2015

REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

Delivering Transformation. Together.

sopra steria

Elements of the Annual Financial Report are clearly identified by the AFR pictogram

sopra steria

Société Anonyme with share capital of €20,446,723 – 326 820 065 RCS Annecy
Registered office: PAE Les Glaisins – 74940 Annecy-le-Vieux – France
Head office: 9 bis, rue de Presbourg – 75116 Paris – France

REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT 2015

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French-language version of this Registration Document was filed with the Autorité des Marchés Financiers (AMF) on 22 April 2016 in accordance with Article 212-13 of the AMF General Regulation. The French-language original may be used as a basis for a financial transaction if it is supplemented by a prospectus authorised by the AMF. This document was prepared by the issuer, whose authorised signatories alone assume responsibility for its content.

Copies of this Registration Document may be obtained by submitting a request to Sopra Steria Group, Communications Department, 9 bis rue de Presbourg, 75116 Paris, France, via our website: *www.soprasteria.com*, or via the website of the Autorité des Marchés Financiers: *www.amf-france.org*.

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is included for reference in this Registration Document:

1. Relating to financial year 2013:
   - the Management Report and the consolidated financial statements, in addition to the report of the Statutory Auditors on the consolidated financial statements, included in the Registration Document filed on 29 April 2014 under number D. 14-0434 (pages 43 to 70 and 117 to 173, respectively);
   - the individual company financial statements of Sopra as well as the report of the Statutory Auditors on those financial statements included in the Registration Document filed on 29 April 2014 under number D. 14-0434 (pages 175 to 194);
   - the special report of the Statutory Auditors on regulated agreements and commitments included in the Registration Document filed on 29 April 2014 under number D. 14-0434 (pages 195 to 196).
2. Relating to financial year 2014:
   - the Management Report included in the Registration Document filed on 29 April 2015 under number D. 15-0427 is detailed in the cross-reference table in Chapter 8 – Information regarding the Management Report;
   - the consolidated financial statements and the report of the Statutory Auditors on the consolidated financial statements, included in the Registration Document filed on 29 April 2015 under number D. 15-0427 (pages 115 to 188 and 189, respectively);
   - the individual company financial statements of Sopra Steria and the report of the Statutory Auditors on those financial statements included in the Registration Document filed on 29 April 2015 under number D. 15-0427 (pages 191 to 223 and 224);
   - the special report of the Statutory Auditors on regulated agreements and commitments included in the Registration Document filed on 29 April 2015 under number D. 15-0427 (pages 225 to 226).

The information included in both of those Registration Documents, other than the information mentioned above, has been replaced and/or updated, as applicable, by the information included in this Registration Document.

This document is a free translation into English of the original French "Document de référence", referred to as the "Registration Document". It is not a binding document. In the event of a conflict of interpretation, reference should be made to the French version, which is the authentic text.

A WORD FROM THE CHAIRMAN
Pierre **Pasquier**

On 31 December 2014, Sopra Steria was established with the ambition of becoming a European leader in digital transformation. On that date, two legal entities merged to embark on the bold project of integrating two companies, each with a long history and a strong culture.

It has been a little over a year since this founding date, and I am proud of our progress. The integration of Sopra and Steria is a success, and the soundness of our merger is unanimously recognised.

Sopra Steria's 2015 results testify to this success, even as our teams were busy for much of last year with the operational merger of our businesses. As evidence, I would cite the strong sales performance of the Group, which saw organic growth of 2% in 2015. In consulting and systems integration services in France alone, where most of the integration issues were concentrated, growth reached as high as 3.5%. The highly positive reaction of our major clients to the merger of Sopra and Steria illustrates the change in the Group's positioning and image. Sopra Steria is now perceived as a partner able to design and carry out major digital transformation projects for its European clients.

With €3.6 billion in revenue, and more than 38,000 employees operating in over 20 countries, Sopra Steria now has one of the most extensive portfolios of offerings on the market. Its expertise covers the full range digital transformation needs: consulting, systems integration, development of solutions for specific industries and technologies, infrastructure management, managed services, cybersecurity and business process services.

The Group has a firm footing in the vertical markets that comprise its areas of excellence. In a marketplace that is changing ever more quickly, we will maintain and expand our strategic thinking to adapt the Group's positioning and fundamentals. Now that the merger is complete, we have decided to launch an ambitious new enterprise project: *Sopra Steria 2020*.

Sopra Steria 2020 is a plan for an agile, efficient and innovative Group. An independent and unique Group, united by an entrepreneurial culture, which places shared goals at the centre of its business. A Group that deploys a long-term vision and a value-creating project for its employees as well as its clients and shareholders.

Sopra Steria 2020 is about a bold ambition to be the leading IT service provider in Europe. That means strong organic growth, an active policy of external growth and best-in-class profitability.

Because they are the key stakeholders in the success of Sopra Steria, I have decided to involve all of the Group's employees in this project through an employee share ownership program, starting in the first quarter of 2016.

We are proud of the successes we have achieved together so far. Our future success lies in our ability to rally around a set of shared values and goals. Tomorrow holds many challenges, but also great opportunities. Let's make the most of them!

> *It has been a little over a year since this founding date, and I am proud of our progress. The integration of Sopra and Steria is a success, and the soundness of our merger is unanimously recognised.*

SOPRA STERIA AT A GLANCE
Key figures for **2015**

Sopra Steria has one of the most extensive portfolios of offerings on the market, spanning consulting, systems integration, the development of business and technology solutions, infrastructure management, managed services, cybersecurity and business process services.

> 38,000
EMPLOYEES

€3.6 bn
REVENUE

€245.5 m
OPERATING PROFIT ON BUSINESS ACTIVITY

184
LOCATIONS

€1.2 bn
SHAREHOLDERS' EQUITY

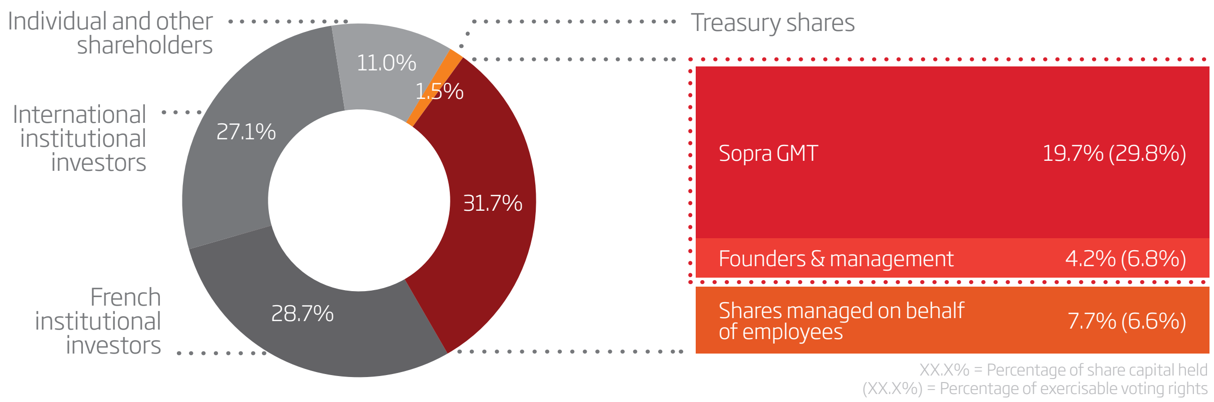
€84.4 m
NET PROFIT ATTRIBUTABLE TO THE GROUP

> 20
COUNTRIES

€2.2 bn
MARKET CAPITALISATION AT 31/12/2015

€105.4 m
SOLUTIONS DEVELOPMENT R&D

OWNERSHIP STRUCTURE **AT 31/12/2015**

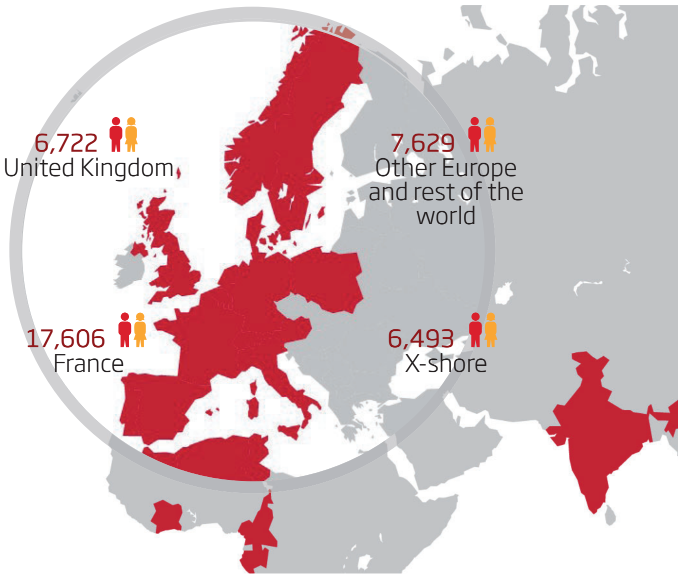


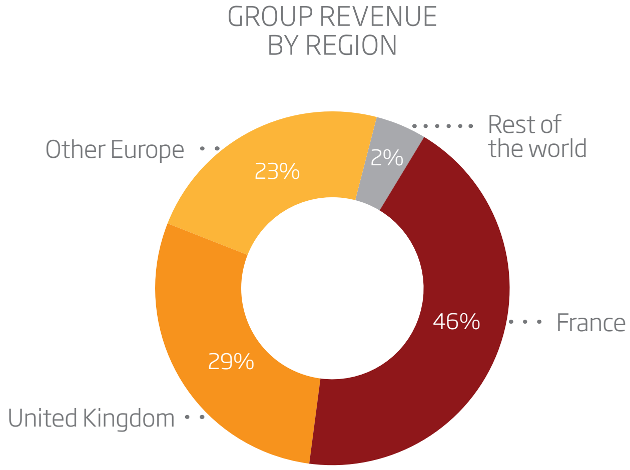
Shareholder identification at 31/12/2015 – holdings of more than 1,000 shares
Sopra Steria Group (SOP) is listed on Euronext Paris (Compartment A) – SBF 120 index - ISIN: FR0000050809
Reuters: SOPR.PA - Bloomberg: SOP:FP

Sopra Steria Group – Founded 1968 - Société anonyme with share capital of €20,446,723 – 326 820 065 RCS Annecy
Registered office: PAE Les Glaisins – FR 74940 Annecy-le-Vieux
Head office: 9 bis, rue de Presbourg – FR 75116 Paris
Telephone: +33 (0)1 40 67 29 29 - Fax: +33 (0)1 40 67 29 30
accueil@soprasteria.com - www.soprasteria.com
Investor Relations Department: investors@soprasteria.com

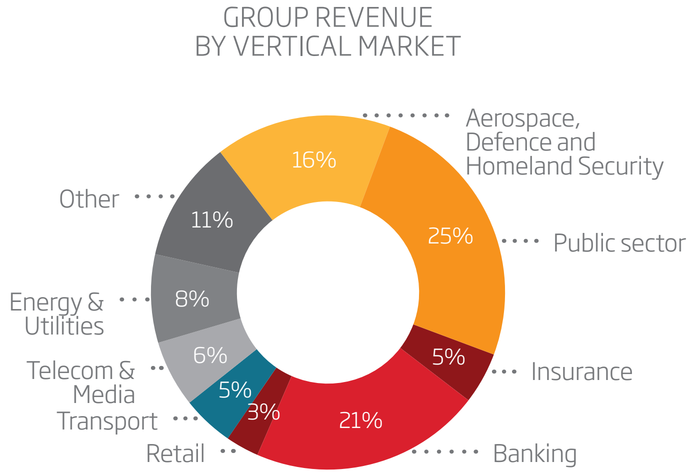
A strong foothold in **Europe**

Group workforce: 38,450





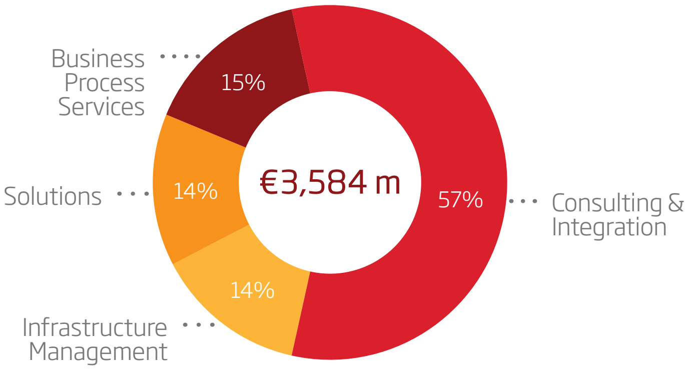
A leading position in strategic vertical markets



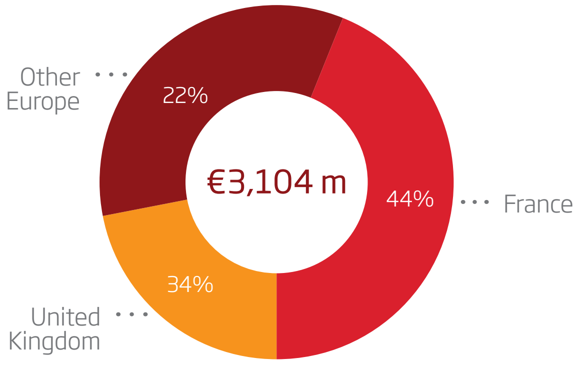
TOP 5 EUROPEAN IT COMPANIES **TOP 10** OPERATING IN EUROPE

Products and services for our clients' digital transformation

GROUP REVENUE BY BUSINESS LINE

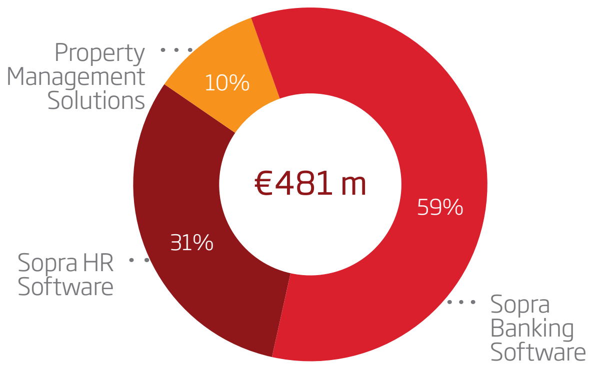


REVENUE FROM SERVICES (EXCLUDING SOLUTIONS) BY REGION

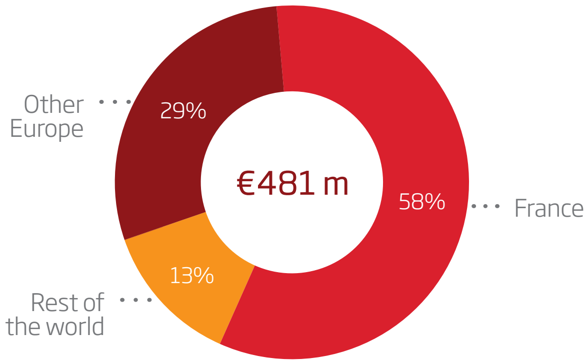


Over 40 years of expertise developing **business and technology solutions**

REVENUE FROM SOLUTIONS BY PRODUCT



REVENUE FROM SOLUTIONS BY REGION



HISTORY OF THE GROUP

2015: An agile group reinvents itself for sustained performance

Sopra Steria was born from the 2014 merger of two of France's oldest digital services companies, Sopra and Steria, founded respectively in 1968 and 1969 and both characterised by a strong entrepreneurial spirit as well as a firm collective commitment to serving their clients.

Today, the Group has reinforced its position as a European leader in digital transformation. Its shares are listed in the SBF 120 index and, in 2015, it posted €3.6 billion in revenue and employed more than 38,000 people in over 20 countries.

Sopra Steria has one of the most extensive portfolios of offerings on the market. Its technological expertise spans the entire range of what clients need for a successful digital transformation: consulting, systems integration, developing technology- and industry-specific solutions, infrastructure management, managed services, cybersecurity and business process services.

The Group has a solid foothold in the vertical markets that make up its areas of excellence: financial services, the public sector, aerospace/defence/security, transport, telecoms and media, energy, retail and insurance.

1968 1985

Meeting the needs of an increasingly digital society

The emerging IT services industry is in step with the demands of an increasingly modern society. Sopra and Steria set ambitious growth targets to achieve critical mass as quickly as possible, and to meet the needs of major clients with innovative products and services.

Sopra invests in software development and opens up new vertical markets. Meanwhile, Steria signs a series of major public-sector contracts.

1985 2000

An era of rebuilding

After two decades of strong momentum, the IT services market enters a maturity phase and faces its first tests. In 1985, Sopra rethinks its fundamentals. A model combining two complementary businesses emerges, and the company focuses on systems integration and software development. The Group places financial performance at the heart of its strategy to ensure its long-term independence and prepare for its initial public offering, which takes place in 1990.

Steria also reorganises its functional structure. By rationalising and industrialising processes, it gets back on track winning major deals. Everything is ready for the company to plan its initial public offering in 1999.

2000 2014

Contributing to clients' digital transformation

In 2001, the Internet bubble bursts, accelerating market changes. Clients are looking for global players capable of assisting them in transforming their businesses.

Steria responds to these challenges by making major, structural acquisitions. The Group doubles in size by integrating Bull's European businesses in 2001, and boosts its consulting offering with the acquisition of German firm Mummert Consulting in 2005. Xansa, a British group specialising in BPO (Business Process Outsourcing), joins the Steria fold in 2007. In 2013, Steria signs one of the biggest contracts in its history with the UK government, strengthening its foothold in the public sector.

Sopra combines internal and external growth to consolidate its European expansion and its areas of expertise: consulting, systems integration and solutions development. Axway, a subsidiary formed by bringing together the Group's software infrastructure divisions, is floated in 2011 to let it pursue its growth independently and set out to conquer the US market.

Sopra is recognised for its expertise in financial services, leading to the creation of Sopra Banking Software in 2012. In 2014, dedicated human resources solutions are brought together in a single subsidiary, Sopra HR Software.

2014 2016

A new dimension and a new enterprise project

The digital services market is becoming more and more concentrated. In this context, a friendly tie-up between Sopra and Steria makes perfect sense, so on 31 December 2014, a new European leader in digital transformation is forged: Sopra Steria. The two groups perfectly complement each other in terms of business activities and geographic segments, and their business cultures are closely aligned.

In the first few months of 2015, the integration plan jointly designed by Sopra and Steria teams is successfully rolled out in the operational and functional departments of the new Group.

In parallel, strategic investments continue in services and the development of business-specific solutions. The October 2015 acquisition of CIMPA boosts the Group's presence in the PLM (product lifecycle management) market. A proposed merger with software publisher Cassiopae is announced in February 2016, which would reinforce Sopra Banking Software's position in managing specialised and real-estate financing.

In June 2015, the new Group sees a change in its ownership structure. Sopra GMT, the holding company that takes an active role in managing Sopra Steria, buys 3.43% of the share capital from a reference shareholder, Geninfo (Société Générale), on its exit. Sopra Steria also acquires 1.47% of the share capital, with a view to implementing an employee share ownership plan. The plan is officially launched in March 2016, and helps involve all employees more closely in the Group's enterprise project. This plan marks the beginning of a new phase and reaffirms the company's uniqueness by putting its people at the heart of its activities, with a view to the long term.

Sopra Steria provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow. Combining added value with innovative high-performance services, the company excels in guiding its clients through their transformation projects to help them make the most of digital technology.

VISION AND STRATEGY
A fully integrated IT services provider serving Europe's digital transformation needs

> *The vertical approach and the acceleration of initiatives in the digital sphere are strategically significant*

Sopra Steria's ambition is to become the preferred digital transformation partner of major public organisations and large companies across Europe. It plans to accomplish this by setting itself apart from the competition. Sopra Steria aims to operate throughout Europe, focusing on key customers in specific industries where it has unique expertise to offer in business processes, innovation and digital transformation.

Sopra Steria capitalises on two specific attributes to help it stand out from the crowd. First, the Group has the distinction of being both a specialist in digital services and a developer of enterprise software solutions (accounting for 14% of revenue or about €500 million), with a track record of more than forty years serving specific industries (banking, insurance, property management) and functions (human resources). This unique and broad background enables Sopra Steria to provide the most effective possible support for its customers' digital transformation needs. Second, the Group benefits from a close relationship with its customers. Its size, organisation and culture place customers at the centre of its business model, constantly improving its ability to understand and meet their needs.

The vertical approach and the acceleration of initiatives in the digital sphere are strategically significant.
The policy of concentrating on certain verticals and targeted key accounts will be continued and expanded.

Business development will be focused on eight priority vertical markets, together accounting for almost 90% of revenue: banking; public sector; aerospace, defence and security; energy and utilities, telecoms and media, transport, insurance and retail. For each vertical, the Group has selected a few specific areas of business in which it aims to secure a leading position through high value-added offerings. In order to position itself even more securely with customer decision-makers, the Group is also accelerating its developments in consulting so as to produce a new combined service model pairing specific business processes with application services that can be rolled out progressively to all operating regions.

Ultimately, the Group wants the solutions business to represent 20% of its revenue. Combining organic and external growth, efforts will focus on the enrichment of the Group's offering, the strengthening of managed services and geographic expansion. The development of Sopra Banking Software and Sopra HR Software are priorities.

The Digital Transformation Office will be responsible for fostering internal creativity and facilitating the emergence of new digital initiatives. In each of the priority verticals, experts are tasked with identifying the best opportunities to service customers' business needs in key technologies (social media, mobile, analytics, cloud computing, security, artificial intelligence, internet of things, etc.). The Group is also building up its network of DigiLabs designed to help anticipate new uses of digital technology. Last but not least, Sopra Steria has undertaken to establish targeted partnerships with leading players in the digital ecosystem (startups, institutions of higher education and associated research laboratories, major software publishers, etc.). For example, Sopra Steria has forged a strategic partnership with Axway, which offers Digital Business Enablement solutions.

The Digital Transformation Office will be responsible for fostering internal creativity and facilitating the emergence of new digital initiatives

GOVERNANCE

Sopra Steria's corporate governance is structured around the Chairman, the Board of Directors and Executive Management. The Board of Directors has 18 members with voting rights (including two employee representatives) and one non-voting member. Executive Management is led by a Chief Executive Officer and two Deputy CEOs. The Executive Committee consists of Executive Management and the directors of the main operating and functional entities.

Board of Directors

Composition of the Board of Directors		Audit Committee 4 members	Compensation Committee 6 members	Nomination, Ethics and Governance Committee 6 members
Pierre Pasquier Chairman of the Board of Directors				M
François Odin Vice-Chairman of the Board of Directors		M		
Eric Hayat Vice-Chairman of the Board of Directors			M	M
Aurélie Abert Director representing the employees				
Astrid Anciaux Director				
Christian Bret Director	●		M	M
Kathleen Clark Bracco Permanent representative of Sopra GMT			M	C
Gérard Jean Director	●		C	M
Jean Mounet Director				
Eric Pasquier Director				
Jean-Luc Placet Director	●		M	M
Jean-Bernard Rampini Director				
Sylvie Rémond Director				
Marie-Hélène Rigal-Drogerys Director	●	M		
Gustavo Roldan de Belmira Director representing the employees			M	
Hervé Saint-Sauveur Director	●	C		
Jean-François Sammarcelli Director	●			
Solfrid Skilbrigt Director				
Bernard Michel Non-voting director		M		

●: Independent director C: Chairman M: Member

Executive Management

Vincent Paris Chief Executive Officer	John Torrie Deputy Chief Executive Officer	Laurent Giovachini Deputy Chief Executive Officer
EXECUTIVE COMMITTEE		

CORPORATE RESPONSIBILITY

Bringing everyone on board for the **Sopra Steria enterprise project…**

…by placing individual and shared success at the core of our business philosophy

- Gender equality in the workplace
- Talent development through continuing education and on-the-job training
- Team engagement

…by promoting innovative, collaborative initiatives to boost shared performance

- **Innovation Awards:** Nearly 600 teams participated in the 2015 awards, versus 456 in 2013. The Innovation Awards are open to all Group employees, and aim to promote creativity and explore new uses of digital technology. 15 prototypes were selected.
- **The DigiLab:** This collaborative technology test lab brings together experts, clients and partners of the Group to anticipate new ways of using digital technology. The Group's main entities in Europe and India have a DigiLab.
- **The Sopra Steria Blog:** This public blog dedicated to innovation and digital transformation gives the Group's experts a place to share their views on current issues related to new technologies. This content can also be shared via social media, helping it reach a wider audience.

…by actively participating in societal and environmental change

Observing business ethics is the key priority in our day-to-day activities

This priority, which is based on the commitments of the United Nations Global Compact, is formalised in Sopra Steria's Code of Ethics, which applies to the Group's entire scope.

The Group works together with communities in the countries where it operates

Sopra Steria has launched an action plan focusing on four community outreach initiatives: digital inclusion, access to education, access to employment and the right to water.

Digital innovation to promote environmental responsibility

Sopra Steria offers services to meet its clients' needs.

- Digital technology for a low-carbon economy:
  - **Smart Meters:** deployment of smart meters in France,
  - **Smart Homes and Smart Buildings:** systems to improve energy performance,
  - **Smart Grids - Smart Cities:** energy management systems for the neighbourhoods and towns of tomorrow.
- Sustainability Consulting:
  - Helping businesses and local authorities reduce the **environmental footprint of transport,**
  - Rolling out a **Sustainable Service Delivery** service for major public-sector clients, particularly in the United Kingdom.

CO_2 emissions

-15% by 2020

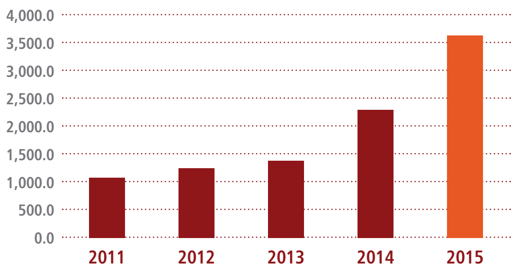
Sopra Steria has been working alongside **We Mean Business**, a coalition of organisations including **CDP Climate Change** founded on the occasion of the **COP21** conference, to reduce the Group's greenhouse gas emissions by 15% between 2014 and 2020.

PERFORMANCE IN 2015

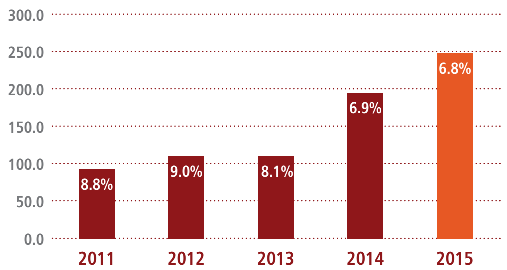
6.4%	2.0%	€49.3 m
PRO FORMA* REVENUE GROWTH	ORGANIC** REVENUE GROWTH	FREE CASH FLOW
6.8%	**2.4%**	
OPERATING MARGIN ON BUSINESS ACTIVITY	NET MARGIN ATTRIBUTABLE TO THE GROUP	

(*) Base of comparison adjusted pro forma for the Sopra Steria merger
(**) Constant scope and exchange rates

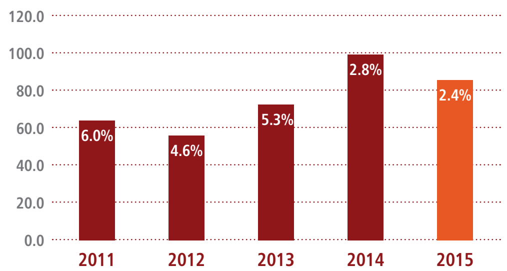
REVENUE **IN €M**



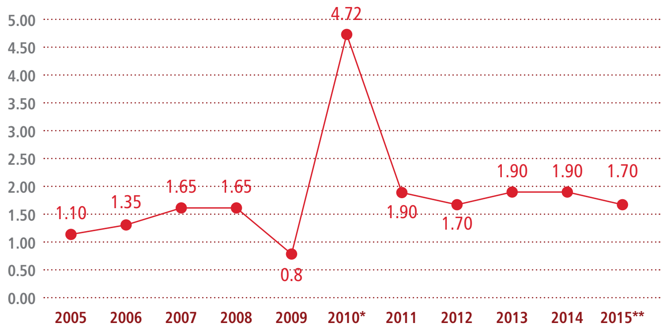
OPERATING PROFIT ON BUSINESS ACTIVITY **IN €M**



NET PROFIT ATTRIBUTABLE TO THE GROUP **IN €M**



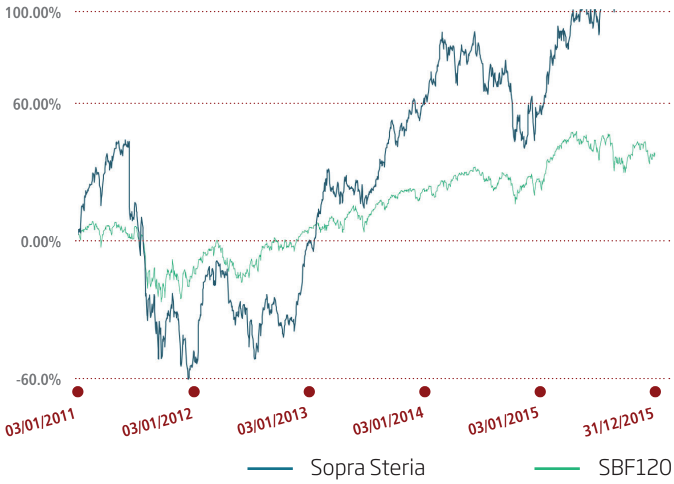
NET DIVIDEND IN EUROS **PER SHARE**



(*) At their General Meeting of 8 June 2011, Sopra Group's shareholders approved the exceptional distribution of reserves and premiums in the form of €3.92 in cash and one Axway Software share per Sopra Group share held, thereby completing the spin-off and listing of Axway Software.
(**) Amount to be proposed at the 2016 General Meeting

SOPRA STERIA STOCK MARKET PERFORMANCE OVER 5 YEARS* **COMPARED TO THE SBF120 INDEX**

5-Year stock market performance	
SOPRA STERIA	+ 88.12%
SBF 120	+36.85%



(*) base 100 at 31/12/2011

1 Introduction to Sopra Steria

1. Key figures

1.1. Key income statement and balance sheet items

(in millions of euros)	2015	2014 pro forma (1) (12 + 12 months)	2014 IFRS consolidated (2) (12 + 5 months)
Revenue	3,584.4	3,370.0	2,280.3
EBITDA	303.5	283.9	220.6
Operating profit on business activity	245.5	231.2	193.0
As % of revenue	*6.8%*	*6.9%*	*8.5%*
Profit from recurring operations	225.0	210.9	180.3
As % of revenue	*6.3%*	*6.3%*	*7.9%*
Operating profit	152.6	156.8	148.2
As % of revenue	*4.3%*	*4.7%*	*6.5%*
Net profit attributable to the group	84.4	92.8	98.2
As % of revenue	*2.4%*	*2.8%*	*4.3%*
Total assets	3,821.3		3,510.0
Total non-current assets	2,302.1		2,184.4
Equity attributable to the group	1,194.4		1,057.1
Minority interests	38.7		29.7
Number of shares at 31 December	20,446,723		20,371,789
Basic earnings per share *(in euros)* (3)	4.27		6.81
Fully diluted earnings per share *(in euros)* (4)	4.26		6.77
Net dividend per share *(in euros)*	1.70 (5)		1.90
Total workforce at 31 December	38,450		37,358

(1) Pro forma 2014 revenue per Sopra accounting policies and after restatement of intra-group items: 12 months Sopra + 12 months Steria.
(2) 2014 IFRS financial statements: 12 months Sopra + 5 months Steria after taking into account corrections to the opening balance sheet published on 30 June 2015.
(3) Net profit attributable to the group divided by the average number of shares during the year.
(4) Net profit attributable to the group divided by the average number of shares during the year, taking into account the dilutive effect of instruments convertible into ordinary shares.
(5) Dividend to be proposed at the General Meeting of 22 June 2016.

