to 5 years	> 5 years
Loans and borrowings from credit institutions				
- Initially due within 2 years	49,817	49,817	-	-
- Initially due after more than 2 years	24,870	8,043	16,827	
Sundry borrowings and financial debt	3,147	3,147	-	-
Financial debt for associates	205,958	205,958	-	-
Trade payables and related	3,302	3,302	-	-
Trade payables for associates	645	645	-	-
Staff and related	1,933	1,933	-	-
Social security and related	1,059	1,059	-	-
Tax and related	-	-	-	-
- Corporate income tax	8,956	8,956	-	-
- Value-added tax	25	25	-	-
- Other tax and related	64	64	-	-
Fixed asset liabilities and related	481	481	-	-
Other liabilities	796	796	-	-
Other payables for associates	0	0	-	-
TOTAL	**301,053**	**284,226**	**16,827**	**0**

2.4 Accrued expenses

At August 31, 2018, accrued expenses totaled €5,844,000, with the following breakdown:

€'000	Operating	Financial	Non-recurring
Trade payables and related	1,708	-	-
Trade payables for associates	539	-	-
Tax and social security liabilities	2,625	-	-
Sundry borrowings and financial debt	-	972	-
Other liabilities	-	-	-
Other payables for associates	-	-	-
TOTAL	**4,872**	**972**	-

3 - NOTES TO THE INCOME STATEMENT

3.1 Revenues

€'000	2017-18	2016-17
Sales in France	15,301	12,710
Sales outside of France	2,600	2,416
TOTAL	**17,901**	**15,126**

3.2 Changes in provisions and transferred operating expenses

€'000	2017-18	2016-17
Reversal of provisions for liabilities and charges(*)	2,016	2
Transferred expenses	36	33
TOTAL	**2,052**	**35**

* In 2017-18, reversal relating to the provision for bonus shares vested during the year.

3.3 Staff costs

Compensation for members of the administrative and management bodies came to €1,776,000. compared with €1,575,000 the previous year.

The average headcount is 38, with 11 employees and 27 manager-grade staff.

Staff costs at August 31, 2018 included the cost of bonus shares vested by BENETEAU SA's corporate officers and employees in connection with the bonus share plans from April 29, 2014 and April 28, 2016 and maturing respectively in April and May 2018 for €2,829,000.

3.4 Financial income and expenses

Financial income and expenses show €18,593,000 of net income.

€'000	2017-18	2016-17
Dividends received from subsidiaries	27,653	12,752
Debt write-offs granted to subsidiaries		
- GBI Holding	0	0
- BH	0	0
- BHS	0	(1,450)
Provisions on equity securities	0	0
Provisions on subsidiary current account	(4,800)	0
Bonus share plan costs charged to the subsidiaries	2,035	0
Interest and related expenses (net)	3,002	2,004
Financial income and expenses with associates	**27,890**	**13,306**
Other interest and related expenses (net)	(2,628)	(1,560)
Net expenses on transferable securities (*)	(4,774)	(40)
Transferred expenses for the cost of bonus share plans	2,828	0
Net charge after reversals of provisions	0	217
Foreign exchange gain (loss)	(4,723)	(367)
TOTAL financial income and expenses	**18,593**	**11,556**
(*) Of which, net cost of the plan for bonus shares acquired during the year	(2,829)	0

3.5 Non-recurring income and expenses

The non-recurring items recorded can be broken down as follows:

€'000	2017-18	2016-17
Accelerated depreciation charge / reversal	(7)	(23)
Capital gains or losses on asset disposals	6	(1)
Treasury stock buyback premium	(3)	104
Provisions on current fixed assets (*)	-	(6,743)
Donations	(5)	(8)
Other	(31)	(6)
TOTAL	**(40)**	**(6,677)**

* In 2016-17: Provision for impairment of current intangible assets concerning the Group's ERP project

3.6 Tax

At August 31, 2018, the breakdown of tax between income from ordinary operations and non-recurring items is as follows:

€'000	Avant impôt	Net tax expense	After tax
Income from ordinary operations	10,722	(2,270)	8,452
Non-recurring income (expense)	(40)	(1)	(41)
Profit-sharing	(171)		(171)
TOTAL	**10,511**	**(2,271)**	**8,240**

BENETEAU S.A. has opted for the tax consolidation system. The agreement set up in this respect is compliant with the second conception authorized, with the tax savings recorded, linked to losses, recognized immediately in profit or loss for the parent company, within the limits of the consolidated taxable income available for use.

The tax consolidation-related tax saving for FY 2017-18 came to €4,653,000.

4 - OTHER INFORMATION

4.1 Associates

The amounts concerning associates are given for each corresponding item on the balance sheet.

The accounts of BENETEAU S.A., in line with the full consolidation method, are included in the financial statements for BERI 21 S.A.

4.2 Commitments given

Commitments given can be broken down as follows:

€'000	Aug 31, 2018
Deposits:	
- Consortium for building a plant for a subsidiary	500
- Customs	91
Guarantees with associates:	
- Banking commitment for subsidiaries' credit lines	4,153
- Counter-guarantee for subsidiaries linked to product financing agreements	76,996
Retirement benefits*	432
Currency forward sales in €'000 at hedging rate	90,711
TOTAL	**172,883**

* The company's commitments in this respect are calculated in line with the method adopted within the Group, factoring in all staff, in addition to the terms of the agreements concerned, the survival rate, wage trends, staff turnover, financial returns and payroll taxes. The method used is the projected unit credit method.

The deposits and guarantees given do not concern any executives.

4.3 Subsidiaries and associates

€'000	Share capital	Shareholders' equity excl. earnings for last year	% of capital held	Book value of securities held		Outstanding loans and advances granted by company	Deposits and guarantees granted by company	Revenues net of tax for last year	Profit or loss for last year	Dividends received by company over year
				Brut	Net					
SUBSIDIARIES (at least 50% interest)										
C.N.B	3,488	53,210	100	4,776	4,776	0	0	271,381	16,579	5,813
S.P.B.I	51,542	265,286	100	40,774	40,774	0	0	772,478	40,607	18,040
BIO Habitat	12,923	68,278	100	42,933	42,933	0	0	193,920	10,241	2,342
GBI Holding	108	428	100	1,108	1,108	59 620	0	0	(42)	0
Band of Boats	1,000	1,000	100	1,000	1,000	1 129	1	13	(879)	0
ASSOCIATES (10 to 50%)										
SGB Finance [1]	6,054	32,350	49	2,967	2,967	0	0	0	11,474	1,459

[1] Financial year-end: December 31

4.4. Bonus shares

In accordance with the authorizations given by shareholders at general meetings, the company's relevant bodies decided to award:

Date awarded	Number of shares
Feb 9, 2018	291,600

The beneficiaries are Groupe Beneteau company executives or employees.

The breakdown of bonus shares exercised in previous years is presented below:

Year awarded	Number of bonus shares awarded
2006-07	42,500
2007-08	57,500
2010-11	21,250
2012-13	32,500
2015-16	1,056,200
2017-18	530,000

4.5 Treasury stock

The value of treasury stock at August 31, 2018, based on the average share price for August 2018, came to €7,643,000, with a net balance sheet value of €5,295,000.

	Number	Valuation (€'000)
Shares at Aug 31, 2017	**581,942**	**5,740**
Purchases	460,618	7,618
Sales	(491,818)	(8,060)
Shares at Aug 31, 2018	**550,742**	**5,299**

Average purchase price over the year: €16.54
Average sales price over the year: €16.38
Share price at Aug 31, 2018: €13.76
Average share price in August 2018: €13.88

5- CASH-FLOW STATEMENT

€'000	2017-18		2016-17	
Operating activities				
Net income for the year		8,239		(211)
Elimination of income and expenses without any impact on cash flow or unrelated to operations		5,450		9,924
Depreciation and provisions	5,456		9,925	
Capital gains or losses on disposals	(6)		(1)	
Operating cash flow		**13,689**		**9,713**
Change in working capital requirements		85,434		102,377
Receivables	6,049		(26,214)	
Payables	79,385		128,591	
Total 1 - Cash flow from operating activities		**99,123**		**112,090**
Investment activities				
Fixed asset acquisitions		(1,187)		(1,695)
Fixed asset disposals		11		14
Liabilities on fixed assets		(4)		227
Total 2 - Cash flow from investment activities		**(1,180)**		**(1,454)**
Financing activities				
Dividends paid to shareholders		(20,433)		(8,168)
Payments received for financial debt		5 038		51 141
Repayments of financial debt		(8,714)		(7,050)
Disposal / transfer (acquisition) of treasury stock		441		26
Change in scope		(1,000)		
Total 3 - Cash flow from financing activities		**(24,668)**		**35,949**
CHANGE IN CASH POSITION (1+2+3)		**73,275**		**146,585**
Opening cash position		166,855		20,270
Closing cash position		240,130		166,855
Of which: Treasury stock	0		4,863	
Other transferable securities	25,000		41,000	
Cash at bank and in hand	216,058		121,835	
Bank overdrafts	(928)		(843)	

Statutory auditors' report on the annual financial statements

Year ended August 31, 2018

Opinion

In accordance with the terms of our appointment by your general meetings, we have audited the annual financial statements of BENETEAU S.A. for the year ended August 31, 2018, as appended to this report.

We certify that the annual financial statements present fairly, in all material respects, the financial position of the company, its assets and liabilities, and the results of its operations for the year ended in accordance with the accounting rules and principles in force in France.

The opinion presented above is consistent with the content of our report for the audit committee.

Basis for our opinion

Audit standards

We conducted our audit in accordance with the industry standards applicable in France. We believe that we have collected sufficient and appropriate elements on which to base our opinion.

Our responsibilities under these standards are indicated in the section on "Statutory auditors' responsibilities relating to the auditing of the annual financial statements" in this report.

Independence

We conducted our audit in accordance with the rules governing us in terms of independence for the period from September 1, 2017 to the date of our report. More specifically, we have not provided any services forbidden by Article 5, Paragraph 1, of EU Regulation 537/2014 or by the professional code of conduct for statutory auditors.

Basis for our opinions - Key points from the audit

In accordance with Articles L. 823-9 and R.823-7 of the French commercial code relating to the forming of our opinions, we would like to draw your attention to the key points from the audit relating to the risks of material misstatements which, in our professional judgement, were the most significant for the audit of the annual financial statements, as well as our responses to these risks.

The assessments made in this way are part of our audit of the annual financial statements in general and the formation of our opinion as expressed above. We are not expressing an opinion on the elements from these annual financial statements taken individually.

Valuation of equity securities and other receivables relating to equity securities

Risk identified

Equity securities and other receivables relating to equity securities (presented under other trade receivables) are presented on the balance sheet at August 31, 2018 for a net amount of €93,558,000 and €123,846,000 respectively.

These items represent 46% of the total balance sheet.

Equity securities are recorded on their entry date at their acquisition cost and depreciated based on the value-in-use as described in Note 1.4 to the annual financial statements.

As indicated in this note, the value-in-use is estimated by management based on a discounting of future earnings prospects for the industrial subsidiaries or based on the share of capital held when the first method is not relevant.

The estimation of the value-in-use for these securities requires management to exercise its judgement concerning its choice of the elements to be considered depending on the securities concerned: depending on the case, these elements may correspond to historic elements (shareholders' equity) or forward-looking elements (outlook for profitability and economic environment).

The competition and the economic environment facing certain subsidiaries, as well as the locations of some of them, may lead to a contraction in their business and a deterioration in their operating income.

In this context, and considering the inherent uncertainties with certain elements, particularly the probability of forecasts being achieved, we considered that the correct valuation of equity securities and other related receivables represented a key point for the audit.

Our response

To assess the reasonable nature of the estimates for the value-in-use of equity securities, based on the information provided to us, our work primarily involved checking that the estimation of these values by management is based on an appropriate justification for the valuation method and figures used and, depending on the securities concerned:

For valuations based on historic elements:

- Checking that the shareholders' equity retained was consistent with the accounts of the entities subject to an audit or analytical procedures, and that the adjustments made, if applicable, concerning this shareholders' equity are based on conclusive documentation;

For valuations based on forward-looking elements:

- Obtaining the future earnings prospects for the entities concerned as determined by their operational management teams and assessing their consistency with the forward-looking data, drawn up under the control of their executive management team for each of these activities and approved, if applicable, by the supervisory board;
- Checking the consistency of the assumptions retained with the economic environment on the dates for the close of accounts and the preparation of the financial statements;
- Comparing the forecasts retained for previous periods with the corresponding actual figures in order to assess the achievement of previous objectives;
- Checking that the value resulting from the cash flow forecasts has been adjusted for the amount of debt for the entity in question.

In addition to assessing the value-in-use of equity securities, our work involved assessing the recoverable nature of the other related receivables based on the analyses carried out on the equity securities.

Checking of the management report, other documents concerning the financial position and the annual financial statements, and information concerning the corporate governance report provided for shareholders

In accordance with industry standards in France, we also carried out the specific verifications required under French law.

Information provided in the management report and other documents concerning the financial position and annual financial statements for shareholders

We do not have any observations to make regarding the true and accurate nature of information given in the Management Board's management report and in the other documents provided to shareholders concerning the financial position and annual financial statements, or the application of such information for the annual financial statements.

We certify that the information provided concerning terms of payment in accordance with Article D. 441-4 of the French commercial code is accurate and consistent with the annual financial statements.

Corporate governance report

We certify that the Supervisory Board's corporate governance report contains the information required by Articles L.225-37-3 and L.225-37-4 of the French commercial code.

Concerning the information provided in accordance with Article L.225-37-3 of the French commercial code relating to the compensation and benefits awarded to corporate officers, as well as any commitments made to them, we have checked its consistency with the accounts or with the data used as a basis for preparing such accounts and, as relevant, with any elements collected by your company from its controlled or controlling companies. On the basis of this work, we certify the true and accurate nature of such information.

Other information

In accordance with French law, we ensured that the management report contained the various disclosures required concerning the acquisition of interests and control, as well as the identity of shareholders and voting rights.

Information resulting from other legal and regulatory requirements

Appointment of the statutory auditors

We were appointed as statutory auditors for BENETEAU S.A. by your general meeting on February 24, 1989 for Atlantique Révision Conseil and on February 1, 2002 for KPMG S.A.

At August 31, 2018, Atlantique Révision Conseil was in the 30th consecutive year of its mission, while KPMG S.A. was in its 17th year.

Responsibilities of management and corporate governance representatives in relation to the annual financial statements

Management is responsible for preparing annual financial statements that present a true and accurate image in accordance with French accounting principles and rules, in addition to putting in place the internal control arrangements that it considers necessary to prepare the annual accounts without any material misstatements, whether these result from fraud or errors.

When preparing the annual financial statements, management has a responsibility to assess the company's capacity to continue operating, to present the information required relating to the continuity of operations in these accounts, if applicable, and to apply the accounting conventions for continuous operations unless there are plans to liquidate the company or cease its activities.

The audit committee has a responsibility to monitor the process for preparing financial information and to monitor the efficiency and effectiveness of the internal control and risk management systems, in addition to, if applicable, the internal audit arrangements, with regard to the procedures for the preparation and processing of accounting and financial information.

The annual financial statements have been prepared under the responsibility of the Management Board.

Statutory auditors' responsibilities relating to the auditing of the annual financial statements

Audit approach and objective

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements in general are free from any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in line with industry standards might make it possible to systematically detect any material misstatements. Misstatements may be the result of fraud or errors and are considered to be material when they can reasonably be expected, taken individually or collectively, to potentially influence the economic decisions taken by users of the accounts based on them.

As indicated in Article L.823-10-1 of the French commercial code, our mission to certify the accounts does not involve guaranteeing the viability or quality of your company's management.

Based on an audit carried out in accordance with the industry standards applicable in France, the statutory auditors exercise their professional judgement throughout this audit. In addition:

- They identify and assess the risks that the annual financial statements include material misstatements, that these are the result of fraud or errors, define and put in place audit procedures faced with these risks, and collect the elements that they consider sufficient and appropriate to form a basis for their opinion. The risk of a material misstatement resulting from fraud not being detected is higher than for a material misstatement resulting from an error, because fraud may imply collusion, falsification, voluntary omissions, misrepresentation or a bypassing of internal control arrangements;
- They review the relevant internal control arrangements for the audit in order to define audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- They assess the appropriate nature of the accounting methods applied and the reasonable nature of any accounting estimates made by management, in addition to the information concerning them provided in the annual financial statements;
- They assess the management team's appropriate application of the accounting convention for continuous operations and, depending on the elements collected, whether or not there is any significant uncertainty relating to events or circumstances that might call into question the company's capacity to continue operating. This assessment is based on the elements collected up until the date of their report, while noting however that subsequent circumstances or events might call into question the continuity of operations. If they conclude that there is any significant uncertainty, they draw the attention of readers of their report to the information provided in the annual financial statements relating to this uncertainty or, if this infor-

mation is not provided or is not relevant, they issue their certification with reservations or refuse to certify the accounts;

- They assess the overall presentation of the annual financial statements and evaluate whether the annual financial statements accurately reflect the underlying events and operations.

Report for the audit committee

We provide a report to the audit committee which notably presents the scope of the audit work and the program of work carried out, as well as the conclusions based on our work. If applicable, we also bring to the committee's attention any significant shortcomings with internal control that we have identified with the procedures applied for the preparation and processing of accounting and financial information.

The elements provided in the report for the audit committee include the risks of material misstatements which we considered to be most significant for the audit of the annual financial statements and which therefore constitute the key points from the audit, which it is our responsibility to present in this report.

We also provide the audit committee with the declaration required under Article 6 of EU Regulation 537-2014 confirming our independence, in accordance with the rules applicable in France as notably set by Articles L.822-10 to L.822-14 of the French commercial code and in the professional code of conduct for statutory auditors. If applicable, we conduct discussions with the audit committee to review the risks concerning our independence and any safeguard measures adopted.

The Statutory Auditors

Nantes, December 18, 2018 KPMG Audit Department of KPMG S.A. Franck Noël Partner	La Roche-sur-Yon, December 18, 2018 Atlantique Révision Conseil Jérôme Boutolleau Partner

Supervisory Board's Corporate Governance Report

1 - Supervisory board operations

Charter of the Supervisory Board of Beneteau SA

This charter (hereafter "the **Charter**") was adopted by the Supervisory Board (hereafter "the **Supervisory Board**") of BENETEAU S.A. (hereafter "the **Company**") on May 10, 2005 and last amended as decided by the Supervisory Board on February 9, 2018.

SECTION 1

Charter scope and status

1.1. This Charter, issued in accordance with Article 20 of the Company's bylaws, supplements the rules and regulations applicable for the Supervisory Board under French law and the Company's bylaws. In the event of any contradictions between this Charter and the bylaws, the bylaws will take precedence.

1.2. The appendices to this Charter, as listed hereafter, are an integral part of this Charter:

Appendix A: Composition of the Supervisory Board and renewal of terms of office on a staggered basis

Appendix B: Strategic Committee Charter

Appendix C: Audit Committee Charter

Appendix D: Compensation Committee Charter

Appendix E: Appointments and Governance Committee Charter

Appendix F: Supervisory Board Code of Ethics

Appendix G: Management Board decisions subject to prior approval from the Supervisory Board.