1.2. Breakdown of revenue by reporting unit

(as %)	2015	2014 pro forma (12 + 12 months)
France	38%	39%
United Kingdom	29%	28%
Other Europe	19%	20%
Sopra Banking Software	8%	8%
Other Solutions	6%	5%
TOTAL	**100%**	**100%**

1.3. Revenue by vertical market

(as %)	2015	2014 pro forma (12 + 12 months)
Banking	21%	21%
Insurance	5%	6%
Public Sector	25%	23%
Aerospace, Defence, Homeland Security	16%	15%
Energy, Utilities	8%	8%
Telecoms, Media	6%	8%
Transport	5%	6%
Retail	3%	3%
Other	11%	10%
TOTAL	**100%**	**100%**

2. History of Sopra Steria Group

See pages 6 and 7 of this document.

3. Activities of Sopra Steria Group

3.1. A European leader in digital transformation

Sopra Steria, a European leader in digital transformation, has one of the most extensive portfolios of offerings available on the market, spanning consulting and systems integration, the development of industry- and technology-specific solutions, infrastructure management, cybersecurity and business process services (BPS).

The group provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow throughout their transformation, from strategic analysis, programme guidance and implementation, and the conversion and operation of IT infrastructures, to designing and implementing solutions and outsourcing business processes.

Combining added value, innovative solutions and high-performance services, Sopra Steria's hybrid model capitalises on its substantial experience. Thanks to very close relationships with its clients, the group is able to continually innovate to ensure that its offerings remain relevant to the strategic challenges of each of its vertical markets.

Sopra Steria is an independent group that is 23.9% controlled by its founders and managers. It has 38,450 employees located in over 20 countries implementing a strategy based on major European accounts.

Sopra Steria Group is also the preferred partner of Axway Software, whose exchange and digital enablement platforms play an important role in renovating information systems and opening them up to digital technology.

3.1.1. CONSULTING AND SYSTEMS INTEGRATION

a. Consulting

Sopra Steria Consulting, the group's consulting brand, is one of the major players in the consulting sector. Sopra Steria Consulting has over 40 years' experience in business and technological consultancy for large companies and public bodies, with 2,000 consultants in France and Europe. Its aim is to accelerate the development and competitiveness of its clients by supporting them in their digital transformation. This support mainly involves understanding clients' business issues using substantial sector-specific expertise, and then working to design transformation roadmaps (business processes, IT architecture, change management, etc.) enabling them to make the most of new digital technologies.

b. Systems integration

Systems integration is Sopra Steria's original core business, and covers all aspects of the information system lifecycle and major transformation programmes. Sopra Steria is equipped to address the full range of its clients' software asset needs:

Design and integration

Sopra Steria's teams help their clients implement agile, industrial-scale projects. The group undertakes to design and deliver systems in line with business requirements that are flexible and scalable, so that they can be adapted to the new requirements of digital transformation while guaranteeing compliance with sector-specific regulatory constraints. This is made possible by working closely with the Sopra Steria Consulting teams.

Performance and transformation

In addition to standard information systems maintenance, Sopra Steria takes a continuous transformation approach to guarantee optimised operational efficiency for its clients, suited to changes in their business. The transformation approach includes a well-equipped and documented procedure making it possible to combine the issues involved in reducing the time to market, and improving competitiveness and continuity of service.

Streamlining data flow

Once they have been integrated, the systems and technologies implemented give access to reliable, relevant and critical data, offering better analysis of end-client satisfaction and optimisation of service performance.

Data are a very rich resource for companies. Sopra Steria has developed specific know-how and expertise to deal with the exponential growth in the volume of data as a result of new technologies (IoT, social media), secure these data regardless of their origin (mobile devices, smart objects, social media, the cloud, etc.) and make the most effective use of this massive amount of information.

The group's systems integration offering meets the challenges of both the obsolescence and modernisation of information systems, ensuring optimal flexibility and value creation.

3.1.2. IT INFRASTRUCTURE MANAGEMENT

Sopra Steria operates all or part of an IT infrastructure by providing services such as:

- the service desk: technical and business assistance to users or client help desks;
- supervision of systems and network infrastructures;
- administration and operation of systems and network infrastructures;
- hosting infrastructures in data centres.

Infrastructure transformation is a major driver of this business.

As a result, upstream of the operating phase, the Group takes responsibility for developing its clients' practices and processes based on organisational and technological standards that are continually optimised, offering services such as:

Infrastructure as a Service (IaaS)

Sopra Steria supports its clients in their transformation by aggregating traditional infrastructure services with cloud services, in a comprehensive and secure IaaS offering.

Cloud service broker offering

Sopra Steria facilitates the integration of cloud services (IaaS, PaaS, SaaS) in the company's ecosystem, regardless of the sourcing method (private or public), via three functions:

- aggregating services within a portal based on service catalogues;
- customising services to suit user profiles;
- integrating services in the information system and orchestration.

End-user-centric approach

Sopra Steria offers an end-user-centric approach enabling users to access any application, anytime, anywhere, regardless of the system used.

3.1.3 CYBERSECURITY

Supported by systems that are increasingly open and interconnected, the digital economy is a source of ever greater and more sophisticated threats.

Sopra Steria is a major player in the Cybersecurity sector, offering a full range of consulting, solution integration and managed services to meet its clients' needs:

- **Prevention**: mainly consulting activities related to risk analysis, implementing and managing a security strategy, support for governance, regulatory or technical compliance, security audits;
- **Protection**: deployment of solutions to protect identity (Identity and Access Management), data (encryption, strong authentication, Data Leakage Protection) and transactions (Public Key Infrastructure);
- **Detection & Response**: setting up a control tower for real-time incident management (Security Incident Event Management & Security Operations Centre), investigation in the event of a known attack (forensics), crisis management and monitoring.

Our Cybersecurity offering draws on on a network of 700 experts around the world (300 in France) and next-generation cybersecurity centres in Europe and Singapore. Sopra Steria is a trustworthy, innovative and flexible provider, protecting public authorities, vital utilities and services, and large companies and business ecosystems of critical importance so that they can accelerate their digital transformation with confidence.

3.1.4. INDUSTRY-SPECIFIC SOLUTIONS

Sopra Steria offers its business expertise to clients via packaged solutions in three areas: Banking, Human Resources and Property Management. The Group adapts and deploys its application solutions to offer its clients high-performance enterprise software packages, in line with the development of their company and the latest information technology, know-how and expertise.

Banking

Sopra Banking Software (a wholly-owned subsidiary of Sopra Steria) produces software solutions for a wide range of banking operations, enabling financial institutions to improve their responsiveness, agility and more generally their productivity. In addition to its software offering, Sopra Banking Software offers deployment, support and training services. In 2015 it had over 600 clients in 70 countries.

Solutions: Sopra Banking Software's offerings are suitable for retail (direct or branch-based) banks, as well as for private banks. These offerings also cover the needs of Islamic banking and microfinance for example. Sopra Banking Suite meets general needs by offering integrated systems, but also more specific vertical market needs such as loan services, payment transactions, management of bank cards and accounts, banking distribution, cash management and regulatory compliance via a wide range of business components which may be linked together. It should be noted that it is also possible to implement these solutions one component at a time, allowing a gradual step by step approach.

Services: Sopra Banking Software, a comprehensive service provider, offers a number of services linked to its solution offering. From consulting to analysis, planning, training of teams, implementation and maintenance, Sopra Banking Software supports clients throughout their project.

Sopra Banking Software operates its own solutions and also offers an SaaS solution for direct banks.

Human Resources

Sopra Steria Group also develops human resource management solutions via Sopra HR Software (a wholly-owned subsidiary of Sopra Steria). Sopra HR Software is present in 10 countries, providing comprehensive HR solutions perfectly suited to the needs of human resources departments. Sopra HR Software currently has a workforce of 1,300 people and manages over 12 million employees for 850 clients.

Sopra HR Software is a partner for successful digital transformation of companies and anticipates new generations of HR solutions.

Solutions: The Sopra HR Software offerings are based on the most innovative business practices and cover a wide range of functions, including Core HR, Payroll, Time and Activity Management, Talent Management, HR Space, and Analytics. The offering is based on two product lines (Pléiades and HR Access) aimed at public and private large and medium-sized organisations, regardless of their business sector, organisational complexity or location.

Services: Sopra HR Software offers a number of services linked to its solution offering. Sopra HR Software supports its clients throughout their projects, from consulting to implementation, training of teams, third-party application maintenance and business process services.

Sopra HR Software provides its own solutions in on-premises or outsourcing mode, and also offers a wide range of managed services.

Property Management

Sopra Steria provides property management solutions for all segments of the social and private property markets. Those solutions' coverage of different operational needs ensures optimised management for companies in these markets according to the type of property managed: offices, housing, shopping centres, warehouses, etc.

A range of solutions based on three product lines, Altaïx, Ikos and Ulis, offers clients business functions, from project management to facility management, based on a state-of-the-art property management platform. From a digital standpoint, mobile applications, extranets and collaborative platforms are integrated in these solutions. Data are crucial for companies, and are enhanced since they are based on business processes. The cross-disciplinary nature of these processes leads to an improvement in productivity thanks to the constant connection between users of the information system. Decisions are backed up and made more secure by integrated and customisable analyses.

Sopra Steria Property Solutions offers support solutions suited to each client. Customisation through training and data quality are key themes of these services. Its consultants provide know-how and knowledge throughout the life of the information system.

Property Solutions are offered to clients as a service, leaving them free to focus on their core business.

3.1.5. BUSINESS PROCESS SERVICES

Through its business process services offering, Sopra Steria transforms and operates, for its clients, all or part of a process or function or many functions within the company.

The group has become a leading player in optimising operational performance, rationalising costs and improving flexibility within organisations, as well as improving financial control and offering solutions to outsource processes in different fields:

- finance and administration (F&A) functions;
- human resources (staff administration and payroll) functions;
- middle office activities (regulatory compliance, billing, etc.);
- front office services (command control room processes for the police, call centres for prisons, etc.).

The teams comprise experts specialising in services and continuous improvement based on the Lean Six Sigma methodology, applying workforce organisation, process re-engineering and automation in areas ranging from consulting to transformation, execution, innovation and the design of new operating models. Thanks to many years' experience, they create new value chains, capitalising on best practices to achieve more effective results at a lower cost for our clients.

Sopra Steria is a leader in the business process services market in Europe. In particular, the group operates the largest Business Processes as a Service (BPaaS) platform in Europe for shared services handling financial and accounting processes (NHS SBS). Moreover, the Group was the first IT service provider to take over the operation of part of the business and back-office processes for a police force in Europe (Cleveland police in the United Kingdom). Winning the SSCL [1] contract at the end of 2013, with potential to meet all of the requirements of the British government with front, middle and back office processes, considerably strengthened this position. A further breakthrough came in 2015 with the signing of an agreement with the Metropolitan Police Service, the largest police force in the United Kingdom, for Sopra Steria to create a BPaaS platform for the police. This platform is intended to serve several police forces in a similar way to Sopra Steria's multi-client health platform (NHS SBS).

3.2. Business expertise at the heart of our strategy

Sopra Steria has chosen the major vertical markets that constitute its areas of excellence. The group has a comprehensive offering in each of these fields, meeting the specific challenges of each of its clients.

3.2.1. BANKING

The banking sector is Sopra Steria's principal market. This rapidly evolving sector is undergoing major changes. In an environment where regulatory requirements are constantly changing, the digital revolution has led to the emergence of digital banking and increased the expectations of clients who now have multiple banking relationships, and whose behaviour has changed considerably due to technological advancements, particularly in their relationships with banks.

Faced with these new challenges, Sopra Steria aims to be a partner for banks, helping to facilitate and accelerate this transformation.

Sopra Steria Group and its subsidiary Sopra Banking Software provide comprehensive solutions and turn the changes in the banking world into opportunities for their clients, whether in risk management, regulatory compliance, data protection, improving client experience, optimising performance, differentiation or identifying new sources of income.

3.2.2. INSURANCE AND SOCIAL WELFARE

Under pressure from both competitors and regulatory constraints, together with the acceleration of new usage patterns and changes in the behaviour of policyholders, it is clear that insurance companies, mutual insurance companies and social welfare organisations must complete the revolution that has begun in this sector. Four major challenges must be met: control costs, improve the satisfaction of policyholders, comply with new regulations and preserve the levers of growth, all within a very short time to market.

In this market, Sopra Steria offers its clients operational efficiency and a competitive advantage, through services such as: industrialisation and aligning of business processes and information systems, enhanced value of client experience, acceleration of paperless processes and digital transformation, leveraging of data and information assets and the use of smart devices for prevention, big data for combating fraud and artificial intelligence for smart care.

Like other parts of the financial services sector, the insurance sector is under pressure due to competition and subject to increasingly strict regulations. As in other areas, policyholders expect to interact with providers via various channels, and providers are attempting to develop client-centred processes in order to optimise the client experience. In a period characterised by low interest rates, the challenges faced by insurance companies and social welfare providers are: compliance with regulatory requirements, reducing costs while optimising efficiency, providing a differentiated and harmonious client experience, and increasing their market share by providing products that meet clients' needs.

Sopra Steria offers products and services that help its clients to meet these challenges. We provide software packages that help organisations to comply with regulatory requirements, and have expertise in big data and data analysis that enables our clients to better understand their own customers' behaviour. Sopra Steria also has experience and capabilities in optimising and transforming legacy applications, resulting in a reduction in costs and optimised efficiency for our clients. Our digital transformation expertise enables us to work with our clients to develop a multi-channel engagement with policyholders.

(1) Shared Services Connected Limited, a joint venture by Sopra Steria and the UK Cabinet Office.

3.2.3. PUBLIC SECTOR

Faced with new expectations from citizens and companies, the need to optimise expenses, and the obligation to apply regulatory changes, the public sector has introduced a vast programme to transform its activities and organisation. To address these new concerns, Sopra Steria has developed, firstly, solutions for pooling the support functions of the state, local authorities and main providers in the health/welfare sector, and, secondly, modernisation offerings: re-engineering business processes, application of digital technology to online administrative services, and more generally modernising industry-specific information systems. As a result, public sector organisations can ensure that they meet their targets and priorities at the lowest cost, while giving their information system the agility it requires to cope with the challenges they face.

3.2.4. AEROSPACE, DEFENCE AND SECURITY

3.2.4.1. Defence

Security is a key issue for many governments. In a tense geopolitical context, marked by the rise of new threats to states (cybercrime, terrorism, etc.), defence departments must improve their effectiveness while taking into account budgetary constraints. It has become essential to optimise the interoperability and security of critical operational systems for exchanging real-time information.

With over 40 years' experience in supporting government ministries and departments, Sopra Steria combines pragmatism and innovation, thanks to powerful technological and process solutions:

- interoperability and security of military systems;
- administrative efficiency and overall effectiveness of the armed forces;
- efficiency of the military supply chain (supply chain management);
- reliability of operational and communication information systems (SIOC in French);
- access control for sensitive sites, identity management and biometrics;
- control over costs and the complexity of command and control systems compliance.

3.2.4.2. Homeland security

Sopra Steria supports public authorities in meeting the challenges of homeland security. The group operates in 24 countries, serving clients with various specialities: police, gendarmerie, emergency services, border control, census services, justice, customs and homeland security services.

Sopra Steria carries out large-scale, complex and critical projects on behalf of these organisations, concerning:

- management of surveys;
- road safety;
- automation of command and control solutions;
- management of identity documents, security credentials and civil and criminal biometrics;
- modernisation of civil and criminal systems and management of prisoners;
- intelligent, distributed computer systems;
- infrastructure security;
- mobile technologies to optimise operations on the ground.

In addition, the group has developed innovative solutions specific to the security sector, to meet the challenges and requirements of clients in this field (biometrics, mobile technology, fingerprint and genetic footprint search engines etc.).

3.2.4.3. Aeronautics and space

The aeronautics and space market is a particularly fertile sector in terms of innovation. It is subject to constraints regarding reliability, availability, security and performance, which require suppliers to have full command of the technologies and processes implemented, as well as of their different clients' core businesses.

For optimal service, companies operating in this sector must align their capacities with the pace of production and optimise their processes and information systems while also improving profitability. Digital continuity and the ability to manage the product lifecycle, from design to manufacture and after-sales services, are crucial. The acquisition in 2015 of CIMPA, a specialist in product lifecycle management, should be understood in this context.

To meet these challenges, Sopra Steria's expertise comes into play in such critical areas as production performance, supply chain management and on-board systems as well as air traffic control, always giving priority to technological innovation and business know-how.

3.2.5. TELECOMS, MEDIA AND GAMES

The telecoms, media and games sector is at the centre of the digital revolution, and is continually developing to stay abreast of new digital interactions and the emergence of new technologies and usage patterns.

Sopra Steria enables its clients to meet the following main challenges:

- transformation of the telecommunications sector: comprehensive end-to-end digitalisation, from client systems to infrastructure, network virtualisation, fixed-mobile convergence, acceleration of the time to market, optimisation and digitalisation of customer relationships;
- network management: reduction in infrastructure management costs, introduction and operation of new technologies, reduction in delivery lead times for processes, sharing of operating and investment expenditures between providers;

- diversification: telecommunications are the gateway to connected life, and providers will develop over-the-top (OTT) services including but not limited to the internet of things, content management and financial services;
- core media business: use of new technologies, optimisation of advertising revenue, digitalisation of content, improvement in the creation and broadcasting of television programmes;
- core Games business: management of the development of customer loyalty and churn, fraud reduction and control of cash flows, compliance with specific regulations for different games and distribution channels, differentiation according to customer experience.

3.2.6. ENERGY AND UTILITIES

Faced with increasingly heavy budgetary, regulatory and fiscal constraints, companies in the energy sector must be increasingly creative to improve their productivity, develop new products and services, control costs, reduce their environmental impact and rationalise their operations. The decisions made at the COP21 climate talks in November 2015 only increase these challenges by encouraging major principals to diversify and innovate even more, to control energy more effectively and revamp their management of customer relationships (companies, local authorities and private individuals).

Other major issues must also be taken into account:

- maintenance of production and distribution infrastructures that are becoming obsolescent;
- rapid change in customer requirements;
- end-to-end control of energy flows (from production to the end-user via smart meters);
- the transition to new generations, particularly on the production side.

Via technological and transformation services, infrastructure management and business process services, Sopra Steria supports the transformation of energy suppliers and utilities in all their main processes: exploration, production and trading, transport and distribution, marketing and services.

3.2.7. TRANSPORT

The transport sector is undergoing profound changes: opening-up to competition, increase in European and urban traffic, new methods of transport (car sharing, low-cost operators, long-distance buses etc.), the digital revolution (Uber, BlaBlaCar, etc.) and the renovation of old networks.

Faced with these major challenges, the transport sector must change:

- propose multiple or integrated offerings (bus, taxi, bike, etc.): door-to-door;
- become customer-centred and develop loyalty;
- propose new services (luggage, guarantees for passengers, mobile ticketing).

Sopra Steria has developed business know-how in all of these fields based on three main themes:

- infrastructure management: asset management, development of mobile tools for maintenance, paperless records, etc.;
- traffic management: from timetable design to transport planning, fleet management and supervision of rail, road and air traffic;
- traveler experience: mobile ticketing, boarding and access control, passenger information.

Sopra Steria offers innovative approaches (co-design, design thinking, agility, digital labs, etc.) and has the expertise to support its clients in numerous areas such as the Internet of Things, mobile app labs, cloud computing, big data and more.

Its Cybersecurity centres offer key accounts in the European transport sector a guarantee and total security for their information system.

3.2.8. RETAIL, MANUFACTURING

Retailers face an unfavourable economic environment and profound and continual changes in the patterns of consumption of clients who increasingly use digital technology. Transformation is essential. It involves having secure, controlled business practices as well as a real ability to innovate to meet consumer requirements for immediate and flexible services.

Sopra Steria guides retailers in their digital transformation, making their information system a lever for performance:

- omnichannel: control of data architecture and information flow to increase proximity to clients;
- flexibility: agility of the enterprise architecture and flexibility of resources (cloud);
- speed: management of short cycles, renewal of product ranges, management of new products;
- support: data management/use, mobile technology, international channels;
- cost control: operational efficiency of logistics and warehouses, standardisation of information systems, optimisation of management processes.

3.3. A robust, ambitious mass processing strategy

Sopra Steria manages complex and large-scale programmes and projects in a market where delivery commitments are increasing and becoming globalised. The group has an increasingly wide range of skills to support multi-site projects that generate strong gains in productivity with delivery models that guarantee clients an optimal cost structure.

Sopra Steria applies an industrial production approach, supported by five levers:

- production culture: transmission of know-how and expertise in the field;
- choice of personnel: human resources are central to the approach, providing training, support and improved skills for each employee;
- organisation: the Industrial Department and its representatives in the business units control production quality and performance, identify and manage risks, support project managers and roll out industrialised production processes;
- equipment: the Quality System, the eMedia method, the Continuous Delivery Kit (CDK) and associated software tools;
- global delivery model: rationalisation of production by pooling resources and know-how within service centres, location of services according the requirements of each client (local services in France, nearshore in Spain, North Africa and Poland, and offshore in India).

3.4. Research and Development of Solutions

The group increased its R&D initiatives, investing €105.4 million in 2015 to develop and expand its industry-specific solutions. All of these totals are gross amounts and do not take into account funding related to the French R&D tax credit.

These R&D expenses, which relate mainly to the direct cost of staff dedicated to developing certain solution offers and software packages created by Sopra Steria, have been recognised in full as operating expenses.

4. Digital services sector: current situation and challenges

4.1. Main markets – Competitive environment of digital services firms

In 2015 the digital services market in western Europe was worth an estimated €180.5bn [(1)] (excluding computer hardware/software packages/maintenance services).

DIGITAL SERVICES MARKET IN WESTERN EUROPE (EXCLUDING HARDWARE AND SOFTWARE)

Country *(in billions of euros)*	**2015 estimates**
France	21.8
United Kingdom	63.0
Germany	28.5
Rest of Europe	67.1
TOTAL	**180.5**

Source: Gartner, updated first quarter 2015. Exchange rate used for conversion into euros: USD/EUR 0.73 (2015 average rate).

DIGITAL SERVICES MARKET IN WESTERN EUROPE (EXCLUDING HARDWARE AND SOFTWARE)

Business *(in billions of euros)*	**2015 estimates**
Consulting	31.9
Development and systems integration	53.1
Outsourced IT services	68.2
Business process outsourcing	27.4
TOTAL	**180.5**

Source: Gartner, updated first quarter 2015. Exchange rate used for conversion into euros: USD/EUR 0.73 (2015 average rate).

According to Gartner, in 2015 growth in IT spending (excluding hardware and software packages) in Europe amounted to 2.9%; this can be broken down by geography as follows:

- France: +1.5%;
- United Kingdom: +6.1%;
- Germany: +2.7%;
- Norway: -4.6%;
- Italy: +0.7%;
- Spain: -0.8%.

The European market has three main characteristics:

- three countries alone (the United Kingdom, Germany and France) account for 63% of IT services spending in Europe [(1)];
- outsourcing of technology services (application maintenance and infrastructure management) and business process outsourcing together account for over 53% of the IT services spending of European companies [(1)];
- the sector that consumes the most IT services in western Europe is the financial services sector, comprising banks and insurance companies, which account for 25.3% of the total market.

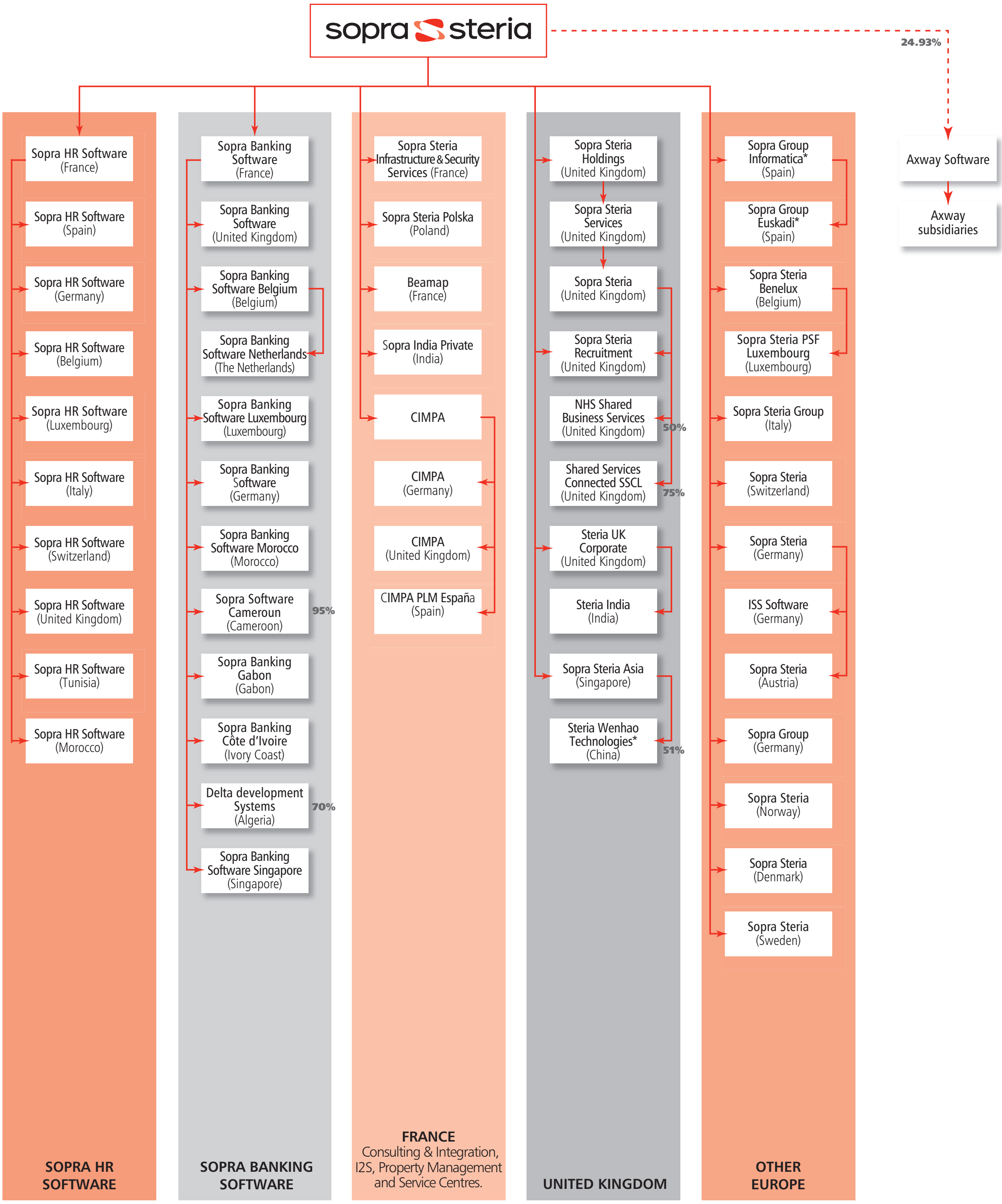
In spite of the recent consolidations, the IT services market remains highly fragmented in Europe. The main competitors of Sopra Steria are divided into four categories:

- large-scale North American players, present on all continents: IBM, HP EDS, CSC, Accenture, CGI, etc.;
- large European players offering a full range of services (consultancy, development, outsourcing, BPS) and a globalised production model: Capgemini, Atos, etc.;
- Indian players showing strong ambitions in continental Europe thanks to a favourable production cost structure: TCS, Cognizant, Wipro, Infosys, etc.;
- local players positioned in niche segments with high added value or general purpose services.

With €3.6bn in revenue in 2015 and a market share of 2%, Sopra Steria is one of the 10 largest digital services firms in Europe (excluding captive service providers and purely local players).

(1) Source: Gartner, updated first quarter 2015.

5. Simplified group structure at 31 December 2015



Note : Companies are directly or indirectly more than 95% owned, unless otherwise specified.

* Company whose corporate name changed after 31/12/2015:
  "Sopra Group Informatica" is now "Sopra Steria España"
  "Sopra Group Euskadi" is now "Sopra Steria Euskadi"
  "Steria Wenhao Technologies" is now "Sopra Steria Wenhao Technologies"

6. Group organisation

Sopra Steria Group's governance consists of a Board of Directors, Chairman, Chief Executive Officer and Deputy Chief Executive Officers.

The organisation is supported by a permanent operational and functional structure as well as temporary structures for the management of particular deals and projects.

Sopra GMT has an active role in conducting Group operations through:

- its presence on the Board of Directors and the three Board committees;
- a tripartite assistance agreement entered into with Sopra Steria and Axway, concerning services relating to strategic decision-making, coordination of general policy between Sopra Steria and Axway, and the development of synergies between these two companies, as well as consulting and assistance services particularly with respect to finance and control.

6.1. Permanent structure

The Group's permanent structure is composed of four operational tiers and their associated functional structures.

6.1.1. TIER 1: EXECUTIVE MANAGEMENT

Executive Management is represented by the Chief Executive Officer and the Deputy CEOs.

The Executive Committee (ExCom) consists of Executive Management and the heads of the main operating and functional entities.

The members of the Sopra Steria Group Executive Committee supervise the group's organisation, management system, major contracts and support functions and entities and take part in the group's strategic planning and implementation.

6.1.2. TIER 2: SUBSIDIARIES OR COUNTRIES

These are the main operating entities. Their scope corresponds to one of the following:

- a specific line of business (consulting and systems integration, industry-specific solutions, infrastructure management, cybersecurity, business process services);
- a geographic area (country).

These entities are managed by their own Management Committee, comprising in particular the Director and management of tier 3 entities.

6.1.3. TIER 3: DIVISIONS

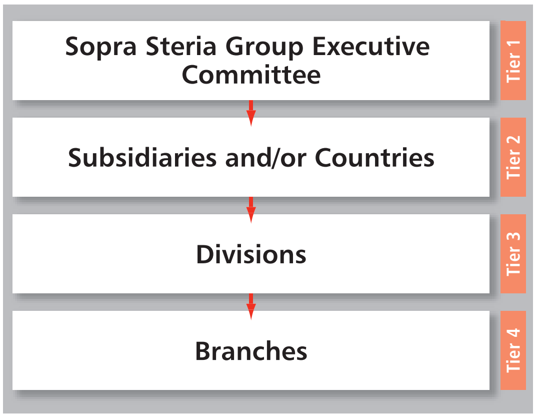
Each country or subsidiary is made up of divisions based on two criteria:

- vertical market;
- geographic area (region).

6.1.4. TIER 4: BRANCHES

Each division is made up of branches, which are the organisation's primary building blocks. They operate as profit centres and enjoy genuine autonomy. They have responsibility for their human resources, budget and profit and loss account. Management meetings focusing on sales and marketing strategy and human resources are held weekly, and the operating accounts and budget are reviewed on a monthly basis.

The diagram below illustrates the four main tiers of the ongoing structure:



6.1.5. OPERATIONAL SUPPORT FUNCTIONS

The operational organisation is strengthened by operational support entities responsible for managing major transformations:

- the Key Accounts and Partnerships Department, responsible for promoting the Key Accounts policy and developing relations with partners. The role of this department is to coordinate the commercial and production approaches for our major clients when different branches are involved;
- the Digital Transformation Office (DTO), responsible for designing and managing the digital transformation of the Group. It also manages the Group's innovation approach;

- the Industrial Department, responsible for industrialising working methods and organising subcontracting on offshore platforms. It also checks that projects are properly executed.

6.1.6. FUNCTIONAL STRUCTURES

The functional departments are:

- the Human Resources Department, the Legal Department, the Communications and Marketing Department and the Corporate Responsibility and Sustainable Development Department;
- the Finance and Administration Department, the Real Estate and Purchasing Department and the Information Systems Department.

These centralised functions ensure group-wide consistency. Functional managers transmit and ensure commitment to the group's core values, serve the operational entities and report directly to Executive Management.

The group's functional structures standardise management rules (information system resources, IT systems, financial reporting, etc.) and monitor the application of strategies and rules. In this manner, they contribute to overall supervision and enable the operational entities to focus on business operations.

6.2. Temporary structures for specific deals and projects

The group's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

These are handled by temporary teams:

- within the branches;
- under the authority of a pilot unit, established to leverage synergies across several branches.

Each project is organised and carried out in order to meet fundamental objectives: client service, business success, and contribution to the overall growth of the group.

Depending on their particularities (size, area of expertise, geographic area covered) large-scale projects can be managed at the branch, division, subsidiary/country or Executive Management level. Certain large projects requiring the resources of several branches may involve the creation of a division.

6.3. Integration governance

The change management plan was established by teams from both Sopra and Steria. It resulted in a vast integration programme defined for each population and operational and functional entity.

Integration governance concerns all issues relating to the finalisation of the Sopra Steria integration, and in particular:

- management of alerts and implementation of quick wins;
- continuous improvement of information systems;
- projects relating to premises;
- employee relations;
- internal communications.

7. Review of the group's position and results

7.1. General context and key events in 2015

Financial year 2015 was marked by the operational integration of Sopra and Steria, following their merger on 31 December 2014.

One year on, the results are very positive and the integration can be considered a success in organisational and governance terms, as well as from an operational point of view.

The new Group's performance in 2015 was satisfactory even as management teams dealt with the challenges of a demanding integration process. Growth was strong, with a like-for-like increase in revenue of 2.0%. Moreover, the targets set at the start of 2015 ended up being exceeded:

- operating profit on business activity was €245.5 million, a margin of 6.8%, outperforming a target that had already been revised upward to "about 6.5%" on 6 August 2015;
- net profit attributable to the group was €84.4 million, equivalent to 2.4% of revenue, compared with an initial target of "around 2%";
- free cash flow amounted to a positive €49.3 million, exceeding the target of around "zero" for the financial year.

Lastly, financial year 2015 was marked by the acquisition of CIMPA which was included in the consolidation scope from 1 October 2015.

7.2. Consolidated financial statements for financial year 2015

7.2.1. CONSOLIDATED INCOME STATEMENT

	2015		2014 Pro forma		2014 IFRS	
	Amount *(in millions of euros)*	%	Amount *(in millions of euros)*	%	Amount *(in millions of euros)*	%
Revenue	**3,584.4**	**100.0%**	**3,370.0**	**100.0%**	**2,280.3**	**100.0%**
Staff costs	-2,185.6	-61.0%	-2,076.0	-61.6%	-1,437.6	-63.0%
Operating expenses	-1,094.9	-30.5%	-1,009.9	-30.0%	-622.7	-27.3%
Depreciation, amortisation and provisions	-58.4	-1.6%	-52.9	-1.6%	-27.0	-1.2%
Operating profit on business activity	**245.5**	**6.8%**	**231.2**	**6.9%**	**193.0**	**8.5%**
Expenses related to stock options and free share award plans	-1.2	0.0%	-2.3	-0.1%	-2.0	-0.1%
Amortisation of allocated intangible assets	-19.4	-0.5%	-18.0	-0.5%	-10.6	-0.5%
Profit from recurring operations	**225.0**	**6.3%**	**210.9**	**6.3%**	**180.3**	**7.9%**
Other operating income and expenses	-72.4	-2.0%	-54.1	-1.6%	-32.1	-1.4%
Operating profit	**152.6**	**4.3%**	**156.8**	**4.7%**	**148.2**	**6.5%**
Cost of net financial debt	-8.1	-0.2%	-9.8	-0.3%	-7.4	-0.3%
Other financial income and expenses	-14.9	-0.4%	-20.1	-0.6%	-10.7	-0.5%
Tax expense	-47.2	-1.3%	-31.3	-0.9%	-34.5	-1.5%
Share of net profit from equity-accounted companies	7.2	0.2%	6.0	0.2%	5.9	0.3%
Net profit before earnings from discontinued operations	**89.6**	**2.5%**	**101.6**	**3.0%**	**101.5**	**4.5%**
Profit after tax from discontinued operations	-		-		-	
Net profit	**89.6**	**2.5%**	**101.6**	**3.0%**	**101.5**	**4.5%**
NET PROFIT ATTRIBUTABLE TO THE GROUP	**84.4**	**2.4%**	**92.8**	**2.8%**	**98.2**	**4.3%**
Minority interests	5.2	0.1%	8.8	0.3%	3.3	0.1%

Sopra Steria posted strong growth in 2015. This performance was achieved as management teams also met the challenges of a demanding integration process.

The Group's **revenue** for 2015 was €3,584.4 million, up 6.4% from the pro forma 2014 financial year. Growth at constant scope and exchange rates was 2.0%.

Staff costs represented 61.0% of revenue in 2015, compared with 61.6% pro forma in 2014.

The rate of consultant downtime (number of days between two contracts excluding training, sickness, leave and pre-sales over the total number of working days) was 4.1% over twelve months in 2015. The pro forma 2014 downtime rate was 4.4%.

Over the course of 2015, the Group recruited 7,197 people, including 2,560 in France. At 31 December 2015, the Group's total workforce comprised 38,450 people (37,358 people at 31 December 2014), with 16.9% assigned to X-shore zones (India, Poland, Spain, North Africa).

Other overhead costs represented 30.5% of revenue in 2015, compared with 30.0% pro forma in 2014.

Depreciation, amortisation and provisions amounted to 1.6% of revenue in 2015, the same level as the previous year. A more detailed comparison with performance in 2014 cannot be provided in view of the Sopra Steria merger which took place in the second half of 2014.

The **operating profit on business activity** represented 6.8% of revenue, i.e. €245.5 million, compared with 6.9% pro forma in 2014.

SOPRA STERIA: PERFORMANCE BY REPORTING UNIT – FY 2015

	2015		2014 Pro forma*	
	€m	%	€m	%
France				
Revenue	1,364.3		1,313.7	
Operating profit on business activity	102.0	7.5%	79.5	6.1%
Profit from recurring operations	100.8	7.4%	77.6	5.9%
Operating profit	52.3	3.8%	40.9	3.1%
of which C&SI (including CIMPA in 2015)				
Organic growth	*+3.5%*			
Revenue	*1,161.1*		*1,093.3*	
Operating profit on business activity	*101.3*	*8.7%*	*82.0*	*7.5%*
Profit from recurring operations	*100.1*	*8.6%*	*80.1*	*7.3%*
Operating profit	*60.7*	*5.2%*	*50.6*	*4.6%*
of which I2S				
Organic growth	*-7.8%*			
Revenue	*203.2*		*220.4*	
Operating profit on business activity	*0.7*	*0.3%*	*-2.5*	*-1.1%*
Profit from recurring operations	*0.7*	*0.3%*	*-2.5*	*-1.1%*
Operating profit	*-8.4*	*-4.1%*	*-9.7*	*-4.4%*
United Kingdom				
Revenue	1,042.0		944.0	
Operating profit on business activity	76.2	7.3%	89.3	9.5%
Profit from recurring operations	63.3	6.1%	77.8	8.2%
Operating profit	57.1	5.5%	76.3	8.1%
Other Europe				
Revenue	697.4		667.0	
Operating profit on business activity	18.5	2.7%	6.8	1.0%
Profit from recurring operations	17.4	2.5%	5.2	0.8%
Operating profit	5.3	0.8%	-7.1	-1.1%
Sopra Banking Software				
Revenue	282.4		270.7	
Operating profit on business activity	25.7	9.1%	33.7	12.4%
Profit from recurring operations	20.3	7.2%	28.2	10.4%
Operating profit	20.1	7.1%	27.1	10.0%
Other Solutions				
Revenue	198.3		174.7	
Operating profit on business activity	23.1	11.6%	22.0	12.6%
Profit from recurring operations	23.1	11.6%	22.0	12.6%
Operating profit	17.7	8.9%	19.4	11.1%

** Base of comparison adjusted pro forma for the Sopra Steria merger.*

The Group's revenue in **France** was €1,364.3 million.

- **Consulting & Systems Integration** posted revenue of €1,161.1 million for 2015, representing organic growth of 3.5%. This robust performance with respect to the French market was driven in particular by the growth (of about 7%) in strategic key accounts and of more than 10% in Consulting operations, which employ more than 1,000 people in France. The highest-performing vertical markets were Banking, Public Sector and Aeronautics/Defence. Year-on-year growth and the successful integration process enabled a distinct improvement in profitability, with an operating margin on business activity of 8.7% (up 120 basis points year-on-year pro forma).

- **I2S (Infrastructure & Security Services)** saw the start of a recovery in its IT Infrastructure Management operations in 2015. The recovery will be gradual, driven by a more selective approach to new contracts, higher-value offerings and a closer connection with Consulting & Systems Integration. In the meantime, its revenue for 2015 (€183.3 million) was down 10.3%. The initiatives taken provided a slight improvement in its operating profit on business activity, which was close to break-even for 2015. Cybersecurity posted revenue of €17.2 million in 2015, achieving growth of more than 25% with a flurry of high-impact deals and the expanded quality reputation of its SOC (Security Operations Centre), which was rolled out in the United Kingdom and Singapore.

Revenue in the **United Kingdom** for 2015 was stable overall at constant scope and exchange rates (down 0.7%), coming to €1,042.0 million. In the Public Sector, where the Group enjoys a strong position, particularly via its shared service platforms, the trend remained buoyant and the two joint ventures with the UK government (NHS SBS and SSCL) posted growth in their operations. Sales opportunities remain promising for the upcoming years, both in terms of more back-office outsourcing and with the development of big data service add-ons to analyse the data flowing through those platforms. Conversely, 2015 was a tough year for the private sector, where revenue declined. Reorganisation initiatives were launched to lay the foundation for a recovery. In terms of profitability, the region posted an operating margin on business activity of 7.3% in 2015. As a reminder, the pro forma margin of 9.5% achieved in 2014 included significant one-off impacts from contract renegotiations.

Revenue for the **Other Europe** region was €697.4 million for the year, representing organic growth of 6.3%. The situation in Germany improved after a very challenging 2014. The employee turnover rate stabilised, the organisation was revamped, sales performance was kick-started and initiatives were undertaken to strengthen production. Revenue for Germany in 2015 was up and the operating margin on business activity was close to break-even, compared with an operating loss of €13.5 million in 2014. Spain, Italy and Scandinavia recorded robust organic growth in 2015. In Belgium, where 2015 performance was impacted by the end of the Schengen project, business activity rebounded at the end of the year.

Sopra Banking Software achieved a strong sales performance in 2015, enabling it to grow its revenue (€282.4 million, an organic increase of 2.5%) despite the particularly high base of comparison provided by the fourth quarter of 2014. There was high demand in Europe, and especially in France, for the Platform product line, which passed some important milestones during the year (first delivery to La Banque Postale, major go-live at BNPP, large-scale migration at Crelan, etc.). This was also a very good year for sales of the Amplitude product line: 28 signings with new accounts and 26 go-lives in the Africa and Middle East region. This momentum illustrates the major role that these products should play in the future in overhauling banks' IT systems. With that in mind, the Group stepped up its Research & Development efforts in 2015. The operating margin on business activity was 9.1% in 2015 (12.4% in 2014).

Revenue for **Other Solutions**, which includes Sopra HR Software and property management solutions, was €198.3 million in 2015, representing organic growth of 3.2%. The operating margin on business activity for the year was 11.6%, versus 12.6% for the previous year, which included a one-off boost from exceptional licence sales.

The **profit from recurring operations** amounted to €225.0 million after deducting expenses related to stock options and free shares, as well as the amortisation of allocated intangible assets.

- The expenses relating to existing free share plans and stock option plans were not material, amounting to €1.1 million. The costs posted in 2014 included expenses relating to free shares issued by Sopra in June 2012 in a total amount of €1.6 million.
- Amortisation expenses on intangible assets amounted to €19.4 million in 2015.

The operating profit was €152.6 million, i.e. 4.3% of revenue after deducting €72.4 million in other operating income and expenses. These included €67.2 million in reorganisation and optimisation expenses, €46.3 million of which was for the Sopra Steria integration process.

The cost of net financial debt amounted to €8.1 million in 2015, compared with €7.4 million in 2014 and €9.8 million pro forma in 2014. The fall in interest expenses of €2.0 million in spite of the increase in net financial debt was the result of the introduction of a commercial paper programme.

Other financial income and expenses mainly concerned three types of operations:

- discounting gains and losses (retirement benefits, employee profit-sharing, earnout obligations);
- the change in the value of interest rate hedging instruments;
- foreign exchange losses.

Other financial income and expenses amounted to a net expense of €14.9 million in 2015 compared with a net expense of €20.1 million pro forma in 2014.

The fall in financial expenses of €5.2 million was mainly due to:

- 2014 securitisation costs, i.e. €1.3 million;
- repayment of the Steria syndicated loan, i.e. €2.4 million; and
- a reduction in pension-related financial expenses of €1.0 million.

The tax expense amounted to €47.2 million in 2015 (1.3% of revenue), compared with €34.4 million in 2014 (1.5% of revenue) and €31.3 million pro forma in 2014.

Profit for 2015 includes the following:

- €6.9 million in respect of the share of Axway's profit for the period (24.93% of €27.9 million);
- €0.3 million in respect of the share of Diamis' profit for the period.

The net profit before earnings from discontinued operations amounted to €89.6 million, or 2.5% of revenue, compared with €101.6 million, or 3.0% of pro forma revenue, in 2014.

There was no change in the profit after tax from discontinued operations either in 2015 or 2014.

The net profit attributable to the Group amounted to €84.4 million, or 2.4% of revenue, compared with €92.8 million, or 2.8% of pro forma revenue, in 2014.

Basic net earnings per share were €4.27, based on a weighted average of 19.76 million shares in issue during the financial year. The figure of €6.81 for basic earnings per share in 2014 was based on a weighted average of 14.42 million shares. Diluted earnings per share amounted to €4.26, compared with €6.77 in 2014.

7.2.2. BALANCE SHEET AND FINANCIAL STRUCTURE

Non-current assets increased from €2,184.4 million to €2,302.1 million at 31 December 2015. This item mainly comprises:

- goodwill of €1,586.9 million compared with €1,475.2 million in 2014;
- intangible assets of €214.0 million compared with €219.5 million in 2014;
- property, plant and equipment of €118.5 million compared with €109.9 million in 2014;
- equity-accounted investments (Axway Software) amounting to €154.4 million compared with €146.8 million in 2014;
- deferred tax assets of €142.7 million compared with €154.7 million in 2014.

Trade accounts receivable amounted to €1,099.8 million, compared with €931.7 million in 2014.

Cash and cash equivalents amounted to €222.7 million compared with €222.4 million in 2014.

Consolidated equity totalled €1,233.1 million at 31 December 2015 (including €38.7 million attributable to non-controlling interests) compared with €1,086.8 million (including €29.7 million attributable to non-controlling interests) in 2014. The statement of changes in consolidated equity included in Chapter 4 of this Registration Document provides a detailed presentation of the principal movements.

Borrowings and financial debt totalled €753.7 million compared with €664.8 million in 2014, including €437.8 million in long-term bank borrowings (including €13.2 million in lease agreements) and €315.7 million in short-term borrowings (mainly commercial paper).

Net financial debt at the end of 2015 totalled €530.8 million compared with €442.4 million in 2014.

A breakdown of the change in net debt can be found in Note 22 to the consolidated financial statements, in Chapter 4 of this Registration Document.

Other current liabilities, which totalled €1,030.9 million compared with €901.5 million in 2014, mainly comprises:

- employee-related liabilities (personnel and social security) of €424.5 million;
- tax liabilities of €220.4 million, essentially corresponding to value-added tax included in client receivables;
- the corporate income tax liability of €115.9 million;
- deferred income of €249.3 million (invoices issued but not yet recognised as revenue).

At 31 December 2015, the financial position remained strong with equity of €1,233.1 million and net debt of €530.8 million.

Including outlays of €55.8 million for reorganisation and reoptimisation processes, the net free cash flow was €49.3 million.

The Group's net financial debt was €530.8 million (€442.4 million at 31/12/2014), equal to 1.76x EBITDA (the financial covenant stipulates a maximum of 3x).

On the basis of the financial facilities renegotiated at 31 July 2014, the Group has €1.6 billion in financing, of which €1.1 billion was available at 31 December 2015.

7.3. Investments during the year

7.3.1. ACQUISITION OF CIMPA

On 29 July 2015, Airbus and Sopra Steria Group announced that they had signed an agreement on Sopra Steria's acquisition of CIMPA, an Airbus subsidiary specialising in PLM (product lifecycle management) services.

In 2014, CIMPA's revenue was about €100 million and it had 950 employees in Europe.

This acquisition will allow Sopra Steria to boost its position among major players in the world of aeronautics, in addition to those in industry, transport and energy, by capitalising on CIMPA's areas of expertise. This strategic move also strengthens the Group's capacity to delve deeper into its clients' line of work and to assist them in their digital transformation.

CIMPA's activities were included in Sopra Steria Group's consolidation scope on 1 October 2015.

7.3.2. FACILITIES

A total of €39.8 million was invested in 2015 in infrastructure and technical facilities, as against €28.6 million in 2014.

Investments in facilities comprised the following:

- land and buildings: €4.1 million;
- fixtures and fittings: €16.7 million;
- IT equipment: €19.1 million.

8. 2015 Sopra Steria Group SA individual financial statements

After the merger with Steria SA and Groupe Steria SA, Sopra Steria Group SA comprises all of the group's French consulting, systems integration and property solutions development activities, as well as all of its central services (Executive Management, operational support functions and functional structures). It owns systems integration and solutions subsidiaries in Europe, software development subsidiaries for banking (Sopra Banking Software) and human resources management (Sopra HR Software), the infrastructure subsidiary Sopra Steria Infrastructure & Security Services, and a 24.94% stake in the global software company Axway Software, the market leader for data flow governance.

The accounts are presented in detail in Chapter 5 of this Registration Document.

8.1. Income statement

At 1 January 2015, Infrastructure and Security operations (revenue of €220.4 million in 2014) were housed in the Sopra Steria Infrastructure & Security Services subsidiary, Pleiades (revenue of €36 million in 2014) was housed in the Sopra HR Software subsidiary, and Advanced Payments (revenue of €12.5 million in 2014) was housed in Sopra Banking Software. In 2014 these operations were all housed in Sopra Steria Group SA.

Revenue amounted to €1,289.1 million in 2015, as against €1,447.5 million in 2014.

There was an operating profit of €70.2 million in 2015 compared with a loss of €38.7 million in 2014.

There was a net financial loss of €6.3 million in 2015, compared with €36.4 million in 2014.

The pre-tax profit on ordinary activities was €63.9 million in 2015, compared with a loss of €75.2 million in 2014.

Exceptional income and expenses showed a loss of €33.3 million in 2015 compared with a loss of €60.3 million in 2014.

The expense on employee profit-sharing and incentives went from €1.9 million in 2014 to €5.6 million in 2015, while the corporate income tax expense went from €18.7 million in 2014 to €8.3 million in 2015.

The company's bottom line went from a net loss of €118.7 million in 2014 to a net profit of €33.4 million in 2015.

Research and development on Solutions represented an investment of €14.1 million, mainly in the area of property management. These costs are entirely recognised as expenses in the financial statements.

In accordance with Article 39-4 of the French General Tax Code, the accounts for the financial year ended include an expense of €471,497 in respect of non-tax-deductible expenditures.

8.2. Balance sheet

Equity went from €749.9 million at the end of 2014 to €746.2 million at the end of 2015.

Pursuant to the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, trade accounts payable had the following breakdown:

(in thousands of euros)	Total amount outstanding	Amount not yet due	Amount fewer than 60 days past due	Amount more than 60 days past due
At 31 December 2014	87,911	86,769	897	245
At 31 December 2015	91,259	89,378	400	1,481

Sopra Steria observes the payment terms required by law in France for trade accounts payable: a maximum of 60 days from the issue date of the invoice.

Fixed assets amounted to €1,902.5 million in 2015 compared with €1,735.3 million in 2014. They include financial investments of €1,278.2 million in 2015 compared with €1,106.4 million in 2014, intangible assets of €576.6 million in 2015 compared with €582.7 milllion in 2014 and property, plant and equipment of €47.7 million in 2015 compared with €46.2 million in 2014.

8.3. Identity of shareholders

Sopra Steria Group's share ownership structure is described in Chapter 6, Section 2 ("Current ownership") of this Registration Document.

9. Strategy and objectives: recent trends and outlook for 2016

9.1. Strong and original positioning in Europe

Sopra Steria aims to become a leader for digital services in Europe, with a comprehensive, high value-added offering, enabling its clients to make the best use of digital technology to innovate, transform their operations and optimise their performance. The Group's objective is to be the preferred partner of public organisations and private companies in Europe within target business sectors.

Sopra Steria will differentiate itself more clearly from its competitors by continuing to build an edge in its two key areas of specialisation:

- industry-specific solutions which, when combined with the group's full range of services, make its offering unique;
- very close relationships with its clients, thanks to its roots in the regions where it operates and its ability to meet core business requirements without taking the prescriptive approach favoured by certain global providers.

9.2. Priorities for action

9.2.1. ACCELERATION OF SOLUTIONS DEVELOPMENT

Sopra Steria has set itself the medium-term target of bringing the share of its solution development and integration activities to 20% of its revenue. Combining organic and external growth, efforts will focus on the enrichment of the Group's offering, the strengthening of managed services and the geographic expansion of these operations. The development of Sopra Banking Software and Sopra HR Software are priorities. However, the Group will also continue to grow in the real estate sector and look for new segment-specific opportunities, for example in insurance, where it already has some assets.

9.2.2. ENHANCED VERTICAL STRATEGY

Highly focused business development

To support the positioning that it has chosen, the Group will continue and extend its policy of concentrating on certain targeted vertical markets and key accounts. Business development will be focused on eight priority vertical markets, together accounting for almost 90% of revenue: Banking; Public Sector; Aerospace, Defence and Security; Energy and Utilities; Telecoms and Media, Transport, Insurance and Retail.

For each vertical, the Group has selected several different areas of business in which it hopes to secure a leading position through high value-added offerings.

Advances in consulting

In order to position itself even more securely with client decision-makers at the department level, the Group is working to accelerate its developments in consulting so as to produce a new combined service model for consulting and application services that can be rolled out progressively to all operating regions.

9.2.3. ACCELERATION OF DIGITAL INITIATIVES

Sopra Steria has successfully completed numerous digital projects. Its aim is to accelerate initiatives in this field and drive its own transformation.

In particular, the Group has decided to set up a Digital Transformation Office, a team responsible for leading internal development and facilitating the emergence of digital initiatives. Managers have been appointed in each of the eight priority vertical markets to link digital initiatives to clients' business requirements for key technologies (social media, mobile technology, analytics, cloud computing, security, artificial intelligence, the internet of things, etc.).

Special efforts are being made to establish targeted partnerships with leading players in the digital ecosystem (startups, institutions of higher education and associated research laboratories, major software publishers, etc.). For example, a strategic partnership has been forged between Sopra Steria and Axway, which publishes a Digital Enablement platform.

Numerous initiatives are being encouraged to promote and enhance innovation, such as innovation imperatives assigned to project teams, internal innovation competitions, hackathons open to clients and partners, and platforms for digital demonstrations, co-innovation and technology (DigiLabs, DigiFabs) open to clients and partners in every major location.

9.2.4. CONSOLIDATING MARKET POSITIONS IN THE UNITED KINGDOM

Business in the United Kingdom represents almost 30% of the Group's revenue.

These operations take place mainly in the public sector, via business process outsourcing and IT service contracts. The Group will continue to develop its strong and well-recognised position on the market, particularly by helping public authorities with their digital transformation.

The Group also aims to boost its development in the United Kingdom private sector. Priority will be given to the banking industry through comprehensive offerings combining Sopra Banking Software solutions with application, infrastructure and BPO service capabilities developed locally. The Group will also remain active across the other vertical markets, in synergy with other countries.

9.2.5 AN ACTIVE EXTERNAL GROWTH POLICY

The Group will continue to play an active part in market consolidation. Its approach in this area will focus in particular on the solutions segment and the banking vertical.

9.3. Recent developments

9.3.1. PLANNED BUSINESS COMBINATION WITH CASSIOPAE

Sopra Steria plans to acquire, through its subsidiary Sopra Banking Software, about 75% of KSEOP, Cassiopae's holding company. The founder and his family, and certain managers including the current Chairman, Emmanuel Gillet, will retain about 25% of the share capital. A subsequent acquisition of that 25% is envisioned for 2020 at the latest.

Initially a vendor of real estate leasing software, founded by Guy Gillet in 1987, Cassiopae is currently France's 16th largest independent software developer (according to the 2015 'Truffle 100' ranking), offering one of the most comprehensive and innovative solutions for specialised finance and real estate management. With operations in 40 countries, Cassiopae posted revenue of €50.2 million in 2014 and serves more than 300 clients.

Banking is one of Sopra Steria's largest markets and a strategic growth priority. Its subsidiary Sopra Banking Software is aiming to double its 2014 revenue of €271 million over the next five years.

With that in mind, this proposed acquisition would be an important step forward and would consolidate Sopra Steria's leadership position in the banking and financial sector. It would also give Sopra Banking Software a full range of business-specific solutions to meet the challenges of the financial industry's transformation in such areas as distribution, account-keeping, lending, payments and compliance, while addressing specialised finance requirements – real estate and equipment leasing, consumer credit, car loans, factoring and guarantees, etc. The acquisition would also open up new markets and enable synergies in sales and costs.

9.3.2. INTRODUCTION OF AN EMPLOYEE SHARE OWNERSHIP PLAN

In a press release dated 22 March 2016, Sopra Steria Group announced the launch of an offer to sell shares reserved for employees belonging to an employee savings plan (the "Offer").

The Offer is proposed to employees of the group in Belgium, Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Poland, Singapore, Spain, Sweden and Switzerland who are eligible and belong to Group savings plans, and via a share incentive plan (SIP) in the United Kingdom and India.

Sopra Steria's goal with this initiative is to involve its employees more closely in the Group's development and performance.