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

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

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

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

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

SECTION 2

Supervisory Board's responsabilities

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

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

a) Controlling the Management Board and providing it with advice on matters relating to:
- The Company's performance,
- The Company's strategy and the inherent risks associated with its business,
- The structure and administration of the internal risk management and control systems,
- The financial reporting process, and
- Legal and regulatory compliance;

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

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

d) When the ordinary general meeting issues a negative opinion concerning any items of executive pay packages presented or the compensation policy, the Supervisory Board must meet within a reasonable period of time after the general meeting and review the reasons for this vote and the expectations expressed by shareholders, and based on the Compensation Committee's recommendations, it rules on the changes to be made to the compensation due or awarded for the year ended or to the future compensation policy and immediately publishes a press release on the Company's website indicating the next steps taken following the general meeting's vote and reports on this at the next general meeting;

e) Managing and resolving potential conflicts of interest brought to its attention between the Company on the one hand and the Management Board members on the other;

f) Managing and resolving any irregularities brought to its attention concerning the Management Board's operations;

g) Approving the Management Board's proposed resolutions as stipulated in Appendix G.

2.3. Each year, in accordance with French law, the Supervisory Board prepares a corporate governance report as provided for under Article L. 225-68 of the French Commercial Code (Code de commerce), which is appended to the Company's management report. This report includes the information required by French law, adapted if applicable for companies with supervisory boards, as mentioned in Articles L. 225-37-3 to L. 225-37-5 of the French commercial code, as well as the Supervisory Board's observations concerning the Management Board's report and the financial statements for the year.

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

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

SECTION 3

Composition, remits and independence

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

3.2. The composition of the Supervisory Board ensures a fair balance concerning the experience and expertise required among its members and the representation of men and women, enabling the Supervisory Board to effectively fulfil its diverse responsibilities and duties in relation to the Company and all the Company's stakeholders (including its shareholders), in accordance with the laws and regulations applicable.

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

a) All its members must hold a minimum number of the Company's shares ;

b) All its members must be able to evaluate the main aspects of the Company's strategy, its activities and the nature of its business lines;

c) At least one third of its members must be independent as defined by Paragraph 3.4 of this Charter; and

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

3.4. For the purposes of Section c) of Paragraph 3.3, Supervisory Board members are considered to be independent if they do not have any relations of any kind with the company, its group or their management teams that might impair their judgment. The independence of Supervisory Board members is determined by a decision by the Supervisory Board, based on a recommendation from the Appointments and Governance Committee.

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

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

The Supervisory Board members representing significant shareholders in the Company or its parent company are considered to be independent provided that they do not exercise partial or total control over the Company; above a limit representing 10% of the share capital or voting rights, the Supervisory Board, acting based on reports from the Appointments and Governance Committee, reviews each case individually in order to determine whether the Supervisory Board member concerned may be classed as independent or not, taking into account the composition of the Company's share capital and any potential conflicts of interest.

3.5. The Supervisory Board may consider that although a Supervisory Board member meets the criteria set out above, they must not be classed as independent on account of their specific situation. Conversely, the Supervisory Board may consider that a Supervisory Board member who does not satisfy the said criteria is however still independent.

3.6. All Supervisory Board members must report any information to be included in a reference document or annual report, in accordance with the regulations defined by the French financial markets authority (AMF), to the Chief Executive Officer and the Chairman of the Supervisory Board.

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

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

3.9. The Supervisory Board may appoint up to three observers, chosen from among the shareholders or elsewhere.

The term-of-office of observers is from one to six years. Their offices end following the Supervisory Board meeting to approve the financial statements for the past year, held during the year in which their term-of-office is due to end.

The observers may be reelected indefinitely.

Observers are chosen based on their areas of expertise and participate in all Supervisory Board meetings (unless the Supervisory Board decides otherwise). They take part in deliberations in an advisory capacity, but if they are absent this will not impair the validity of deliberations.

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

The Supervisory Board and its Chairman may call on the observers to give their opinions on all matters submitted to them, particularly concerning technical, commercial, administrative or financial aspects, and may be given assignments to carry out specific research and reviews for the Supervisory Board. The observers cannot be involved in the Company's management and, as such, cannot be assigned management, supervision or control responsibilities.

The observers are subject to the same duties of loyalty and professionalism as the Supervisory Board members.

The observers may be invited to take part in the work of the Supervisory Board's various committees.

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

SECTION 4

Supervisory Board Chairman, Vice-Chairman and Secretary

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

4.2. The Chairman of the Supervisory Board ensures that:

a) The Supervisory Board members follow a training program after being appointed;

b) The Supervisory Board members receive all the information they need in a timely fashion as required to perform their duties effectively;

c) The Supervisory Board has sufficient time for its consultations and decisions;

d) The Supervisory Board's committees operate under good conditions;

e) The performance of the Supervisory Board and Management Board members is evaluated at least once a year;

f) The Supervisory Board appoints a Vice-Chairman;

g) The Supervisory Board members are informed of and able to deliberate on transactions with related parties as defined by French law;

h) The Supervisory Board members are informed of and able to deliberate on any irregularities committed by members of the Management Board;

i) The general meeting is held and takes place under the conditions required;

j) The Supervisory Board deliberates with due diligence on the Management Board's proposals submitted for prior approval by the Supervisory Board as stipulated in Appendix G; and

k) The information required by French law is included in the Supervisory Board's report.

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

SECTION 5

Supervisory Board committees

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

5.2. For this purpose, the Supervisory Board's committees may submit proposals to the Supervisory Board to commission, with the Company covering the corresponding costs, any external or internal studies that may clarify the Supervisory Board's deliberations. If the services of external advisors are used, each committee ensures that the advisor concerned is objective.

5.3. The Supervisory Board draws up charters governing the conditions and principles for the various committees (missions, composition, sessions, etc.). The charters that currently govern the various committees are presented in Appendices B, C, D and E.

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

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

SECTION 6

Appointments, reappointments, terms-of-office and resignations

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

6.2. The Supervisory Board defines the rules and conditions for resignations in order to avoid, where possible, having several terms-of-office ending at the same time. The composition of the Supervisory Board and the conditions for the staggered reappointment of its members are presented in Appendix A. Subject to the stipulations of Section 6.3 of this Charter, the Supervisory Board members may tender their resignations in accordance with the conditions for resignation.

6.3. The Supervisory Board members may leave their positions ahead of schedule if their performance falls short of the levels required or in the event of any irreconcilable differences of opinion or incompatible interests.

6.4. No individuals over the age of 70 may be appointed as a Supervisory Board member if their appointment results in more than one third of the Supervisory Board members being above this age. If, during their terms-of-office, the number of Supervisory Board members over the age of 70 exceeds one third of the Board's members, the oldest member of the Supervisory Board who has not held management positions within the Company will be considered to have resigned at the end of the next ordinary annual general meeting following this event.

SECTION 7

Compensation for Supervisory Board members

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

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

7.3. The investments and transactions of Supervisory Board members within the Company are covered by the general guidelines relating to insider trading and in accordance with the stipulations of the Supervisory Board's Code of Ethics presented in Appendix F.

7.4. The Supervisory Board members may submit claims to be reimbursed by the Company for all reasonable costs and expenses incurred for them to attend meetings, in connection with the program mentioned in Section 8 of this Charter.

7.5. The attendance fees, the reimbursement of expenses and all the other terms and conditions, including the payment dates for these sums, are defined by the general meeting and formalized in writing between the Company and each Supervisory Board member. The notes to the annual financial statements provide a detailed and exhaustive presentation of the amounts concerned and the breakdown of the budget assigned for members of the Supervisory Board.

SECTION 8

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

8.1. The Supervisory Board meets at least four times a year and following any written request by the Chairman, at least one third of its members or if requested by any Management Board member. The Supervisory Board's meetings are generally held at the Company's registered office, but may also be held at any other location. Sessions may be based on conference calls or videoconferences provided that all the participants can hear one another simultaneously and the deliberations are transmitted continuously and simultaneously, in accordance with French law.

8.2. Supervisory Board members who are frequently absent from the Supervisory Board's meetings report on their absences to the Chairman. These absences are indicated in the Company's annual report.

8.3. At least once a year, the Supervisory Board is invited by its Chairman to review its operations. At regular intervals, up to a maximum of every three years, the Supervisory Board carries out a formalized assessment of its own operations.

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

a) Assessment of the Management Board's operations and each of its members, with the conclusions from this assessment;

b) Assessment of the Supervisory Board's operations and each of its members, with the conclusions from this assessment;

c) The Supervisory Board's target composition and profile;

d) Votes concerning transactions with related parties as defined by Article L. 225-86 of the French commercial code; and

e) Deliberations concerning any matters relating to compensation for each Management Board member.

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

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

8.7. The Supervisory Board secretary prepares minutes on the meetings. These minutes summarize the discussions and the matters raised, and indicate the decisions taken and any reservations expressed, if applicable. Minutes are generally approved during the following session. Minutes are considered to be approved once they have been signed by the Chairman and another Supervisory Board member. The Supervisory Board secretary is authorized to reissue and sign extracts from minutes that have been approved.

SECTION 9

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

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

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

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

SECTION 10

Management of conflicts of interest

10.1. Each Supervisory Board member must act with integrity and diligence and an active and engaged approach, and must not under any circumstances act in their own interests against those of the Company.

10.2. The Chairman of the Supervisory Board ensures that due diligence actions are taken to identify and analyze potential conflict of interest situations. In addition, the Chairman of the Supervisory Board works upstream with a view to preventing conflict of interest situations from occurring, notably by carrying out actions to raise awareness.

10.3. The Chairman of the Supervisory Board may at any time address any actual or potential conflict of interests that the Chairman becomes aware of, and may carry out any investigations or actions making it possible to detect and prevent them.

10.4. Each Supervisory Board member has an obligation to inform the Chairman of the Supervisory Board of any situation involving an actual or potential conflict of interests between the member (or any individual related by family ties) and the Company or any company in which the Company has an interest or any company with which the Company intends to enter into any agreement of any kind whatsoever. A Supervisory Board member concerned by a potential conflict of interests provides full details on the said conflict to the Chairman of the Supervisory Board and the other Supervisory Board members. The Chairman of the Supervisory Board will then determine the measures to be taken to prevent such a conflict and will decide, if applicable, to notify the Supervisory Board.

10.5. If the Supervisory Board member indicated in Section 10.4 of this Charter is the Chairman of the Supervisory Board, the Chairman would be required to notify the Vice-Chairman of the Supervisory Board.

10.6. The Supervisory Board member concerned is not authorized to participate in deliberations or decision-making processes relating to any matters or transactions involving a conflict of interests between themselves and the Company as per Article L. 225-86 of the French commercial code.

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

10.8. The Chairman of the Supervisory Board and the Supervisory Board members will not be required to provide any information or documents relating to the agreement, transaction or situation concerned causing the conflict of interests to the Supervisory Board member who is or is thought to be in a conflict of interest situation. They notify the Supervisory Board in such cases.

10.9. The Supervisory Board members must inform the Chairman of the Supervisory Board if they intend to accept a new corporate office in a listed or unlisted French or foreign entity that is not part of a group which they are managers of, or any participation in the specialized committees of a corporate body, or any other new function, such that the Supervisory Board, based on proposals from the Appointments and Governance Committee, can rule on the compatibility of such an appointment with the office as a member of the Company's Supervisory Board.

SECTION 11

Complaints

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

SECTION 12

Information, relations with the Management Board

12.1. The Supervisory Board and its members are responsible for obtaining from the Management Board and the statutory auditors any information needed by the Supervisory Board to perform its missions effectively, in accordance with the legal conditions applicable.

12.2. When reviewing the full-year financial statements and the half-year financial statements, the Supervisory Board members are informed of the Company's financial position, cash position and commitments.

12.3. The Supervisory Board members are also informed of changes in the markets, the competitive environment, corporate social responsibility matters and the Company's main strategic issues.

12.4. If the Supervisory Board considers this necessary, it may authorize some or all of its members to obtain information on behalf of the Supervisory Board from the Company's corporate officers, employees and external advisors and to freely access the Company's offices. The Management Board provides it with all necessary resources in a timely manner. The Supervisory Board may require certain corporate officers, employees and external advisors to attend its meetings.

12.5. At any time between Supervisory Board meetings, if required by the important or urgent nature of any information, the Supervisory Board members also receive all useful information relating to the Company, including articles from the press and financial analysis reports.

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

SECTION 13

Relations with shareholders

13.1. In accordance with French law, general meetings are convened by the Management Board, while the Supervisory Board is also authorized to convene general meetings. The person or people convening the general meeting ensure(s) that it is held in a timely manner and the shareholders are informed of all the elements and circumstances relating to the points on the agenda. More specifically, the general meeting date and agenda are published on the Company's website.

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

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

SECTION 14

Confidentiality

14.1. The Supervisory Board members review all the information and documents received in connection with their offices with the necessary discretion and, in the case of confidential information, with the necessary secrecy. Confidential information must not be disclosed outside of the Supervisory or Management Boards, made public or even transmitted to third parties, even after members have resigned from the Supervisory Board, unless such information has been made public by the Company or is already in the public domain.

14.2. The Supervisory Board members must respect the duty of confidentiality that they are bound by under the regulations governing market abuse and privileged information, in accordance with the stipulations of the Supervisory Board's Code of Ethics, presented in Appendix F.

SECTION 15

Amendments

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

SECTION 16

Governing law and jurisdiction

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

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

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

Situation at August 31, 2018

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

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

ANNEXE B : Strategic committee charter

This charter ("**Strategic Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Supervisory Board Charter.

SECTION 1

Responsibilities

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

1.2. The Strategic Committee's primary mission is to assess the essential components within the development strategy of the Company and the Group, and particularly the product plan, the three-year business plan and the guidelines for the communications and image policy. The Committee is also responsible for acquisitions and sales operations.

In addition, the Committee may review and assess the following:

a) Market outlook and situation;

b) Annual investment plan;

c) Any financing operation for in excess of €5 million;

d) Any acquisition or sale of property, plant and equipment or intangible assets for an amount in excess of €1.5 million;

e) Signing of any agreement for mergers, spin-offs or partial asset transfers, regardless of the amount concerned;

f) Any financing operation for an amount that is likely to substantially modify the Company's financial structure.

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

SECTION 2

Strategic Committee's composition

2.1. The Strategic Committee has at least four members.

2.2. From among its members, the Strategic Committee appoints a secretary for the session.

SECTION 3

Chairman's office

The Chairman is primarily responsible for ensuring that the Strategic Committee operates effectively. The Chairman is the Strategic Committee's spokesperson and the main interface with the Supervisory and Management Boards.

SECTION 4

Strategic Committee sessions (Committee schedule, participation, minutes)

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

4.2. The Strategic Committee's secretary convenes Strategic Committee meetings on behalf of the Supervisory or Management Board member(s) who called for the Committee to meet. Unless impracticable, each Strategic Committee member receives the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

4.3. Meetings are minuted. Minutes are generally approved during the following session. If all the Committee members agree with the content of the minutes, they may be approved earlier. Minutes are signed for approval by the Chairman of the Strategic Committee and immediately submitted to all the Supervisory Board members.

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

APPENDIX C : Audit and risk committee charter

This charter ("**Audit and Risk Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Supervisory Board Charter.

SECTION 1

Responsibilities

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

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

a) Controlling the Company's Management Board (hereafter «the **Management Board**") and providing advice on matters relating to risk management and internal control, including controls concerning the application of all relevant legislation and regulations;

b) Controlling the Company's accounting and financial information submitted to it and specifically:

- Reviewing the draft half-year and full-year accounts, before they are presented to the Supervisory Board, notably to ensure the relevance and consistency of the accounting methods adopted to prepare the accounts, reviewing any difficulties encountered with the application of accounting methods, and more specifically reviewing the significant transactions which could have led to a conflict of interests,
- Reviewing the financial documents distributed by the Company for the close of the full-year and half-year accounts,
- Reviewing the draft accounts prepared for specific operations such as contributions, mergers, spinoffs or interim dividend payments,
- Reviewing the Company's significant off-balance sheet commitments and risks, as well as the accounting options retained,
- Assessing the reliability of the systems and procedures involved with preparing any forward-looking information and accounts,
- Implementing and assessing the impacts of new accounting standards,
- And more generally, reviewing all the Company's financial communications in relation to its periodic and permanent disclosure requirements.

c) Controlling follow-up on the statutory auditors' observations and recommendations;

d) Controlling the Company's policy with regard to tax choices;

e) Controlling the Company's financing;

f) Maintaining frequent contacts and controlling relations with the statutory auditors, including:

- Assessing the statutory auditors' compliance with their independence conditions and specifically the prior conditions for their work in accordance with the regulations in force,
- Reviewing the statutory auditors' remuneration, which must not call into question their independence and objectivity,
- Monitoring the statutory auditors' performance of their mission, as well as reviewing and approving any missions that they carry out on the Company's behalf in addition to the certification of the accounts,
- Determining the statutory auditors' involvement with regard to the content and publication of the Company's financial information other than the annual financial statements, and
- Keeping stock of any irregularities concerning the content of financial information, as brought to its attention by the statutory auditors;

g) Proposing to the Supervisory Board, as agreed with the Management Board, a tender procedure to be implemented for selecting the statutory auditors, supervising the tender procedure, validating the content of assignments and the list of companies to be consulted, and submitting recommendations to the Supervisory Board concerning the appointment or reappointment of statutory auditors by the Company's general shareholders' meeting (hereafter "the general meeting"), drawn up in accordance with the regulations applicable; and

h) Other important matters relating to the Company's annual and half-year financial statements.

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

SECTION 2

Means available to the Audit Committee

2.1. In accordance with the legislative and regulatory provisions applicable, the Audit Committee in general and each of its members in particular may ask to be provided with any information that they consider relevant, useful or necessary for the performance of their missions.

2.2. In connection with monitoring the efficiency and effectiveness of the internal control and risk management and, if applicable, internal audit systems concerning the procedures for the preparation and processing of accounting and financial information, the Audit Committee may ask to hear from the internal audit and risk control managers.

2.3. The Audit Committee may also request to hear from the statutory auditors or stakeholders from within the Company, including the members of the Management Board and executive leadership team, and particularly the Chief Financial Officer.

2.3. The Audit Committee may, if it considers this necessary, open an independent investigation.

2.4. In general, the Audit Committee will be informed within a sufficient timeframe by the Management Board, the Company's executive leadership team and the statutory auditors of any event that could potentially expose the Company or the Group to a significant risk.

The significant nature of the risk will be assessed by the Management Board members, the Company's executive leadership team or the statutory auditors, under their exclusive responsibility.