The offer of Sopra Steria shares to Group employees will be carried out via the transfer of existing treasury shares, bought back in advance by Sopra Steria under a share buyback programme authorised by the shareholders at the General Meeting on 25 June 2015 in accordance with Article L. 225-209 of the French Commercial Code. It will be executed in accordance with Articles L. 3332-18 et seq. of the French Labour Code.

On 21 January 2016, the Board of Directors decided to implement this Offer and delegated the powers required to implement it to the Chief Executive Officer. In accordance with the decision of the Board of Directors, the Offer will involve a maximum of 200,000 shares in the Company, corresponding to 100,000 shares purchased by employees and 100,000 free shares awarded as the employer's matching contribution. A maximum of 8,500 free shares may also be awarded under the SIP.

On the authority of the Board of Directors, the Chief Executive Officer set the dates of the Offer period and the purchase price on 6 April 2016.

The purchase price was set at €101.62, equal to 100% of the benchmark price, corresponding to the average of the opening prices for Sopra Steria shares on the Euronext Paris market over the 20 trading days preceding the date of the decision by the Chief Executive Officer.

The Offer Period was set from 7 April 2016 to 19 April 2016, inclusive.

Settlement of the Offer will take place on 18 May 2016.

This operation was approved by the Autorité des Marchés Financiers on 4 March 2016 (Approval No. FCE20160027).

9.3.3. CHANGE IN FINANCIAL POSITION

Since the end of the last financial year, there has not been any significant change in the group's financial or trading position for which audited financial statements or interim financial statements have been published.

9.4. Outlook for 2016 and ambitions for 2017

The Group's targets for the full 2016 financial year are:

- organic revenue growth of more than 2% despite low growth in the first quarter;
- an operating margin on business activity of more than 7.5%;
- a strong increase in free cash flow.

The targets for 2017 remain unchanged:

- revenue of between €3.8 billion and €4 billion;
- an operating margin on business activity of between 8% and 9%.

10. Risk factors

Investors are reminded that the list of risks presented below is not exhaustive and that other risks may exist, that were not known or not considered liable to have an adverse effect on the group, its business, financial condition, results or share price, on the date when this Registration Document was drawn up.

This document contains estimates subject to risks and uncertainties that may affect the group's future growth and profitability. Readers are reminded that licence agreements, which often represent investments for clients, are generally signed in greater numbers in the second half of the year, with varying impacts on end-of-year performance.

Irrespective of the strategic risk associated with the group's competitive positioning or potential loss of business model relevance, Executive Management has decided that, on an operational level, the main risks are those associated with human resources, project execution and production, and business relations with key clients. As such, these risks are the subject of ongoing action plans. In addition, due to the merger of Sopra and Steria, risks relating to integration are monitored particularly closely.

10.1. Main operational risk factors

10.1.1. HUMAN RESOURCE RISKS

In a services business where certain skills can be rare and clients have changing requirements, human resources risks are naturally critical. Effective hiring, skills and career management, continuity in key roles, and the sharing of the Group's culture and values are core issues that require constant attention.

One area of central importance in human resource management is the optimisation of – and thus close familiarity with – the Group's existing resources (skills, aptitudes, potential), especially as its operating entities grow in size.

The main human resources risks also arise in relation to recruitment, employee engagement, skills and skill matching to client requirements, forward management of resources, retention and replacement of key employees, turnover and compliance with labour law and employment legislation, as well as the management of labour relations in a complex environment.

Senior and line managers, the Human Resources Department and the Division HR Managers have an essential role to play in managing these risks.

An overview of human resources policy is given in Chapter 3 (Corporate Responsibility Report), Section 2 (Workforce-related responsibility).

10.1.2. PROJECT EXECUTION AND PRODUCTION RISKS

Production risk refers mainly to the Group's need to deliver on its commitments to clients in terms of quality, timescales and costs: to deliver products and services in line with specifications and within the stipulated deadlines and allocated budgets, particularly in the context of major client programmes. It is critical for the Group to be able to meet client demands and deliver consistent quality.

Production risk management requires familiarity with a number of constantly evolving technical and business environments. It involves the upstream validation of technical, legal and financial specifications, as well as a tried and tested project management methodology designed to integrate the participation of X-shore production platforms, together with operational and accounting controls.

Depending on the contractual commitments entered into, any failure to provide the services specified in these contracts, or any provision of sub-standard services, may result in a risk for the group (penalties, client complaints, claims for damages, additional cost, non-payment, early termination of the contracts, reputational risk). In the current environment, clients are increasingly demanding in terms of contractual commitments and guarantees.

Unlike time-and-materials contracts, fixed-price contracts are characterised by commitments regarding price, result and lead times: they may be fixed-price projects such as systems integration or software development, or fixed-price services such as maintenance contracts, third-party application maintenance, infrastructure management or BPS. Fixed-price service contracts are often multiannual agreements with regular management and follow-up.

For fixed-price projects and fixed-price services, a poor assessment of the scale of the work to be done, an underestimate of the cost of providing the service or an incorrect estimate of the technical solutions to be implemented can lead to estimated costs being exceeded or contractual deadlines not being met. This delay can, in itself, result in late delivery penalties and/or budget overruns.

The breakdown of revenue according to the nature of contracts is summarised in the table below:

(in % of revenue)	2015	2014
Licences	1.9%	2.2%
Fixed-price projects	17.5%	17.3%
Fixed-price services	51.2%	50.5%
Time and materials	29.4%	30.0%
TOTAL	**100%**	**100%**

Information security and IT/communications infrastructure risks

The reliability of IT and communications infrastructures is an issue of growing importance to production.

In view of its business model, with production located a long way from clients (national and worldwide shared service centres in nearshore and offshore countries), the group is potentially dependent on its remote production centres and telecommunications networks functioning correctly.

Consequently, the role of the information systems security manager within the Industrial Department has been expanded. This initiative grew from a need to spur greater involvement among all stakeholders across the Group in analysing information system risks and defining action plans in a context of growing interdependence between entities and onshore and offshore production sites.

It should be noted that a significant proportion of the group's production activities are located in India. India still shows various characteristics that may constitute instability or risk factors (political, economic or social unrest, wage inflation, natural disasters, pandemics). The group has four production facilities located at a great distance from each other in India, in three different regions, which considerably limits the consequences of certain incidents or risks that may arise in a specific region.

In addition, using a larger number of production facilities and having a variety of onshore, nearshore and offshore services makes it possible to have backup solutions.

In more general terms, the development of cybercrime imposes greater risks on all companies, and in particular on digital services companies. The group is aware of the issues linked to information security, and in particular uses the skills developed in its own area of expertise to implement the solutions best suited to its needs, via an evolutive approach.

Risk of dependence on suppliers

Both integration projects and managed services and business process services (BPS) contracts involve an increasingly high level of complexity and require working with many partners (such as developers, manufacturers, consultants or IT services companies), thus creating a certain dependence by Sopra Steria Group on some suppliers. The IT world is, however, characterised by a multiplicity of actors, thus substantially reducing the risk of dependency. Although there are alternative solutions for most software, hardware and networks and although the group has maintained commercial relations with most large suppliers, some projects could be affected by a residual risk of potential failure of its suppliers.

10.1.3. RISKS RELATED TO BUSINESS RELATIONS WITH KEY CLIENTS

In order to do business effectively, the Group must be able to draw on the entirety of its client-related knowledge, even as relationships with major clients extend over a number of years and involve numerous employees, often in different units. Proper management and use of this knowledge is key to understanding and responding appropriately to clients' needs. It also allows for better management of the risk of losing a client or a major contract.

The sales approach used for key accounts is coordinated by a procedure involving the members of the Executive Committee for the management of major sales programmes.

In 2015, the group's top client accounted for 7% of revenue; the top five clients represented 18.4% and the top ten represented 28.05%.

In 2014, the group's top client accounted for 4.5% of revenue; the top five clients represented 17.9% and the top ten represented 28.5% [(1)].

The main clients include:

- in France: Airbus Group, EDF, Société Générale, Orange, Crédit Agricole, SNCF and BNP Paribas;
- in the United Kingdom: Ministry of Justice, Home Office, Ministry of Defence, National Offender Management Service (NOMS), HM Prison Service and National Health Service.

(1) Consolidated data for the new Sopra Steria Group combined entity.

10.2. Integration risks

Although the merger of Sopra and Steria is now considered successfully complete, a committee continues to meet each week with the Executive Management to monitor the finalisation of integration operations.

10.3. Financial risks

Financial risk factors are detailed in Notes 30.1 and following of the consolidated financial statements in Chapter 4 of this document, and liquidity risk in particular is detailed in Note 30.2.

Negotiated bank borrowing facilities are used to help manage liquidity risk. The group's policy in this area is to have borrowing facilities at its disposal which are much larger than its needs.

On 15 September 2014, the group took out a €1,200 million five-year syndicated borrowing facility with two options to extend the expiry date by one year, consisting of a €200 million amortising tranche, an £80 million amortising tranche and a €900 million multicurrency revolving credit line. The amortising tranches have been amortised in the amounts of €20 million and £8 million, respectively. These loans were extended by one year, i.e. until September 2020. A breakdown of these borrowings is given in Note 22.1 to the consolidated financial statements.

The group has a bond issued by Groupe Steria to institutional investors in 2013 in the amount of €180 million, maturing in July 2019.

The group had lines of credit totalling €1,522 million at 31 December 2015, excluding leasing. The group has entered into the financial debt covenants described in Note 30.2 to the consolidated financial statements, in Chapter 4 of this document.

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its cash disbursement obligations. To date, there are no elements likely to have a material impact on Sopra Steria Group's financial position and performance.

Regarding treasury risk, it should be noted that a large proportion of the group's revenue is generated by business with public authorities and European government entities. A very small proportion of revenue is generated by business with clients residing outside the OECD, and the largest proportion of revenue is generated by key accounts, in accordance with the group's business strategy. These factors help to reduce the group's credit risk profile.

In order to manage and mitigate the potential risk associated with insolvency or non-payment, the Finance Department establishes rules for opening new accounts, setting credit limits and requiring guarantees when necessary, following up unpaid invoices and handling disputes.

10.4. Risks associated with retirement benefit obligations in the United Kingdom (pension funds)

This point is discussed in Note 23 to the consolidated financial statements.

Sopra Steria Group provides its employees with retirement benefits in several countries. Such benefits are usually provided by associated pension funds or directly by the group. The pension plans are either defined benefit plans (where the individual is guaranteed a certain percentage of his or her salary as a benefit) or defined contribution plans (where the benefit is determined based on the investment returns achieved over the contribution period). Defined benefit plans are recorded in Sopra Steria Group's financial statements in accordance with IAS 19 (revised).

In the United Kingdom, the assets of the defined benefit pension plans are managed in funds administered by independent trustees, and employees are entitled to retirement benefits calculated according to their salary and length of service.

In the case of defined benefit plans, the employer is obliged to cover any deficit between the value of the fund assets and the pension obligations to be paid.

Since 2010, defined benefit plans have been replaced within the group by defined contribution plans, although benefits vested prior to that decision remain in effect. The defined benefit plans are exceptionally maintained in connection with a few public-sector outsourcing projects, to comply with the legislation and commitments made to clients.

In 2014, as part of its three-yearly negotiations, Sopra Steria Group reached an agreement with the trustees for additional future pension fund contributions aimed at absorbing deficits over a period of 4 to 13 years depending on the plan. These additional contributions which were agreed on by the parties are in keeping with the amounts paid over the last three years. These contributions were continued in 2015, with an increase at the rate of inflation.

The Company keeps itself informed of the strategy for investing funds and the asset and liabilities management approach decided on by the trustees, which include its representatives, and shares the aim of reducing volatility and exposure to interest rate and inflation risks, in particular by the use of swaps.

The next three-yearly negotiations concerning future contributions to the pension funds are set to conclude between March and June 2017.

A breakdown of the asset portfolio of the UK pension funds at 31 December 2015 is shown below (based on average market values):

	2015	2014
Shares	34%	34%
Bonds	53%	54%
Property/Infrastructure	15%	13%
Other assets	-2%*	-1%
TOTAL	**100%**	**100%**

* *Including derivatives used to manage interest rate and inflation risks.*

Note 23 to the consolidated financial statements in Chapter 4 of this document gives a breakdown of the assets and obligations of the defined benefit pension plans.

The current value of pension obligations for defined benefit plans is calculated based on actuarial assumptions and is therefore subject to changes in macroeconomic conditions. The main factors concerned are long-term interest rates, inflation and mortality. As an illustration, all other things being equal, a 0.25 point reduction in the discount rate would cause a €80 million increase in commitments at the 2015 closing rate.

Assets invested in different asset classes (including shares) are subject to the risk of fluctuations in financial markets. As an illustration, all other things being equal, a 10% drop in the value of assets would cause a €145 million reduction in their value.

It should be noted that any economic impact of these variations must be assessed over the medium and long term, according to the duration of the obligations. Deficits resulting from such variations in assets and/or liabilities do not necessarily change in the same direction. Changes in regulations or accounting standards may cause an increase in obligations and have a negative impact on the group's financial statements.

10.5. Other risks

10.5.1. LEGAL RISKS

a. Compliance with laws and regulations

The group's business is an unregulated activity, and therefore requires no special legal, administrative or regulatory authorisation. Some services, such as managed services or systems integration provided to clients whose business activity is subject to special regulations may lead the group to have to adhere to the contractual obligations linked to these regulations. Moreover, the group is a multinational company that operates in many countries, subject to various constantly changing laws and regulations, and recruits large numbers of employees each year. Training courses, management control and legal and financial review procedures are therefore all important.

b. Intellectual property

To protect its intellectual property, the group relies on a combination of contracts, copyrights, trademarks, patents and confidentiality and trade secrecy obligations. In addition, due to their complexity, the technological fields covered by the group involve an increasing number of issues linked to intellectual property that require special attention, and specific contractual clauses, in particular during integration of third-party software, use of software company licences in connection with integration projects or infrastructure management services and/or for any issues regarding reuse of software modules in connection with integration projects. Operational staff regularly receive training on protecting intellectual property.

Sopra Steria and its subsidiaries have protected the main trademarks used in each country concerned.

The brand portfolio is managed by the Legal Department in collaboration with an intellectual property advisor.

Neither the group nor any of its subsidiaries have filed for or hold other patents for software.

Sopra Steria and its subsidiaries own exclusive intellectual property rights to all their software, either through having developed it in-house or by having acquired if from third parties. Software packages developed by the group, in particular by Sopra Banking Software or by Sopra HR Software, are generally marketed directly. However there are a few distribution agreements with partners.

Sopra Banking Software holds patents for the technical algorithms used by various technological and functional components of the Sopra Banking Platform software suite, designed for banks and financial institutions.

c. Tax risk

As with any international group operating in multiple jurisdictions, the group has structured its activities with regard to various regulatory obligations. Insofar as the tax rules in the different countries where the group operates are continually evolving and may be subject to interpretation, the group cannot provide an absolute guarantee that these interpretations will not be challenged, possibly with negative consequences for its financial position or results. In addition, the group is subject to the usual tax audits. In particular, in France and India it has received claims and requests from the tax authorities, which have been formally challenged. At 31 December 2015 these disputes were still under investigation by the tax authorities or courts.

In France, a request for approval was made to the tax authorities to transfer part of Steria's tax loss carryforwards from prior to 1 January 2014 to Sopra Steria. In 2015, this request was partly accepted by the tax authorities. The loss carryforwards allowed are in line with the amounts estimated in the financial statements at 31 December 2014. For more information, see Note 17.4 to the consolidated financial statements in Chapter 4 of this document.

d. Disputes

Provisions are recognised in respect of ongoing disputes, as described in Notes 24 and 33 to the consolidated financial statements, in Chapter 4 of this document.

The group is not aware of any legal or arbitration proceedings which could have a significant impact other than those reflected in the group's financial position. To date, the group is not aware of any governmental, legal or arbitration proceedings, including any proceedings that may be suspended or threatened, which may have or have had a material impact on the financial position or profitability of the Company or group during the past twelve months.

It should be noted that an administrative inquiry by the Competition Authority in France was launched at the end of 2014 into the main IT services companies operating in France, including Sopra and Steria. In a letter dated 6 January 2016, the French Competition Authority informed Sopra Steria Group that it had closed the inquiry carried out in the IT development services sector. In addition, Steria was informed of a report drawn up by the French labour inspectorate regarding its Meudon site, concerning the recording and monitoring of working time in 2014. At the time of publication of this Registration Document, no action had been taken following that report, whose content is contested by the group.

10.5.2. RISKS TO REPUTATION AND IMAGE

Since the group gives priority to a strategy focusing on key accounts, and is recognised for its ability to manage complex development, transformation and execution issues in visible and sensitive areas, it is required to carry out significant and sensitive projects that may result in difficulties that could undermine the group's credibility and image with its clients.

10.5.3. INDUSTRIAL AND ENVIRONMENTAL RISKS

Since it operates exclusively in the mainly intangible field of IT services, the group's environmental impact is not extensive. However, although that impact is judged to be of low significance due to the nature of the group's activities, the group nevertheless endeavours to limit it. (See Chapter 3, Section 3 of this document).

10.6. Insurance and risk coverage

To optimise its risk hedging policy, on 1 January 2015 Sopra Steria Group extended the coverage of its insurance programmes taken out with leading insurance companies.

The coverage limits are reassessed each year with regard to the change in the size of Sopra Steria and the risks incurred. The main insurance programmes put in place by the group at 1 January 2016 are as follows:

- Operations coverage and professional liability

  The civil liability insurance programme covers all of the group's companies for monetary consequences arising as a result of their civil and professional liability in connection with their activities, due to bodily injury, material or non-material damage caused to third parties. Overall coverage is limited to €150 million per claim and per year of insurance;
- Direct damages and operating losses

  Since 1 January 2016, this programme has covered all of the group's sites for the direct material damages they may suffer and any resulting operating losses. Overall policy coverage (for all types of damages and operating losses) is limited to €100 million per claim and per year of insurance.

In addition, group programmes have been put in place covering in particular:

- the civil liability of senior executives and company officers;
- assistance to employees on assignment, as well as to expatriate employees and employees on loan.

10.7. Internal control and risk management procedures

The internal control and risk management procedures are presented in the Chairman of the Board of Directors' report in Chapter 2 of this Registration Document.

2 Corporate governance

Report of the Chairman of the Board of Directors on corporate governance, internal control and risk management

Pursuant to Article L. 225-37 of the French Commercial Code, the purpose of this report is to inform shareholders as to:

- the composition of the Board of Directors and its application of the principle of balanced gender representation;
- the manner in which the work of the Board of Directors is prepared and organised;
- the role of company officers;
- the guidelines set forth in the AFEP-MEDEF Code that have been disregarded or partially implemented;
- the internal control and risk management procedures implemented by the Company.

Regarding specific procedures relating to the participation of shareholders in General Meetings, the main provisions of the Articles of Association relating to General Meetings and the rights and obligations of shareholders are included in Chapter 8 of this Registration Document.

The disclosures required by Act no. 2006-387 dated 31 March 2006 relating to takeover bids are provided in Section 13 of Chapter 6.

This report was approved by the Board of Directors in its meeting of 20 April 2016.

1. Composition of the Board of Directors

At the date of this report, the Board of Directors is comprised of 18 members with voting rights, 12 of whom were appointed for the first time in 2012, and one non-voting member.

The Board of Directors includes six members who are considered independent under the definition provided by the AFEP-MEDEF Code of Corporate Governance for Listed Companies, out of the 16 directors with voting rights, excluding the directors representing the employees. Furthermore, the non-voting director also meets the definition for independence provided by the AFEP-MEDEF Code.

The Board of Directors includes five women directors among the 16 members with voting rights excluding employee representative directors, in compliance with Article L. 225-17 of the French Commercial Code.

Summary presentation of the composition of the Board of Directors

Name	Age	Independent director	Number of directorships at listed companies (excluding Sopra Steria Group)	Audit Committee	Compensation Committee	Nomination, Ethics and Governance committee	Date of appointment	Expiration of term
Pierre Pasquier Chairman of the Board of Directors	80		1			x	19/06/2012	AGM 2018
François Odin Vice-Chairman of the Board of Directors	82		0	x			19/06/2012	AGM 2018
Eric Hayat Vice-Chairman of the Board of Directors	75		0		x	x	27/06/2014	AGM 2018
Aurélie Abert Director representing the employees	34		0				27/08/2015	AGM 2018
Astrid Anciaux Director	51		0				27/06/2014	AGM 2018
Christian Bret Director	75	yes	2		x	x	19/06/2012	AGM 2018
Kathleen Clark-Bracco* Permanent representative of Sopra GMT Chairman of the Nomination, Ethics and Governance Committee	48		1		x	Chairman	27/06/2014	AGM 2018
Gérard Jean Chairman of the Compensation Committee	68	yes	0		Chairman	x	19/06/2012	AGM 2018
Jean Mounet Director	71		1				19/06/2012	AGM 2018
Eric Pasquier Director	45		0				27/06/2014	AGM 2018
Jean-Luc Placet Director	64	yes	0		x	x	19/06/2012	AGM 2018
Jean-Bernard Rampini Director	59		0				27/06/2014	AGM 2018
Sylvie Rémond Director	52		0				25/06/2015	AGM 2018
Marie-Hélène Rigal-Drogerys Director	46	yes	0	x			27/06/2014	AGM 2018
Gustavo Roldan de Belmira Director representing the employees	58		0		x		27/08/2015	AGM 2018
Hervé Saint-Sauveur Chairman of the Audit Committee	71	yes	1	Chairman			19/06/2012	AGM 2018
Jean-François Sammarcelli Director	65	yes	1				19/06/2012	AGM 2018
Solfrid Skilbrigt Director	57		0				25/06/2015	AGM 2018
Bernard Michel Non-voting director	68		1	x			22/06/2010	AGM 2016

* *Kathleen Clark-Bracco was a director of the company Sopra Group from 19 June 2012 until her appointment as permanent representative of Sopra GMT on 27 June 2014.*

Changes since the start of the 2015 financial year in the composition of the Board of Directors

Appointments	Sylvie Rémond, effective 25 June 2015 (ratification of co-optation)
	Solfrid Skilbrigt, effective 25 June 2015 (ratification of co-optation)
	Aurélie Abert, effective 28 August 2015 (director representing the employees)
	Gustavo Roldan de Belmira, effective 28 August 2015 (director representing the employees)
Resignations	Françoise Mercadal-Delasalles, effective 1 January 2015
	François Enaud, effective 17 March 2015
Co-optations	Sylvie Rémond, effective 17 March 2015, replacing Françoise Mercadal-Delasalles
	Solfrid Skilbrigt, effective 21 April 2015, replacing François Enaud

Presentation of members of the Board of Directors

Pierre Pasquier
Chairman of the Board of Directors

- Member of the Nomination, Ethics and Governance Committee

Nationality	*Age*
French	80 years

Business address

Sopra Steria Group - 9 bis, rue de Presbourg
75116 Paris – France

Number of shares in the Company owned personally:
108,113

Date of appointment:
19/06/2012

Expiration of term:
General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held
- Chairman of Sopra Steria Group Δ (1)
- Chairman of Axway Software Δ
- Chairman and CEO of Sopra GMT
- Director or company officer of subsidiaries (direct and indirect) of Sopra Steria Group and Axway

François Odin
Vice-Chairman of the Board of Directors

- Member of the Audit Committee

Nationality	*Age*
French	82 years

Business address

Régence SAS - Les Avenières
74350 Cruseilles – France

Number of shares in the Company owned personally:
52,742

Date of appointment:
19/06/2012

Expiration of term:
General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held
- Chairman of Régence SAS
- Managing Director of Sopra GMT

(1) Δ Current directorship at a listed company.

Eric Hayat Vice-Chairman of the Board of Directors ■ Member of the Compensation Committee ■ Member of the Nomination, Ethics and Governance Committee *Nationality* / *Age* French / 75 years *Business address* **Sopra Steria Group -** 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** 40,000 **Date of appointment:** 27/06/2014 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- President of Éric Hayat Conseil
- Chairman of the public interest group Modernisation des Déclarations Sociales (MDS GIP)
- Chairman of the Statutory Committee of Syntec Numérique

Other positions and appointments held during the last five years:

- Director, Rexecode
- Member of the Supervisory Board and then Chairman of the Board of Directors of Groupe Steria SA Δ

Aurélie Abert Director representing the employees *Nationality* / *Age* French / 34 years *Business address* **Sopra Steria Group –** ZAC – Les Ailes de l'Europe 37 chemin des Ramassiers 31770 Colomiers Cedex – France	**Number of shares in the Company owned personally:** none **Date of appointment:** 27/08/2015 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Process Engineer, Project Owner Services, Sopra Steria Group

Astrid Anciaux Director *Nationality* / *Age* Belgian / 51 years *Business address* **Sopra Steria Benelux SA/NV** 36, boulevard du Souverain 1170 Brussels – Belgium	**Number of shares in the Company owned personally:** 715 **Date of appointment:** 27/06/2014 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chief Finance Officer of Sopra Steria Benelux
- Chairman of the Supervisory Board of the Steriactions company mutual fund (FCPE)
- Director, Soderi
- Director or company officer of subsidiaries (direct and indirect) of Sopra Steria Group

Christian Bret
Independent director

- Member of the Compensation Committee
- Member of the Nomination, Ethics and Governance Committee

Nationality	*Age*
French	75 years

Business address

Sopra Steria Group - 9 bis, rue de Presbourg
75116 Paris – France

Number of shares in the Company owned personally:
10

Date of appointment:
19/06/2012

Expiration of term:
General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Director, Econocom Group Δ
- Director, Altran Technologies Δ
- Director, Digital Dimension

Kathleen Clark-Bracco
Permanent representative of **Sopra GMT**

- Chairman of the Nomination, Ethics and Governance Committee
- Member of the Compensation Committee

Nationality	*Age*
American	48 years

Sopra GMT
Active holding company of Sopra Steria Group

Business address

Sopra Steria Group - 9 bis, rue de Presbourg
75116 Paris – France

Number of shares in the Company owned personally by Kathleen Clark-Bracco:
5,575

Number of shares in the Company owned by Sopra GMT:
4,034,409

Date of appointment of Sopra GMT:
27/06/2014

Expiration of term:
General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held by Kathleen Clark-Bracco

- Director of Corporate Development, Sopra Steria Group
- Vice Chairman, Axway Software Δ

Other positions and appointments held during the last five years:

- Director, Sopra Group – (19/06/2012 – 27/06/2014)

Gérard Jean
Independent director

- Chairman of the Compensation Committee
- Member of the Nomination, Ethics and Governance Committee

Nationality	*Age*
French	68 years

Business address

Altime Associates - 192, av. Charles-de-Gaulle
92200 Neuilly-sur-Seine – France

Number of shares in the Company owned personally:
1

Date of appointment:
19/06/2012

Expiration of term:
General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chairman of the Management Board, Altime Associates SA
- Member of the Supervisory Board of Kowee SA

Δ *Current directorship at a listed company.*

Jean Mounet Director *Nationality* / *Age* French / 71 years *Business address* **Sopra Steria Group -** 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** 7,350 **Date of appointment:** 19/06/2012 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chairman of Trigone SAS
- Director, Econocom Group Δ
- Director, AS2M (Malakoff Médéric)
- Chairman of the Observatoire du Numérique
- Member of the Board of Directors of the Fondation Télécom
- Director or company officer of subsidiaries (direct and indirect) of Sopra Steria Group
- Chairman of Fondation CPE Lyon – Nouveau Monde
- Member of the Supervisory Board of CXP Groupe
- Director, ESCPE

Eric Pasquier Director *Nationality* / *Age* French / 45 years *Business address* **Sopra Banking Software -** 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** 503 **Date of appointment:** 27/06/2014 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chief Executive Officer of Sopra Banking Software
- Director or company officer of subsidiaries (direct and indirect) of Sopra Steria Group
- Member of the Board of Directors of Sopra GMT

Jean-Luc Placet Independent director ■ Member of the Compensation Committee ■ Member of the Nomination, Ethics and Governance Committee *Nationality* / *Age* French / 64 years *Business address* **IDRH Consultants** - 124-126, rue de Provence 75008 Paris – France	**Number of shares in the Company owned personally:** 100 **Date of appointment:** 19/06/2012 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chairman of IDRH Consultant
- Chairman, EPIDE
- Member of the Statutory Committee, MEDEF

Other positions and appointments held during the last five years:

- Member of the Conseil Économique, Social et Environnemental
- Chairman of Fédération Syntec

Δ *Current directorship at a listed company.*

Jean-Bernard Rampini Director *Nationality* / *Age* French / 59 years *Business address* **Sopra Steria Group -** 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** 7,336 **Date of appointment:** 27/06/2014 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chief Innovation Officer and Executive Sponsor, Transport and Smart Cities, Sopra Steria Group
- Chairman of the Board of Directors of Soderi
- Founder and Director, Fondation Sopra Steria - Institut de France

Sylvie Rémond Director *Nationality* / *Age* French / 52 years *Business address* **Société Générale** - 75886 Paris Cedex 18 – France	**Number of shares in the Company owned personally:** 2 **Date of appointment:** 25/06/2015 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Co-Head, Coverage and Investment Banking, Société Générale Corporate & Investment Banking
- Director, SGBT Luxembourg (Société Générale group)
- Director, KB Financial Group Czech Republic (Société Générale group)

Other positions and appointments held during the last five years:

- Director, Oseo Banque
- Director, SG Ré

Marie-Hélène Rigal-Drogerys Independent director - Member of the Audit Committee *Nationality* / *Age* French / 46 years *Business address* **ASK -** 11, rue du Tanay 74960 Cran Gevrier – France	**Number of shares in the Company owned personally:** 100 **Date of appointment:** 27/06/2014 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Consultant and Partner, ASK Partners

Gustavo Roldan de Belmira Director representing the employees ■ Member of the Compensation Committee *Nationality* / *Age* French and Colombian / 58 years *Business address* **Sopra Steria Group -** 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** none **Date of appointment:** 27/08/2015 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Branch Chief Technical Officer, Sopra Steria Group

Hervé Saint-Sauveur Independent director ■ Chairman of the Audit Committee *Nationality* / *Age* French / 71 years *Business address* **Sopra Steria Group -** 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** 100 **Date of appointment:** 19/06/2012 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Director, Axway Software Δ
- Director, Viparis Holding
- Elected member of the Paris Chamber of Commerce and Industry

Other positions and appointments held during the last five years:

- Director, LCH Clearnet
- Director, Comexposium

Jean-François Sammarcelli Independent director *Nationality* / *Age* French / 65 years *Business address* **Sopra Steria Group** - 9 bis, rue de Presbourg 75116 Paris – France	**Number of shares in the Company owned personally:** 100 **Date of appointment:** 19/06/2012 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Chairman of the Supervisory Board, NextStage
- Director, Crédit du Nord
- Director, Boursorama Δ
- Director, Sogeprom
- Member of the Supervisory Board of Société Générale Marocaine de Banques
- Director, Société Générale Monaco
- Advisor, Ortec Expansion

Other positions and appointments held during the last five years:

- Advisor to the Chairman, Société Générale
- Chairman of the Board of Directors of Crédit du Nord
- Director, Banque Tarneaud
- Director, Amundi Group
- Permanent representative of SG FSH on the Board of Directors of Franfinance

Δ *Current directorship at a listed company.*

Solfrid Skilbrigt Director *Nationality*: Norwegian *Age*: 57 years *Business address* **Sopra Steria Group** Biskop Gunnerus´ gate 14A 0185 Oslo - Norway	**Number of shares in the Company owned personally:** 748 **Date of appointment:** 25/06/2015 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2017

Main positions and appointments currently held

- Director of HR & Strategy, Sopra Steria Scandinavia
- Director, Soderi
- Director, French-Norwegian Chamber of Commerce

Bernard Michel Member of the Board of Directors (Non-voting member) *Nationality*: French *Age*: 68 years *Business address* **Gecina -** 14-16, rue des Capucines 75002 Paris – France	**Number of shares in the Company owned personally:** 101 **Date of appointment:** 22/06/2010 **Expiration of term:** General Meeting to approve the financial statements for the year ended 31/12/2015

Main positions and appointments currently held

- Chairman, Gecina SA Δ
- Chairman of the Gecina Foundation
- Member of the Supervisory Board of Unofi SAS
- Chairman, BM Conseil SASU
- Director, EPRA
- Chairman of the Board of Directors, Unofi Gestion d’Actifs SA
- Director, Medef Paris
- Member of the Executive Committee, Fondation Palladio

Other positions and appointments held during the last five years:

- Chief Executive Officer of Gecina SA
- Chief Executive Officer of Predica
- Chairman of the Board of Directors of Dolcea Vie
- Chairman of CA Grands Crus SAS
- Vice Chairman of Pacifica
- Director, Attica GIE
- Director: Predica, Pacifica, CAAGIS SAS
- Permanent representative of Crédit Agricole Assurances, director of Crédit Agricole Creditor Insurance
- Permanent representative of Predica on the Supervisory Board of CAPE SA, director of La Médicale de France SA
- Non-voting director, Siparex
- Member of the Board of Directors of the Fédération Française des Sociétés d’Assurances (FFSA)
- Chairman of the provisional management commission of Caisse Régionale de la Corse
- Director, La Sécurité Nouvelle SA holding company
- Company officer of most of the subsidiaries of Gecina SA
- Chairman of the Supervisory Board of Finogest SA

Δ *Current directorship at a listed company.*

Owing to their professional experience as well as activities pursued outside the Company, the members of the Board of Directors have all acquired expertise in the area of management and some of them also have gained expertise in the Company's industry sector.

In addition, to the best of the Company's knowledge, none has:

- any conflict of interest affecting the exercise of his or her duties and responsibilities;
- any familial relationship with another member of the Board of Directors, with the exception of Éric Pasquier, who is related to Pierre Pasquier;
- any conviction during the last five years in relation to fraudulent offences;
- been incriminated and/or been the focus of an official public sanction issued by statutory or regulatory authorities, nor barred by a court from serving as a member a supervisory board, board of directors or other management body of an issuer or from taking part in the management or conduct of an issuer's business affairs at any point during the past five years;
- been involved in any bankruptcy proceedings or been subject to property sequestration during the last five years as a member of a board of directors, a management body or a supervisory board;
- furthermore, there are no service agreements binding the members of governing and management bodies to the issuer or to any one of its subsidiaries that provide benefits upon the termination of such an agreement.

2. Preparation and organisation of the work of the Board of Directors

The Code of Corporate Governance for Listed Companies, as released in December 2008 by the AFEP and MEDEF and revised in November 2015, is the guideline chosen by the Company under Article L. 225-37 of the French Commercial Code. The AFEP-MEDEF Code is available on the MEDEF website.

2.1. Regulatory framework governing the Board of Directors, its organisation and its working procedures

The organisation and working procedures of the Board of Directors are governed by law, the Company's Articles of Association, internal rules and regulations, and a charter.

2.1.1. PROVISIONS OF LAW

The working procedures of the Board of Directors are governed by Articles L. 225-17 et seq. of the French Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation.

2.1.2. PROVISIONS OF THE ARTICLES OF ASSOCIATION

The rules governing the organisation and procedures of the Board of Directors are set forth in Articles 14 to 18 of the Articles of Association, discussed in Chapter 7 "Administrative and legal information" of this Registration Document.

By way of exception to the guidelines of the AFEP-MEDEF Code, the term of office of directors under the Articles of Association remains six years. The clauses of the Articles of Association whereby the term of office of directors is limited to, but may be less than, six years were approved by an 85.8% majority of the shareholders at the Combined General Meeting of 27 June 2014. As allowed by those clauses, more than half of all currently serving directors have been appointed for terms of four years or less.

2.1.3. INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS

The internal rules and regulations of the Board of Directors were revised on 17 March 2015. They define the roles of the Board of Directors, its Chairman and the Chief Executive Officer, and specify the conditions for the exercise of their prerogatives – see Chapter 7 of the Registration Document: "Administrative and legal information".

They also set out the number, purpose, composition and role of the committees tasked with preparing certain matters for the Board of Directors, and give specific provisions for its three standing committees, namely:

- the Audit Committee;
- the Compensation Committee;
- the Nomination, Ethics and Governance Committee.

The internal rules and regulations provide that the Board of Directors may create one or more "ad hoc" Committees and that those Committees may, in the performance of their respective duties and after having duly informed the Chairman, hear matters brought to them by the Group's managers and request external project assessments at the Company's expense.

The internal rules and regulations also address the following issues: summary of powers under applicable law and the Articles of Association, meetings, information received by the Board of Directors, training of members, conflicts of interest, travel expenses, directors' fees, confidentiality and works council representatives.

2.1.4. CHARTER OF THE BOARD OF DIRECTORS

The updated version of the Board of Directors' charter, which was adopted on 3 September 2014, covers proxies, assignments and conditions of service, rights and obligations, individually owned shares, ethical rules pertaining to stock market transactions, transparency, conflicts of interest, meeting attendance, and confidentiality.

The Articles of Association, the rules and regulations and the charter of the Board of Directors are available upon request from the Corporate Communications department.

2.2. Meetings of the Board of Directors

2.2.1. NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR AND ATTENDANCE BY MEMBERS OF THE BOARD OF DIRECTORS

In accordance with its internal rules and regulations, the Board of Directors is required to meet at least five times each year.

An schedule is drawn up detailing the work of the Board. This schedule may be changed where justified by special events or deals.

The Board of Directors met seven times in 2015. The attendance rate for Board members over the year was 94%.

The Board of Directors was kept regularly informed of the work of the Audit Committee, the Compensation Committee, and the Nomination, Ethics and Governance Committee.

2.2.2. ISSUES DISCUSSED

The main items of business in 2015 were:

- approval of the financial statements for the year ended 31 December 2014;
- 2015 budget and major strategies;
- quarterly performance;
- approval of management forecasts and corresponding reports;
- approval of the interim financial statements for the first half of 2015;
- authorisation of new regulated agreements and continuation of previously authorised agreements;
- preparation of the Combined General Meeting of 25 June 2015;
- approval of the Report of the Chairman of the Board on corporate governance, internal control and risk management;
- appointment and dismissal of company officers;
- the operations of governance;
- approval of the recommendations of the Compensation Committee, in particular those relating to the compensation of company officers;
- Group strategy;
- external growth transactions;
- purchases by the Company of its own shares;
- working procedures of the Board of Directors, its internal rules and regulations and its charter;
- Company policy on workplace and pay equality.

2.3. Committees of the Board of Directors

2.3.1. AUDIT COMMITTEE

The Audit Committee is governed by the Board of Directors' internal rules and regulations and by a charter that is reviewed at least once every two years by the Committee and approved by the Board of Directors. Its current members are:

- Hervé Saint-Sauveur, Chairman (independent director);
- Bernard Michel (non-voting member);
- François Odin;
- Marie-Hélène Rigal-Drogerys (independent director).

This composition provides the blend of financial and accounting know-how and knowledge of the business that are necessary for the Committee's work. This Committee meets at least four times a year. At least two of these meetings are convened to review the interim and annual financial statements, respectively.

The Committee does not have its own decision-making powers. It submits its findings and recommendations to the Board of Directors in support of the latter's decisions in the areas of risk management and internal control, financial reporting and policy, internal auditing and external audits.

In the performance of its duties, the Committee may:

- receive any internal documentation necessary for its purposes;
- hear any person affiliated with or external to the company;
- where applicable, commission independent experts to assist it;
- expedite an internal audit with the consent of the Chairman of the Board of Directors.

The Audit Committee Charter gives a precise definition of the Committee's remit and explicitly states, as the case may be, the principal matters excluded from that remit. The Committee's main responsibilities include:

- reviewing the financial statements, especially in order to:
  - provide a judgment on risk exposure,
  - verify that the procedures for gathering and checking information guarantee its reliability,
  - ensure that accounting policies have been applied consistently and are pertinent;
- reviewing financial policy;
- monitoring the effectiveness of internal control and risk management procedures, particularly as regards the work of the internal audit team;

- managing the statutory audit of the financial statements by the Statutory Auditors;
- ensuring compliance with requirements for the independence of the Statutory Auditors.

The Committee met in person seven times in 2015. Meetings were attended by the Statutory Auditors, the Chief Financial Officer and the Director of Internal Audit. The attendance rate for Committee members was 96%. In order for the Audit Committee to obtain any and all desired clarifications, its meeting on the annual financial statements is held at least twenty-four hours before that of the Board of Directors. Prior to that, two preparatory sessions are held to address issues of methodology or specific points on the preparation and presentation of the financial statements. The main items of business in 2015 were as follows:

- *With regard to the review of the financial statements and financial policy:*
  - Sopra-Steria merger items falling within the Committee's purview (items of accounting and taxation including opening net worth and purchase price allocation, roll-out of business and accounting reporting systems, legal restructuring operations, etc.),
  - sign-off on cash-generating units and the presentation of segment reporting,
  - 2014 impairment tests,
  - approval of the financial statements for the year ended 31 December 2014,
  - presentation by the Statutory Auditors of key takeaways from statutory audit findings and preferred accounting treatments,
  - review of the financial statements for the first half of 2015,
  - off balance sheet commitments: guarantees issued under the delegation of authority from the Board of Directors,
  - management of foreign exchange risk,
  - management of pension funds in the United Kingdom;
- *With regard to monitoring the effectiveness of internal control and risk management procedures:*
  - update of the internal audit charter,
  - organisation and 2015 work plan for internal audit,
  - risk mapping and "audit universe" (matrix of key Group processes),
  - follow-up on implementation of audit recommendations,
  - continuous improvement of internal control,
  - significant changes in the Company's legal environment,
  - analysis of cybersecurity risk exposure and risk management actions (two meetings),
  - implemention of subsidiary self-assessments,
  - review of a notice of violation issued to Steria by the labour inspectorate of Hauts-de-Seine (Paris region);
- *With regard to the management of the statutory audit:*
  - statutory audit engagement (scope, schedule, budget),
  - Statutory Auditor selection procedure,
  - Board of Directors recommendation to renew the engagement with ACA;
- *With regard to the Committee's own organisation and activities:*
  - update of the Committee charter,
  - Committee compliance with industry best practices (revised IFA-KPMG guide),
  - Committee self-assessment.

The Statutory Auditors were heard by the Committee with no senior executives attending. The same was true of the Director of Internal Audit.

2.3.2. COMPENSATION COMMITTEE

The Compensation Committee is governed by the Board's internal rules and regulations and by a charter approved by the Board of Directors. Its current members are:

- Gérard Jean, Chairman (independent director);
- Christian Bret (independent director);
- Kathleen Clark-Bracco, permanent representative of Sopra GMT;
- Éric Hayat;
- Jean-Luc Placet (independent director);
- Gustavo Roldan de Belmira (director representing the employees).

The Committee's main responsibilities are:

- proposing the fixed and variable components of compensation as well as the benefits in kind to be paid to company officers and, where applicable, making recommendations regarding the compensation and benefits paid to key executives;
- verifying the application of rules determined for the calculation of variable components of compensation;
- preparing the Board of Directors' decisions regarding directors' fees and their apportionment;
- verifying the quality of the information communicated to shareholders concerning compensation, benefits in kind, options, and directors' fees received by company officers and key executives;
- obtaining an understanding of pay policy and ensuring that this policy is in line with the Company's interests and enables it to reach its objectives;
- preparing the policy for granting share subscription or purchase options and awarding free shares;
- preparing decisions related to employee savings plans.

The Committee hears the company officers at the start of each of its meetings and on each item of business as necessary.

The Committee met ten times in 2015. The member attendance rate was 98%. Items of business included:

- Group pay policy;

- fixed compensation, benefits in kind to be paid to company officers and their variable compensation: award criteria and recommendations based on performance;
- the settlement entered into with François Enaud, subject to approval at the 2015 General Meeting;
- fixed and variable compensation and incentive plans for key executives;
- a project to develop employee shareholding;
- apportionment of directors' fees;
- Committee procedures.

2.3.3. NOMINATION, ETHICS AND GOVERNANCE COMMITTEE

The Nomination, Ethics and Governance Committee is governed by the Board's internal rules and regulations and by a charter approved by the Board of Directors. Its current members are:

- Kathleen Clark-Bracco, permanent representative of Sopra GMT, Chairman;
- Christian Bret (independent director);
- Éric Hayat;
- Gérard Jean (independent director);
- Pierre Pasquier;
- Jean-Luc Placet (independent director).

The Chairman of the Board of Directors sits on the Nomination, Ethics and Governance Committee. The Committee hears the Chief Executive Officer on each item of business as necessary.

The Committee's main responsibilities are as follows:

- proposing appointments of members of the Board of Directors and company officers, particularly in the event of an unforeseen vacancy;
- evaluating the Board of Directors and the effectiveness of corporate governance;
- verifying that good governance rules are applied at the Company and its subsidiaries;
- assessing whether Board members may be deemed independent in view of deliberations by the Board of Directors on this subject;
- proposing and managing changes it deems beneficial or necessary to the procedures or composition of the Board of Directors;
- verifying that the Group's values are observed, defended and promoted by its company officers, executives and employees;
- checking that there are rules of conduct which address competition and ethics;
- assessing Company policy on sustainable development and Corporate Responsibility.

The Committee met seven times in 2015. The member attendance rate was 98%. Items of business were:

- effectiveness of governance;
- appointment and dismissal of company officers;
- appointment of new Board members;
- assessment of the Board of Directors and its operations;
- verification of Company compliance with the AFEP-MEDEF Code;
- qualification of independent directors;
- review of the Chairman's report on corporate governance and Board operations;
- Company policy on workplace and pay equality.

2.4. Organisation and assessment of the Board of Directors

2.4.1. ACCESS TO INFORMATION BY MEMBERS OF THE BOARD OF DIRECTORS

a. Dissemination of information – preparatory materials

Article 4 of the internal rules and regulations states that:

- *"each member of the Board shall receive all information required in the performance of his or her mission and is authorised to request any documents deemed pertinent;*
- *in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflection, provided that confidentiality guidelines allow the communication of this information;*
- *the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning significant events or operations. This information shall include copies of all press releases disseminated by the Company".*

The members of the Board of Directors receive a monthly summary report on Sopra Steria's share performance. This report describes and analyses developments in the share price and trading volumes, putting them into perspective by highlighting main trends in macroeconomic data and financial markets.

Training

Article 5 of the internal rules and regulations states that *"any member of the Board may, on the occasion of his or her appointment or at any point during his or her term in office, engage in training sessions he or she feels are required by the performance of his or her duties"*.

Following the appointment of the directors representing the employees, a specific training plan was implemented to orientate new directors. The content and format of this orientation training was approved by the Board of Directors after consultation with the individuals concerned and with the Nomination, Ethics and Governance Committee.

2.4.2. INDEPENDENT DIRECTORS

After review by the Nomination, Ethics and Governance Committee and the Board of Directors in light of the criteria provided in Article 9.4 of the AFEP-MEDEF Code of Corporate Governance for Listed Companies, according to which an independent director:

- must not be an employee or executive officer of the Company, or an employee or director of the Parent Company or any consolidated company, and must not have held such a position at any time over the preceding five years;
- must not be an executive officer of a company in which the Company holds, either directly or indirectly, a directorship or in which an employee appointed as such or an executive officer of the Company (serving currently or having served within the preceding five years) holds a directorship;
- must not be a customer, supplier, commercial banker or corporate banker material to the Company or Group;
- must not be a customer, supplier, commercial banker or corporate banker, a material portion of whose business is transacted with the Company or Group;
- must not have close family ties with a company officer;
- must not have been a Statutory Auditor during the preceding five years;
- must not have been a current director for more than 12 years (a director can no longer be considered independent following the expiry of the term of office in the course of which the 12-year period is exceeded).

The members of the Board of Directors qualifying as independent are:

- Christian Bret;
- Gérard Jean;
- Jean-Luc Placet;
- Marie-Hélène Rigal-Drogerys;
- Jean-François Sammarcelli;
- Hervé Saint-Sauveur;
- Bernard Michel (non-voting member).

Concerning Hervé Saint-Sauveur, having consulted the Nomination, Ethics and Governance Committee, the Board of Directors considers that Mr Saint-Sauveur's belonging to the Board of Directors of Axway Software, which like Sopra Steria is consolidated in the financial statements of Sopra GMT, does not call into question his status as an independent director. Indeed, it was precisely his independence and expertise as Chairman of the Audit Committee that led the Board of Directors of Sopra Steria to propose at Axway's General Meeting that he be appointed to the Board of Directors of Axway Software in preparation for the latter being spun off in June 2011.

As regards Jean-Luc Placet, non-executive chairman of the firm IDRH, the Nomination, Ethics and Governance Committee took into account the consulting services provided by the firm following the merger of Sopra and Steria. Aside from the fact that Mr Placet does not hold any operational responsibilities at the firm, the service provider selection method, the ordinary nature of these services and the normal conditions under which they were provided, their recent and temporary aspect and the absence of mutual dependence led the Committee to consider that these services do not constitute a material business relationship likely to call into question Jean-Luc Placet's qualification as an independent director, which the Board of Directors approved.

No other business relationships were identified by the company with independent directors.

2.4.3. PREVENTING CONFLICTS OF INTEREST

Members of the Board of Directors must inform the Board of any current or potential conflicts of interest in which they could be directly or indirectly involved.

Any member of the Board of Directors in a situation of conflict of interest, even potentially, may not participate in the vote on the corresponding issue.

The Chairman may suggest that the member in question not attend the discussion.

During the 2015 financial year, several items of Board business led various members of the Board of Directors to abstain from participating in discussion and/or voting, or to remove themselves temporarily from the meeting.

2.4.4. ASSESSMENT OF THE BOARD OF DIRECTORS

a. Diversity objectives

Although the Board of Directors has not defined any specific objectives regarding diversity, its 16 voting members (not counting the directors representing the employees) include:

- five women directors, in accordance with the principle of balanced gender representation set forth in Article L. 225-17 of the French Commercial Code;
- four non-French members.

b. Assessment of the Board

In accordance with the recommendations of the AFEP-MEDEF code in this area:

- each year, at least one discussion by the Board of Directors is devoted to its operating procedures and ways in which they might be improved;
- in addition, the Board of Directors carried out a formal assessment of its operations in 2013, led by the Nomination, Ethics and Governance Committee. The Board of Directors has decided to perform another assessment in 2016.

3. Roles of company officers

On 19 June 2012, Sopra's Board of Directors decided to separate the roles of Chairman and Chief Executive Officer.

This emerged as the most appropriate organisational choice in light of the themes raised by the Group's growth and ongoing transformation. The Chairman is tasked with managing strategy, while the Chief Executive Officer is responsible for operations, but they and their teams work in close collaboration and mantain an ongoing dialogue.

Vincent Paris was named Chief Executive Officer on 17 March 2015.

John Torrie and Laurent Giovachini were both named Deputy Chief Executive Officer on 17 March and 25 June 2015, respectively.

The Chairman:

- drives the group's strategy, including transactions related to mergers and acquisitions;
- oversees all corporate and financial communications efforts;
- conducts meetings, jointly chaired with the Chief Executive Officer, of the integration committee established following the successful public exchange offer for Steria;
- assists Executive Management by contributing to certain operational assignments.

The Chief Executive Officer:

- works with the Chairman to design strategy;
- supervises the implementation of decisions adopted;
- ensures the operational management of all group entities;
- leads the transformation and industrialisation process.

4. Policy for the compensation of company officers

The Chairman's role justifies the fact that part of his compensation is conditional upon the achievement of targets set at the beginning of the year. Given Pierre Pasquier's own personal and financial investment in the Group, which he has managed since its foundation, he is not in a position to be influenced by his variable compensation in such a way as to adopt a short-term approach to analysis and decision-making.

Traditionally, the Chairman and the Chief Executive Officer, as well as the Deputy Chief Executive Officers and the Group's key operational managers on the Executive Committee, are covered by the same compensation system.

This compensation system consists of a fixed component, supplemented by a variable component which may equal up to:

- 40% of fixed annual compensation where the Group's profitability target as well as individual targets are met;
- 60% of fixed annual compensation for very strong performance.

The Group profitability target, generally determined on the basis of "operating profit on business activity", is the same for company officers, Executive Committee members and managers whose variable compensation depends in part on it. Defined precisely, the values for the indicator's lower and upper limits as well as the target are never made public for confidentiality reasons.

The qualitative individual targets set for company officers are not used to release a variable compensation component, but rather to make upward or downward adjustments to the amount paid on the basis of the main profitability target.

Insofar as there is no qualitatively determined component of compensation, the Company departs from the recommendations of the AFEP-MEDEF Code, which states that "when qualitative criteria are used, a limit must be determined for the qualitative part". For reasons of privacy, individual targets are not disclosed.

Summary statements of the compensation plans, options and shares awarded to company officers are presented on page 63 of this Registration Document.

5. Departures from the guidelines set forth in the AFEP-MEDEF Code

At its meeting of 19 April 2016, the Nomination, Ethics and Governance Committee noted the following departures from the guidelines set forth in the AFEP-MEDEF Code:

- the term of office of directors under the Articles of Association remains six years. The clauses of the Articles of Association whereby the term of office of directors is limited to, but may be less than, six years were approved by an 85.8% majority of the shareholders at the Combined General Meeting of 27 June 2014. As allowed by those clauses, more than half of all currently serving directors have been appointed for terms of four years or less;
- the Board's internal rules and regulations make no provision for an annual meeting of non-executive directors excluding executive or internal directors to assess the performance of the Chairman and the Chief Executive Officer and to periodically review future management arrangements. These considerations are now addressed by the Compensation Committee, whose membership includes three of the six independent directors;
- given his seniority in the Group, the employment contract of Vincent Paris was not terminated when he was appointed Chief Executive Officer. This employment contract has been in suspension since his appointment as Deputy CEO on 16 January 2014. If Vincent Paris were no longer a company officer, his employment contrat would remain in effect until its natural expiration.

Recommendations regarding the status and compensation of company officers:

- Insofar as there is no qualitatively determined component of compensation, the Company departs from the recommendations of the AFEP-MEDEF Code, which states that "when qualitative criteria are used, a limit must be determined for the qualitative part".
- The Board of Directors has not, to date, fixed the number of shares that must be held and registered in the name of the Chairman of the Board of Directors and the Chief Executive Officer. Shares held directly or indirectly through Sopra GMT by the Chairman in a personal capacity or by the Chairman's family estate make up more than 10% of the Company's share capital. The number of shares to be held and registered in the name of the Chief Executive Officer will be determined, if applicable, on the basis of any awards of share subscription options or performance shares granted to the Chief Executive Officer.

6. Internal control and risk management procedures

The Group is active in a range of business activities, primarily consultancy and intellectual services (see Section 10 of Chapter 1). These markets are highly competitive. Suppliers are assessed by clients based on two key differentiating factors: client confidence in a supplier's ability to provide quality services and price.

The competition faced by the Group is multiform; the group must compete with the client's own internal teams, with major multinational groups and with small firms benefiting from specialist technical expertise or a deep-rooted local presence. Despite increasing market consolidation over the last few years, the software and services sector remains fragmented, with the continuous evolution of products and services driven by the emergence of economic or organisational needs as well as rapid technological change.

In this constantly evolving environment, key factors that will ensure success are responsiveness and flexibility, local access to clients, expertise on client issues and the ability to take risks and manage projects of strategic importance for major clients.

This context requires the group to implement a highly decentralised operational organisation favouring autonomy and promoting decision-making at the local level. To provide the necessary governance in this decentralised structure, a robust management framework fosters effective dialogue along a short decision chain so that the Executive Committee remains in touch with operations.

The main challenges involve the ability to expand the group's presence among major clients while improving quality of delivery and reducing costs, as well as the management of human resources so as to assign the most qualified team members to each role. With respect to the preparation of accounting and financial information, this does not pose any specific challenges with the exception of accounting for work in progress and associated revenue recognition. Physical assets held by the group are not material.

All group employees, regardless of their role, are expected to demonstrate good judgement in all circumstances and, in each and every specific instance, to take decisions that best serve the group and its clients. Rules and procedures must be applied appropriately.

This section of the report outlines Sopra Steria's internal control system based on the reference framework issued by the AMF. A specific subsection addresses the preparation of accounting and financial information. The main risks to which the group is exposed are presented in Section 10 "Risk factors" of Chapter 1 in accordance with Article L. 225-100 of the French Commercial Code.

The internal control mechanisms described in the following paragraphs apply to the parent company and its subsidiaries except in areas where the Group's main operations are different from its traditional lines of business (United Kingdom - Asia, Scandinavia, Infrastructure and Security Services, CIMPA). In such areas, the mechanisms that predate their consolidation remain in place and reporting to Executive Management is provided by the implementation of elements of the management control system that make it possible to achieve the risk management objectives and prepare the business, accounting and financial information needed at Group level. All subsidiaries are thus consolidated in Group operational and financial management control.

As set out below, management control is one of the fundamental components of the internal control framework. Management control draws on and updates a database using standardised models within an internally managed information system. It serves to communicate information internally as well as to identify and manage risks. The various management control processes are designed to ensure the consistency and timeliness of information to be shared with the relevant stakeholders, as well as facilitating decision-making and monitoring action plans.

As indicated in the paragraph on control activities, the Industrial Department and Financial Controlling play an important role in this area.

The Industrial Department verifies that the Quality System and production methods are fully and adequately applied, thus ensuring the effectiveness of production.

Financial controlling ensures that the internal financial control system, a key component in the preparation of accounting and financial information, is working properly.

Internal Audit is tasked with monitoring and evaluating the internal control system. When auditing Group entities, the first checks carried out are those related to the usage of the management control system and the operating effectiveness of control activities.

6.1. Presentation of Sopra Steria's internal control system

6.1.1. DEFINITION, OBJECTIVES AND COMPONENTS OF INTERNAL CONTROL ACCORDING TO THE AMF

According to the definition in the AMF's reference framework, internal control is a system set up by the Company, defined and implemented under its responsibility, which aims to ensure:

- compliance with laws and regulations;
- implementation of instructions and guidelines issued by Executive Management;
- proper functioning of the Company's internal processes, particularly those intended to safeguard its assets;
- reliability of financial disclosures;

and, in a general sense, to contribute to the control of its business activities, to the effectiveness of its operations and the efficient use of its resources, while not being able to provide an absolute guarantee that the Company's objectives will be achieved.

According to the AMF, the internal control system is based on:

- organisation;
- internal dissemination of information;
- a risk identification and management process;
- control activities;
- ongoing monitoring of the system.

6.1.2. ORGANISATION

This section addresses legal and internal organisation, the definition of powers and responsibilities, human resources, the information system, procedures and best practices, and lastly the tools that constitute the components of the internal control organisation according to the AMF's reference framework.

a. Legal organisational structure

The Group has chosen to limit the number of its legal structures. In principle, the Group only has one company per country and per business, unless otherwise required by specific situations.

The legal organisational structure is presented in Chapter 1, Section 5 "Simplified group structure at 31 December 2015".

The Group also holds a stake of about 25% in the capital of Axway Software, which was previously a wholly-owned subsidiary of the Group and since 14 June 2011 has been listed on NYSE Euronext. This holding is accounted for using the equity method.

b. The Group's internal organisation

The Group's internal organisation is described in Chapter 1, Section 6 "Group organisation". It is characterised by an operational organisation based on four levels and by a centralised functional organisation.

c. Definition of powers and responsibilities

Written rules define the powers held by operational managers with regard to sales activities, human resource management and spending. These rules also govern certain decisions taken by central Group departments, particularly Legal, Finance, Human Resources and Logistics.

d. Human resources management policy

Human resource managers at operational entities serve as liaisons between the central Human Resources Department and operations, monitoring the proper application of rules and procedures.

Career management is based on a Group career framework that defines the various job paths and qualification levels employed. This framework is in use at the Group's French subsidiaries and is being rolled out to all other countries.

Performance reviews are carried out by managers and are taken into account in annual career interviews with employees. Employee evaluation and pay review cycles are held by the heads and management of each business unit once or twice a year depending on the subsidiary or job category. The purpose of these meetings is to share knowledge of employees, to assess their skills, performance and potential from a cross-functional perspective, and to establish development plans accordingly. They take place at every level of management (branch, division, subsidiary and Group) to ensure consistency, fairness and alignment with HR strategy objectives. Action plans are then rolled out and managed throughout the year within each entity.