2.5. As the Audit Committee is responsible for monitoring, throughout the period for which the statutory auditors are appointed, the rules for the statutory auditors' independence and objectivity, it must notably be provided with the following elements each year:

- The statutory auditors' supplementary report drawn up in accordance with the regulations;
- The statutory auditors' declaration of independence, including, if applicable, the risks relating to their independence and the measures taken to mitigate these risks;
- The amount of fees paid to the statutory auditors' network by the Company's controlled companies and its controlling entity for services that are not directly linked to the statutory auditors' engagement; and
- (Information on the services provided linked directly to the statutory auditors' engagement.

SECTION 3

Audit Committee's composition, remits and independence

3.1. The Audit Committee has at least four members, including its Chairman. They are chosen from among the Supervisory Board members who do not have any executive offices with the Company.

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

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

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

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

SECTION 4

Chairman's office

The Chairman is primarily responsible for ensuring that the Audit Committee operates effectively. The Chairman is the Audit Committee's spokesperson and the main interface with the Supervisory and Management Boards.

SECTION 5

Audit Committee sessions (Committee schedule, participation, minutes)

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

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

5.3. The Supervisory Board secretary convenes Audit Committee meetings on behalf of the Supervisory or Management Board member(s) who called for the Committee to meet. Unless impracticable, each Audit Committee member receives the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

5.4. Meetings are minuted. Minutes are generally approved during the following session. If all the Committee members agree with the content of the minutes, they may be approved earlier. Minutes are signed for approval by the Chairman of the Audit Committee and immediately submitted to all the Supervisory Board members.

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

5.6. The Audit Committee regularly reports to the Supervisory Board on:

- The performance of its missions;
- The findings from the mission to certify the accounts;
- The way in which this mission has contributed to the integrity of the accounting and financial information, and the role that it has played in the process;
- And informs it immediately of any difficulties encountered.

These reports are either included in or appended to the minutes of the Supervisory Board's meetings.

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

APPENDIX D : Compensation committee charter

This charter ("**Compensation Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Supervisory Board Charter.

SECTION 1

Responsibilities

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

1.2. The Compensation Committee's remit notably covers:

1 - Preparing a proposal for the Supervisory Board concerning:

- On the one hand, in connection with the annual ex ante vote on the compensation policy for the Chairman and members of the Management Board and Supervisory Board and the Chief Executive Officer, including the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind to be awarded to these executives,
- On the other hand, in connection with the annual ex post vote on all the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the previous year to the Chairman of the Supervisory Board, Chief Executive Officer and the other Management Board members, including but not limited to the terms and conditions of their contracts, bonuses, pension entitlements, share-based incentive programs linked to the Company's performance and other bonuses, severance benefits and all other forms of remuneration;

2 - Preparing a recommendation for the Supervisory Board concerning the budget and the conditions for distributing the attendance fees awarded to the members of the Supervisory Board and the various committees;

3 - Preparing a recommendation for the Supervisory Board concerning potential remuneration for observers, if applicable;

4 - Reviewing and preparing proposals for the Supervisory Board concerning the compensation policy for the Company's executives, including the criteria for defining the variable component for these executives, which must be consistent with the Company's strategy;

5 - Reviewing the awarding of stock options, stock warrants and bonus shares;

6 - All other matters concerning compensation aspects that may be brought to the attention of the Compensation Committee.

SECTION 2

Compensation Committee composition and independence

2.1. The Compensation Committee has at least four members.

2.2. The majority of the Compensation Committee members, including its Chairman, must be independent, in accordance with the criteria defined in Section 3.4 of the Supervisory Board Charter.

2.3. From among its members, the Compensation Committee appoints a secretary for the session.

SECTION 3

Chairman's office

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

SECTION 4

Compensation Committee sessions (Committee schedule, participation, minutes)

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

4.2. The Compensation Committee's secretary convenes Compensation Committee meetings on behalf of the Supervisory or Management Board member(s) who called for the Committee to meet. Unless impracticable, the Compensation Committee members receive the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

4.3. In addition to its members, Compensation Committee meetings may be attended by other participants invited by the Chairman of the Compensation Committee. The Chief Executive Officer is involved in the Committee's work.

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

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

4.6. If a general meeting votes against the compensation policy or its application or any other resolution relating to compensation, as mentioned in section d) of paragraph 2.2 of the Supervisory Board Charter, the Compensation Committee meets as quickly as possible in order to analyze the expectations expressed by shareholders and conduct a thorough review of the structure and content of the compensation package for the executive concerned, before submitting a report on the new proposals to be taken into account to the Supervisory Board.

4.7. The Compensation Committee reviews its operations each year and submits its findings to the Supervisory Board.

APPENDIX E : Appointments and governance committee charter

This charter ("**Appointments and Governance Committee Charter**") has been adopted in accordance with Paragraph 5.3 of the Supervisory Board Charter.

SECTION 1

Responsibilities

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

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

A. Appointments

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

B. Corporate governance

- Reviewing and assessing the appropriate nature of the Company's practices in relation to its corporate governance rules and assessing the Company's compliance with them in a half-year compliance report;
- Identifying and submitting recommendations to the Supervisory Board concerning new practices and significant developments in terms of corporate governance practices and/or regulations;
- Drawing up recommendations for the Supervisory Board concerning any corporate governance issues and any corrective actions to be taken, including recommendations concerning the organization, member status, functions, duties and responsibilities of the Supervisory Board and its specialized committees;
- Assessing and submitting recommendations to the Supervisory Board concerning the Company's governance policy, its changes and modifications, and the relevant provisions for the Company in line with best practices;
- Reviewing and submitting recommendations to the Supervisory Board concerning the transactions carried out by Supervisory and Management Board members in relation to their insider status or their related parties and/or the resolution of conflicts of interest involving any Supervisory or Management Board members;
- Checking that the Company's corporate governance policy and practices are clearly presented in the annual report and on its website.

SECTION 2

Appointments and Governance Committee's composition and independence

2.1. The Appointments and Governance Committee has at least four members.

2.2. The majority of the Appointments and Governance Committee members must be independent, in accordance with the criteria defined in Section 3.4 of the Supervisory Board Charter.

2.3. From among its members, the Appointments and Governance Committee appoints a secretary for the session.

SECTION 3

Chairman's office

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

SECTION 4

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

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

4.2. The Appointments and Governance Committee's secretary convenes Appointments and Governance Committee meetings on behalf of the Supervisory or Management Board member(s) who called for the Committee to meet. Unless impracticable, the Appointments and Governance Committee members receive the meeting notices, agendas and documents for review and discussion during the session at least three days before the meeting is scheduled.

4.3. In addition to its members, Appointments and Governance Committee meetings may be attended by other participants invited by the Chairman of the Appointments and Governance Committee. The Chief Executive Officer is involved in the Committee's work.

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

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

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

APPENDIX F : Supervisory board code of ethics

This code ("**Supervisory Board Code of Ethics**") is intended to present the Supervisory Board members' main obligations in terms of ethics, and particularly stock market ethics, in accordance with the regulations governing market abuse and privileged information.

These obligations also apply to the Management Board members.

SECTION 1

General obligations

1.1. Supervisory Board members must act in good faith under all circumstances and must not take any initiative that is contrary to the Company's interests.

1.2. Before accepting their office, each Supervisory Board member must ensure that they are aware of their rights and obligations. More specifically, they must be aware of and adhere to the legislative and regulatory provisions relating to their office, the governance best practices and codes applicable, as well as the Company's specific rules under its bylaws and the Supervisory Board Charter.

1.3. Each Supervisory Board member personally undertakes to respect the total confidentiality of any information that they receive, any discussions that they are a party to and any decisions that are taken.

SECTION 2

Duty to provide information

2.1. Each Supervisory Board member must, in accordance with the legislative and regulatory provisions applicable in France and at European level, provide the Supervisory Board with all items of information relating to:

- The compensation and benefits of any kind awarded to them by the Company or any Group companies;
- Their corporate offices and positions in any companies and other legal entities; and
- Any convictions that they have been subject to.

2.2. In addition, each Supervisory Board member must inform the Company of any transactions carried out on the Company's securities in accordance with the legislative and regulatory provisions applicable.

SECTION 3

Duty of confidentiality and obligation to refrain from trading – Holding of privileged information

3.1. In connection with the performance of their office, all Supervisory Board members regularly have access to privileged information, which has the following characteristics:

- Information that is specific;
- Information that is not public;
- Information that directly or indirectly concerns the Company or the Group, or one or more of its financial instruments;
- Information that is likely to significantly influence the price of the financial instruments concerned or the price of the derivative instruments that are linked to them.

3.2. In accordance with the legislative and regulatory provisions applicable, all Supervisory Board members must:

- Refrain from disclosing privileged information to any other parties, including within the Company or the Group, if this is not considered to be in the normal course of their work, profession or duties and after ensuring that the party receiving the privileged information will comply with the corresponding confidentiality requirements;
- Keep all privileged information confidential in relation to any parties, including within the Company or the Group, whose activities or missions do not require knowledge of this information;
- Refrain from disseminating information or rumors, whether through the media, including the internet, or by any other means, which give or are likely to give false or misleading indications concerning the securities and/or position, results or outlook of the Company or the Group.

3.3. When they have privileged information, Supervisory Board members must, from the time they hold this information until it loses its privileged status, notably by being made public, refrain from:

- Making use of it or attempting to use it by acquiring or selling, on their behalf or on behalf of any third parties, directly or indirectly, any Company financial instruments that the privileged information relates to ("**Insider Trading**");
- Recommending that another person engage in Insider Trading or inducing another person to carry out such transactions;
- Unlawfully disclosing privileged information, i.e. disclosing such information to any other party, except when this disclosure is carried out in the normal course of the performance of their work, profession or duties.

3.4. Each Supervisory Board member is included on the Company's list of insiders as a permanent insider and is informed of this personally in a letter which they must countersign and return.

SECTION 4

Obligations relating to the holding of financial instruments

Notwithstanding the duties of confidentiality and obligations to refrain from trading described in Section 3 above, and even if they do not hold any privileged information, each Supervisory Board member must refrain from carrying out any transactions relating to the Company's securities, on their own behalf or on the behalf of any third parties, directly or indirectly, during the restricted periods applicable to the Company in view of the financial calendar drawn up and distributed each year, and in any event:

- During the 30 calendar days preceding the announcement of an annual or half-year report, which corresponds to the press releases concerning the full-year and half-year results; and
- During the 15 calendar days preceding the publication of the quarterly financial information or quarterly accounts when these are published by the Company.

SECTION 5

Diligence

5.1. All Supervisory Board Members undertake to devote the necessary time and attention to their functions.

5.2. They undertake to be diligent and, unless prevented by insurmountable circumstances, to:

- Attend all the Supervisory Board's meetings in person or via conference calls or videoconferencing systems;
- Attend all the general shareholders' meetings;
- Attend the meetings of all the committees created by the Supervisory Board that they are a member of.

5.3. They will endeavor to obtain, within appropriate timeframes, the elements that they consider essential for their information to deliberate within the Supervisory Board based on full knowledge of the facts.

5.4. They also undertake to inform the Supervisory Board or its Chairman of any conflict that may exist between their own interests and those of the Company, within appropriate timeframes and under the conditions set out in Section 10 of the Supervisory Board Charter.

APPENDIX G : Management board decisions subject to prior approval from the supervisory board

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

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

2 - The Supervisory Board must be kept regularly informed of the implementation of the strategy and policies of the Company and Group, as well as the business and financial position, and particularly the following elements:

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

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

2 – Supervisory board composition and meetings

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

To ensure compliance with its recommendations, staggered terms of office were organized in 2015 and 2016 (see D/R of APPENDIX A).

In 2017, the necessary arrangements were put in place to ensure compliance with (i) the proportion of at least one third independent members, and (ii) the proportion of at least 40% of members of each gender. More specifically, the concept of observers was introduced into the bylaws and various observers were appointed (see B of APPENDIX A).

The list of the offices held by each Supervisory Board member at August 31, 2018 is presented in this report, with details of any remuneration received.

During FY 2017-18, your Supervisory Board met seven times:

- On October 31, 2017, primarily to review the annual financial statements at August 31, 2017; Supervisory Board members present or represented: 6 out of a total of 7 as well as 3 observers (out of a total of 3)
- On November 27, 2017, primarily to convene the general shareholders' meeting, its agenda and its resolutions; Supervisory Board members present or represented: 6 out of a total of 7 as well as 3 observers (out of a total of 3)
- On January 17, 2018, primarily to update the budget for 2017-18 and prepare for the annual financial information meeting; Supervisory Board members present or represented: 7 out of a total of 7 as well as 2 observers (out of a total of 3)
- On February 9, 2018, following the general shareholders' meeting, to appoint the Chairman of the Supervisory Board and adopt changes to the Charter; Supervisory Board members present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)
- On April 26, 2018, primarily to review the half-year financial statements at February 28, 2018 and update the budget for 2017-18; Supervisory Board members present or represented: 7 out of a total of 7 as well as 2 observers (out of a total of 3)
- On June 28, 2018, primarily to review proposed acquisitions; Supervisory Board members present or represented: 5 out of a total of 7 as well as 2 observers (out of a total of 3)
- On August 31, 2018, primarily to make the final update to the 2017-18 budget and the first presentation of the budget for 2018-19. Supervisory Board members present or represented: 7 out of a total of 7 as well as 3 observers (out of a total of 3)

Guidelines for allocating attendance fees

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

- €10,000 of fixed attendance fees are allocated for each Board member;
- Up to €6,000 of variable attendance fees are prorated based on the attendance of Board meetings;
- €4,000 of fixed attendance fees are allocated for each Chairman of the specialized committees;
- €3,000 of fixed attendance fees are allocated for each member of the committees other than the Chairman.
- A special attendance fee may be added for specific assignments approved by the Board.

These provisions are reviewed each year by the Supervisory Board.

3 – Strategic committee composition and meetings

On February 9, 2018, the Supervisory Board decided to reform its Strategic Committee as follows:

- Chairman: Mr Louis-Claude Roux
- Members: Mrs Annette Roux, Mr Claude Brignon, Mr Yves Lyon-Caen, Mr Christian de Labriffe

Certain other Supervisory Board members, or observers, or Management Board members may be invited to attend, depending on the agenda for committee meetings, as well as certain company employees in certain cases.

During FY 2017-18, the Strategic Committee met eight times, primarily for the acquisition projects, monitoring emerging competitive developments, the digital project, the medium-term plans for the Boat and Housing Divisions, financing for charter fleets, the strategic plan for the American brands and the innovation plan.

4 – Audit and risk committee composition and meetings

On February 9, 2018, the Supervisory Board decided to reform its Audit and Risk Committee as follows:

- Chairwoman: Mrs Catherine Pourre
- Members: Mr Jean-Pierre Goudant, Mr Claude Brignon, Mr Yves Lyon-Caen

Certain other Supervisory Board members, or observers, or Management Board members may be invited to attend, depending on the agenda for committee meetings, as well as certain company employees in certain cases.

During FY 2017-18, the Audit and Risk Committee met three times:

- On October 30, 2017, primarily to review the annual financial statements at August 31, 2017, prior to the Supervisory Board meeting on October 31, 2017;
- On January 17, 2018, primarily to update the budget for 2017-18, particularly for the Housing business, prior to the Supervisory Board meeting on January 17, 2018;
- On April 25, 2018, primarily to review the half-year financial statements at February 28, 2018 and update the budget for 2017-18, prior to the Supervisory Board meeting on April 26, 2018;

5 – Compensation committee and appointments and governance committee composition and meetings

On February 9, 2018, the Supervisory Board decided to split its Committee in charge of Governance, Appointments and Compensation into two Committees as follows:

Compensation Committee:

- Chairman: Mr Claude Brignon
- Members: Mrs Catherine Pourre, Mrs Annette Roux, Mrs Anne Leitzgen, Mr Yves Lyon-Caen

Appointments and Governance Committee:

- Chairman: Mr Yves Lyon-Caen
- Members: Mr Claude Brignon, Mrs Catherine Pourre, Mr Jean-Pierre Goudant, Mr Louis-Claude Roux

Certain other Supervisory Board members, or observers, or Management Board members may be invited to attend, depending on the agenda for committee meetings, as well as certain company employees in certain cases.

During FY 2017-18, the Compensation Committee and the Appointments and Governance Committee met twice, primarily to set the variable component for Management Board members and their compensation packages, the individual assessment of Management Board members, the conditions for the next bonus share scheme and a review of the Supervisory Board members' independence.

With regard to the independence of Supervisory Board members, the Supervisory Board was reorganized in 2017 to comply with the independence criteria.

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

6 – Conditions for shareholder participation in general meetings

General meetings are convened by the Management Board or the Supervisory Board and deliberate as provided for under French law. They are held at the registered office or any other venue indicated in the notice to attend.

Since the company is publicly traded, general meetings are convened with an initial notice published in the French official gazette (Bulletin des Annonces Légales Obligatoires, BALO) at least 35 days before the meeting date, followed by a second notice published in an authorized gazette for legal announcements in the region where the registered office is located, at least 15 days before the meeting date.

These publications are also available on the Group website: www.beneteau-group.com.

Furthermore, shareholders who have held registered shares for at least one month on the date of the notice to attend are invited to attend any meetings in an ordinary letter or, following their approval, electronically, or, if requested by them and at their cost, in a letter sent recorded delivery.

All shareholders are entitled to take part in the general meeting, whatever the number of shares held, provided that they are fully paid-up.

The right to attend or be represented at the meeting is subject to the securities being recorded in the name of the shareholder or their intermediary in the registered security accounts held by CACEIS for the company or the bearer securities accounts held by the authorized intermediary by midnight (Paris time) two working days prior to the meeting.

Shareholders may vote by mail under the legal and regulatory conditions in force: to be taken into account, postal voting forms must be received by the company at least three days before the date of the meeting.

Under the bylaws, any shareholders taking part in the meeting using videoconferencing or other telecommunications resources making it possible to identify them, the nature and conditions of which are determined by decree, may be deemed to be present for calculating the quorum and majority: this possibility has not yet been used by the company.

A double voting right is awarded to fully paid-up registered shares that have been registered for at least two years in the name of the same shareholder, whether they are French nationals or from a European Union member state.

This right will also be granted upon issue:

- In the event of a capital increase through the incorporation of reserves, profits or issue premiums, to any registered shares awarded freely to shareholders based on the existing shares for which they were entitled to this right;
- In the event of a merger, to any registered shares awarded to a

shareholder in the merged company in exchange for this company's shares for which they were entitled to this right.

If shares are transferred further to a case of inheritance, liquidation of joint ownership between spouses or inter-vivos donations to spouses or relatives entitled to inherit, they do not lose the rights acquired and the two-year period set out above continues uninterrupted.

Joint owners of shares are required to be represented with the company and at general meetings by only one of them, who the company considers as the sole owner, or by a single proxy.

The voting right associated with the share belongs to the beneficial owner at all general meetings. Even when voting rights have been waived, the bare owner of shares still has the right to attend the general meetings.

For securities that have been pledged, voting rights are exercised by the owner and not the pledgee.