Adherence to Group values, which is an essential criterion in the selection of managers, is a strong driver of cohesion and promotes the application of fundamental management principles. Managers play a key role in ensuring that employees successfully adopt the Group's culture. Such buy-in is also supported by the Sopra Steria Academy, whose training solutions include integration seminars, job-specific development tracks and the annual convention attended by Group managers.

In 2015, Executive Management decided to implement a major unifying internal transformation programme to promote shared values and fundamentals following the merger of Sopra and Steria.

The Corporate Responsibility Report included in the Registration Document presents the Group's human resources policy and the main indicators related to it.

e. Information system

An information system developed by the Group addresses all the needs of its management, including monitoring operations, revenue, invoicing and cash collection, sales pipeline, budgeting and forecasting, preparation of accounting and financial information and human resource management. The dashboard reports produced by this information system are used during management meetings. As indicated in the introduction above, some subsidiaries still use their own information systems which predate their consolidation but have proven successful in meeting their specific needs. These are managed and maintained by the Group Information Systems Department. A standardised Group reporting system for management purposes has therefore been put in place, with the assistance of the Information Systems Department.

The Information Systems Department is responsible for all information system issues (infrastructure, security, equipment purchases, applications used for the Group's internal requirements). The objectives of this department are to adapt the information system in the best possible fashion to the group's operating requirements, to ensure the physical and logistical security of data to which continuous access must be guaranteed, and finally to optimize the information system's cost/service balance.

The Information Systems Security Manager (ISSM), who works outside the Information Systems Department, oversees the development, adaptation and application of the Information Systems Security Policy (ISSP) in collaboration with all operational and functional departments concerned. The Information Security Committee (ISC), comprised of the heads of the Group's Industrial, Information Systems, Legal, Human Resources, Real Estate and Purchasing departments, as well as the chief security officer and representatives of Executive Management (Executive Committee), meets three times a year.

f. Procedures

The Group has established a code of ethics that sets out its values, helps to ensure compliance with the laws and regulations in force in all of the countries where it operates, and promotes its commitments to the proper conduct of its business activities.

These rules and procedures cover organisation and delivery management, internal control and accounting practices, information systems, human resources, production and quality assurance, sales and marketing, procurement and travel expenses.

Since the merger of Sopra and Steria, work has begun on revamping and expanding the guidelines for the Group.

Functional managers are responsible for implementing rules and procedures, updating them, disseminating them via a training plan, and enforcing them.

These rules and procedures are available via the intranet portals of Group companies. They are complemented by best practices disseminated by the management and reinforced through the Group's various training and communication initiatives.

The Group considers that its key operational risks relate to human resources, production and commercial relations with major clients.

With respect to human resources, the Company has rules and procedures covering fundamental principles, staff administration, recruitment, performance measurement and career management, compensation, training and knowledge management.

With respect to production, Sopra Steria's engineering methodology defines all of the production, management and quality assurance processes required to successfully manage projects, with the primary aim of effectively contributing to the delivery of high quality IT systems that meet clients' needs in line with time and budget constraints.

This methodology defines project management practices and processes suited to various environments and at different levels of management and supervision, as well as software engineering practices and processes.

The basic principles of the Quality System are described in a Quality Manual supplemented by procedural guides and operating manuals.

UK-Asia, Scandinavia and CIMPA apply mechanisms that are similar but rely on specific methods suited to their primary operations.

Information security risks and IT/communications infrastructure risks are overseen by the Information Systems Security Manager (ISSM).

The legal review of client commitments is based on the principle that the Legal Department reviews all contracts before they are signed (excluding standard Group contracts). A procedure is in place to ensure the approval flow for such contracts.

g. Tools

The Group's management applications and office automation software are designed to standardise the documents produced by the Group.

The production tools used or developed by the Group allow for the industrialisation of project delivery by improving the quality of deliverables. They are aligned with the processes that make up the Group's production methodology. Proactive monitoring is carried out to identify new developments on the market and alternatives to the tools used. Continuous effort is made to capitalise on any best practices identified in the application of production tools during project support and training.

6.1.3. INTERNAL INFORMATION COMMUNICATION SYSTEM

a. General description of the management control system

The management control system is designed not only to manage the dissemination of information, upwards to Executive Management and downwards to the operational units, but also to guide, control, support and train. It captures decisions made at steering meetings held at each of the different organisational levels, including the group Executive Committee.

These meetings are governed by specific standards (reporting timetable, participants, agenda, documents to be presented at the beginning and end of the meeting) and are supported by the management reporting system.

Meetings are held according to a calendar, dependent on the organisational level and timeframe objectives:

- weekly meetings for the current month: priority is the monitoring of sales, production and human resources;
- monthly meetings for the current year: in addition to the topics discussed at the weekly meetings, additional emphasis is placed on financial indicators: entity performance for the previous month, update of annual forecasts, actual vs. budget, etc.;
- annual meetings, looking ahead several years; the annual budget process is driven by the strategic plan.

b. Implementation of the management control system at all group entities

The implementation of this system, generally completed in the shortest possible time for any newly acquired company, at all operational and functional entities is a highly effective vehicle for cohesiveness, the sharing of values and practices throughout the group, and for controlling. Although, as indicated in the introduction above, some subsidiaries still use information systems that predate their consolidation but have proven successful in meeting their specific needs, they provide reporting to Executive Management via the implementation of elements of the group management control system.

6.1.4. RISK IDENTIFICATION AND MANAGEMENT PROCESS

As a reminder, the risk management objectives formalised in the AMF reference framework are as follows:

- create and preserve the group's value, assets and reputation;
- secure decision-making and the group's processes to attain its objectives;
- promote consistency between the group's actions and its values;
- mobilise the group's employees behind a shared vision of the main risks and raise their awareness of the risks inherent in their activities.

The effective implementation of the risk identification and management process is under the supervision of Executive Management, who receive information on risks from operational, functional and financial controlling. The aim of this process is to anticipate risks and mitigate them as efficiently as possible to support the realisation of group objectives.

All staff and management are active participants in the risk management process. The importance of risk management is inherently appreciated by Sopra Steria personnel as most of them are engineers, already well versed in a culture of project management, a critical part of which is risk management.

a. Risk mapping procedure

The risk map has been disseminated and discussed during meetings of the group Executive Committee in order to ensure its completeness, evaluate the assessment of key risks, assess mitigation plans and agree on the level of residual risk deemed acceptable by the company.

b. Risk identification and management through the management control system

Each entity's management ensures the application of the company's policy regarding the management of risks related to the business they oversee, and checks that the level of exposure to these risks is in line with group policy.

As part of their overall management function, branch managers and division/subsidiary managers are responsible for the direct supervision of human resources, sales and administration at their level of operations.

The relaying of information relating to identified operational and functional risks is structured by the rules of the management control system so that it may be handled at the most appropriate level of the organisation.

Operational risks associated with business activities, which are classified as "alerts" in the group's in-house lexicon when they are significant for the entity that identifies them, are prioritised and included in the weekly review until the appropriate action plan has been completed. The group's decentralised organisation generally allows for decisions to be taken swiftly, close to the situation, accompanied if necessary with input from the next reporting level. When a decision is required at the group level, the procedures for risk mitigation (owner and action timeline) are typically determined by the Executive Committee during its meetings.

Functional departments are responsible for the definition and proper application of policies relating in particular to human resources, finance, production, client and supplier contracts, information systems, facilities and communications. They report to Executive Management of group subsidiaries on a regular basis, including any newly identified risks, their impact assessment and steps for risk prevention or remediation.

The risk management process also incorporates reviews by the Financial Controlling team, the Industrial Department and the Internal Audit team.

c. Crisis management procedures

In order to ensure that it can respond quickly in the event of a major crisis, the group has modelled crisis management procedures as part of its business continuity strategy.

To prepare for major incidents that could affect the group's operations, Executive Management has opted to set up a group crisis management unit to manage crisis situations.

This crisis management unit, which consists of Executive Management, functional Directors and the group Information Systems Security Manager, can be activated by Executive Management at any time.

The crisis management unit is activated via an escalation process communicated to all managers within the group. In particular, this process stipulates the following:

- the composition of the group crisis management unit;
- the escalation process (local/branch, entity/site or group) and each person's role within it;
- how the impact of incidents should be assessed.

The crisis management plan to be adopted in such situations is managed directly by the crisis management unit, which coordinates action by all relevant group departments until the crisis is resolved and normal operations have resumed.

6.1.5. CONTROL ACTIVITIES

Beyond the self-assessment procedures and the control procedures implemented by operational managers at every level who apply delegation of authority principles, functional managers play a particular role in the area of risk management by providing assistance and guidance to operational staff, using either a preventive approach to perform the mandatory reviews required or by using detective controls on the implementation of procedures and the results obtained, in particular controls relating to the quality of data entered into the information system.

The Finance Department is entrusted with specific responsibilities in the area of Financial Controlling and the Industrial Department is responsible for control procedures relating to the management of its Quality System.

a. Finance Department (Financial Controlling)

Financial Controlling falls under the responsibility the Finance Department. There are currently eighty-five controllers, whose main responsibilities include the consolidation and analysis of monthly results produced by the internal management system, controlling the consistency of monthly forecasts, verifying the application of group controls and procedures, assisting operational managers, training management system users, and performing the reconciliation between the internal management accounts and the general ledgers.

As part of its control responsibilities, Financial Controllers identify and measure risks specific to each branch. In particular, they ensure that contractual commitments and project production are aligned with the revenue recognised. They raise alerts for projects that present technical, commercial or legal difficulties. They check that revenue is recognised in line with group accounting rules as well as analysing any commercial concessions applicable and verifying their treatment in the branch's accounts. They also ensure that the costs for the branch are completely and accurately recognised.

Financial controllers devote particular attention to unbilled revenue and contractual milestone payments, and check that invoices issued are paid. In coordination with the branch manager they trigger cash collection activities managed directly by the Finance Department. They check any credit notes issued.

Financial Controllers assess branches' organisation and administrative operation. They ensure compliance with rules, procedures and deadlines.

b. Industrial Department (Quality Management System)

Quality management relies upon the day to day interaction between the operational and quality structures and covers the methods for the production and application of professional standards.

Sopra Steria's quality structure is independent of the project management and delivery operations. As such it offers external quality assurance for projects with the objectives of assuring production and cost controlling, overseeing associated human resources, verifying production conformity and compliance with quality assurance procedures defined in the quality plan, and monitoring the plan's effectiveness.

Industrial managers under the authority of division/subsidiary managers and reporting functionally to the group Industrial Department are responsible for monitoring the Quality System and all projects. For the UK-Asia and Scandinavia regions, these monitoring responsibilities fall to the teams reporting to the Industrial Department of the subsidiary.

Structural audits are performed so as to verify the application and effectiveness of the Quality System among the Sopra Steria staff members concerned (management, sales, operational quality unit).

Projects are reviewed on a regular basis, at key phases in their life cycle. Organised by the Industrial Department, or by the quality structure's local representatives, these reviews provide an external perspective on the status and organisation of projects. More than 2,600 pre-sales or project reviews of this type were conducted in 2015. They were conducted by more than 500 professionals designated by the quality structure for their skills.

Monthly steering meetings facilitate an overview of quality at all levels, the monitoring of annual quality targets established during management reviews and the determination of the appropriate action plans to continuously improve production performance and the quality of Sopra Steria products and services.

The implementation of actions agreed during steering committees, audits and reviews is checked by the Industrial Department.

An annual review is performed by management to ensure that the Quality System remains pertinent, adequate and effective. This review is based in particular upon an analysis of project reviews and internal structural audits performed at all levels of the group. During this review, the adequacy of the quality policy is evaluated, the annual quality objectives are defined and possible improvements and changes in the Quality System are considered. The review is performed at the level of Executive Management and at the entity level.

The group has put in place a certification policy, covering all or a portion of its operations, depending on market expectations. This policy relates to the following standards or frameworks: ISO 9001, TickIT Plus, ISO 27001, ISO 22301, ISO 14001, ISO 20000 and CMMI.

6.1.6. ONGOING MONITORING OF THE INTERNAL CONTROL SYSTEM

a. Internal monitoring system

While improving the internal control system is a responsibility shared by all group employees, the group's management play a key role in the area of ongoing monitoring.

Executive Management

Executive Management constitutes the top level of the internal control and risk management system and takes an active role in monitoring its continuing effectiveness. It takes any action required to correct the issues identified and remain within acceptable risk tolerance thresholds. Executive Management ensures that all appropriate information is communicated in a timely manner to the Board of Directors and to the Audit Committee.

The Internal Audit Department plays a key role in supporting these objectives.

Internal Audit Department

Through the application of the internal audit charter adopted by the group, the Internal Audit Department, which has a staff of seven, has the following tasks:

- independent and objective evaluation of the effectiveness of the internal control system via a periodic audit of entities;
- formulation of all recommendations to improve the group's operations;
- monitoring the implementation of recommendations supported by Executive Management;
- updating the risk map.

The work of the Internal Audit Department is organised with a view to covering the "audit universe", a matrix of key group processes reviewed annually by the Audit Committee.

Internal Audit, which reports to the Chairman of the Board of Directors and operates under the direct authority of Executive Management, is responsible for internal control and monitors the system in place. It submits its findings to Executive Management and the Audit Committee.

The Chairman of the Board of Directors validates the audit plan, shared with Executive Management, notably on the basis of risk information obtained using the risk mapping procedure, the priorities adopted for the year and the coverage of the "audit universe".

This plan is presented to the Audit Committee for review and feedback.

Recommendations are monitored and compiled in a report provided to Executive Management and the Audit Committee.

Internal audit carried out 19 assignments in 2015.

Board of Directors (Audit Committee)

The Audit Committee develops their understanding of the main features of the internal control and risk management procedures selected and implemented by Executive Management to manage risks: organisation, roles and functions of the key actors, approach structure for reporting risks and monitoring the operating effectiveness of control systems.

It has an overview of all the procedures relating to the preparation and recording of accounting and financial information.

The Audit Committee performs an annual review of the group's risk mapping procedure and follows the activity of the Internal Audit Department through:

- approval of the annual internal audit plan;
- meeting with its Director once a year in the presence of the Statutory Auditors, but without the presence of management;
- biannual review of the results of internal audit assignments and monitoring implementation of management action plans.

b. External monitoring system

Furthermore, the internal control system is also monitored by the Statutory Auditors and the quality certification inspectors for the Quality System.

Statutory Auditors

As part of their engagement, the Statutory Auditors obtain information on the internal control system and the procedures in place.

The Statutory Auditors are engaged throughout the year across the group. Their involvement is not limited to interactions with the accounting department. To gain a more in-depth understanding of how operations and transactions are recorded in the accounts, the Statutory Auditors are in regular contact with operational managers, who are best placed to explain the Company's business activity. These meetings with operational staff are structured around branch or subsidiary reviews, during which the Statutory Auditors proceed with a review of the main ongoing projects, progress made and any difficulties encountered by the branch or subsidiary.

Quality certification inspectors

The audit procedure aims to ensure that the Quality System is both in compliance with international standards and is applied to the entire certified scope of operations.

Each year, quality certification inspectors select the sites visited depending upon an audit cycle and relevance of the activity in relation to the certification.

The purpose of this audit process is to identify ways in which the quality management system might be improved in order to ensure continuous improvement.

6.1.7. EVALUATION AND CONTINUOUS IMPROVEMENT PROCESS

As part of every internal audit, evaluations are carried out to ensure that the group entities or business areas being audited have appropriate internal control systems in place.

The internal control system and its operation are subject to internal and external assessments to identify areas for improvement, giving rise to action plans aimed at strengthening the internal control framework; these assessments may be direct and specific requests from the Audit Committee.

For example, in 2015, the Audit Committee oversaw the ongoing overall evaluation of the continuous control system at group level (existence, relevance and application of procedures) as well as the internal control self-evaluation process, and requested a specific investigation of fraud risk.

6.2. Preparation of accounting and financial information

6.2.1. COORDINATION OF THE ACCOUNTING AND FINANCIAL FUNCTION

a. Organisation of the accounting and financial function

Limited number of accounting entities

By keeping the number of legal entities, and therefore accounting entities, relatively low, the group can drive reductions in operating costs and minimise risks.

Centralised coordination of the accounting and financial function

The activities of Sopra Steria's accounting and financial function are overseen by the group's Finance Department, which reports directly to Executive Management.

The responsibilities of the Finance Department mainly involve maintaining accounts, financial controlling, tax issues, financing and cash accounting, and participation in financial communication and legal matters.

Each subsidiary has its own accounting team that reports functionally to the group's Finance Department.

Supervision of the accounting and finance function by Executive Management and the Board of Directors

The Finance Department reports to the group's Executive Management. As with all other entities, it follows the management reporting and controlling cycle described above: weekly meetings to address current business activities, monthly meetings devoted to a detailed examination of figures (actual and forecast), the organisation of the function and the monitoring of large-scale projects.

Executive Management is involved in the planning and supervision process as well as in preparing the period close.

The Board of Directors is responsible for the oversight of accounting and financial information. It approves the annual accounts and reviews the interim accounts. It is supported by the Audit Committee, as described in Section 2.3.1 of this chapter.

b. Organisation of the accounting information system

Accounting

The configuration and maintenance of the accounting and financial information system are centralised at group level. Central teams manage access permissions, which are updated at least once a year. The granting of these permissions is validated by Finance teams at the subsidiaries.

All group companies prepare, at a minimum, complete quarterly financial statements on which the group bases its published quarterly revenue figures and interim financial statements.

Monthly cash flow forecasts for the entire year are prepared for all companies and consolidated at group level.

Accounting policies and presentation

The accounting policies applied within the group are presented in the notes to the consolidated financial statements. At each balance sheet date, the Audit Committee ensures that these policies and presentation have been applied by the Finance Department and the Statutory Auditors.

The proper use of the percentage-of-completion method to value ongoing projects is monitored on a permanent basis jointly by the Industrial Department and by the Finance Department (Financial Controllers).

6.2.2. PREPARATION OF THE PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

a. Reconciliation with the internal management system accounting data

All group entities prepare a monthly budget, a monthly operating statement and revised monthly forecasts.

The budget process, which is short in duration and takes place in the last quarter of the year, is a key event. It is the opportunity to apply the strategy approved by the Executive Committee, to adapt the organisation to developments in business segments and market demand, and to assign quantitative and qualitative objectives to all group entities. Budgets, including detailed monthly operating forecasts, are prepared by each unit at this event.

Each group entity prepares a monthly operating statement closed on the third working day of the following month.

Finally, a revised operating statement prepared each month includes the results of the previous month and a revised forecast for the remaining months of the current year.

All documents produced are combined with numerous management indicators related to the business (utilisation rate, selling prices, average salary), human resources, invoicing and receipts, etc.

Sales metrics (prospects, contracts in progress, signings, etc.), client invoicing and cash receipts are analysed at the management meetings organised by the management control system described above.

The results derived from the monthly management reporting documents are verified by Financial Controllers reporting to the Finance Department, who also reconcile this data with the quarterly accounting results in the general ledgers.

b. Procedures for the preparation of the consolidated financial statements

Each company establishes quarterly financial statements and prepares a consolidation pack.

Each group company's Statutory Auditors examine the interim and annual consolidation packs. Once approved, they are used by the group Finance Department and the consolidated financial statements are examined by the group's Statutory Auditors.

c. Procedure for signing off the financial statements

The interim and annual consolidated financial statements are presented to Executive Management by the Finance Department.

As part of their annual accounts close-out at 31 December, the financial statements of Sopra Steria Group and its subsidiaries undergo a legal audit by the Statutory Auditors in order to be certified.

As part of its assignment to monitor the legal control of the financial statements, the Audit Committee takes note of the Statutory Auditors' work and conclusions during the review of the interim and annual financial statements.

The Audit Committee examines the financial statements, notably in order to review the Company's exposure to risks, verify that the procedures for gathering and controlling information guarantee its reliability, and ensure that accounting policies have been applied consistently and appropriately. It gathers comments from the Statutory Auditors.

The group's financial statements are then presented to the Board of Directors for approval.

d. Financial communication

Financial communication is supervised by the Chairman of the Board of Directors.

The group communicates financial information via several different means, notably:

- press releases;
- the Registration Document and the various reports and disclosures that it contains;
- the presentation of the interim and annual financial statements.

All of this information is made available online on the group's website.

The Registration Document is filed with the AMF after being audited by the Statutory Auditors.

Summarised statements on the compensation of company officers and options and shares granted (AMF position-recommendation no. 2009-16, revised on 17 December 2013)

SUMMARISED STATEMENT OF COMPENSATION DUE AND OPTIONS AND SHARES GRANTED TO PIERRE PASQUIER (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2015	2014
Compensation due for the year	€548,212	€563,187
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**€548,212**	**€563,187**

SUMMARISED STATEMENT OF COMPENSATION DUE AND PAID TO PIERRE PASQUIER (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2015		2014	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€350,000	€350,000	€350,000	€350,000
Annual variable compensation	€170,100	€192,500	€192,500	€105,000
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	€23,779	€16,354	€16,354	€20,622
Benefits in kind	€4,333	€4,333	€4,333	€4,333
TOTAL	**€548,212**	**€563,187**	**€563,187**	**€479,955**

As Chairman and CEO of Sopra GMT, the holding company that takes an active role in managing Sopra Steria, Pierre Pasquier received fixed compensation in respect of the 2015 financial year from that company in the amount of €60,000. As Chairman of Axway Software, as indicated in its registration document, he also received fixed compensation from the latter company in the amount of €120,000.

The last time that Pierre Pasquier's fixed compensation was revised was the Board of Directors meeting of 21 January 2011.

The amount of variable compensation awarded for 2015 is based on achieving performance in excess of the quantative targets and in line with the qualitative targets set for the year. For privacy reasons, these targets are not disclosed (see "Policy for the compensation of company officers" in the Report of the Chairman of the Board of Directors on corporate governance, internal control and risk management).

SUMMARISED STATEMENT OF COMPENSATION DUE AND OPTIONS AND SHARES GRANTED TO VINCENT PARIS (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2015	2014
Compensation due for the year	€537,022	€ 475,852
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**€537,022**	**€475,852**

SUMMARISED STATEMENT OF COMPENSATION DUE AND PAID TO VINCENT PARIS (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2015		2014	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	€353,852	€353,852	€300,000	€300,000
Annual variable compensation	€171,871	€165,000	€165,000	€62,400
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€11,299	€11,299	€10,852	€10,852
TOTAL	**€537,022**	**€530,151**	**€475,852**	**€373,252**

At its meeting on 21 April 2015, the Board of Directors decided, at the suggestion of the Compensation Committee, to change Vincent Paris' fixed annual compensation to €400,000 starting on 1 July 2015.

The amount of variable compensation awarded for 2015 is based on achieving performance in excess of the quantative targets and in line with the qualitative targets set for the year. For privacy reasons, these targets are not disclosed (see "Policy for the compensation of company officers" in the Report of the Chairman of the Board of Directors on corporate governance, internal control and risk management).

SUMMARISED STATEMENT OF COMPENSATION DUE AND OPTIONS AND SHARES GRANTED TO FRANÇOIS ENAUD (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2015	2014
Compensation due for the year	€139,208	€205,267
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	70,125
TOTAL	**€139,208**	**€275,392**

SUMMARISED STATEMENT OF COMPENSATION DUE AND PAID TO FRANÇOIS ENAUD (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2015		2014	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	€86,970	€86,970	€136,667	€136,667
Annual variable compensation	€39,728	€103,328	€63,600	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	€5,000	€5,000	-
Benefits in kind	€12,510	€12,510	-	-
TOTAL	**€139,208**	**€207,808**	**€205,267**	**€136,667**

François Enaud held the position of Chief Executive Officer of Sopra Steria Group from 3 September 2014. As such, the compensation presented in the table below in respect of 2014 covers the period from 3 September to 31 December 2014. A severance agreement was entered into on 17 March 2015 following the termination of François Enaud's position at Sopra Steria Group, then ratified by the shareholders at the General Meeting of 25 June 2015. The agreement provides for the payment of a severance settlement of €1,444,272 and a non-compete payment of €700,000.

The variable compensation awarded for 2015 was determined based on the variable compensation due in respect of 2014, *pro rata temporis* as stipulated in the signed agreement. The total amount of annual variable compensation paid in 2015 is €230,528 including the variable compensation due in respect of the office of General Manager of Groupe Steria SCA held by François Enaud before his nomination as CEO of Sopra Steria Group on 3 September 2014.

Compensation due to the members of the Board of Directors (Table 3 – AMF Position-Recommendation No. 2009-16, revised on 17 December 2013)

STATEMENT OF DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE COMPANY OFFICERS

Amounts rounded to the nearest euro	2015	2014
Aurélie Abert (designated 28 August 2015)		
Directors' fees	€5,752	-
Other compensation	-	-
Astrid Anciaux (office effective 3 September 2014)		
Directors' fees	€20,133	€5,000
Other compensation	-	-
Christian Bret		
Directors' fees	€32,112	€20,833
Other compensation	-	-
Kathleen Clark-Bracco		
Directors' fees	-	€10,163
Other compensation	-	-
Éric Hayat (office effective 3 September 2014)		
Directors' fees	€32,112	€9,420
Other compensation	-	-
Gérard Jean		
Directors' fees	€40,445	€20,476
Other compensation	-	-
Françoise Mercadal-Delasalles (resigned 1 January 2015)		
Directors' fees	-	€8,750
Other compensation	-	-
Bernard Michel (non-voting member)		
Directors' fees	€34,969	€17,143
Other compensation	-	-
Jean Mounet		
Directors' fees	€20,133	€12,500
Other compensation	-	-
François Odin		
Directors' fees	€32,028	€26,786
Other compensation	-	-
Éric Pasquier (appointed 27 June 2014)		
Directors' fees	€20,133	€6,250
Other compensation	-	-
Jean-Luc Placet		
Directors' fees	€30,758	€20,833
Other compensation	-	-
Jean-Bernard Rampini (office effective 3 September 2014)		
Directors' fees	€20,133	€5,000
Other compensation	-	-
Sylvie Rémond (co-opted 17 March 2015)		
Directors' fees	€14,381	-
Other compensation	-	-
Marie-Hélène Rigal (appointed 27 June 2014)		
Directors' fees	€40,721	€11,012
Other compensation	-	-

Amounts rounded to the nearest euro	2015	2014
Gustavo Roldan de Belmira (designated 28 August 2015)		
Directors' fees – Payment to TRAID UNION	€6,586	-
Other compensation	-	-
Hervé Saint-Sauveur		
Directors' fees	€58,433	€33,810
Other compensation	-	-
Jean-François Sammarcelli		
Directors' fees	€17,257	€10,000
Other compensation	-	-
Solfrid Skilbrigt (co-opted 21 April 2015)		
Directors' fees	€14,381	-
Other compensation	-	-
Sopra GMT (represented by Kathleen Clark-Bracco since 27 June 2014)		
Directors' fees	€35,758	€10,670
Other compensation	-	-
TOTAL	**€476,221**	**€228,646**

The total amount of directors' fees to be allocated with respect to the 2015 financial year was €500,000 (fifteenth resolution approved at the General Meeting of 25 June 2015). The directors' fees allocated to Pierre Pasquier with respect to 2015, totalling €23,779, are presented in table 2 - AMF Position-Recommendation No. 2009-16 revised on 17 December 2013.

The internal rules and regulations of the Board of Directors stipulate: [translation of the French original] *"Directors' fees are allocated to participants in meetings of the Board of Directors and its committees (voting and non-voting members) solely on the basis of their attendance at those meetings, whether in person or by telephone, as follows […]:*

- *an amount equal to 65% of the total directors' fees will be awarded to the attendees of Board meetings;*
- *an amount equal to 20% of the total directors' fees will be divided among the attendees of Audit Committee meetings, with the committee chairman's attendance counting double;*
- *an amount equal to 10% of the total directors' fees will be divided among the attendees of Compensation Committee meetings, with the committee chairman's attendance counting double;*
- *an amount equal to 5% of the total directors' fees will be divided among the attendees of Nomination Committee meetings, with the committee chairman's attendance counting double."*

Other compensation received in 2015

It should be noted that:

- Trigone, a company controlled by Jean Mounet, invoiced commercial consulting services totalling €298,750 excluding VAT in 2015 under the terms of a contract signed in 2009;
- Éric Hayat Conseil, a company controlled by Éric Hayat, provided consulting services for business development in strategic operations, billed in the amount of €225,000 excluding VAT under an agreement that took effect on 18 March 2015.

SHARE SUBSCRIPTION AND PURCHASE OPTIONS GRANTED DURING THE YEAR TO EXECUTIVE COMPANY OFFICERS (TABLE 4 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Name of executive company officer	Number and date of plan	Type of options	Value of options according to the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
-	-	-	-	-	-	-

SHARE SUBSCRIPTION AND PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EXECUTIVE COMPANY OFFICERS (TABLE 5 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Name of executive company officer	Number and date of plan	Number of options exercised during the year	Exercise price
-	-	-	-

FREE SHARES AWARDED TO COMPANY OFFICERS (TABLE 6 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Authorisation	Number and date of plan	Number of Sopra Steria shares awarded during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
-	-	-	-	-	-	-

FREE SHARES AWARDED TO COMPANY OFFICERS NO LONGER SUBJECT TO A HOLDING PERIOD DURING THE YEAR (TABLE 7 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Name of executive company officer	Number and date of plan	Number of shares no longer subject to a holding period during the year	Exercise price	Vesting conditions
-	-	-	-	-

On 1 August 2015, following the cessation of his duties as Chief Executive Officer, François Enaud received 1,750 free shares that had been granted to him on 1 August 2012, prior to his appointment as a company officer of Sopra Steria Group.

OVERVIEW OF STOCK OPTION GRANTS (TABLE 8 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

See Note 21.2 in Chapter 4.