7 – Shareholding disclosure thresholds

Any individuals or legal entities, acting alone or in concert, that may directly or indirectly hold, through one or more legal entities they control as per Article L.233-3 of the French commercial code, a number of shares representing a proportion of the share capital and/or voting rights greater than or equal to 2.5%, or any multiple thereof, including cases when this exceeds the legal and regulatory disclosure thresholds applicable, must inform the company of the total number of shares and voting rights they hold, as well as any securities entitling holders to access the capital in the future and the corresponding potential voting rights, in a letter sent recorded delivery with delivery receipt within the legal and regulatory timeframe.

The requirement to inform the company also applies when the shareholder's interest in the capital or level of voting rights falls below any of the disclosure thresholds indicated in the bylaws.

If shareholders fail to make such disclosures in the proper manner, the shares in excess of the fraction that should have been disclosed in accordance with the bylaws and/or legal provisions applicable will not be entitled to voting rights at any shareholder meetings that may be held for two years following notification that the situation has been resolved.

8 – Supervisory board's observations concerning the management board's report and the financial statements

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

More specifically, it has reviewed the parent company financial statements of BENETEAU S.A., as well as the consolidated financial statements of the BENETEAU GROUP, for the year ended August 31, 2018, and it does not have any specific observations to make regarding these documents.

Neither does the Supervisory Board have any observations to make regarding the Management Board's management report.

9 – Proposed resolutions relating to the compensation policy

The following two resolutions are being submitted for each of the following members:

- Mr Yves Lyon-Caen, Chairman of the Supervisory Board
- Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board
- Mr Hervé Gastinel, Chief Executive Officer
- Mr Christophe Caudrelier, Management Board member
- Mrs Carla Demaria, Management Board member
- Mr Jean-Paul Chapeleau, Management Board member (until August 31, 2018)

- (number) ordinary resolution (Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to ..., [office])

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to ..., [office], in connection with [his/her] office as presented in the corporate governance report.

- (number) ordinary resolution (Approval of the principles and criteria for determining, distributing and allocating the components of the overall compensation package and benefits of any kind awarded to ..., [office])

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded to ..., [office], in connection with [his/her] office as presented in the corporate governance report.

10 – List of corporate officers at August 31, 2018

GASTINEL HERVÉ	Position
BENETEAU S.A. (listed) First appointed: Supervisory Board Jul 27, 2015, effective Aug 26, 2015 Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019	Chief Executive Officer
SPBI SA	Chairman of Board of Directors and CEO
CNB SA	Vice-Chairman of Board of Directors
BIO HABITAT SA	Chairman of Board of Directors
BAND OF BOATS SAS	Chairman of Board of Directors
SGB FINANCE SA	Director
BENETEAU FOUNDATION	Director
BENETEAU INC	Director & Chairman
BGM AMERICA INC	Director
BENETEAU AMERICA INC	Director
JEANNEAU AMERICA INC	Director
GBI HOLDING SRL	Director
MONTE CARLO YACHT SPA	Director
BENETEAU GROUP ASIA PACIFIC Ltd	Director
TREFLE SAS	Chairman
TREFLE II SAS	Chairman

CAUDRELIER CHRISTOPHE	Position
BENETEAU S.A. (listed) First appointed: Supervisory Board Apr 29, 2015, effective Jun 4, 2015 Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019	Management Board member
SPBI SA	Director
CNB SA	Director
BIO HABITAT SA	Director
BAND OF BOATS SAS	Member of Board of Directors
SGB FINANCE SA	Director
BENETEAU INC	Director
BGM AMERICA INC	Director & Chairman
BENETEAU AMERICA INC	Director
JEANNEAU AMERICA INC	Director
GBI HOLDING SRL	Director
MONTE CARLO YACHT SPA	Director
BIO HABITAT ITALIA	Director
JEANNEAU ITALIA	Director

DEMARIA CARLA	Position
BENETEAU S.A. (listed) First appointed: Aug 31, 2011 Last reappointed: Supervisory Board Jan 10, 2017, ending in 2019	Management Board member
MONTE CARLO YACHT SPA	Chairman
BENETEAU ITALIA SRL	Chairman of Board of Directors
UCINA (Italian yachting federation)	Chairwoman
I SALONI NAUTICI s.r.l.	Chairwoman

ROUX ANNETTE	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: General Meeting Feb 9, 2018, ending in 2021	Supervisory Board member
BERI 21 SA	Chairman of Supervisory Board
SPBI SA	Director
CNB SA	Director
BIO HABITAT SA	Director
BENETEAU FOUNDATION	Chairwoman
BERI 210 SARL	Manager

LYON-CAEN YVES	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: General Meeting Feb 9, 2018, ending in 2021	Chairman of Supervisory Board
BERI 21 SA	Management Board member
BENETEAU FOUNDATION	Director
GBI HOLDING SRL	Chairman of Board of Directors
BENETEAU ITALIA SRL	Director
BIO HABITAT ITALIA	Director
SCI ODYSSEY	Manager
BERI 210 SARL	Manager
BERI 75 SARL	Manager
FEDERATION DES INDUSTRIES NAUTIQUES	Chairman of Board of Directors

DUPÉ LUC	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: Supervisory Board Jan 27, 2017, ending in 2020	Observer on Supervisory Board
BERI 21 SA	Management Board member
ELMA ASSOCIES SAS	Deputy CEO

GOUDANT JEAN-PIERRE	Position
BENETEAU S.A. (listed) First appointed: Nov 7, 2012 Last reappointed: Jan 29, 2016, ending in 2019	Supervisory Board member
NAUTIC FESTIVAL SA	Vice-Chairman
EUROPEAN BOATING INDUSTRY	Vice-Chairman and Treasurer

ROUX LOUIS-CLAUDE	Position
BENETEAU S.A. (listed) First appointed: Jan 31, 2014, ending 2017 (broken) Last reappointed: Jan 29, 2016, ending in 2019	Vice-Chairman of Supervisory Board
BERI 21 SA	Chairman of Management Board
SPBI SA	Vice-Chairman of Board of Directors
CNB SA	Observer
BIO HABITAT SA	Vice-Chairman of Board of Directors
BAND OF BOATS SAS	Member of Board of Directors
BENETEAU FOUNDATION	Director

BENETEAU YVON	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: Supervisory Board Jan 27, 2017, ending in 2020	Observer on Supervisory Board
BERI 21 SA	Management Board member
NOVY 6 SAS	Chairman

DE LABRIFFE CHRISTIAN	Position
BENETEAU S.A. (listed) First appointed: Jan 28, 2005 Last reappointed: Supervisory Board Jan 27, 2017, ending in 2020	Representative of PARC MONCEAU, Observer on Supervisory Board
Parc Monceau (SARL)	Manager
Christian Dior SA (listed)	Director
Christian Dior Couture (SA)	Director
DRT SA	Representative of TIKEHAU CAPITAL, Director
TCA Partnership SAS	Chairman
Tikehau Capital (SCA)	Supervisory Board member
Tikehau Capital Belgium Investments (Belgian company)	Director
Fondation Nationale des Arts Graphiques et Plastiques	Director

POURRE CATHERINE	Position
BENETEAU S.A. (listed) First appointed: Jan 31, 2014, ending 2017 (broken) Last reappointed: Jan 29, 2016, ending in 2019	Supervisory Board member
SEB SA (listed)	Member of Board of Directors
CREDIT AGRICOLE SA (listed)	Member of Board of Directors
CREDIT AGRICOLE CIB	Member of Board of Directors
CPO Services SARL	Manager
Association Class 40	Member of Board of Directors

BRIGNON CLAUDE	Position
BENETEAU S.A. (listed) First appointed: Jan 31, 2014, ending 2017 Last reappointed: General Meeting Jan 27, 2017, Ending in 2020	Supervisory Board member
BENETEAU FOUNDATION	Director
VALOPTEC	Member of Board of Directors

LEITZGEN ANNE	Position
BENETEAU S.A. (listed) First appointed: General Meeting Jan 27, 2017, ending 2020	Supervisory Board member
SCHMIDT GROUPE SAS	CEO and Company Chairwoman
SCHMIDT GROUPE Limited (UK)	Director
SCHMIDT GROUPE ITALIA SPA (IT)	Sole Director
SCHMIDT GROUPE SPAIN & PORTUGAL, S.L. (Spain)	Sole Director
SALM Groupe SPAIN (Spain)	Sole Director
SCHMIDT Suofeiya Kitchen Co. Ltd	Chairman of the Board
Geschäftsführungsgesellschaft Schmidt Küchen mbH (DE)	CEO
Beteiligungsgesellschaft Leitzgen mbH (DE)	CEO
FIM SPL (Spain-Jerez)	Sole Director
EMA	Representative of Schmidt Group, Chairman
ECC	Representative of Schmidt Group, Chairman
IMMO DEVELOPPEMENT	Representative of Schmidt Group, Chairman
Schmidt Küchen Gmbh & Co	Representative of Geschäftsführungsgesellschaft Schmidt Küchen mbH, CEO
BETTYLEEUW SPRL	Representative of EMA, Manager
ANNA SG	Representative of EMA, Chairman
LOUISA SG	Representative of EMA, Chairman
ALICIA SG	Representative of EMA, Chairman
MELISSA SG	Representative of EMA, Chairman
SOFIA SG	Representative of EMA, Chairman
ELENA SG	Representative of EMA, Chairman
MYLA SG	Representative of EMA, Chairman
UNIFA	Director
SOCOMEC	Director
Société Civile Karl Leitzgen	Co-manager
Prospective Invest (SCI)	Manager
HEDY (SAS)	Chairwoman
SCI PERLES	Co-manager
SCI Leitzgen-Giraud	Manager
La Parenthèse Blanche (SARL)	Manager
SCI Les Aigles	Manager

11 – Executive compensation

COMPENSATION AND OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE OFFICER

Name	Position	Type	Aug 31, 2018 Amounts due	Aug 31, 2018 Amounts paid	Aug 31, 2017 Amounts due	Aug 31, 2017 Amounts paid
GASTINEL HERVÉ	Chief Executive Officer BENETEAU S.A.	Fixed pay	446,288	446,677	456,945	453,508
		Variable pay	416,000	356,700	366,900	215,477
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	8,356	8,356	8,356	8,356
		TOTAL	**870,644**	**811,733**	**832,201**	**677,341**
CAUDRELIER CHRISTOPHE	Management Board member BENETEAU S.A.	Fixed pay	242,273	241,526	238,837	238,757
		Variable pay	198,475	212,500	222,586	130,434
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	4,733	4,733	4,496	4,417
		TOTAL	**445,481**	**458,759**	**465,919**	**373,608**
DEMARIA CARLA	Management Board member BENETEAU S.A.	Fixed pay	300,000	300,000	300,000	300,000
		Variable pay	0	226,265	226,557	227,168
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	0	15,746	0	16,669
		TOTAL	**300,000**	**542,011**	**526,557**	**543,837**
CHAPELEAU JEAN-PAUL*	Management Board member BENETEAU S.A.	Fixed pay	301,062	298,773	276 ,105	274,772
		Variable pay	150,000	100,000	139,800	84,730
		Exceptional compensation	0	0	0	0
		Attendance fees	0	0	0	0
		Benefits in kind	4,379	4,541	4,379	4,325
		TOTAL	**455,441**	**403,314**	**420,284**	**363,828**

(*) End of term of office at August 31, 2018

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

Name	Position	Type	Aug 31, 2018	Aug 31, 2017
GASTINEL HERVÉ	Chief Executive Officer BENETEAU S.A.	Compensation due for the year	870,644	832,201
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
CAUDRELIER CHRISTOPHE	Management Board member BENETEAU S.A.	Compensation due for the year	445,481	465,919
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
DEMARIA CARLA	Management Board member BENETEAU S.A.	Compensation due for the year	300,000	526,557
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0
CHAPELEAU JEAN-PAUL*	Management Board member BENETEAU S.A.	Compensation due for the year	455,441	420,284
		Value of options awarded during the year	0	0
		Value of performance shares awarded during the year	0	0

(*) End of term of office at August 31, 2018

Aug 31, 2018	Executive officer	Employment contract	Supplementary pension scheme	Actual or potential severance or termination benefits	Benefits due to a no-compete clause
Name	GASTINEL HERVÉ				
Position	Chief Executive Officer BENETEAU SA	Mandate agreement	Yes	No	Yes
Term of office start date	Jan 10, 2017				
Term of office end date	Jan 2019				
Name	DEMARIA CARLA				
Position	Management Board member BENETEAU S.A.	Yes	Yes	No	No
Term of office start date	Jan 10, 2017				
Term of office end date	Jan 2019				
Name	CAUDRELIER CHRISTOPHE				
Position	Management Board member BENETEAU S.A.	Yes	Yes	No	No
Term of office start date	Jan 10, 2017				
Term of office end date	Jan 2019				

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

Name	Position	Type	Aug 31, 2018 Amounts due	Aug 31, 2018 Amounts paid	Aug 31, 2017 Amounts due	Aug 31, 2017 Amounts paid
LYON CAEN YVES	Chairman of Supervisory Board	Attendance fees Other compensation	29,000 683,051	29,000 553,165	26,000 494,712	26,000 410,888
ROUX LOUIS CLAUDE	Vice-Chairman of Supervisory Board	Attendance fees Other compensation	23,000 155,842	23,000 153,992	16,000 150,559	16,000 121,428
ROUX ANNETTE	Supervisory Board member	Attendance fees Other compensation	22,000 100,000	22,000 100,000	26,175 100,000	26,175 100,000
DE LABRIFFE CHRISTIAN	Observer on Supervisory Board	Attendance fees Other compensation	26,000 0	26,000 0	25,000 0	25,000 0
GOUDANT JEAN-PIERRE	Supervisory Board member	Attendance fees Other compensation	34,500 0	34,500 0	31,500 0	31,500 0
POURRE CATHERINE	Supervisory Board member	Attendance fees Other compensation	25,000 0	25,000 0	21,000 0	21,000 0
BRIGNON CLAUDE	Supervisory Board member	Attendance fees Other compensation	29,000 0	29,000 0	35,000 0	35,000 0
BÉNÉTEAU YVON	Observer on Supervisory Board	Attendance fees Other compensation	14,000 40,100	14,000 40,100	15,000 40,000	15,000 40,000
DUPE LUC	Observer on Supervisory Board	Attendance fees Other compensation	16,000 40,100	16,000 40,100	15,000 39,996	15,000 39,996
LEITZGEN ANNE	Supervisory Board member	Attendance fees Other compensation	18,000 0	18,000 0	12,000 0	12,000 0

1. STOCK OPTIONS

Options awarded at August 31, 2018

NA

Options awarded to corporate officers in FY 2017-18

NA

Options exercised by corporate officers in FY 2017-18

NA

2. BONUS SHARES

Bonus shares awarded at August 31, 2018

Date awarded	Number of shares awarded	Value of shares awarded
Feb 9, 2018	291,600	18.72[1]

[1] Opening share price from Feb 9, 2018

Bonus shares awarded to corporate officers in FY 2017-18

Name	Number of shares awarded	Value of shares awarded
Hervé Gastinel	50,000	18.72[1]
Christophe Caudrelier	17,500	18.72[1]
Jean-Paul Chapeleau	20,000	18.72[1]

[1] Opening share price from Feb 9, 2018

Bonus shares definitively vested for corporate officers in FY 2017-18

Name	Number of shares awarded	Value of shares awarded
Carla Demaria	75,000	18.52[1]
Jean-Paul Chapeleau	75,000	18.52[1]
Yves Lyon-Caen	50,000	19.20[2]
Hervé Gastinel	50,000	19.20[2]
Christophe Caudrelier	25,000	19.20[2]

[1] Closing share price from Apr 27, 2018

[2] Opening share price from May 17, 2018

3. CORPORATE OFFICERS' TRANSACTIONS IN FY 2017-18

Noms	Type of transaction	Transaction date	Number of securities	Amount
DUPE LUC	Sale*	Nov 16, 2017	1,500	€26,607,15
	Sale*	Nov 17, 2017	5,000	€89,000,00
	Sale*	Dec 15, 2018	5,750	€109,250,00
GASTINEL HERVÉ	Sale	Dec 19, 2017	5,380	€108,191,80
	Sale	Dec 20, 2017	24,620	€492,646,20
	Sale*	Jan 8, 2018	2,644	€54,478,03
	Sale*	Jan 8, 2018	2644	€54,478,03
	Sale	Jan 10, 2018	10,000	€219,394,00
	Acquisition	Jul 13, 2018	5,095	€65,046,34
	Acquisition	Jul 16, 2018	23,134	€295,867,67
CHAPELEAU JEAN-PAUL	Sale	Jan 3, 2018	531	€10,726,20
	Sale	Jan 4, 2018	26,959	€543,330,96

* Closely related person

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

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

There are no commitments for any executive severance packages.

For the year ended August 31, 2018, the variable compensation due or awarded was determined as follows:

For the Management Board members whose variable compensation is linked to the Group's performance levels, the variable component has been calculated, if the objectives have been achieved, by applying a percentage from 70% up to 90% or 100%, if the objectives were exceeded, to their fixed compensation.

The objectives primarily concerned the Group's quantitative performances (income from ordinary operations, revenues and free cash flow) and 30% for annual qualitative objectives reviewed on an individual basis by the Compensation Committee then the Supervisory Board.

For the Management Board members whose variable compensation is linked to the brands' performance levels, the variable component has been calculated, if the objectives have been achieved, by applying a percentage from 40% up to 60%, if the objectives were exceeded, to their fixed compensation.

The objectives primarily concerned quantitative performance levels linked to the brands concerned (income from ordinary operations for Recreational Boats on the one hand, and on the other hand, income from ordinary operations for the brands concerned) and 30% for annual qualitative objectives reviewed on an individual basis by the Compensation Committee then the Supervisory Board.

For the Chairman of the Supervisory Board, the variable compensation has been calculated by applying a scale to the Group's income from ordinary operations.

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

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

For the Management Board members whose variable compensation is linked to the Group's performance levels, the variable component will be calculated, if the objectives are achieved, by applying a percentage from 75% or 90% and up to 95% or 120%, if the objectives are exceeded, to their fixed compensation.

The objectives will primarily concern the Group's quantitative performance levels (income from ordinary operations, revenues and free cash flow) and 30% for qualitative objectives set individually by the Supervisory Board based on proposals from the Compensation Committee.

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

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

12 – Agreements

Commitment by BENETEAU S.A. to cover the potential losses of GBI HOLDING for FY 2018-19, and particularly during the year if Article 2447 of the Italian Civil Code requires the amount needed for the effective management of the accounts at the lowest point in the seasonal patterns for Italian activities to be written off in advance (Supervisory Board on August 31, 2018).

13 – Capital increase delegations

NA

Management Board's supplementary report

On the proposed resolutions submitted for the ordinary and extraordinary general meeting on February 8, 2019

Dear Shareholders,

Following on from the deliberations of the Management Board on October 29 and November 22, 2018 and the Supervisory Board on October 30, November 23 and December 17, 2018, we have invited you to attend an ordinary and extraordinary general meeting, in accordance with French law and our bylaws, in order to deliberate on the agenda presented below.

The proposals submitted to you will notably include changing the Company's administrative and management structure, currently based on a Supervisory Board and Management Board, to adopt a governance structure with a Board of Directors and Chief Executive Officer.

This proposed change in the governance structure aims to enable the shareholders, through the Board of Directors, for which they appoint its members, to benefit from stronger involvement in determining the Company's strategy, with its implementation overseen by the Chief Executive Officer. This governance structure with a Board of Directors also makes it possible to differentiate between the chairing of the Board and executive management, which facilitates the distinction between the missions of the various executives between the strategic dimension and the operational dimension, which can be supplemented through relevant profiles. With a view to amending the Company's bylaws, it is proposed to ensure continued alignment with the best practices in force in France.

The Board therefore proposes that you amend the Company's bylaws, in addition to appointing the new directors, setting the total amount of attendance fees that will be awarded to them and granting the new Board of Directors the financial authorizations enabling it to carry out the operations that may prove to be necessary for the effective running and development of the Company and the Group.

In this context, and in addition to the standard points traditionally covering the review of the accounts and the various reports from the Management Board, the Supervisory Board and the statutory auditors relating to FY 2017-18, a certain number of alternative proposed resolutions differ depending on the decision that will be taken by the shareholders regarding the transformation of the Company's administrative and management structure.

Resolutions for the ordinary general meeting:

- Approval of the parent company financial statements for the year ended August 31, 2018;
- Approval of the consolidated financial statements for the year ended August 31, 2018;
- Approval of the agreements covered by Articles L.225-86 et seq of the French commercial code;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Yves Lyon-Caen, Chairman of the Supervisory Board;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Yves Lyon-Caen, Chairman of the Supervisory Board;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Hervé Gastinel, Chief Executive Officer;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Hervé Gastinel, Chief Executive Officer;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Christophe Caudrelier, Management Board member;
- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Christophe Caudrelier, Management Board member;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mrs Carla Demaria, Management Board member;

- Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mrs Carla Demaria, Management Board member;
- Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Jean-Paul Chapeleau, Management Board member until August 31, 2018;
- Allocation of income - Setting of the dividend;
- Reappointment of an incumbent statutory auditor;
- Appointment of an incumbent statutory auditor;

Resolutions for the extraordinary general meeting:

- Change of the Company's administrative and management structure with the adoption of a corporate governance structure based on a Board of Directors;
- Extension of the Company's term;
- Amendment of the bylaws: approval of the new wording of the Company's bylaws.
- Resolutions for the ordinary general meeting:
- Appointment of directors;
- Setting of the amount of attendance fees awarded for FY 2018-19;
- Authorization for the Management Board, for an 18-month period, for the Company to acquire its own shares based on a maximum price of €25 per share, representing a total maximum price of €90 million;

Resolutions for the extraordinary general meeting:

- Authorization for the Management Board, for a 38-month period, to award bonus shares to be issued, with shareholders' preferential subscription rights waived, or existing shares to staff and/or executive officers of the Company and related entities for up to 1% of the capital, with a potential maximum of 40% for executive officers;
- Delegation of authority for the Management Board, for a 26-month period, to issue shares, capital securities entitling holders to access other capital securities or debt securities, and/or capital securities entitling holders to access Company capital securities, with shareholders' preferential subscription rights waived, for members of the Group's company savings scheme(s) for a maximum of €21,000, based on a price determined in accordance with the French employment code;
- Authorization for the Management Board, for a three-year period, to cancel shares held by the Company after purchasing treasury stock;
- Powers for formalities.

We would like to inform you that the notices to attend this general meeting have been issued under the conditions required and that the documents required by the regulations in force have been provided or made available to you within the timeframes set.

We are available should you require any clarifications or any further information that you may consider necessary. We would like to inform you that, in accordance with French law, a management report is available to you, in addition to a report prepared by the Supervisory Board and various reports from your statutory auditors.

This report is intended to supplement these reports in order to present the following specific points for you:

1. Approval of the annual financial statements, regulated agreements and compensation for corporate officers (Resolutions 1 to 15)

The first points on the agenda, which are presented in further detail in our management report, concern the approval of the parent company and consolidated financial statements for FY 2017-18, the approval of the regulated agreements presented in the statutory auditors' special report, the approval of compensation for corporate officers and the allocation of income for the year.

2. Reappointment of an incumbent statutory auditor and appointment of an incumbent statutory auditor (Resolutions 16 and 17)

Following a tender procedure, and as recommended by the Audit Committee, we propose that you:

- Reappoint the company ATLANTIQUE REVISION CONSEIL, 52 rue Jacques-Yves Cousteau, Bâtiment B, BP 743, 85018 La Roche sur Yon, France, as an incumbent statutory auditor for a six-year period, i.e. until the ordinary general meeting convened to approve the financial statements for the year ending August 31, 2024.
- Appoint the company PRICEWATERHOUSECOOPERS AUDIT, 63 rue de Villiers, 92200 Neuilly sur Seine, France, represented by Mr Philippe Vincent, as an incumbent statutory auditor for a six-year period, i.e. until the ordinary general meeting convened to approve the financial statements for the year ending August 31, 2024.

3. Extension of the Company's term (Resolution 19)

Under the terms of Article 1844-6 of the French civil code (Code civil), shareholders must be consulted with a view to deciding whether the Company is to be extended at least one year before the date when the Company's term is due to end.

Under the Company's bylaws, as the Company's term is due to end on May 18, 2020, we therefore propose that you extend the Company's term by ninety-seven years from May 18, 2020 in accordance with the legal provisions in force.

Article 5 of the bylaws would be amended as follows:

"ARTICLE 5 - TERM

The company's term, initially set for fifty years from May 19, 1970, the date of its registration, has been extended by ninety-seven years as decided on February 8, 2019.

The company's term will expire on May 17, 2117, unless dissolved early or extended in accordance with these bylaws".

4. Change of the Company's administrative and management structure with the adoption of a corporate governance structure based on a Board of Directors – amendment and adoption of the new bylaws (Resolutions 18 and 20)

To consolidate the Company's development strategy and improve the efficiency of its decision-making processes, we propose that you change the Company's governance structure to put in place a Board of Directors. It is also envisaged to separate the roles of the Chairman and the Chief Executive Officer, subject to your approval concerning this proposed change and to the future Board of Directors.

This change would make it possible to simplify the organization of the Company's management. The functions to define the strategy and oversee its implementation would be concentrated in the Board of Directors, while the Chief Executive Officer and the Deputy Chief Executive Officers would be focused on management and operational aspects.

In the proposed governance structure submitted to the shareholders for approval, the Company's administration is based on a Board of Directors, which elects its Chairman from among its members to lead the Board's work. The Chairman may also have more extensive functions in terms of representing the Company, without having any management prerogatives reserved for executive management. This two-pillar structure is particularly well suited to the features of BENETEAU, whose family shareholders intend to capitalize on their know-how and experience to determine and oversee the strategy decided on collectively.

The Board of Directors is also responsible for deciding on the management structure that is best suited to the Company, i.e. executive management and representation performed by the Chairman of the Board or another person, with the title of Chief Executive Officer, chosen from among or outside of the directors. The intention is to separate the functions of the Chairman and the Chief Executive Officer, as already indicated.

The change from the current structure, comprising a Supervisory Board and Management Board, to a structure with a Board of Directors notably governed by the terms of Articles L. 225-17 to L. 225-56 of the French commercial code, if you decide on this option, will result in the end of the offices of the Supervisory Board and Management Board members.

The financial statements for the year ending August 31, 2019 would therefore be approved and presented by the new Board of Directors.

In accordance with French law, the Board of Directors would choose, during its first meeting, which would be held following this general meeting, the conditions for the performance of executive management.

The Management Board and the Supervisory Board are in favor of separating the roles of the Chairman of the Board of Directors and the Chief Executive Officer, with this separation generally considered to be a best practice that can help ensure a fair balance between the powers.

Board of Directors

The Company's administration would be performed by a Board of Directors, which determines the strategies for the Company's activities and oversees their implementation, in accordance with Article L. 225-35 of the French commercial code. Subject to the powers expressly awarded to shareholders' meetings, and within the limits of the corporate purpose, the Board of Directors would handle all matters relating to the Company's effective management and take decisions on matters concerning the Company through its deliberations.

Chairman and Vice-Chairman

From among its members, the Board of Directors would elect a Chairman and Vice-Chairman.

Regardless of the term of office for which they have been appointed, the term of office of the Chairman of the Board of Directors would expire by the latest at the end of the ordinary general shareholders' meeting ruling on the accounts for the past year and held in the year during which the Chairman reaches the age of 75.

The Chairman of the Board of Directors organizes and leads the Board's work.

Executive management organization

The Company's executive management may be performed either by the Chairman of the Board of Directors, or by another individual, who may or may not be a director, appointed by the Board of Directors and given the title of Chief Executive Officer.

The Chief Executive Officer has the broadest powers to act under any circumstances on behalf of the Company. The Chief Executive Officer exercises their powers within the limits of the corporate purpose and subject to the powers expressly applicable for general meetings and the Board of Directors under French law, and any decisions subject to prior authorization from the Board of Directors.

Regardless of the term of office for which they have been appointed, the term of office of the Chief Executive Officer would expire by the latest at the end of the ordinary general shareholders' meeting ruling on the accounts for the past year and held in the year during which the Chief Executive Officer reaches the age of 63. The same conditions would apply for the Deputy Chief Executive Officer(s).

If you approve the resolutions submitted to you, the Board of Directors meeting that would be held following this general meeting would notably have the following agenda: the choice between the two forms of performing executive management, the appointment of the executive officers, the creation of the Board of Directors' specialized committees, the breakdown of attendance fees and the approval of the internal rules of procedure.

Draft new bylaws

The twentieth resolution concerns the approval of the draft new bylaws that would govern the Company's operations as a limited company with a Board of Directors following the general meeting if the eighteenth resolution is adopted (Appendix 1 to this report).

We would like to inform you that the amendments to the bylaws primarily concern the adaptations resulting from this management structure (notably amendment of Articles 13 to 21). The following amendments are also included in the new bylaws submitted for your approval:

- Removal of the article entitled "Capital formation"

This article presents the history of the Company's capital increases since it was created. Since it does not contain any mandatory information required by the law, we propose to remove it with a view to simplifying the bylaws.

5. Appointment of the new members of the Board of Directors (Resolutions 21 to 27)

As the adoption of the resolutions relating to the change of the corporate governance structure (Resolutions 18 and 20) would automatically lead to the end of the offices of the Management Board and Supervisory Board members at the end of the general meeting, we are inviting you to vote on the appointment of a certain number of the current members of the Company's Supervisory Board as members of the Board of Directors (Mr Yves Lyon-Caen, Mrs Annette Roux, Mrs Catherine Pourre, Mr Louis-Claude Roux, Mrs Anne Leitzgen), in addition to two new directors (the company BPIFRANCE INVESTISSEMENT SAS and Mr Jérôme De Metz).

As proposed by the Appointments and Compensation Committee, you are asked to appoint the following as directors:

- Mr Yves Lyon-Caen for a two-year period (Resolution 21);
- Mrs Annette Roux for a two-year period (Resolution 22);
- Mr Jérôme De Metz for a three-year period (Resolution 23);
- Mrs Catherine Pourre for a three-year period (Resolution 24);
- The company BPIFRANCE INVESTISSEMENT SAS for a three-year period (Resolution 25);
- Mr Louis-Claude Roux for a one-year period (Resolution 26);
- Mrs Anne Leitzgen for a one-year period (Resolution 27).

The biographies of these candidates are available to shareholders from the Company's registered office (Shareholder Department), on its website (www.beneteau-group.com).

These appointments would take effect at the end of the general meeting and the Board of Directors would have seven members.

The term of office for members of the Board of Directors would be a maximum of three years, with one third renewable every year.

The directors have indicated in advance that they accept these appointments and that they meet the legal and regulatory conditions to hold them.

6. Setting of the amount of attendance fees (Resolution 28)

As recommended by the Compensation Committee, a proposal is being submitted to the general meeting to determine the overall amount of the attendance fees that can be allocated for the current financial year, and to set this amount at €350,000.

Subject to the adoption of the resolutions relating to the change of governance structure, the Board of Directors would determine the breakdown of this amount between (I) the Supervisory Board members for the period from September 1, 2018 to the date of this general meeting, and (II) the members of the Board of Directors for the period from the date of this general meeting to the end of FY 2018-19.

The amount of attendance fees is adapted in relation to the number of new directors appointed, as well as the level of responsibility taken on and the time that they would need to devote to their functions. This amount has been calculated based on the likely number of meetings for the Board of Directors and its future committees.

7. Renewal of the company share buyback program and related authorizations (Resolutions 29, 30 and 32)

For all annual general meetings, BENETEAU proposes to include the renewal of its share buyback program on the agenda, following on from the authorizations already approved at the general meetings held on: February 5, 1999 - August 31, 2000 - February 1, 2002 - July 17, 2003 - January 28, 2005 - July 20, 2006 - June 22, 2007 - January 30, 2009 - July 9, 2010 - January 28, 2011 - January 27, 2012 - February 1, 2013 – January 31, 2014 – January 30, 2015 – January 29, 2016 – January 27, 2017 – February 9, 2018.

Under the previous authorization, the following transactions were carried out over the period from December 1, 2017 to November 30, 2018:

- Purchases for a total of 571,060 shares,
  Representing a total of €8,558,309 and an average share price of €14.987
- Sales for a total of 541,060 shares,
  Representing a total of €8,714,648 and an average share price of €16.107
- Transfers for a total of 530,000 shares,
- No cancellations,

The transactions carried out on shares under the liquidity agreement represented:

- 571,060 purchases and 541,060 sales.

As a result, treasury stock at November 30, 2018 represented a total of 555,742 shares, i.e. 0.67% of the capital, with the following breakdown:

- Liquidity agreement entered into with an investment service provider acting independently: 30,000 shares
- Awards to staff or corporate officers as stock options: 0 shares
- Free allocations to staff or corporate officers: 0 shares
- Holding and subsequent issue in exchange or as payment for any external growth operations: 525,742 shares

Shares allocated to objectives that are not achieved or linked to a change of strategy during the buyback program may be sold off under a sales mandate entered into with an investment service provider acting independently, or may be reallocated for other purposes as decided by the general meeting or for cancellation in line with the regulations applicable.

The Management Board therefore invites you to renew the authorization, for a further 18-month period, for the company to acquire its own shares representing up to 5% of the share capital and a maximum theoretical investment of €90 million, based on a maximum purchase price set at €25.00.

The objectives of this buyback program, in decreasing order of priority, are as follows:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement in line with the AMAFI compliance charter, recognized by the AMF,
- Selling and/or awarding stock options and/or bonus shares and/or company savings schemes to company or Group staff and/or corporate officers,
- Cancelling shares with a view to optimizing earnings per share and the return on capital, subject to the corresponding resolution being adopted,
- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

These authorizations would cancel and replace the previous ones from February 9, 2018. The description of the share buyback program will be made available to shareholders at least 21 days before the general meeting, notably on the company's website.

If the eighteenth and twentieth resolutions concerning the change of the Company's administrative and management structure are adopted, these authorizations would be considered to have been given to the Board of Directors and could be used by the latter without prior authorization from any corporate body.

8. Potential capital increase reserved for employees who are members of the Group's company savings schemes, with preferential subscription rights waived (Resolution 31)

We would like to remind you about the provisions of the French employee savings act of February 19, 2001, which require general shareholders' meetings to deliberate every three years, or at the time of any decision to increase the capital, on a proposed resolution concerning a capital increase reserved for employees, carried out in accordance with the French employment code (Code du Travail).

Since the 30th resolution proposes to potentially award bonus shares that will need to be issued, we have an obligation to propose to you a potential capital increase alongside this reserved for employees who are members of Group company savings schemes, with preferential subscription rights waived, for up to a nominal limit of €21,000.

If the eighteenth and twentieth resolutions concerning the change of the Company's administrative and management structure are adopted, this delegation would be considered to have been given to the Board of Directors and could be used by the latter without prior authorization from any corporate body.

MANAGEMENT BOARD

BYLAWS

Updated following deliberations from the combined general meeting on February 8, 2019

FORM - PURPOSE - NAME - REGISTERED OFFICE - TERM

ARTICLE 1

FORM

The company is a French limited company (société anonyme) with a board of directors.

ARTICLE 2

PURPOSE

The company's corporate purpose is as follows:

- Building and production of boats, housing, advertising and communications materials, equipment for real estate and parts to be incorporated into any transport equipment, any materials, particularly timber, metals and/or composite or derivative materials, as well as any other goods based on said materials,
- Purchase, sale, rental and/or representation in any form of goods referred to in the previous paragraph, as well as any services, any tools, materials, raw materials, items, fixtures or accessories, relating directly or indirectly to boats, housing, transportation or advertising, or the use and/or operation of the goods produced and sold,
- Free management leasing of any items likely to allow or facilitate the performance of the corporate purpose,
- And more generally all property or real estate transactions relating directly or indirectly to the purposes set out above.

ARTICLE 3

CORPORATE NAME

The company's corporate name is follows: BENETEAU

ARTICLE 4

REGISTERED OFFICE

The registered office is located at Les Embruns, 16 Boulevard de la Mer, 85803 Saint-Gilles-Croix-de-Vie, France.

It may be transferred to any other location in the same département or a neighboring département following a decision by the board of directors, subject to this decision being ratified at the next ordinary general meeting, or to any other location following a decision by an extraordinary general meeting.

ARTICLE 5

TERM

The company's term, initially set for fifty years from May 19, 1970, the date of its registration, has been extended by ninety-seven years as decided on February 8, 2019.

The company's term will expire on May 17, 2117, unless dissolved early or extended in accordance with these bylaws.

SHARE CAPITAL

ARTICLE 6

SHARE CAPITAL

The share capital is set at €8,278,984 (eight million two hundred and seventy-eight thousand nine hundred and eighty-four euros), split into 82,789,840 (eighty-two million seven hundred and eighty-nine thousand eight hundred and forty) shares with a par value of €0.10.

ARTICLE 7

CHANGES TO THE SHARE CAPITAL

I - CAPITAL INCREASE

The share capital may be increased following a decision by an extraordinary general shareholders' meeting, in view of the board of directors' report, under the legal conditions applicable.

Preferred shares may be issued under the legal conditions applicable.

II - CAPITAL REDUCTION

The capital may be reduced following a decision by an extraordinary general meeting, in view of the board of directors' report, under the legal conditions applicable, for any reason and in any way whatsoever.

III - LOSS OF HALF OF THE SHARE CAPITAL

If, as a result of losses recorded in the accounting documents, the company's equity capital becomes lower than half of the share capital, the board of directors must, within four months of the approval of the accounts showing such losses, convene an extraordinary general meeting to decide to dissolve the company early, if applicable.

SHARES

ARTICLE 8

PAYING-UP OF SHARES

The shares subscribed for in cash must be paid up for at least one quarter of their par value on subscription and, if applicable, the full amount of the issue premium.