TEN LARGEST GRANTS OF STOCK OPTIONS TO EMPLOYEES OTHER THAN COMPANY OFFICERS AND OPTIONS EXERCISED BY SAID EMPLOYEES DURING THE YEAR (TABLE 9 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

See Section 3.3.3 in Chapter 5.

OVERVIEW OF FREE SHARE AWARDS (TABLE 10 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

See Note 21.3 in Chapter 4.

EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION PLANS, ALLOWANCES OR BENEFITS DUE ON THE CESSATION OF DUTIES OR A CHANGE IN DUTIES, NON-COMPETITION CLAUSES (TABLE 11 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	Employment contract		Supplementary pension plan		Allowances or benefits due or likely to become due as a result of the cessation of duties or a change in duties		Allowances for a non-competition clause	
Executive company officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Pierre Pasquier Chairman Term of office began: 2012 Term of office ends: 2018		X		X		X		X
Vincent Paris Chief Executive Officer Term of office began: 2015 Term of office ends: indefinite	X*			X		X		X

* *By way of exception to AFEP-MEDEF guidelines, given his seniority in the group, the employment contract of Vincent Paris was not terminated when he was appointed Chief Executive Officer. This contract has been in suspension since his appointment as Deputy CEO on 16 January 2014.*

Report of the Statutory Auditors pursuant to Article L. 225-235 of the French Commercial Code on the Report of the Chairman of the Board of Directors of Sopra Steria Group

Financial year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of Sopra Steria Group, and in compliance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report on the Report of the Chairman of the Board of Directors, pursuant to the provisions of Article L. 225-37 of the French Commercial Code, in respect of the financial year ended 31 December 2015.

It is the responsibility of the Chairman to draw up and submit for the approval of the Board of Directors a report on internal control and risk management procedures implemented by the Company that also provides the other disclosures required by Article L. 225-37 of the French Commercial Code, in particular those related to corporate governance.

It is our responsibility to:

- present to you any observations that we have on the basis of the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- certify that the report includes any other disclosures required by Article L. 225-37 of the French Commercial Code, with the understanding that it is not our responsibility to verify the fair presentation of this information.

We performed our assignment in accordance with professional standards applicable in France.

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Professional standards require that we carry out work designed to assess the truth and fairness of the information in the Chairman of the Board of Directors' report on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

In particular, this work involved:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information underlying the information set out in the Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and existing documentation;
- determining whether any significant deficiencies in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have observed in the context of our engagement are properly reported in the Chairman's report.

On the basis of the work that we performed, we have no comment to make on the information on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the Report of the Chairman of the Board of Directors and prepared in compliance with the provisions of Article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We hereby certify that the Report of the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris and Courbevoie, 21 April 2016

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Bruno Pouget

3 Corporate Responsibility

1. Sopra Steria: committed to a more sustainable world

Corporate responsibility means seeing the company differently: through the prism of its social and environmental responsibility, its community engagement and its interaction with the market, taking into account all stakeholders.

Our first responsibility is to secure our business development and our long-term future while considering our local and global economic impact.

As an international group operating in many countries, we play a major role in helping to create a more sustainable world.

As such, the key priority in our day-to-day activities is observing business ethics. We apply this same priority to our clients, our suppliers and our partners, because it is together that we will create a lasting virtuous economic circle.

The group is committed to a continuous improvement process based on the principle of equal opportunities. This process is focused on skills development and employee well-being, as well as access to employment for young people.

As an international player, it is critical that we reduce the environmental impact of our energy consumption and our business travel. But we go further, with innovative programmes such as carbon offsetting and investment in renewable energy projects and access to water. And reducing our consumption and protecting resources day to day is a natural fit with our group culture.

Being responsible also implies a duty to be committed to communities in the countries in which we operate. For example, we work with vulnerable communities to give them access to education, from schooling through to starting a career, favouring openness to digital technologies wherever possible.

Every day, both management and staff support the group's corporate responsibility commitments with pragmatism and a desire for excellence.

We interact with our entire ecosystem to ensure that these commitments create value for everyone, with one shared goal: to contribute to the performance and sustainability of the group and our clients.

1.1. Activities and operations

Sopra Steria, a European leader in digital transformation, has one of the most extensive portfolios of offerings on the market, spanning consulting and systems integration, industry-specific solutions, infrastructure management and cybersecurity, and business process services (BPS).

The group provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow throughout their transformation, from strategic analysis, programme guidance and implementation, and the conversion and operation of IT infrastructures, to designing and implementing solutions and outsourcing business processes.

Combining added value, innovative solutions and high-performance services, Sopra Steria's hybrid model capitalises on its substantial experience. Thanks to very close relationships with its clients, the group is able to continually innovate to ensure that its offerings remain relevant to the strategic challenges of each of its vertical markets.

Sopra Steria is an independent group that is 23.9% controlled by its founders and managers. Operating in 20 countries, its 38,450 employees implement a strategy focused on European key accounts.

Sopra Steria is also the preferred partner of Axway Software, whose exchange and digital enablement platforms play an important role in renovating information systems and opening them up to digital technology.

The group's strategy is based on an ambitious enterprise project.

In the medium term, this project is based on a differentiated positioning and two specific strengths: developing solutions and maintaining close client relationships.

This subject is discussed in further detail in Chapter 1, Section 3 of the 2015 Registration Document.

1.2. Governance

Sopra Steria Group is a *société anonyme* with a Board of Directors.

The Board of Directors currently consists of 18 voting directors (including two employee representatives) and one non-voting director.

Where appropriate, its work is prepared by an Audit Committee; a Nomination, Ethics and Governance Committee; and a Compensation Committee.

The functions of Chairman and Chief Executive Officer are separate. Executive management responsibility is held by a Chief Executive Officer and two Deputy CEOs.

The group's ongoing structure is composed of four operational tiers and their associated functional structures.

This subject is discussed in further detail in Chapter 2 and in Chapter 1, Section 6 of the 2015 Registration Document.

1.3. Commitments

Sopra Steria is committed to a proactive corporate responsibility policy that is aligned with our business requirements – one that is part and parcel of our broader ongoing commitment to sharing information every year on what we have undertaken and what we have achieved.

For over forty-five years, our group has been built on solid, lasting fundamentals and a set of ethical principles and core values that define us.

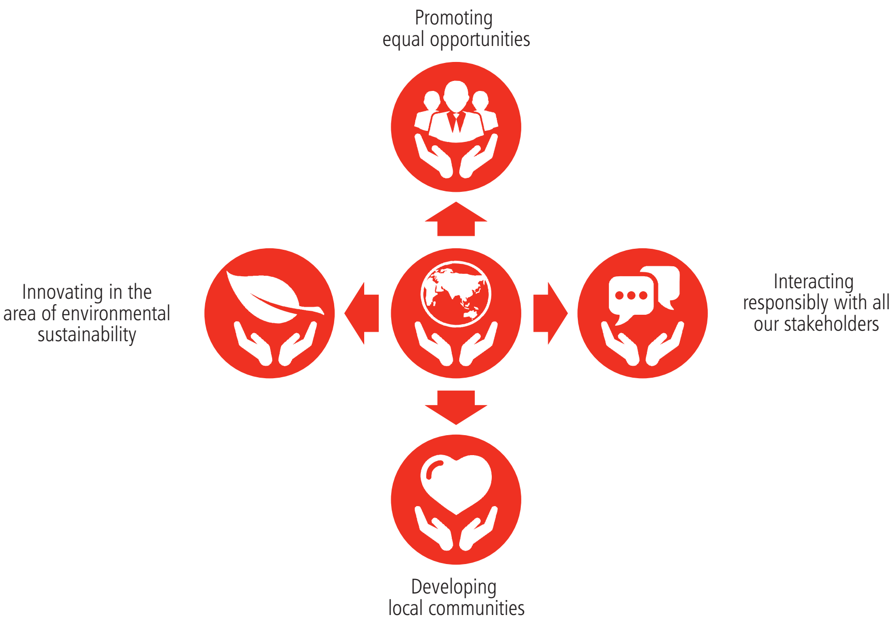
As an expression of these values, Sopra Steria is a signatory of the United Nations Global Compact, which serves as the founding framework for its approach to corporate responsibility. Through this commitment, Sopra Steria promotes the Global Compact's ten principles in the areas of human rights, labour standards, protection of the environment and anti-corruption, which are fully in line with the fundamental precepts upon which the group was founded. Sopra Steria is committed to encouraging compliance with these principles within its ecosystem, helping its clients and partners to adopt responsible business practices.

The group's commitment to the Global Compact, its day-to-day activities as a responsible company and the publication of this Corporate Responsibility Report are part of its ongoing efforts to ensure transparency, fairness and loyalty in its dealings with all its stakeholders: clients, employees, shareholders and investors, suppliers and civil society.

The corporate responsibility commitments that guide Sopra Steria's action are based on compliance with the laws and regulations in effect in the countries where the group is located, and optimally operating its businesses.

Supported by Sopra Steria's management and by all the employees associated with it, the group's corporate responsibility policy is backed by a continuous improvement process communicated each year to stakeholders through the annual Corporate Responsibility Report. This approach, which aims to reconcile equal employment opportunities, economic efficiency, community engagement and respect for the environment, covers four areas:

- Workforce: promoting equal opportunities;
- Market: interacting responsibly with all our stakeholders;
- Community engagement: developing local communities;
- Environment: innovating in the area of environmental sustainability.



The summary table below shows key objectives and actual performance in 2015 and aims for 2016 by area of corporate responsibility. Details of the programmes in each area are set out in Chapters 2, 3, 4 and 5 of this report.

Targets for 2015	Results for 2015	Ambitions for 2016
WORKFORCE: Promoting equal opportunities		
Harmonise HR practices following the tie-up between Sopra and Steria	Staff successfully integrated International HR governance implemented for sharing best practices All HR processes incorporated into French entities through a major training and support programme	Continue harmonising practices and rolling out the group's standard job descriptions in all countries
Boost access to employment for young people	7,197 employees recruited in 2015. In France, the group is the biggest recruiter of young graduates in the digital sector	Roll out an international mobility programme to offer career paths and trajectories to young graduates in particular Support national efforts to boost access to employment for young people
Raise awareness of gender equality best practice internationally	In-house network of female ambassadors created to promote digital professions	Develop workplace gender equality initiatives in all of the group's countries and gradually put in place systems to monitor key indicators
Mobilise employees around social responsibility issues	Awareness raised via the group's information-sharing arrangements	Include more information in induction seminars and management tracks
MARKET: Interacting responsibly with all our stakeholders		
Align corporate responsibility policy with new challenges facing the group	Gaïa Index: rating of 92 out of 100	Continue to roll out action programme across all countries and new entities acquired
Define an ethical framework across new scope	Code of ethics rolled out across all Group entities	Strengthen control system by incorporating new acquisitions
Apply sustainable development principles to our value chain	New supplier assessment system implemented with Ecovadis at group level (head office) and in France and the United Kingdom	Roll out Group responsible purchasing charter across all entities Extend the new supplier assessment system to Belgium, Luxembourg, Poland and Spain
Propose services to help our clients be more sustainable	Smart cities Energy Management: Smart Metering, Smart Grids, Smart Buildings and Grid Balancing Smart usages: Smart homes Transport Sustainability consulting	Continue to innovate and develop new services to help our clients achieve their sustainable development goals
Dialogue responsibly with all our stakeholders	Corporate Responsibility Advisory Board with external experts to challenge the group's approach Corporate responsibility demonstration area covering all the themes from the January 2016 annual launch seminar, which brought together over 3,000 managers	Continue with sustained dialogue
Be committed to sustainable development	Joined "We Mean Business" and "Business Proposals for COP21" coalitions to promote new regulatory frameworks	Participate in actions within our ecosystem to promote sustainable development

Targets for 2015	Results for 2015	Ambitions for 2016
COMMUNITY ENGAGEMENT: Supporting local communities		
Provide access to education	Implemented an education programme in 49 schools in India for 70,000 children from poor rural backgrounds	Broaden countries' involvement in the group's commitments across its four key themes (education, digital inclusion, employability and access to water)
	Higher education scholarship programme in India: 76 new students enrolled (out of a total of 361)	
	Initiatives in France, Spain, Morocco, etc.	
Foster digital inclusion	12 projects supported by the Foundation in France	Support new initiatives that respond to local challenges
	Six new computer labs converted to solar energy in India	
	Initiatives in the United Kingdom, Italy, Poland, etc.	
Contribute to employability	Professional development centre in India: 1,493 students enrolled; 301 have found a job	Support volunteering and fundraising actions
	Initiatives in France, the United Kingdom, Norway, Spain, etc.	
Be committed to water rights	Sponsorships with Green Cross, 1001fontaines, TCHAPE, Planet Water Foundation and Gold Standard Water Health Awareness raised among clients at a conference hosted by personalities and experts in Paris	Foster synergies with our ecosystem (civil society, foundations, clients, partners, etc.)
ENVIRONMENT: Innovating in the area of environmental sustainability		
Define greenhouse gas emissions reduction targets	Published target of 15% reduction in greenhouse gas emissions by 2020 relative to 2014 4% reduction in greenhouse gas emissions in 2015 relative to 2014	Scientifically model the group's carbon footprint before 2017 (Science-Based target)
	CarbonNeutral® certification for all the group's business travel and data centres	Renew carbon neutrality for all the group's business travel and data centres
Report to clients and investors by responding to CDP programmes	CDP Climate Change: 100B – included in Carbon Disclosure Leadership Index and 100% score for transparency	Maintain a high level of recognition
Implement an Environmental Management System (EMS) across the new scope	Environmental Management System harmonised and ISO 14001-certified across certain Group sites	Roll out ISO 14001 certification across new sites
Reduce energy consumption and the use of non-renewable resources	Implementation of energy management (offices, data centres, business travel) WEEE policy harmonised across most countries Zero landfill waste policy in UK	Extend product life cycle
		Increase share of renewable energies used for electricity, particularly in France
	Use of green energy for electricity in the United Kingdom, Germany, Switzerland, Scandinavia and Luxembourg	
Mobilise all staff	Sopra Steria given 2degrees Champions Award for its in-house commitment	Regularly inform and mobilise staff at entity meetings Launch an e-learning awareness module

1.4. Background and key events

Amid stiff competition and a digital revolution that is shaking up our clients' business sectors as well as our own, 2015 marked an important step in the development of the new Sopra Steria Group. The group successfully navigated this step, integrating staff from Sopra and Steria and delivering a strong performance.

Sopra Steria's corporate responsibility approach was adjusted to match the group's environment and the new challenges facing it. A detailed analysis of the original companies' action programmes was undertaken in early 2015 to identify strengths and areas for improvement in support of the new group's development plans.

Staff quickly got to work on key improvement actions relating to the group's corporate responsibility approach, enabling the group to strengthen its positioning in this area and win market recognition.

- Sopra Steria is ranked among the top five service-sector companies in France by the Gaïa Index, with an overall rating of 92 out of 100. The Gaïa Index specialises in the quantitative non-financial analysis of listed and unlisted mid-market companies. It lists the 70 companies with the best Corporate Responsibility ratings out of a sample group of 230 companies.

Sélection Gaïa-Index 2015

- Sopra Steria is included in the CDP Carbon Disclosure Leadership Index with a score of 100B. Every year, CDP recognises companies round the world that take the lead in tackling climate change.

CDP CLIMATE DISCLOSURE LEADER 2015

- Sopra Steria has CarbonNeutral® Certification for offsetting its greenhouse gas emissions related to business travel and its data centres.

CERTIFIED CARBON NEUTRAL® business travel CarbonNeutral.com | CERTIFIED CARBON NEUTRAL® data centres CarbonNeutral.com

- Sopra Steria is a pioneer in PowerPlus certification, having signed up to the programme to support renewable energy generation in India.
- Sopra Steria stepped up its commitment to water conservation and access by acquiring a thousand Water Benefit Certificates – equivalent to a million litres of drinking water – through the Water Health India project. Sopra Steria is one of the pioneers of this programme.
- Sopra Steria is becoming one of Europe's leading recruiters. A total of 7,197 new employees joined the group in 2015. In France, the group is the biggest recruiter of young graduates in the digital field.
- The group launched a network of female ambassadors, with an initial pilot project in France, to attract women to careers in science and the digital sector.
- In the year of the COP21 conference in Paris, Sopra Steria committed itself to the fight against climate change by joining Business Proposals for COP21, an international coalition that supports the development of an internal carbon price.
- Working alongside We Mean Business, an international initiative launched by CDP, Sopra Steria is committed to reducing greenhouse gas emissions by 15% between 2014 and 2020.

1.5. Organisation

The Sopra Steria group's corporate responsibility programme and initiatives are placed under the responsibility of Executive Management, who oversee the group's strategy in this area.

Sopra Steria has structured its corporate responsibility programme around several departments:

1.5.1. GROUP CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

The Corporate Responsibility and Sustainable Development (CSR-SD) Department oversees the application of the group's corporate responsibility policy, coordinates the continuous improvement approach with the relevant departments and supports them as they implement their action programmes.

The role of this department is to lead and coordinate all of the group's actions in the four areas concerned: the workforce, the market, community engagement and the environment. For greater clarity, the societal component, which arises from the "Grenelle 2" Act and was presented in the 2014 report, has been divided up into two specific areas in this report: the market and community engagement.

The CSR-SD Department spearheads programmes across all areas of the group, in particular regulatory reporting, including its annual Corporate Responsibility Report, its assessment by external organisations, its main corporate patronage and community engagement partnerships, and actions to raise employee awareness.

Sopra Steria's corporate responsibility initiatives are coordinated by the group CSR-SD Department and managed via four interdependent units devoted to responsible employment, interaction with the market, social engagement and environmental responsibility.

1.5.2. RESPONSIBLE EMPLOYMENT UNIT

The workforce component of corporate responsibility is an important topic for a group like Sopra Steria. It is managed by the group's Human Resources Department. To handle cases involving issues such as disabled workers, gender equality, older employees, diversity and work-linked training opportunities, a manager in charge of responsible employment practices works with the different entities to ensure that all initiatives reflect the wider group approach.

1.5.3. MARKET INTERACTION UNIT

This unit reports to the group's Corporate Responsibility and Sustainable Development Department. It works closely with the relevant Group departments (Legal, Purchasing, Human Resources, Communications, operating divisions, Industrial, Audit and Internal Control, and IT Resources and Security) to respond to external requests in the following areas: vendor accreditation and client requests for proposals, business ethics, responsible purchasing, external assessments and communications activities.

1.5.4. COMMUNITY ENGAGEMENT UNIT

The community engagement unit reports to the group's Corporate Responsibility and Sustainable Development Department. It is supported by an international network of individuals leading local community engagement programmes. The group action programme is managed by the CSR-SD Department through group sponsorship programmes, by foundations in France and India and directly by group entities that enlist the support of their employees and, in some cases, specific clients.

1.5.5. ENVIRONMENTAL RESPONSIBILITY UNIT

The group's environmental programme is managed by the environmental responsibility unit, supervised by the group CSR-SD Department. Overseen by a group-level manager, this unit is supported by a network of environment correspondents and the relevant support departments (Property Management, Purchasing, IT Resources and Security, Communications and Industrial). Together with the Industrial Department, the environmental responsibility unit is in charge of deploying the Environmental Management System (EMS) and ISO 14001 and ISO 14064-3 certification for certain sites. It also coordinates greenhouse gas assessments and annual reporting to CDP.

1.5.6. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT COMMITTEE

The Corporate Responsibility and Sustainable Development Committee (CSR-SD Committee), chaired by the Deputy CEO, works with the relevant managers to draw up the roadmap and tracks progress against the associated action plans. This committee brings together the managers of the key central departments involved in the group's approach (Corporate Responsibility and Sustainable Development, Human Resources, Real Estate, Purchasing, IT Resources and Security, Legal, Subcontracting, Corporate Communications, Financial Communications, etc.) to work in coordination to implement their respective programmes. The committee meets every three months.

1.5.7. CORPORATE RESPONSIBILITY ADVISORY BOARD

The purpose of this advisory body is to provide outside feedback on the various components of the group's corporate responsibility work.

The Advisory Board consists of three independent experts from senior civil service positions and civil society, the Deputy CEO, the Corporate Responsibility and Sustainable Development Director, his/her deputy and managers from the group corporate responsibility unit. It met twice in 2015.

The Advisory Board's main responsibilities are:

- providing guidance on the group's corporate responsibility strategy and priorities;
- providing Executive Management with useful benchmarking information related to corporate responsibility;
- providing information on changes in legislation and corporate responsibility reporting standards.

In 2015, the Advisory Board was comprised of the following three independent experts:

- Frédéric Tiberghien, member of the French Council of State and honorary chairman of ORSE (*Observatoire de la Responsabilité Sociétale des Entreprises*);
- Mark Maslin, Professor of Climatology at University College London (UCL);
- Marie-Ange Verdickt, former Director of Research and Socially Responsible Investment at *Financière de l'Échiquier*.

1.5.8. ORGANISATIONAL CHART OF THE GROUP'S ACTIVE COMPANIES

This subject is discussed in Chapter 1, Section 5 of the Registration Document.

1.5.9. APPROACH AND METHODOLOGY

For its 2014 reporting, Sopra Steria Group opted to produce a single report encompassing reporting from the Sopra and Steria companies in the process of being merged, and to consolidate indicators wherever possible for the sake of improved clarity. This 2014 reporting provides an initial benchmark against which to compare 2015 data.

The Corporate Responsibility report forms Chapter 3 of the 2015 Registration Document.

The information required to draw up this report is collected according to the reporting procedure. This procedure is reviewed each year so that changes in the group's scope and reporting approach may be added to it. The regulatory requirements established by the French Grenelle Environment 2 Act set out a framework with specific topics which make it easier to understand the group's reporting.

The aim of the 2015 report is to produce the most relevant information for the new group. In 2015, a new roadmap was drawn up to take account of the new group context and harmonise programmes from the original entities as part of a progressive approach aligned with the new Sopra Steria group's objectives.

In 2016, work will continue to broaden the scope of actions and harmonise initiatives. Reporting will seek to gradually develop the relevant indicators by country.

Based on current regulations and taking into account the distinctive nature of its activities, Sopra Steria has identified 44 themes from the Grenelle Environment Forum applicable to organising its reporting. Monitoring these themes provides a suitable measure of the group's progress in the four aspects of corporate responsibility: the workforce, the market, community engagement and the environment.

This report includes a significant amount of information pertaining to Article 225 of the Grenelle Environment 2 Act, in keeping with the general principles of the guidelines of the GRI (Global Reporting Initiative) and complying as closely as possible with the components of ISO 26000.

In this regard, a cross-referencing table is provided as an appendix to the report. The 2015 report contains 53 indicators for Sopra Steria Group, including 7 Key Performance Indicators (KPIs), 27 quantitative indicators and 19 qualitative indicators.

Furthermore, in accordance with Paragraph 7 of Article L. 225-102.1 of the French Commercial Code, Sopra Steria appointed Mazars as an independent third party to verify the presence, truth and fairness of the information published as provided for by Article R. 225-105-1 of the French Commercial Code.

Scope of reporting

To ensure compliance with regulations, the group has developed a reporting process that makes it possible to collect the relevant data and leverage the results in this document.

For the group's reporting on socially responsible employment practices, there are 38 indicators, including three Key Performance Indicators (KPIs), 23 quantitative indicators and 12 qualitative indicators.

The market component includes five indicators, 1 of which is quantitative and 4 qualitative.

The community engagement component includes 6 indicators, 2 of which are quantitative and 4 qualitative.

For the environment component, 7 indicators have been established: 3 KPIs (Key Performance Indicators), 3 quantitative indicators and 1 qualitative indicator.

The "Number of new videoconferencing rooms" indicator was dropped in 2015 in order to place the emphasis on optimising the use of videoconferencing rooms.

Sopra Steria's corporate responsibility policy applies to all entities of the group. The workforce figures given in the responsible employment section of this report include 10 employees of Delta Development Systems (Algeria), Sopra Banking Côte d'Ivoire and Sopra Banking Gabon, three non-consolidated subsidiaries of the group. Sopra Banking Software Pte Ltd (Singapore) is not included in the scope this year (its workforce is not significant).

For 2015, the indicators focus wherever possible on France, India, the United Kingdom and Spain.

Depending on the indicator, the geographic scope is either:

- all Sopra Steria activities worldwide (= Sopra Steria Group);
- Sopra Steria Group businesses by country. For each country, all Sopra Steria group subsidiaries are included (Sopra Banking Software and Sopra HR Software in particular). For the market, community engagement and environmental indicators, the report does not include Steria's joint ventures (SSCL and NHS SBS). The market, community engagement and environmental indicators do not include data on CIMPA, acquired by Sopra Steria in 2015.

The corporate responsibility reporting process covers the calendar year from 1 January to 31 December 2015. Any exceptions to calendar year reporting are indicated for the data involved.

To check consistency between financial and non-financial reporting, some structural indicators common to both areas are compared and verified at various levels of detail.

Reporting process and tools

The three successive stages in the reporting process are as follows:

- identifying the data and preparing to collect them;
- collecting and consolidating the data, controlling for consistency in order to produce the indicators;
- using the indicators for publication in the Corporate Responsibility Report.

The reporting tools include the following:

- the reporting protocol contains the information needed for contributors to collect indicators. It is primarily intended for internal communication within Sopra Steria;
- indicator definition sheets specifically describe the characteristics of the indicators communicated as part of the Corporate Responsibility Report;
- indicator collection sheets allow contributors to supply the qualitative information and quantitative data;
- the SharePoint and MyGroups shared spaces, managed by the CSR-SD Department, are used to archive all the information gathered;
- the group makes use of a variety of tools to meet regulatory reporting requirements in this report, such as Greenstone software, ERMs and BEE files for environmental indicators, and Indicia software for workforce indicators.

The combination of the reporting protocol, indicator sheets and data collection sheets, managed on a collaborative platform, provides the information necessary to give a clear understanding of the tasks and constitutes the guide for the contributor.

Other information on the reporting protocol is available on request from Sopra Steria's CSR-SD Department.

Data collection

The CSR-SD Department is in charge of coordinating the corporate responsibility reporting process. Correspondents for each component (environment, workforce, market, and community engagement) are responsible for collecting data. They distribute indicator-specific definition and collection sheets to the network of contributors. Available in French and English, these definition and collection sheets state the definitions, scope, unit, calculation methods, data sources used, contact persons and verifications performed.

A collaborative reporting platform put in place via the group's intranet can be used to disseminate, share and incorporate any changes made to the data. The reporting documents, including the verification process, are available on the platform.

The group uses Indicia to collect and consolidate workforce data, which is then consolidated within the report after being checked by an external party.

Specific calculations for certain indicators

In order to provide a clear understanding of the information communicated, Sopra Steria has endeavoured to specify, whenever necessary in the report, the definitions, calculation methods or estimation methods for certain reported indicators. Where there is a change in the calculation method for indicators already included in a previous report as a result of clarifying information and, in particular, improvements in estimates, a new publication is issued detailing the changes so as to improve the comparative baseline for the following year.

Exclusions

Sopra Steria publishes qualitative and quantitative data in its report on all of the subjects required by the governmental decree implementing Article 225 of the Grenelle Environment 2 Act. However, several indicators, when they are deemed not material to the group's service-sector business, are not addressed in this report. This non-material information concerns matters relating to consumer safety, land use and the protection of biodiversity, noise pollution and any other specific form of pollution, and the amount of provisions and guarantees for environmental risk. These exclusions are specified in the cross-referencing table appended to the report. Food waste prevention is not directly relevant to Sopra Steria, and Sopra Steria therefore has not made any specific commitments in this area.

Methodological notes and limitations

The 2014 report provides the benchmark for assessing progress. The methodological notes and limitations for each indicator are presented in the report.

Controls and verification

Once the data has been collected and checked through consistency tests that establish a reliable audit trail, the CSR-SD Department consolidates them, performing final checks and ensuring overall consistency before sending the final report to be verified by the independent third party.

2. Responsible employment practices

In a fast-changing environment, human resources – one of the group's key assets – are at the heart of Sopra Steria's Enterprise Project.

Sopra Steria aims to foster a sense of pride in working together in a collaborative environment and to encourage professional development for its 38,450 employees in a dynamic environment that offers stimulating prospects.

These opportunities are made possible within a group whose businesses involve a wide variety of professions, with operations in France and abroad, and a strong company culture.

In addition to its major recruitment effort, the group favours its employees' professional development through an ambitious training action plan.

Sopra Steria is committed to fostering equal opportunities with regard to current employee-related issues. The aim is to move beyond a purely legalistic vision of these topics and to harmoniously integrate them into the corporate environment (employees of all ages, gender equality, disability and diversity).

To support its development over the long term, Sopra Steria's strategic orientations are examined and refined in the context of an Enterprise Project, communicated across all levels of the group's organisation.

This Enterprise Project embodies the group's strategic vision and is based on a system of shared values that guide management and contribute to the group's operating performance.

2.1. Group culture

Launch of the unifying internal transformation programme

In 2015, following the merger of Sopra and Steria and amid the accelerating transformation of the group's market as a result of the impact of digital technologies, the group launched a review aimed at laying the foundations of a differentiating Enterprise Project based on value and people. The challenge is to create a unique new European group that meets clients' high expectations as regards value creation and delivers lasting performance across all geographies and business lines.

This review led to the launch of a group-wide unifying internal transformation programme, aimed at implementing the necessary changes.

These changes cover three broad themes: behaviours, management methods and the various systems that support the group's operations.

2.2. Employment policy

Professional excellence in support of our clients

For many years, the group's growth has been backed by a policy of proactive talent recruitment and skills development for its employees.

External growth operations are also a strong driver of the group's development and increase the volume of its business activity. Thanks to the tie-up between Sopra and Steria, and the 2015 acquisition of CIMPA, the group can now offer a comprehensive response to its clients' needs in the areas of transformation and competitiveness.

Data from years prior to 2014 cover the scope of Sopra Group alone. As such, comparisons with prior years are not meaningful.

The 2014 figures serve as a comparative baseline for 2015 and future years.