The remaining amount must be paid up in one or more installments following calls from the board of directors within five years of the day when the capital increase became definitive, in accordance with the legal conditions in force.

ARTICLE 9

FORM OF SHARES

The shares may be held on a registered basis or a bearer basis, subject to any legislative provisions excluding this form.

When shares are held on a bearer basis, the securities are not physically delivered to the bearer: they are represented by being recorded with the account intermediary in their holders' names.

ARTICLE 10

INDIVISIBILITY OF SHARES

The shares are indivisible in relation to the company, which must comply with the terms of Article L. 225-118 of the French commercial code.

Joint owners of shares are required to be represented with the company and at general meetings by only one of them, who the company considers as the sole owner, or by a single proxy. In the event of a disagreement, the single proxy may be appointed by the courts as requested by the first joint owner to refer the matter to the courts.

The voting right associated with the share belongs to the beneficial owner at all general meetings. Even when voting rights have been waived, the bare owner of shares still has the right to attend the general meetings.

For securities that have been pledged, voting rights are exercised by the owner and not the pledgee.

ARTICLE 11

RIGHTS AND OBLIGATIONS ASSOCIATED WITH THE SHARES

Each share entitles the holder to a part of the corporate assets and profits equal to the share in the capital that it represents.

In the event of a capital increase, the shareholders benefit from a preferential right, proportional to the share of capital represented by their shares.

Shareholders are only liable for up to the nominal amount of the shares that they own.

The rights and obligations associated with shares correspond to the holder at all times.

Owning one share gives holders full rights to be covered by the company's bylaws and decisions taken by the general meetings.

Heirs, creditors, legal claimants or other representatives of a shareholder may not, under any pretext whatsoever, request the stamping of seals on the company's assets, request the sharing or licitation of such assets, or interfere in any way in the administration of the company; to exercise their rights, they must refer to the corporate inventories and the decisions of the general meeting.

Whenever it is necessary to own several shares to exercise any right, in the event of an exchange, consolidation or allocation of securities, capital increase or reduction, merger or other corporate operation, the owners of isolated securities, or securities below the number required, will only be able to exercise this right if they personally ensure the consolidation and, as relevant, the acquisition or sale of any securities required.

The company is authorized to make use of the legal provisions in force concerning the identification of holders of securities giving them the right immediately or in the future to vote at its general shareholders' meetings.

Shareholding disclosure thresholds

Any individuals or legal entities, acting alone or in concert, that may directly or indirectly hold, through one or more legal entities they control as per Article L.233-3 of the French commercial code, a number of shares representing a proportion of the share capital and/or voting rights greater than or equal to 2.5%, or any multiple thereof, including cases when this exceeds the legal and regulatory disclosure thresholds applicable, must inform the company of the total number of shares and voting rights they hold, as well as any securities entitling holders to access the capital in the future and the corresponding potential voting rights, in a letter sent recorded delivery with delivery receipt within the legal and regulatory timeframe.

The requirement to inform the company also applies when the shareholder's interest in the capital or level of voting rights falls below any of the disclosure thresholds indicated in the bylaws.

If shareholders fail to make such disclosures in the proper manner, the shares in excess of the fraction that should have been disclosed in accordance with the bylaws and/or legal provisions applicable will not be entitled to voting rights at any shareholder meetings that may be held for two years following notification that the situation has been resolved.

ARTICLE 12

TRANSMISSION OF SHARES

The shares are freely tradable.

Shares are transmitted through account-to-account transfers based on signed instructions from the transferor or their qualified representative.

COMPANY MANAGEMENT AND ADMINISTRATION

ARTICLE 13

BOARD OF DIRECTORS

The company's administration is entrusted to a board of directors with a minimum of seven and a maximum of 15 members, subject to the exceptions provided for under French law.

During the company's existence, directors are appointed or reappointed by an ordinary general shareholders' meeting; however, in the event of a merger or spin-off, appointments may be made by the extraordinary general meeting ruling on the operation.

All directors must own at least 500 company shares on a registered basis.

If, on the day of their appointment, directors do not own the number of shares required or if, during their term of office, they cease to own this number of shares, they will automatically be considered to have resigned if they have not resolved their situation within three months.

Directors are appointed for a maximum of three years, with one third renewable every year.

Directors' offices expire at the end of the ordinary general meeting to approve the financial statements for the past year held during the year in which their term of office is due to end.

Directors can always be reappointed. They can be dismissed at any time by an ordinary general meeting.

The directors can be individuals or legal entities. When legal entities are appointed, they must appoint a permanent representative, who is subject to the same conditions, obligations and responsibilities as if they were a director in their own name, notwithstanding the joint responsibility of the legal entity that they represent.

The permanent representative has the same term of office as the legal entity that they represent.

If the legal entity dismisses its permanent representative from their appointment, it must notify the company of this dismissal and the identity of its new permanent representative immediately in a letter sent recorded delivery. The same conditions apply in the event of the permanent representative's death or resignation or if they are unable to attend meetings for an extended period.

No individuals over the age of 70 can be appointed as directors if their appointment results in more than one third of the directors being above this age. If, during their terms of office, the number of directors over the age of 70 exceeds one third of the directors, the oldest director will be considered to have resigned at the end of the next ordinary general meeting following this event.

Directors who are individuals cannot simultaneously belong to more than five boards of directors or supervisory boards of limited companies with their registered offices in Metropolitan France, subject to the legal exceptions applicable.

A company employee can be appointed as a director only if their employment contract corresponds to an effective employed position; they do not lose their entitlement to this employment contract.

The number of directors linked to the company by an employment contract cannot exceed one third of the directors in office.

If one or more directors' seats become vacant following their death or resignation, the board of directors may, between two general meetings, make provisional appointments. They must proceed in this way with a view to completing the number of directors within three months of the day of the vacancy when the number of directors has fallen below the statutory minimum, without however falling below the legal minimum.

The appointments made in this way by the board of directors are submitted to be ratified at the next ordinary general meeting. If they are not ratified, the board of directors' previous deliberations and actions will still be valid.

When the number of directors has fallen below the legal minimum level, the remaining directors must immediately convene an ordinary general meeting with a view to completing the number of board members.

The term of office of the co-opted director expires at the same time as the term of office of the director they replaced.

ARTICLE 14

FUNCTIONING OF THE BOARD OF DIRECTORS

The board of directors meets as often as required in the interests of the company, as convened by its chairman or, if the chairman is unavailable, its vice-chairman.

However, the chairman must convene the board of directors within 15 days when directors representing at least one third of the members of the board of directors submit a justified request to this effect.

If no action is taken following such a request, its authors may convene the board by themselves, while indicating the agenda for the session. With the exception of this case, the agenda is set by the chairman of the board of directors and may only be set at the time of the meeting.

The meeting is held at the registered office or any other location indicated in the notice to attend.

In principle, the notice to attend must be issued at least three days in advance by post, email or fax. It indicates the agenda. It may be immediate and given verbally if all the directors are present or represented.

The board's deliberations are only valid if at least half of its members are present or represented.

Decisions are taken based on a majority of the members present or represented, with each director present or represented having one vote. In the event of a tied vote, the chairman of the board of directors has the casting vote.

The board of directors may allow directors who take part in board meetings using videoconferencing or telecommunications resources under the legal conditions in force to be considered to be present for calculating the quorum and majority for all decisions when the law does not exclude this possibility.

Any director may appoint another member to represent them at a meeting of the board of directors. Each director can have only one proxy per meeting.

An attendance sheet is maintained and signed by the directors who take part in the board of directors' meetings.

Copies of or extracts from minutes of deliberations are validly certified by the chairman of the board of directors, the chief executive officer, the deputy chief executive officers, the director temporarily appointed to perform the chairman's role or a proxy authorized to this effect.

The board's deliberations are recorded in minutes, prepared in accordance with the legal provisions in force and signed by the session's chairman and by one director or, if the session's chairman is unable to attend, by two directors.

ARTICLE 15

BOARD OF DIRECTORS' MISSIONS

The board of directors is granted all the powers available to it under the legislation in force.

It determines the directions for the company's activities and oversees their implementation.

Subject to the powers expressly awarded to shareholders' meetings and within the limits of the corporate purpose, the board handles all matters relating to the company's effective management and takes decisions on matters concerning the company through its deliberations.

The board of directors carries out the controls and checks that it considers relevant.

The board of directors decides whether the company's executive management is performed by the chairman of the board of directors or by a chief executive officer. This decision is taken based on a qualified majority of three quarters of the members of the board of directors. If the conditions for the performance of executive management are changed, this does not result in any amendments to the bylaws.

All directors receive the information required for their missions and may be provided with any documents that they believe necessary.

With the exception of legal requirements, particularly those concerning the chairman of the board of directors or the chief executive officer, if they are a director, the directors, in connection with their management, do not take on any personal or joint obligations relating to the company's commitments; within the limits set by the legislation in force, they are responsible exclusively for the performance of the office that they have received.

The board of directors may decide to create committees tasked with looking into matters submitted to them by the board or its chairman for their opinion and review.

As required, a set of internal rules of procedure defines the conditions for the way that the statutory bodies function, and specifically any operations that require prior authorization from the board of directors.

ARTICLE 16

CHAIRMAN OF THE BOARD OF DIRECTORS

The board of directors elects a chairman from among its individual members; it determines the chairman's remuneration, term of office and, if applicable, any specific functions.

The chairman of the board of directors may serve for the period set by the board of directors, provided that this does not exceed their term of office as a director or, in any event, the date of the ordinary general meeting convened to rule on the accounts for the year during which the chairman has reached the age of 75. When the chairman simultaneously holds the position of chief executive officer, the age limit set in Article 18 must be applied.

It is not possible to simultaneously hold more than one office as chairman of a board of directors or sole chief executive, or to belong to more than one management board of a limited company with its registered office in Metropolitan France, subject to the legal exceptions applicable.

The chairman represents the board of directors. The chairman organizes and leads the board's work, reporting on this to the general meeting and executing its decisions. The chairman ensures that the company's various bodies operate effectively and that the directors are able to perform their missions.

In addition, the board of directors may award the chairman other functions, particularly in terms of the chairman's role liaising between the board of directors and the executive management team, as well as the role representing the company in connection with the board of directors' missions.

ARTICLE 17

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

The board of directors also appoints a vice-chairman, who is the deputy of the chairman of the board of directors, and sets the vice-chairman's term of office, which cannot exceed that of the chairman.

If the chairman is absent or unable to attend, the board's session is chaired by the vice-chairman. When this is not possible, the board appoints a chairman for the session.

ARTICLE 18

EXECUTIVE MANAGEMENT

I - ORGANIZATION

The company's executive management is performed by an individual appointed by the board of directors and given the title of chief executive officer.

II - CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICERS

Appointment – dismissal

The board of directors appoints the chief executive officer, sets the duration of their term of office, determines their compensation and, if applicable, defines any restrictions concerning their powers.
The chief executive officer may be dismissed by the board of directors at any time.

Powers

The chief executive officer has the broadest powers to act under any circumstances on behalf of the company. The chief executive officer exercises these powers within the limits of the corporate purpose and subject to the powers expressly applicable for shareholder meetings and the board of directors under French law.
The chief executive officer represents the company in its dealings with third parties. The company is committed by actions taken by the chief executive officer that do not fall within the corporate purpose, unless it is able to prove that the third party knew that the actions in question exceeded this purpose or that it could not be unaware of this in view of the circumstances, with the publication of the bylaws alone not enough to constitute such proof.

Deputy chief executive officers

As proposed by the chief executive officer, the board of directors may appoint one or more individuals, up to a maximum of five, to support the chief executive officer, serving as deputy chief executive officers.
The board of directors determines the scope and duration of the powers granted to the deputy chief executive officers, as agreed with the chief executive officer. In relation to third parties, the deputy chief executive officers have the same powers as the chief executive officer.
The board of directors determines the compensation for the deputy chief executive officer(s).
The deputy chief executive officers may be dismissed at any time by the board of directors, as proposed by the chief executive officer.
When the chief executive officer ceases or is unable to perform these functions, the deputy chief executive officers maintain, unless decided otherwise by the board of directors, their functions and remits until a new chief executive officer is appointed.

Age limit for executive officers

The chief executive officer and the deputy chief executive officer(s) may serve for the period set by the board of directors, provided that this does not exceed their term of office as directors, if applicable, or, in any event, the date of the ordinary general meeting convened to rule on the accounts for the year during which they have reached the age of 63. The same age limit applies to the chairman of the board of directors when the chairman also holds the position of chief executive officer.

Responsibility of directors and executive managers

The company's chairman, directors or chief executive officer are responsible in relation to the company or third parties for any infringement of legal provisions governing limited companies, or any infringement of these bylaws, or any misconduct with their management, all in accordance with the legislative conditions in force.

ARTICLE 19

DIRECTOR COMPENSATION

The ordinary general meeting may award the directors a fixed annual sum based on attendance fees, with the corresponding amount recorded under operating expenses and maintained until decided otherwise.

The board of directors freely decides how to distribute this sum between its members.

The board of directors may award exceptional compensation for missions or offices entrusted to directors. This compensation is recorded under operating expenses and submitted for approval at an ordinary general meeting.

No other compensation, permanent or non-permanent, in addition to that set out above may be awarded to the directors, unless they are linked to the company by an employment contract, provided that this corresponds to an effective employed position. The number of the members of the board of directors linked to the company by an employment contract must not exceed one third of the members in office.

ARTICLE 20

AGREEMENTS BETWEEN THE COMPANY AND A DIRECTOR OR CHIEF EXECUTIVE OFFICER

Any agreement, with the exception of those concerning current operations entered into under normal conditions, between the company and one of its directors or chief executive officers, either directly, or indirectly, or through an intermediary, must be submitted for prior approval from the board of directors.

The same conditions apply for agreements between the company and any other company if one of the company's directors or chief executive officers is an owner, partner, manager, director, chief executive officer, supervisory or management board member of the other company concerned.

The director or chief executive officer concerned must inform the board of directors as soon as they become aware of any agreement subject to authorization. They cannot take part in the votes on the authorization requested.

These agreements are submitted for approval by a general shareholders' meeting under the legal conditions in force.

The members of the board of directors other than legal entities are forbidden from entering into any agreement, in any form whatsoever, to borrow funds from the company, from being granted a current account or other overdraft by the company, and from getting the company to endorse or guarantee their commitments in relation to third parties.

The same restrictions apply to the chief executive officers and the permanent representatives of any directors that are legal entities. They also apply to the spouses, ascendants and descendants of the people covered by this article, as well as any intermediaries.

ARTICLE 21

OBSERVERS

The board of directors may appoint up to three observers, chosen from among the shareholders or elsewhere.

The term of office of observers is from one to six years. Their offices end following the board of directors meeting to approve the financial statements for the past year and held during the year in which their term of office is due to end.

The observers may be reelected indefinitely.

The board of directors and its chairman may call on the observers to give their opinions on all matters submitted to them, particularly concerning technical, commercial, administrative or financial aspects, and may be given assignments to carry out specific research and reviews for the board of directors. The observers cannot be involved in the company's management and, as such, cannot be assigned management, supervision or control responsibilities.

They may receive remuneration for their position, as set by the board of directors, taken from the budget allocated by the general meeting for attendance fees.

Unless the board of directors decides otherwise, the observers have access to the same information as the members of the board of directors.

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

CONTROL

ARTICLE 22

STATUTORY AUDITORS

Control is performed in accordance with the law and regulations by one or more incumbent statutory auditors appointed by an ordinary general meeting.

The auditors are appointed for a six-year period expiring at the end of the general meeting convened to rule on the accounts for the sixth financial year.

One or more deputy statutory auditors called on to replace the incumbents in the event of their refusal, impediment, resignation or death are appointed at the same time as the incumbent auditor(s) and for the same timeframe.

SHAREHOLDER MEETINGS

ARTICLE 23

CONVENING OF GENERAL MEETINGS

General meetings are convened by the board of directors or, failing that, by the statutory auditor(s), or by any duly authorized party, and deliberate under the legal conditions in force. They are held at the registered office or any other venue indicated in the notice to attend.

Since the company is publicly traded, general meetings are convened with an initial notice published in the French official gazette (Bulletin des Annonces Légales Obligatoires, BALO) at least 35 days before the meeting date, followed by a second notice published in an authorized gazette for legal announcements in the region where the registered office is located, at least 15 days before the meeting date.

Furthermore, shareholders who have held registered shares for at least one month on the date of the notice to attend are invited to attend any meetings in an ordinary letter or, if requested by them and at their cost, in a letter sent recorded delivery.

ARTICLE 24

FUNCTIONING OF GENERAL MEETINGS

The general meeting comprises all the shareholders, irrespective of the number of shares held, provided that they have been fully paid-up.

The right to attend or be represented at the meeting is subject to the securities being recorded in the name of the shareholder or their intermediary in the registered securities accounts held by the company or the bearer securities accounts held by the authorized intermediary by midnight (Paris time) two working days prior to the meeting.

Shareholders may vote by mail under the legal and regulatory conditions in force: to be taken into account, postal voting forms must be received by the company at least three days before the date of the meeting.

Any shareholders taking part in the meeting using videoconferencing or other telecommunications resources making it possible to identify them, the nature and conditions of which are determined by decree, are considered to be present for calculating the quorum and majority.

A double voting right is granted to fully paid-up registered shares that have been registered for at least two years in the name of the same shareholder, whether they are French nationals or from a European Economic Community member state.

This right will also be granted upon issue:

- In the event of a capital increase through the incorporation of reserves, profits or issue premiums, to any registered shares awarded freely to shareholders based on the existing shares for which they were entitled to this right;
- In the event of a merger, to any registered shares awarded to a shareholder in the merged company in exchange for this company's shares for which they were entitled to this right.

If shares are transferred further to a case of inheritance, liquidation of joint ownership between spouses or inter-vivos donations to spouses or relatives entitled to inherit, they do not lose the rights acquired and the two-year period set out above continues uninterrupted.

General meetings are chaired by the chairman of the board of directors or, if they are absent, by a vice-chairman or by the member of the board of directors appointed in this capacity by the board. Failing that, its chairman is elected by the general meeting itself.

FINANCIAL YEAR - INVENTORY

ALLOCATION AND DISTRIBUTION OF PROFITS

ARTICLE 25

FINANCIAL YEAR

The financial year runs for 12 months from September 1 to August 31 of the following year.

ARTICLE 26

ALLOCATION OF EARNINGS

Any sums that the general meeting decides to allocate to retained earnings for the following year or to allocate for the creation of any extraordinary reserve, provident or other funds, with or without a specific allocation, are deducted first of all from the profits available for distribution. The surplus is distributed between all the shareholders, prorated to their rights in the capital.

The ordinary general meeting ruling on the accounts for the past year may grant each shareholder, for all or part of the dividend or interim dividends paid out, an option for the dividend or interim dividends to be paid in cash or shares.

TRANSFORMATION - EXTENSION - DISSOLVING - LIQUIDATION

ARTICLE 27

TRANSFORMATION

The company may be transformed into any other company form, with the sole restriction that this transformation is carried out in accordance with the rules applicable under the legislation in force at the time.

ARTICLE 28

EXPIRY OF THE STATUTORY TERM

At least one year before the company's term is due to expire, the board of directors convenes an extraordinary general shareholders' meeting to decide whether or not to extend the company.

If the board of directors has not convened an extraordinary general meeting, any shareholder, after official notice has been sent recorded delivery and not received any response, may ask the president of the commercial court, ruling on request, to appoint a court officer to convene an extraordinary general meeting with a view to deciding whether or not the company will be extended.

ARTICLE 29

DISSOLVING - LIQUIDATION

I - DISSOLVING

The company will be dissolved at the end of the term set by the bylaws or following a decision by an extraordinary general shareholders' meeting.

It may also be dissolved following a ruling by the commercial court, following a request from any interested party if the number of shareholders is reduced to less than seven for longer than one year. The same conditions will apply in the event of non-compliance with the provisions applicable if the capital is reduced to less than the legal minimum. In any event, the court may grant the company a maximum period of six months to resolve the situation; it cannot cause the company to be dissolved if, on the day when it rules on this matter, this situation has been resolved.

II - LIQUIDATION

The company is under liquidation as soon as it is dissolved for any reason whatsoever.
Its corporate name is followed by the indication in French «société en liquidation" (company under liquidation).
The company continues to exist as a corporate body for the purposes of its liquidation until this is completed.
The dissolving of the company only takes effect in relation to third parties following the date when this is published in the Trade and Companies Register.
Moreover, the company will be liquidated in accordance with the rules defined by Articles L. 237-14 to L. 237-31, R. 237-1 to R. 237-8 of the French commercial code or any other legal provisions in force at the time of the liquidation.
During its liquidation, all measures will need to be taken to ensure that each share benefits, like all the other shares, from any tax exemptions or any coverage by the company of any tax liabilities that the reimbursements and distributions resulting from the liquidation may result in.

DISPUTES

ARTICLE 30

DISPUTES

Any disputes that arise during the company's existence or its liquidation, either between shareholders, directors and the company, or between the shareholders themselves, concerning any corporate affairs will be ruled on in accordance with the law and subject to the jurisdiction of the competent courts covering the registered office.

Supervisory Board's report

Ordinary and extraordinary general meeting on February 8, 2019

Dear Shareholders,

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

More specifically, it has reviewed the parent company financial statements of BENETEAU S.A., as well as the consolidated financial statements of the BENETEAU GROUP, for the year ended August 31, 2018, and it does not have any specific observations to make regarding these documents.

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

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

Our Company's Management Board has notably invited you to attend an extraordinary general meeting, in accordance with legal requirements and the bylaws, to present a report to you concerning the change of governance structure and the extension of the Company's term. The Management Board has submitted this report to the Supervisory Board. The Supervisory Board, after deliberating this, has approved the Management Board's proposals.

The Supervisory Board is in favor of simplifying the Company's management, with the adoption of a corporate governance structure based on a Board of Directors. More specifically, the Supervisory Board considers, like the Management Board, that a management structure within which the roles of the Chairman of the Board of Directors and the Chief Executive Officer are separate is the most appropriate to ensure efficient, effective and balanced governance. Lastly, after consulting with the Appointments and Governance Committee, the Supervisory Board approves the proposed appointments for the new members of the Board of Directors.

We hope that you will approve all of the proposals submitted by the Management Board in its report concerning the change of governance structure and the extension of the Company's term, and that you will adopt the resolutions submitted to you.

Your Board therefore invites you to approve the documents presented here and all of the resolutions put forward.

Saint Gilles Croix de Vie, December 17, 2018

Chairman of the Supervisory Board

Statutory auditors' special report on regulated agreements and commitments

General meeting to approve the financial statements for the year ended August 31, 2018

Dear Shareholders,

As your company's statutory auditors, we hereby present our report on regulated agreements and commitments.

It is our responsibility to report to you, based on the information we have been provided with, on the essential conditions and characteristics of any such agreements and commitments that we have been informed of or that we have become aware of in connection with our audit, as well as the reasons for the company's interest in them, without making any judgment concerning their utility or legitimacy, or looking into the possible existence of any other agreements and commitments. It is your responsibility, under the terms of Article R. 225-58 of the French commercial code, to assess the benefits arising from such agreements and commitments when considering their approval.

As relevant, it is also our responsibility to provide you with the information required under Article R. 225-58 of the French commercial code relating to the implementation during the past year of any agreements and commitments already approved by the general meeting.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These standards require that we perform procedures to verify that the information given is consistent with the underlying documents.

Agreements and commitments submitted for approval at the general meeting

Agreements and commitments approved during the past year

In accordance with Article L. 225-88 of the French commercial code, we have been informed of the following agreements and commitments that have been approved beforehand by your Supervisory Board.

With GBI Holding S.R.L.

People concerned: Mr Hervé Gastinel, Mr Christophe Caudrelier and Mr Yves Lyon-Caen

Considering the specific features of the Italian civil code, and further to your Supervisory Board's authorization from August 31, 2018, your company has made a commitment to cover the potential losses for FY 2018-19, and particularly during the year if Article 2447 of the Italian civil code requires the amount needed for the effective management of the accounts at the lowest point in the seasonal patterns to be written off in advance.

Agreements and commitments already approved by the general meeting

Agreements and commitments approved during previous years that continued to apply during the last financial year

In accordance with Article R. 225-57 of the French commercial code, we have been informed that the performance of the following agreements and commitments, which were approved at general meetings in previous financial years, continued during the last financial year.

With Group subsidiaries, notably SPBI, CNB and BIO Habitat

People concerned: Mr Hervé Gastinel, Mr Christophe Caudrelier, Mr Jean-Paul Chapeleau, Mrs Annette Roux and Mr Louis-Claude Roux.

As authorized by your Supervisory Board on August 31, 2011, your company has put in place a centralized foreign exchange management agreement. Under this agreement, your company carries out global foreign exchange hedging, takes on the foreign exchange risk and records the results of foreign exchange hedging transactions. In return, this service does not result in any additional specific compensation.

The amount recorded for foreign exchange hedging for your subsidiaries represents a net expense of €4,714,081.

With a Supervisory Board member:

Person concerned: Mrs Annette Roux.

Interest has been calculated on her current account advances within the limits authorized as being admissible for tax deductible expenses, representing a combined total of €18,337.

With certain members of BENETEAU SA's Management Board:

People concerned: Mr Hervé Gastinel, Mr Jean-Paul Chapeleau and Mr Christophe Caudrelier.

As authorized by your Supervisory Board on February 9, 2016, your company has set up an "Article 83" supplementary pension scheme for certain members of the Management Board, as indicated above, as well as for certain categories of staff. The corresponding contributions are covered by the company under the same conditions as those applied for the corresponding categories of staff.

The Article 83 plan aims to fund supplementary pension payments based exclusively on life annuities as part of a mandatory collective policy taken out by the company with Groupama Gan Vie. Under this plan, the company is committed to funding 6% for Tranche A (fraction of remuneration capped at the maximum Social Security limit), Tranche B (fraction of remuneration exceeding the maximum Social Security limit, without exceeding the AGIRC cap) and Tranche C (fraction of remuneration exceeding the maximum Social Security limit, without exceeding double the amount of this cap).

The "Article 83" plans were not implemented for the executive officers concerned for the year ended August 31, 2018.

LA ROCHE SUR YON and NANTES, December 18, 2018

The Statutory Auditors

ATLANTIQUE REVISION CONSEIL - A.R.C. Jérôme BOUTOLLEAU Partner	KPMG Audit Department of KPMG S.A. Franck NOEL Partner

Statutory auditors' report on the capital operations

Provided for under resolutions 30, 31 and 32 from the extraordinary general meeting on February 8, 2019

Dear Shareholders,

In our capacity as your company's statutory auditors, and pursuant to the mandate provided for under the French commercial code, please find hereafter our report on the operations which you are invited to give your opinion on.

1. Awarding of your company's ordinary bonus shares - existing or to be issued - to executives, corporate officers or employees (Resolution 30)

Pursuant to the mandate provided for under Article L. 225-197-1 of the French commercial code, we have drawn up this report on the proposed authorization to award existing or future bonus shares to executives, employees and corporate officers of BENETEAU S.A. and affiliated companies as per Article L. 225-197-2 of the French commercial code, an operation which you are invited to give your opinion on. The total number of shares that may be awarded under this authorization may not represent more than 1% of the company's capital.

Your Management Board is proposing, based on its report, for you to authorize it for a 38-month period to award bonus shares (existing or to be issued).

The Management Board is required to prepare a report on this operation, which it would like to be able to carry out. It is our responsibility to inform you, as relevant, of our observations on the information provided to you in this way concerning the planned operation.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These standards notably require that we perform procedures to verify that the proposed conditions set out in the Management Board's report are compliant with the legal provisions in force.

We do not have any observations to make regarding the information given in the Management Board's report in terms of the planned operation to authorize the awarding of bonus shares.

2. Capital increase reserved for employees who are members of a company savings scheme (Resolution 31)

Pursuant to the mandate provided for under Article L. 225-135 et seq of the French commercial code, please find hereafter our report on the proposed delegation of authority for the Management Board to decide to increase the capital through the issuing of ordinary shares with preferential subscription rights waived for a maximum of €21,000, reserved for your company's employees who are members of a company savings scheme and which you are invited to make a decision on.

You are asked to approve this capital increase in accordance with the provisions of Articles L.225-129-6 of the French commercial code and L.3332-18 et seq of the French employment code.

On the basis of its report, your Management Board proposes that you delegate authority to it, for a 26-month period, to decide on a capital increase and to waive your preferential subscription rights for the shares to be issued. When necessary, it will set the definitive issue terms and conditions for this operation.

The Management Board is responsible for drawing up a report in accordance with Articles R. 225-113 and R. 225-114 of the French commercial code. It is our responsibility to give an opinion on the accuracy of the quantified information based on the accounts, on the proposal to waive preferential subscription rights and on certain other items of information concerning the issue, as set out in this report.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These procedures involved verifying the content of the Management Board's report concerning this operation and the conditions for determining the issue price for the shares.

Subject to the subsequent review of the conditions for the proposed capital increase, we do not have any observations to make regarding the conditions for determining the issue price for the ordinary shares to be issued as indicated in the Management Board's report.

Since the definitive conditions have not been set for the capital increase, we have not expressed any opinion on these conditions and, as a result, on the proposal submitted to you to waive preferential subscription rights.

In accordance with Article R. 225-116 of the French commercial code, we will draw up a further report when this delegation is used by your Management Board.

3. Capital reduction through the cancellation of shares purchased (Resolution 32)

Pursuant to the mandate provided for under Article L. 225-209 of the French commercial code, in the event of a capital reduction through the cancellation of shares purchased, we have prepared this report in order to present our assessment of the causes and conditions for the planned capital reduction.

Your Management Board is proposing that you delegate full powers to it, for a three-year period, with a view to cancelling, for up to 10% of its capital per 24-month period, the shares purchased with the implementation of an authorization for your company to purchase its own shares in accordance with the aforementioned article.

We have performed the procedures that we have deemed necessary in view of the French national statutory auditors board (Compagnie Nationale des Commissaires aux Comptes) professional standards relating to this mission. These procedures involve determining whether the causes and conditions for the planned capital reduction, which is not likely to affect shareholder equality, are consistent.

We do not have any observations to make regarding the reasons and conditions for the planned capital reduction, which may only be carried out after your general meeting has previously approved the operation for your company to purchase its own shares (Resolution 29).

LA ROCHE SUR YON and NANTES, December 18, 2018

The Statutory Auditors

ATLANTIQUE REVISION CONSEIL - A.R.C.
Jérôme BOUTOLLEAU
Partner

KPMG Audit
Department of KPMG S.A.
Franck NOEL
Partner

Proposed resolutions

Combined general meeting on February 8, 2019

Resolutions for the ordinary general meeting

FIRST RESOLUTION
(Review and approval of the parent company financial statements for the year ended August 31, 2018)
After hearing the Management Board's management report, the Supervisory Board's report and the general statutory auditors' report on the parent company financial statements, the general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the parent company financial statements for the year ended August 31, 2018, as presented to shareholders, with a profit of €8,239,164.36.

The general meeting approves the spending covered by Article 39-4 of the French general tax code (Code Général des Impôts), reintegrated into taxable income for the year for a total of €40,270.

SECOND RESOLUTION
(Review and approval of the consolidated financial statements for the year ended August 31, 2018)
After hearing the Management Board's management report, the Supervisory Board's report and the general statutory auditors' report on the consolidated financial statements, the general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves the consolidated financial statements for the year ended August 31, 2018, as presented to shareholders, with a net profit of €60,390,000 (of which, group share: €61,322,000).

THIRD RESOLUTION
(Approval of the agreements covered by Articles L.225-86 et seq of the French commercial code)
After hearing the statutory auditors' special report on the agreements covered by Article L.225-86 of the French commercial code, the general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, approves, without any reservations whatsoever, the agreement concerning the commitment to cover the potential losses of GBI Holding for FY 2018-19.

FOURTH RÉSOLUTION
FOURTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Yves Lyon-Caen, Chairman of the Supervisory Board)
The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Yves Lyon-Caen, Chairman of the Supervisory Board, in connection with his office as presented in the corporate governance report.

FIFTH RESOLUTION
(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Yves Lyon-Caen, Chairman of the Supervisory Board)
The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Yves Lyon-Caen, Chairman of the Supervisory Board, in connection with his office as presented in the corporate governance report.

SIXTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board)
The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board, in connection with his office as presented in the corporate governance report.

SEVENTH RESOLUTION
(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Louis-Claude Roux, Vice-Chairman of the Supervisory Board, in connection with his office as presented in the corporate governance report.

EIGHTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Hervé Gastinel, Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Hervé Gastinel, Chief Executive Officer, in connection with his office as presented in the corporate governance report.

NINTH RESOLUTION
(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Hervé Gastinel, Chief Executive Officer)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Hervé Gastinel, Chief Executive Officer, in connection with his office as presented in the corporate governance report.

TENTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Christophe Caudrelier, Management Board member)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Christophe Caudrelier, Management Board member, in connection with his office as presented in the corporate governance report.

ELEVENTH RESOLUTION
(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mr Christophe Caudrelier, Management Board member)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mr Christophe Caudrelier, Management Board member, in connection with his office as presented in the corporate governance report.

TWELFTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mrs Carla Demaria, Management Board member)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mrs Carla Demaria, Management Board member, in connection with her office as presented in the corporate governance report.

THIRTEENTH RESOLUTION
(Approval of the principles and criteria for determining and allocating the components of the overall compensation package and benefits of any kind awarded to Mrs Carla Demaria, Management Board member)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the principles and criteria for determining and allocating the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind that may be awarded to Mrs Carla Demaria, Management Board member, in connection with her office as presented in the corporate governance report.

FOURTEENTH RESOLUTION
(Approval of the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Jean-Paul Chapeleau, Management Board member until August 31, 2018)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report, approves the fixed, variable and exceptional components of the overall compensation package and the benefits of any kind awarded for the year ended August 31, 2018 to Mr Jean-Paul Chapeleau, Management Board member until August 31, 2018, in connection with his office as presented in the corporate governance report.

FIFTEENTH RESOLUTION
(Allocation of income - Setting of the dividend)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, and as proposed by the Management Board, decides to allocate net income for the year ended August 31, 2018, totaling €8,239,164.36, plus €264,185.50 in previous retained earnings, as follows:

· Other reserves €8,503,349.86

Increasing other reserves from €127,082,991.42 to €135,586,341.28

And deducting €21,525,358.40 from other reserves for:

· Dividends €21,525,358.40

As a result, other reserves will be reduced from €135,586,341.28 to €114,060,982.88.

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

The proposed dividend represents €0.26 for each of the 82,789,840 shares, with a par value of €0.10.
It will be paid out on Friday February 15, 2019, after deducting social security charges.

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

	2014-15	2015-16	2016-17
Share par value	€0.10	€0.10	€0.10
Number of shares	82,789,840	82,789,840	82,789,840
Net dividend	€0.06	€0.10	€0.25

SIXTEENTH RESOLUTION
(Reappointment of an incumbent statutory auditor)

The general meeting, as proposed by the Supervisory Board, decides to reappoint:
· ATLANTIQUE REVISION CONSEIL
52 rue Jacques-Yves Cousteau, Bâtiment B, BP 743, 85018 La Roche sur Yon, France
represented by Mr Sébastien Caillaud
as an incumbent statutory auditor,
for a six-year period, i.e. until the ordinary general meeting convened to approve the financial statements for the year ending August 31, 2024.

SEVENTEENTH RESOLUTION
(Appointment of an incumbent statutory auditor)

The general meeting, as proposed by the Supervisory Board, decides to appoint:
· PRICEWATERHOUSECOOPERS AUDIT,
63 rue de Villiers, 92200 Neuilly sur Seine, France
represented by Mr Philippe Vincent,
as an incumbent statutory auditor,
for a six-year period, i.e. until the ordinary general meeting convened to approve the financial statements for the year ending August 31, 2024.
The general meeting also notes that PRICEWATERHOUSECOOPERS AUDIT has indicated in advance that it accepts its appointment as an incumbent statutory auditor and that it is not subject to any legal incompatibilities concerning the performance of this office.

Resolutions for the extraordinary general meeting

EIGHTEENTH RESOLUTION
(Change of the Company's administrative and management structure with the adoption of a corporate governance structure based on a Board of Directors)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report and taken note of the Supervisory Board's prior approval, decides to change, subject to the adoption of the twentieth resolution below, the Company's administrative and management structure by adopting a corporate governance structure based on a Board of Directors, notably governed by the terms of Articles L. 225-17 to L. 225-56 of the French commercial code, instead of the current governance structure based on Management and Supervisory Boards.

Subject to the adoption of the twentieth resolution as set out below, the general meeting therefore acknowledges that the terms of office of the Chairman of the Supervisory Board, the Supervisory Board members, the Chairman of the Management Board and the Management Board members will expire at the end of this general meeting.

It also decides that the accounts for the year started September 1, 2018 will be prepared and presented in accordance with the legal and statutory rules applicable for limited companies with boards of directors.

NINETEENTH RESOLUTION
(Extension of the Company's term)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report, decides, in accordance with Article 1844-6 of the French civil code (Code civil), to extend the Company's term by 97 years from May 18, 2020.

It therefore decides to amend Article 5 of the bylaws as follows:

"ARTICLE 5 - TERM

The company's term, initially set for fifty years from May 19, 1970, the date of its registration, has been extended by ninety seven years as decided on February 8, 2019.

The company's term will expire on May 17, 2117, unless dissolved early or extended in accordance with these bylaws".

TWENTIETH RESOLUTION
(Amendment of the bylaws: approval of the new wording of the Company's bylaws)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, as proposed by the Management Board and following prior approval from the Supervisory Board, having reviewed the proposed wording of the new bylaws, decides, following the adoption of the eighteenth resolution, as set out above, to adopt each article and the overall wording of the new bylaws that will now govern the Company.

Resolutions for the ordinary general meeting

TWENTY FIRST RESOLUTION
(Appointment of Mr Yves Lyon-Caen as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint Mr Yves Lyon-Caen as a director for a two-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2020.

Mr Yves Lyon-Caen has already informed the Company that he accepts this appointment and that he fulfills the conditions and obligations required by the regulations in force.

TWENTY SECOND RESOLUTION
(Appointment of Mrs Annette Roux as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint Mrs Annette Roux as a director for a two-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2020.

Mrs Annette Roux has already informed the Company that she accepts this appointment and that she fulfills the conditions and obligations required by the regulations in force.

TWENTY THIRD RESOLUTION
(Appointment of Mr Jérôme De Metz as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint Mr Jérôme De Metz as a director for a three-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2021.

Mr Jérôme De Metz has already informed the Company that he accepts this appointment and that he fulfills the conditions and obligations required by the regulations in force.

TWENTY FOURTH RESOLUTION
(Appointment of Mrs Catherine Pourre as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint Mrs Catherine Pourre as a director for a three-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2021.

Mrs Catherine Pourre has already informed the Company that she accepts this appointment and that she fulfills the conditions and obligations required by the regulations in force.

TWENTY FIFTH RESOLUTION
(Appointment of the company BPIFRANCE INVESTISSEMENT SAS as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint the company BPIFRANCE INVESTISSEMENT SAS, domiciled at 27/31 avenue du Général Leclerc, 94700 Maisons Alfort, France, represented by Mr Sébastien Moynot, as a director for a three-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2021.

The company BPIFRANCE INVESTISSEMENT SAS has already informed the Company that it accepts this appointment and that it fulfills the conditions and obligations required by the regulations in force.

TWENTY SIXTH RESOLUTION
(Appointment of Mr Louis-Claude Roux as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint Mr Louis-Claude Roux as a director for a one-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2019.

Mr Louis-Claude Roux has already informed the Company that he accepts this appointment and that he fulfills the conditions and obligations required by the regulations in force.

TWENTY SEVENTH RESOLUTION
(Appointment of Mrs Anne Leitzgen as a director)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth resolution, as set out above, to appoint Mrs Anne Leitzgen as a director for a one-year period expiring at the end of the general meeting convened to approve the financial statements for the year ending August 31, 2019.
Mrs Anne Leitzgen has already informed the Company that she accepts this appointment and that she fulfills the conditions and obligations required by the regulations in force.

TWENTY EIGHTH RESOLUTION
(Setting of the amount of attendance fees awarded for FY 2018-19)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to award a maximum total of €350,000 of attendance fees for the current financial year, which the Board will distribute to members as appropriate.
If the eighteenth and twentieth resolutions are adopted, as set out above, the Board of Directors will determine the breakdown of this amount between (I) the Supervisory Board members for the period from September 1, 2018 to the date of this general meeting, and (II) the members of the Board of Directors for the period from the date of this general meeting to the end of FY 2018-19.

TWENTY NINTH RESOLUTION
(Authorization for the Management Board, for an 18-month period, for the Company to acquire its own shares based on a maximum price of €25.00 per share, representing a total maximum price of €90 million)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Management Board's report, grants the Management Board an authorization, in accordance with Articles L. 225-209 et seq of the French commercial code and European Regulation 596/2014 from April 16, 2014, for an 18-month period from the date of this general meeting, for the company to acquire its own shares, to cover the following needs as required:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement in line with the AMAFI compliance charter, recognized by the AMF,
- Selling and/or awarding stock options and/or bonus shares and/or company savings schemes to company or Group staff and/or corporate officers,
- Cancelling shares with a view to optimizing earnings per share and the return on capital, subject to the corresponding resolution being adopted,

- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

The acquisition, sale or transfer operations described above will be able to be carried out by any means in line with the legislation and regulations in force, including trading.

These transactions may be carried out at any time, including during a public offer or pre-offer period for the company's shares, in accordance with Article 231-40 of the AMF's General Regulations, or during a pre-offer, public offer, public exchange offer or combined public takeover and exchange offer, initiated by the Company under the legal and regulatory conditions in force and notably in compliance with Article 231-41 of the AMF's General Regulations.

The general meeting sets the maximum number of shares that may be acquired under this resolution at 5% of the share capital, adjusted for transactions affecting the capital carried out after this general meeting, while noting that in connection with the use of this authorization, the number of treasury shares will need to be taken into consideration to ensure the company's continued compliance with the maximum limit for treasury stock to represent 5% of the share capital.

The maximum unit purchase price for shares is set at €25.00, while noting that the Company will not be able to purchase shares at a price higher than the higher of the following two values: the last listed price for a transaction not involving the Company or the highest current independent buy offer on the trading platform on which the purchase has been made.

The maximum amount of funds set aside for the implementation of this program to buy shares will be €90 million.

In the event of a capital increase incorporating premiums, reserves, profits or other elements based on bonus share awards into the capital while this authorization is valid, as well as in the event of a stock split or consolidation, the general meeting delegates the authority for the Management Board to adjust the maximum unit price indicated above, if applicable, in order to take into account the impact of such transactions on the value of the share.

The general meeting grants full powers to the Management Board, with an option to subdelegate under the legal conditions in force, to:
- Decide to implement this authorization,
- Set the terms and conditions for safeguarding, if applicable, the rights of holders of marketable securities entitling them to access the capital, stock options or warrants, or rights to be awarded performance shares in accordance with the legal, regulatory or contractual provisions in force,
- Place any stock market orders, enter into any agreements, particularly with a view to keeping share purchase and sale registers, in accordance with the regulations in force,
- Carry out all filings and complete all other formalities and, more generally, do whatever is necessary.

The Management Board will report to shareholders at their ordinary annual general meeting on any transactions carried out under this resolution.

This decision cancels and replaces the previous authorization.

The general meeting acknowledges that if the eighteenth and twentieth resolutions concerning the change of the Company's administrative and management structure, as set out above, are adopted, this delegation will be considered to have been given to the Board of Directors and may be used by the latter without prior authorization from any corporate body.

THIRTIETH RESOLUTION
(Authorization for the Management Board, for a 38-month period, to award bonus shares to be issued, with shareholders' preferential subscription rights waived, or existing shares to staff and/or executive officers of the Company and related entities for up to 1% of the capital, with a potential maximum of 40% for executive officers)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report and the statutory auditors' special report, in accordance with Articles L.225-197-1 et seq of the French commercial code:

- Authorizes the Management Board to award bonus company shares, existing (held in a portfolio or to be acquired) and/or to be issued (with preferential subscription rights waived for shareholders), on one or more occasions and under the conditions it determines, as agreed with the Supervisory Board, to some or all of the executives, corporate officers or staff of BENETEAU S.A. and other Group entities, up to a maximum of 1% of the capital,
- Decides that the number of shares awarded to the executive officers may not exceed 40% of the total number of shares awarded and the vesting of shares for the executive officers will be dependent on certain performance conditions being met,
- Decides that shares will be definitively awarded to their beneficiaries either i) at the end of a minimum one-year vesting period, with beneficiaries required to retain these shares for a minimum of one year from the vesting date, or ii) at the end of a minimum two-year vesting period, without any minimum lock-in period in this latter case. It is understood that the Management Board may choose between these two options and use them alternatively or concurrently, and may, in the first case, extend the vesting and/or lock-in period, and in the second case, extend the vesting period and/or define a lock-in period,
- Decides that the definitive awarding of shares to beneficiaries who are executive officers and members of staff will be dependent on performance conditions, set by the Management Board, as agreed with the Supervisory Board, concerning changes in the share price and the achievement of operational objectives,
- Sets the validity of this authorization for 38 months from the date of this general meeting,
- Acknowledges that if the award concerns shares that are to be issued, bonus share beneficiaries will waive their preferential subscription rights under this authorization.

The extraordinary general meeting grants full powers to the Management Board, in accordance with the laws and regulations in force, as well as the terms of this resolution, to apply this resolution, in particular:

- Setting, as agreed with the Supervisory Board, the conditions, particularly concerning performance aspects, and, if applicable, the criteria for awarding shares, in addition to determining the list(s) of beneficiaries,
- Setting, as agreed with the Supervisory Board, and subject to the minimum timeframes indicated above, the duration of vesting and lock-in periods for shares, while noting that the Supervisory Board will have sole responsibility for determining these periods for any shares awarded to executive officers, covered under Article L. 225-197-1, II section 4 of the French commercial code, either deciding that the shares will not be able to be sold by the beneficiaries before the end of their term of office, or determining the quantity of these shares that they will be required to retain on a registered basis until the end of their term of office,
- Deciding, if applicable, in the event of operations carried out on the share capital during the vesting period for the shares awarded, to adjust the number of shares awarded with a view to safeguarding the rights of beneficiaries and, in such cases, determining the conditions for such adjustments,
- If awards concern shares that are to be issued, carrying out the capital increases based on the incorporation of the company's reserves or issue premiums, as required, when the shares are definitively awarded to their beneficiaries, setting the dividend entitlement dates for the new shares, and amending the bylaws accordingly,
- Completing all formalities and more generally doing whatever is necessary.

This decision cancels and replaces the previous authorization.

The general meeting acknowledges that if the eighteenth and twentieth resolutions concerning the change of the Company's administrative and management structure, as set out above, are adopted, this delegation will be considered to have been given to the Board of Directors and may be used by the latter without prior authorization from any corporate body.

THIRTY FIRST RESOLUTION
(Delegation of authority for the Management Board, for a 26-month period, to issue shares, capital securities entitling holders to access other capital securities or debt securities, and/or capital securities entitling holders to access Company capital securities, with shareholders' preferential subscription rights waived, for members of the Group's company savings scheme(s) for a maximum of €21,000, based on a price determined in accordance with the French employment code)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report and the statutory auditors' report, and in accordance with Articles L. 225-129-2, L. 225-138, L. 225-138-1, L. 228-91 and L. 228-92 of the French commercial code and L. 3332-18 et seq of the French employment code, and also to ensure compliance with Article L. 225-129-6 of the French commercial code:

1. Delegates to the Management Board its authority (i) to increase, on one or more occasions, the share capital by issuing shares and/or capital securities entitling holders to access Company capital securities to be issued reserved for members of the Group's company savings schemes, and (ii) to award, as applicable, performance shares or capital securities entitling holders to access capital securities to be issued replacing all or part of the discount covered in section 3 below under the conditions and limits set by Article L. 3332-21 of the French employment code, while noting that the Management Board may replace, as necessary, all or part of this capital increase by selling, under the same conditions, securities already issued and held by the Company;
2. Decides that the number of shares that may result from all the shares issued under this delegation, including those resulting from shares or capital securities entitling holders to access capital securities to be issued that may be potentially awarded on a free basis replacing all or part of the discount under the conditions set by Article L.3332-18 et seq of the French employment code, must not exceed 210,000 shares. If applicable, this number will be extended to include the number of additional shares to be issued to maintain, in accordance with the law, the rights of holders of capital securities entitling them to access the Company's capital;
3. Decides that (i) the issue price for the new shares may be no higher than the share's average opening listed prices from the 20 days trading prior to the day of the Management Board's decision setting the subscription start date, or more than 20% or 30% lower than this average depending on whether the securities that have been subscribed for correspond to assets with a lock-in period of less than 10 years or greater than or equal to 10 years; while noting that the Management Board may, if applicable, reduce or waive the potential discount retained to notably take into account legal and tax systems that apply outside of France or choose to fully or partially replace this discount with the awarding of bonus shares and/or capital securities entitling holders to access the capital, and that (ii) the issue price for the capital securities entitling holders to access the capital will be determined under the conditions set by Article L. 3332-21 of the French employment code;
4. Decides to waive the shareholders' preferential subscription rights for members of the Group's savings scheme(s) concerning the shares or capital securities entitling holders to access Company capital securities to be issued that may be issued under this delegation, and to waive any entitlement to the shares and capital securities entitling holders to access capital securities to be issued that may be freely awarded under this resolution;
5. Delegates full powers to the Management Board notably with a view to:
   - Deciding whether the shares need to be subscribed for directly by employees who are members of the Group's savings schemes or if they will need to be subscribed for through a company mutual fund (FCPE) or employee shareholding fund (SICAVAS);
   - Determining the companies whose staff will be able to benefit from the subscription offer;
   - Determining whether to allocate a timeframe for staff to pay up their securities;
   - Setting the conditions for being a member of the Group's company savings scheme(s) and drawing up or amending the corresponding regulations;
   - Setting the opening and closing dates for subscriptions and the issue price for securities;
   - Within the limits set by Article L. 3332-18 et seq of the French employment code, awarding bonus shares or capital securities entitling holders to access capital securities to be issued and determining the type and amount of reserves, profits or premiums to be incorporated into the capital;
   - Determining the number of new shares to be issued and the rules for reducing subscriptions in the event of oversubscriptions;
   - Allocating the costs for increases in the share capital and issues of other securities entitling holders to access capital securities to be issued against the amount of the corresponding premiums for such increases and deducting the sums required to take the legal reserve up to one tenth of the new capital after each increase against this amount.

This delegation of authority is granted for 26 months from the date of this meeting.

This decision cancels and replaces the previous delegation.

The general meeting acknowledges that if the eighteenth and twentieth resolutions concerning the change of the Company's administrative and management structure, as set out above, are adopted, this delegation will be considered to have been given to the Board of Directors and may be used by the latter without prior authorization from any corporate body.

THIRTY SECOND RESOLUTION
(Authorization for the Management Board, for a three-year period, to cancel shares held by the Company after purchasing treasury stock)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report and the statutory auditors' special report, authorizes the Management Board, in accordance with Article L. 225-209 of the French commercial code, to cancel, on one or more occasions, all or part of the company's shares that the company holds currently or in the future in connection with the share buyback program, and to reduce the share capital by the total nominal amount of the shares cancelled in this way, for up to 10% of the capital per 24-month period, adjusted for any capital increase operations carried out after this general meeting affecting the capital.

The general meeting grants full powers to the Management Board to carry out the capital reduction(s), allocate the difference between the buyback price of the shares cancelled and their nominal value to any reserves and premiums, amend the bylaws accordingly, reallocate the fraction of the legal reserve made available as a result of the capital reduction, and carry out all filings with the French financial markets authority (AMF), complete all other formalities and more generally do whatever is necessary.
This authorization is given for a three-year period from this date.

This decision cancels and replaces the previous authorization.

The general meeting acknowledges that if the eighteenth and twentieth resolutions concerning the change of the Company's administrative and management structure, as set out above, are adopted, this delegation will be considered to have been given to the Board of Directors and may be used by the latter without prior authorization from any corporate body.

THIRTY THIRD RESOLUTION
(Transfer of previous authorizations and delegations of authority)

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Management Board's report, decides, following the adoption of the eighteenth and twentieth resolutions, as set out above, to transfer to the Board of Directors all authorizations and delegations of authority granted to the Management Board by previous general meetings.

THIRTY FOURTH RESOLUTION
(Powers for formalities)

Full powers are granted to the bearer of a copy of or extract from these resolutions to complete all formalities and do whatever is necessary.

Description of the treasury stock buyback program

to be authorized by the combined general meeting on February 8, 2019

In accordance with the provisions of Articles 241-1 et seq of the general regulations issued by the French financial markets authority (Autorité des Marchés Financiers, AMF), ratified by the Decree of December 30, 2005, this description is intended to detail the objectives and conditions concerning the program for the company to buy back its own shares, subject to authorization by the combined general meeting on February 8, 2019.

This description is available to the public on the company's website **(www.beneteau-group.com)**, as well as on the AMF site. Copies are also available at no cost by writing to the registered office address indicated above.

Number of securities and percentage of capital held by the company, breakdown for each objective

At November 30, 2018, the company held a total of 555,742 shares, representing 0.67% of the share capital, with the following breakdown for each objective:

- Liquidity agreement entered into with an investment service provider acting independently: 30,000 shares
- Awards to staff or corporate officers as stock options: 0 shares
- Free allocations to staff or corporate officers: 0 shares
- Holding and subsequent issue in exchange or as payment for external growth operations: 525,742 shares

Buyback program objectives

The objectives of this program, in decreasing order of priority, are as follows:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement in line with the AMAFI compliance charter, recognized by the AMF,
- Selling and/or awarding stock options and/or bonus shares and/or company savings schemes to company or Group staff and/or corporate officers,
- Cancelling shares with a view to optimizing earnings per share and the return on capital,
- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

Shares allocated to objectives that are not achieved, where linked to a change of strategy during the buyback program, may be sold off under a sales mandate entered into with an investment service provider acting independently, or may be reallocated for other purposes as decided by the general meeting or for cancellation in line with the regulations applicable.

Maximum percentage of the capital, maximum number and characteristics of securities that the company proposes to buy, maximum purchase price

This program will concern up to 5% of the share capital.

The securities are ordinary BENETEAU shares, all of the same category, listed on EURONEXT Paris Eurolist - Compartment A (ISIN FR0000035164).

Based on the total number of shares comprising the share capital to date, i.e. 82,789,840 shares, the maximum number of shares that may be held by the company under this program would therefore be 4,139,492 shares.

In view of the 555,742 shares already held, the company is committed to acquiring no more than 3,583,750 shares.

The maximum purchase price is set at €25.00.

On this basis, the maximum theoretical investment would therefore be €90 million.

Duration of the buyback program

This program will run for 18 months from the combined general meeting on February 8, 2019, i.e. through to August 8, 2020.

Acquisition, sale or transfer operations carried out under the previous program up until the publication date of this description

Detailed in the summary disclosure table appended.

Summary disclosure table

Issuer declaration concerning treasury stock transactions
December 1, 2017 to November 30, 2018

Percentage of capital held directly and indirectly as treasury stock: 0.67%
Number of shares cancelled in the last 24 months: -
Number of shares held in portfolio: 555,742 shares
Portfolio book value: €5,332,676
Portfolio market value: €7,246,876 (valued at €13.04: share price on Nov 30, 2018)

	Gross flows (aggregate)		Open positions on day program description published	
	Purchases	Sales and transfers	Open positions: purchases	Open positions: sales
Number of securities	571,060	541,060 sales and 530,000 transfers	Call options purchased – Forward purchases	Call options sold - Forward sales
Average maximum maturity	-	-	-	-
Average transaction price	€14,987	€16,107	-	-
Average exercise price	-	€0	-	-
Amounts	€8,558,309	€8,714,648 and €0	-	-

Statement by the person responsible for the 2017-18 Annual Financial Report

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with the accounting standards applicable and faithfully reflect the assets, liabilities, financial position and earnings of the company and all of the companies included in the basis for consolidation, and that the management report faithfully reflects the changes in the business, earnings and financial position of the company and all of the companies included in the basis for consolidation, while presenting the main risks and uncertainties faced by them.

Yves LYON-CAEN
Chairman of the Supervisory Board

Hervé GASTINEL
Chief Executive Officer

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