2.2.1. WORKFORCE

At 31 December 2015, Sopra Steria Group had a total of 38,450 employees, mainly based in France, the United Kingdom, Germany, Spain, India and Scandinavia.

SOPRA STERIA WORKFORCE AND PROPORTION OF MANAGEMENT-LEVEL EMPLOYEES

Scope	2015***	2014	2013*	2012*
France	17,606	17,048	10,219	9,386
International (excluding France)	20,844	20,310	6,065	4,917
o/w Spain	2,763	2,425	2,042	1,689
o/w India	4,743	5,103	1,181	999
TOTAL	**38,450**	**37,358**	**16,284**	**14,303**
o/w Management-level**	**35,570**	**34,058**	**15,474**	**13,572**

* *Sopra Group scope.*

** *The notion of management-level staff (cadres) is specific to France. The number of management-level employees outside France is extrapolated based on the proportion of management-level staff in France.*

*** *The 2015 headcount includes the CIMPA workforce, staff on permanent contracts, temporary contracts and work-linked training contracts, and interns.*

Over 96.8% of Sopra Steria employees had permanent contracts at 31 December 2015. This high proportion of permanent contracts, which has not changed for several years, illustrates the group's commitment to offering stable jobs. Temporary contracts are mainly work-linked training contracts in France (at 31 December 2015, 89% of fixed-term contracts were work-linked training contracts). These are proposed to young future graduates who thereby benefit from a tutorship system within the company, financing of their studies and recruitment opportunities. The number of contracts of this type increased substantially in France in 2015.

The proportion of female employees at end-2015 (26%) was up slightly both in France and Group-wide (31%).

DISTRIBUTION OF THE WORKFORCE BY TYPE OF CONTRACT

	2015*			2014		
Scope	Permanent contracts (1)	Fixed-term contracts (2)	Interns	Permanent contracts (1)	Fixed-term contracts (2)	Interns
France	97.4%	2.3%	0.3%	97.7%	2.1%	0.2%
International (excluding France)	96.4%	3.0%	0.6%	96.8%	2.5%	0.7%
o/w Spain	96.1%	3.5%	0.4%	96.0%	3.8%	0.2%
o/w India	97.7%	2.3%	0%	97.9%	2.0%	0.1%
TOTAL	**96.8%**	**2.7%**	**0.5%**	**97.2%**	**2.3%**	**0.5%**

* *Excluding CIMPA.*

(1) Permanent contract: full-time or part-time employment contract signed with the employee for an unlimited period of time.

(2) Fixed-term contract: full-time or part-time employment contract signed with the employee that expires at the end of a specific period of time or on completion of a specific task lasting an estimated period of time.

FULL-TIME EQUIVALENT (FTE) WORKFORCE

Scope	2015*	2014
Average FTE (France)	16,638	16,511
Average FTE (international excluding France)	20,036	
o/w Spain	2,707	
o/w India	4,741	
TOTAL	**36,674**	

* 2015 headcount does not include the CIMPA workforce or interns.

LENGTH OF SERVICE, AGE AND GENDER

	2015*		2014	
Scope	Average length of service of employees on permanent contracts	Average age of employees on permanent contracts (2)	Average length of service of employees on permanent contracts (1)	Average age of employees on permanent contracts (2)
France	8	37.5	7.6	37.5
International (excluding France)	7.3	38.4	7.3	38.1
o/w Spain	5.4	37.4	5.6	37.2
o/w India	4.1	30.7	4.0	30.7
TOTAL	**7.6**	**38.0**	**7.4**	**37.8**

* Excluding CIMPA.

(1) Permanent contract: full-time or part-time employment contract signed with the employee for an unlimited period of time.

(2) Fixed-term contract: full-time or part-time employment contract signed with the employee that expires at the end of a specific period of time or on completion of a specific task lasting an estimated period of time.

CHANGE IN THE TURNOVER OF PERMANENT CONTRACTS

Scope	2015*	2014
France	12.5%	10.0%
International (excluding France)	18.8%	19.9%
o/w Spain	11.8%	7.8%
o/w India	30.5%	36.9%
TOTAL	**15.9%**	**15.3%**

* 2015 headcount does not include the CIMPA workforce.

In France, the vast majority of separations were voluntary; 201 employees were dismissed in 2015.

2.2.2. RECRUITMENT

Fundamentals of recruitment policy

Recruitment is one of the pillars of the group's development strategy. The group's recruitment policy places a deliberate priority on hiring young graduates of engineering schools, business schools or universities. As regards the recruitment of experienced candidates, the group uses trial periods to encourage employee mobility before undertaking any external recruitment.

In 2015, to serve the ambition of growing and upscaling its businesses, Sopra Steria strengthened its recruitment programme along three main lines:

- promoting careers in digital technology by increasing the appeal of the group's employer brand;
- fostering access to employment through an expanded range of school and university partnerships;
- contributing to local development by deliberately recruiting in the geographical employment areas where the group operates.

Sopra Steria makes use of social media to promote careers and job opportunities in the digital sector.

In particular, the group endeavours to raise awareness of its business and culture through interactive media (videos, online chat, miniseries, etc.). Sopra Steria's performance in benchmark rankings (seventh in the PotentialPark ranking and the most followed Twitter HR account in the digital services sector) reflects the group's stronger social media presence.

One of the group's key commitments is to promote access to employment for young people. In 2015, the average age of newly recruited staff was 29.3 (29.6 in 2014).

In France, young people under 26 represent 60% of all new recruits.

In addition, in an effort to develop young people's skills and qualifications, the group has continued with its dynamic policy of using work-linked training programmes and internships (with 23% more employees on work-linked training contracts in 2015 than in 2014).

Examples of recruitment policy-related initiatives

Access to employment for young people

Spain

The group introduced a policy of recruiting people with disabilities and takes part in national events in cooperation with *Agencia para el Empleo*. The group also participated in the *Jornadas de Inserción Socio-Laboral*, a Madrid-based virtual recruitment fair organised by IMASTE, to prepare students to look for work (CV writing, interview simulations, etc.).

France

The group rolled out an ambitious plan to recruit interns and staff on work-linked training programmes, with recruitment numbers increasing each year, to increase the contingent of young people joining the group after obtaining higher education qualifications.

India

The group is faced with an intense war for talent. The Pre-Engagement Connect programme has been rolled out to initiate a proactive, tailored approach to recruitment and attract talented individuals. The programme includes meetings with students and their lecturers and tutors from the start of higher education, with the aim of promoting the group and careers in the digital sector. To make them more friendly and local, these meetings are held on the company's premises. Families are also invited and informed about induction arrangements for new recruits. As well as recruiting young graduates, the group supports people from the most disadvantaged backgrounds and those with disabilities by offering career opportunities within the company.

Scandinavia

For the past two years, Sopra Steria has participated in the leading virtual recruitment fair, Global Talent Week, which attracts more than 6,000 candidates from all over Scandinavia. The programme includes online lectures, chats and virtual assessments. In addition, to encourage young women to pursue careers in the digital sector, the group takes part in two major events by sponsoring projects initiated by science students and participating in "annual inspiration days" for students at top educational institutions.

Gender equality

The group has established concrete initiatives in a number of countries to promote gender diversity within scientific career paths and attract more women from engineering schools. In France, Sopra Steria sponsors and finances engineering students during their studies and has launched the *Passer'Elles* programme to create a network of female employees and gather feedback from students. Concrete measures have also been rolled out in India (WOW programme) and Scandinavia (Women) (see Chapter 3, Section 2.9.2).

Student projects

In France, following a year of transition linked to the merger, in 2016 the group will relaunch its Student Award, a challenge aimed at supporting a team of students with an entrepreneurial project.

This support consists of three components:

- Prize money to help the winning students kick off their project and set up their company;
- Support from the group's consultants to help launch the project;
- Putting the winning team in touch with Sopra Steria clients interested in the project.

Hires

The group continued hiring at a brisk pace, with volumes similar to 2014 levels.

Scope	2015*	2014
France	2,560	2,493
International (excluding France)	4,637	4,397
o/w Spain	807	663
o/w India	1,572	1,618
Total	7,197	6,890

* *2015 headcount does not include the CIMPA workforce.*

For the third consecutive year, Sopra Steria was awarded HappyTrainees certification, which recognises excellence in hosting and supporting students in a business environment.

In 2016, Sopra Steria will continue with its programme of actions supporting access to employment for young people, working in particular with schools and universities.

The emphasis will be on the broader career paths available to candidates, notably including the development of international career paths and, looking further ahead, customised career trajectories. The group will be working more closely with schools and universities to develop solutions that meet young peoples' emerging expectations.

2.2.3. EDUCATIONAL PARTNERSHIP POLICY

To meet its young graduate recruitment targets, Sopra Steria places its trainee integration and educational partnership policy at the heart of its recruiting strategy.

The educational partnership policy is based on three objectives:

- raise the profile of Sopra Steria, its professions and its values;
- improve the sourcing of interns, students in work-linked training and applicants for permanent positions;
- facilitate the recruitment of young graduates.

The Educational Partnership policy launched with schools and universities enables the group to help prepare students for the workforce and take an active part in major events in the life of educational institutions at all levels:

- administration (board of directors or trustees, participation in foundations, juries, class mentoring, etc.);
- teachers (company-sponsored chairs, courses, business-related projects, etc.);
- students (sharing of experiences, feedback, round tables, conferences, simulated interviews, graduation ceremonies, forums, company visits, sponsoring of associations, etc.).

To manage this policy, Sopra Steria uses an organisational structure between the Human Resources Department and the company's operating units that is designed to help them work together more closely and get all stakeholders involved.

In 2015, the group carried out more than 500 activities with 150 partner schools and universities, 70% of which were outside the Paris region. This strong presence saw Sopra Steria host over 530 graduating interns and more than 487 new staff on work-linked training programmes, higher than in 2014.

Sopra Steria: partner of the 47th EDHEC Cruising Race

For the ninth year running, Sopra Steria sponsored Europe's leading sports event for students: the EDHEC Cruising Race, held in May 2015 in La Rochelle. A total of 18 crews were sponsored, including seven mixed teams supported by Mission Handicap. The event included a full-day initiative to raise students' awareness of disability.

Examples of new activities undertaken with schools in 2015:

- Polytech multi-sport challenge: 650 students from 13 Polytech engineering schools competed in around ten different sports. Sopra Steria is the lead partner of this environmentally responsible challenge that takes place in a different city each year;
- sponsorship of the INSA Lyon computer science department's class of 2018.

In order to serve Sopra Steria's growth and value ambitions, in 2016 the Recruitment Department in France will maintain the momentum already built up in schools by focusing on actions that allow it to present digital career opportunities to students.

Sopra Steria will also recruit even more young people in work-linked training to respond to the changes that have taken place at schools and universities.

These progress targets are included in the annual action plan that underpins Sopra Steria's educational partnership policy.

This educational partnership policy will continue to be extended to entities outside France for a group-wide approach.

2.3. Integration and training policy

2.3.1. SOPRA STERIA ACADEMY

Sopra Steria Academy, the group's in-house training system, exists to support employee induction, promote a shared corporate culture and develop employees' skills.

Sopra Steria Academy helps guarantee the level of excellence and adaptability of the group's employees so that they are up to the challenge of digital innovation and changing client expectations. Training and knowledge-sharing are key drivers of success for Sopra Steria's Enterprise Project.

To foster a common culture and group cohesion, the group's values and fundamentals are shared so that they are understood by all staff.

To meet these challenges, Sopra Steria Academy's key objectives are to:

- facilitate the integration of new recruits;
- support the group's strategy by developing business skills;
- share fundamentals, encourage employees to capitalise on best practice through the knowledge management system and promote the creation of international business communities;
- meet employee expectations in terms of professional development;
- enhance the talents of the group's employees;
- implement regulatory provisions for professional training;
- foster the group's internationalisation.

2.3.2. INTEGRATION POLICY

Sopra Steria has put in place a robust induction and integration policy covering both new recruits and employees joining the group through mergers and acquisitions. All employees are offered a tailored approach to help them take their first steps in the company and understand its culture, values and fundamentals.

This policy is based around an induction and integration process for new recruits and dedicated, tailored integration processes in the context of mergers and acquisitions. The Sopra Steria merger in 2015 was supported by a comprehensive integration programme, an overview of which is set out below.

Integration of young recruits

As soon as new employees arrive at Sopra Steria, they are offered an integration path structured around an induction day within their particular company, a three-day induction seminar, business-specific training and training in any relevant methodologies and technologies, interviews with management and peer discussions.

The three-day "*Esprit de Groupe*" (Team Spirit) training and integration seminar is held for all new employees who are just starting their careers. The purpose of the seminar is to share the group's history, plans, values and offerings as well as our fundamental precepts with regard to our focus on service and high-quality projects. This highly interactive and innovative seminar helps employees network and is a key driver of employee loyalty.

Each country and subsidiary runs its own induction programme, based on shared goals, content and approaches, over one or more days depending on the country.

In 2015, all induction programmes across the group were revisited to ensure that they reflected the new Sopra Steria Group.

The aim in 2016 is for each country and subsidiary to offer an induction programme, with revised shared modules notably covering group values and fundamentals, based on the outputs from the unifying internal transformation programme.

Integration of newly recruited managers

Dedicated sessions for new managers are run in all the countries where the group operates, with the aim of supporting integration, providing reference points and fostering the development of a relational network within the group. Examples include Core Management Training in the United Kingdom and the Leadership Program in Scandinavia.

Integration of employees joining the group through mergers and acquisitions

The 2015 Sopra Steria merger was underpinned by a comprehensive training plan and employee support arrangements.

Training programmes were designed for each business line, notably covering operational and functional management, support functions, sales staff, project managers and line managers, as well as project teams depending on their business line.

The goal of these programmes was to pass on knowledge about the company and its operating methods, rules and shared tools critical to the performance of its business in the new environment.

A total of 14 such programmes were rolled out from end-2014 onwards, ramping up in 2015.

In addition to training sessions, these programmes included local presentations within business units, meetings with staff and practical immersion periods.

Mentoring was also widely used to encourage skills development in the operational environment, particularly as regards the use of new tools, by pairing up Sopra and Steria staff within the various business lines.

2.3.3. TRAINING OFFERING IN SUPPORT OF TRANSFORMATION

Due to its educational expertise, its knowledge of key business and strategic issues and its ability to organise seminars and training programmes, the Academy represents a vital instrument for supporting the change process at the workplace and the broader transformation of the group.

In France, Sopra Steria Academy offers training in ten fields: Group Fundamentals, Management, Strategy and Offerings, Sales, Behaviour, Quality and Methods, Business Lines and Sectors, Technologies, Solutions, and Languages and Office Skills.

Training programmes are organised by business line and by level, and are updated and enhanced each year with new modules.

Training is provided by a network of over 600 internal instructors and external consultants.

The Knowledge Management system supports and supplements this training organisation. This system, which can be accessed via the Sopra Steria portal, facilitates sharing of the group's fundamentals and capitalising on best practices through its communities organised by business line, offering and expertise.

The development of management skills is a key component of the training framework. The ability of the group's managers to globally manage the business, motivate and develop their teams and promote a strong entrepreneurial spirit at every level is critical to Sopra Steria's success.

Regardless of their business area, manager training aims to develop all of the necessary managerial skills with respect to sales, production, human resources development and finance.

2.3.4. CHANGES IN THE TRAINING OFFERING

The digital sector is constantly and rapidly evolving. To help develop the skills required for our clients' projects, Sopra Steria Academy refreshes its training offering every year.

Although the main focus of attention in 2015 was employee integration in connection with the Sopra Steria merger, key changes in the training offering were as follows:

- a programme for architects based on Steria programmes;
- strengthening of project management and business programmes;
- seminars devoted to vertical markets, innovation and communities of practice;
- renewal of the *Université du Conseil* ("Consulting University");
- dedicated infrastructure management training programmes;
- dedicated security programmes, including a new e-learning awareness-raising module;
- additions to technology programmes incorporating digital innovations (big data, the cloud, mobility, etc.);
- technology reskilling programmes (BI, SAP, Java, etc.).

The offering was also rounded out with country-specific initiatives, including the following:

- the Emerging Leadership Program in the United Kingdom, helping young managers learn the fundamentals of management;
- a new bid management programme in Scandinavia dedicated to pre-sales methods and management;
- a module rolled out to each project team in India focused on responsibility and commitment.

In 2016, the training plan will serve the group's strategic, commercial and operational direction in its new configuration, as well as helping share the group's fundamentals. The continued rollout of integrated training programmes covering topics such as big data, mobility, social media, the cloud, cybersecurity and architecture will support the development of digital skills.

The training offering will be adjusted as a result of the internal transformation programme; in particular, induction programmes and management training will be substantially reinforced.

2.3.5. UNIFYING INTERNAL TRANSFORMATION PROGRAMME

Sharing the same corporate culture is essential to ensure the group's unity, consistency and cohesion so as to successfully support the group's strategic plans.

In this context, over the next two years the internal transformation programme will support the dissemination of a set of core values and shared fundamentals, as well as an enterprise project. It will also address the issue of sharing a common management culture among all managers. The programme will also support the recognition of digital transformations affecting our business.

An exceptional training programme is scheduled for group-wide rollout from 2016, including a number of modules aimed at managers as well as training for all staff.

Managers will receive advance training on the group's strategy and fundamentals, as well as management postures associated with management by empowerment and motivation. They will be tasked with cascading this group knowledge to their teams within their business units.

Programmes and training sessions covering group fundamentals will be updated accordingly within the Sopra Steria Academy training offering.

NUMBER OF TRAINING HOURS AND DAYS

Scope	2015**	2014
Number of training hours provided during the financial year*		
France	470,212	369,854
Spain	74,759	60,018
India	166,563	150,735
Number of training days provided during the financial year*		
France	67,173	52,836
Spain	9,345	7,502
India	20,820	18,842
Average number of training days per person*		
France	4.0	3.2
Spain	3.5	3.5
India	4.4	3.3

Scope covered, by country: France (Sopra, Sopra HR Software, Sopra Banking Software and I2S), Spain (Sopra, Sopra HR Software and Sopra Banking Software) and India (Sopra and Steria).

* *In France, one day of training = 7 hours. In Spain and India, one day of training = 8 hours.*

** *2015 headcount does not include the CIMPA workforce, staff on degree-level work-linked training programmes or interns.*

2.4. Talent development policy

Anticipating changing skills requirements is key to better supporting clients' major transformation projects and ensuring the success of the Sopra Steria Enterprise Project while maintaining a high level of employee motivation.

With its diverse mix of business lines and client projects, Sopra Steria offers a motivating work environment conducive to the development of satisfying career paths.

This emphasis on professional development is supported by a core competency reference guide and a continuous improvement approach that lets the group get to know each of its employees.

Sopra Steria Core Competency Reference Guide

The Sopra Steria Core Competency Reference Guide is a management tool designed to support career development, particularly as the group experiences strong growth and internationalisation.

It describes all of the group's business areas (consulting, integration, software development, infrastructure management, security, sales, entity management, and support functions). It allows employees to understand the demands of their roles, position themselves appropriately and consider accessible career paths within the group depending on their skills.

Managers can use the guide to bring further clarity to the trajectories available to each member of staff depending on their abilities and motivations and the group's priorities.

The Core Competency Reference Guide is also a key management tool for attracting new talent and facilitating integration, especially for employees joining the group as a result of mergers and acquisitions.

Continuous assessment and career development

Sopra Steria uses an assessment and career development framework that enables the group to regularly monitor each employee's development.

This framework helps maintain staff employability and ensure continuous skills development. It is notably supported by individual target-setting interviews, project reviews and annual appraisal and development interviews, the output from which is shared with management at Human Resources Committee meetings.

Human Resources Committees facilitate the sharing of knowledge about staff in terms of skills, aspirations, performance and development capacity as well as collective decisions on pay and promotion, immersion periods in new roles and training, taking into account the objective of gender equality.

In 2015, the group kicked off two major harmonisation programmes following the merger: updating the Core Competency Reference Guide and updating practices relating to staff assessment and the running of Human Resources Committee meetings. Management training efforts were stepped up to support these developments.

New business areas were added to the Core Competency Reference Guide, such as infrastructure management and cybersecurity.

Assessment practices were harmonised across France. Calendars for Human Resources Committee meetings were rolled out across all countries, taking into account local constraints.

In 2016, rollout of the new Core Competency Reference Guide will continue in France and within the I2S, Sopra Banking Software and Sopra HR Software subsidiaries. A second, group-wide phase will be kicked off with the aim of creating a shared Core Competency Reference Guide ahead of year-end Human Resources Committee meetings.

2.5. Remuneration policy

In order to support its growth, the group seeks to attract, motivate and retain its employees by providing them with consistent remuneration and equal treatment.

Backed by the employee assessment system, the remuneration policy is individualised and is based on objective criteria. It aims to recognise talent by rewarding both individual and collective performance.

The process for adjusting remuneration is based on the assessment system described above and on the HR cycles that are organised each year.

Remuneration policy is adjusted in line with the characteristics of local labour markets and legislation in force.

REMUNERATION IN FRANCE

The ratio of the highest to the lowest salary in France remained stable relative to 2014.

	2015**	2014
Ratio of highest to lowest gross annual base salaries	15	15
Number of employees whose gross annual salary is less than or equal to €20,000*	3	3
Number of employees whose gross annual salary is less than or equal to €2,000, i.e. €2,000 x 13 months	403	491
Average gross annual base salary *(in euros)*	€44,045	€43,451

* *The lowest gross annual salary in 2015 amounted to €19,825 and only concerned one person.*

** *2015 headcount does not include the CIMPA workforce, interns or company officers. It includes full-time equivalent permanent contract staff in service from 1 January to 31 December.*

2.6. Work organisation

The organisation of employees' work schedules must allow for an appropriate work-life balance. Employees may choose to work part-time; this arrangement is never imposed upon them. Sopra Steria approves employee requests for part-time work when they are compatible with the requirements of the departments or projects concerned.

PROPORTION OF EMPLOYEES WORKING PART-TIME

Scope	2015**	2014*
France	6.1%	6%
International (excluding France)	7.2%	
TOTAL	**6.7%**	

* *Sopra Group scope.*

** *2015 headcount does not include the CIMPA workforce. It includes permanent contract staff in service from 1 January to 31 December.*

ABSENCES IN FRANCE (EXCLUDING CIMPA)

The absence rate in 2015 was 3.3% (compared to 3% in 2014). This rate is calculated on the basis of an average full-time equivalent, for employees on permanent or temporary contracts. It does not take into account absences for interns, volunteers on the "VIE" international volunteering scheme, headcount received from another subsidiary or absences due to contracts being suspended.

It takes into account absences for illness, workplace accidents and travel accidents. It is the ratio between the number of actual calendar days of absence and the number of theoretical workdays.

2.7. Labour relations

Labour relations are based on consultation processes involving employee representatives, covering issues of common interest relating to the company's business and labour policy.

Dialogue takes place at periodic meetings, depending on local legislation, including meetings of the European Works Council, the Central Works Council and individual company works councils. It aims in particular to pre-empt and support significant changes faced by the group.

In 2015, the international dimension of labour relations was bolstered by the work of the European Works Council, which continued after the merger.

In 2015, labour relations were particularly complex (covering a wide range of issues) and intense in a new environment characterised by increased reliance on the courts resulting from the continued process of integrating Sopra and Steria staff. As well as ordinary meetings and meetings of decision-making bodies within each entity, a large number of meetings focused on harmonisation and the construction of a unified workforce within the new group.

The group takes care to ensure that labour relations are running smoothly within each subsidiary.

2.7.1. ORGANISATION

The European Works Council (EWC), formed by Steria in 2007, continued to exist following the Sopra Steria merger in accordance with the provisions of the French Labour Code and Sopra Steria Group's desire to maintain a European labour relations body.

The EWC is set evolve to represent all countries in which the group operates. By agreement with the members of the EWC and the special negotiating body, a new EWC will be formed following union elections in France.

The EWC met three times in 2015. These meetings included presentations of the group's financial results as well as a progress update on integration and the strategic review. The members of the EWC also provide management with reporting on their subsidiary's business activity and staff morale. Lastly, the council was involved in working on specific issues such as changes to the Core Competency Reference Guide.

a. Sopra Steria

Employee representative bodies are organised around a Central Works Council in the context of the existing economic and social unit (*Unité Économique et Sociale* – UES) with its former subsidiary Axway Software (in which Sopra has a 25.47% equity interest) and its wholly-owned subsidiaries Sopra Banking Software, Sopra HR Software, I2S and Beamap. Sopra Steria also has a company Works Council, a number of employee representatives and Health, Safety and Working Conditions Committees (HSWCCs) spread across the various Sopra Steria sites.

In 2015, the Central Works Council met six times and the company Works Council held 12 ordinary meetings and 11 extraordinary meetings. The HSWCCs were convened for at least four ordinary meetings and employee representatives met at least once a month.

b. I2S

Being a newly formed company resulting from the merger, I2S has yet to form any bodies made up of employee representatives. However, it has maintained two employee representative bodies at the Roanne and Sophia Antipolis sites, which met 12 times in 2015.

By way of a collective agreement dated 6 March 2015, I2S joined the Sopra Steria UES and will thus have its own representative bodies following the electoral process.

Labour relations were nevertheless maintained at the national level via monthly meetings to share and discuss economic and corporate information. Former Works Council members (and, where applicable, their alternates) are invited to attend such meetings. This group met nine times in 2015. These meetings include presentations of the entity's monthly financial results and a review of sales performance. The agenda always includes an update on HR and workforce news, including in particular a quarterly presentation on changes in headcount and negotiations in progress with trade unions.

At the local level, "open office" meetings were held at the three main sites – Toulouse, Meudon and Lille – to address local issues. Former members of HSWCCs and/or employee representatives are invited to attend such meetings. Nine such meetings were held during the year.

Finally, former members of HSWCCs and employee representatives are given an allowance of hours to spend defending employees, equivalent to the hours they were previously allowed in their roles as committee members or representatives.

c. Sopra Banking Software

France

Employee representative bodies comprise a Works Council, 6 Employee Delegations located at 6 sites, and 6 Health, Safety and Working Conditions Committees (HSWCCs) covering 6 sites. There were 12 ordinary meetings of the Works Council during the year.

Belgium

Employee representative bodies consist of a Works Council with an employee delegation affiliated to the liberal trade union. The Works Council meets monthly. There is also a Committee for Protection and Prevention in the Workplace (equivalent to HSWCCs in France), which meets at least once every two months.

Luxembourg

There is a single employee representative body, which is not affiliated with a trade union: the Employee Delegation. It meets as and when required (on average once a quarter).

Germany

Employees are represented by a seven-member Works Council, which is management's preferred dialogue partner for matters pertaining to labour relations.

The Works Council meets monthly. Additional meetings may be arranged with the Finance and Human Resources committees if the Works Council so requests.

A number of collective agreements were entered into with the Works Council in 2015, notably concerning salary review, pay structure and the employee transfer process.

d. Sopra HR Software

France

Sopra HR Software has the following representative bodies: a Works Council, three Employee Delegations, and one HSWCC. Sopra HR Software joined the Sopra Steria Group UES in March 2015.

In 2015, the Works Council was convened for eleven ordinary meetings and four extraordinary meetings.

Tunisia

Employees are represented by the Advisory Works Council, which has eight members: four members of management and four employee representatives. The Council meets monthly.

Germany

Employees are represented by a three-member Works Council.

2.7.2. OVERVIEW OF COLLECTIVE NEGOTIATIONS BY ENTITY

Collective negotiations in 2015 resulted in agreements covering the UES and certain entities.

a. UES-wide agreements

- Agreement to extend the UES
- Agreement on the term of office of employee representatives
- Agreement on employee incentives

b. Entity-level agreements

Mandatory annual negotiations were held with the employee representative bodies. Collective negotiations in 2015 resulted in the signing of the 2015-2017 agreement for the employment and professional integration of disabled workers across the scope of Sopra Banking Software in France.

Under a company-wide agreement, trade unions have the option of sending monthly and/or quarterly notices to all staff (via the intranet, signs, post or meetings).

Similarly, under a provision of the internal rules of Sopra Steria Group's Works Council, the elected members of this committee may issue monthly information.

OVERVIEW OF COLLECTIVE BARGAINING AGREEMENTS IN FRANCE

Number of agreements signed during the year with union organisations and/or the Works Council	3 (UES)
	0 (Sopra Steria)
	1 (Sopra Banking Software)
	0 (I2S)
	5 (Sopra HR Software)
Number of collective bargaining agreements active	19 (Sopra Steria)
	16 (Sopra Banking Software)
	24 (Steria)
	1 (Sopra HR Software)

In France, the re-election of members of employee representative bodies should be the key milestone in 2016. The main challenge is to ensure that all employees are represented following the merger process.

2.8. Health and safety

Health and safety in the workplace is an important component of human resources management, considered by the group as critical to its efficiency and long-term success.

The group's businesses do not include any high-risk activities. The group has put in place specific processes and measures, implemented at the local level, since each entity is subject to legislation specific to its host country: fire emergency procedures, staff training in such procedures, etc.

In 2015, Sopra Steria continued its rescue and first-aid training programme in France. Both initial training and refresher courses were offered. In addition, most sites are equipped with defibrillators.

To ensure the well-being of employees, "movement and posture" awareness sessions have been launched at several sites in collaboration with occupational health specialists in France. A psychological counselling and support unit is also available to employees. This unit is made up of psychologists and is completely independent from the company. Employees can access this anonymous, confidential and free service at any time by calling a toll-free number.

No workplace health and safety agreements were entered into in 2015.

In 2016, the group intends to pursue and reinforce the actions it has implemented in the field of health and safety.

2.8.1. FREQUENCY AND SEVERITY RATES OF WORKPLACE ACCIDENTS IN FRANCE

Sopra Steria operates in the services sector and its activities do not present any significant risks related to workplace accidents. As a result, frequency and severity rates remain especially low and are related to the hazards of everyday life.

WORKPLACE ACCIDENTS

	2015*	2014
Frequency rate of workplace accidents**	1.46%	2.07%
Severity rate of workplace accidents***	0.035%	0.039%

* *2015 headcount does not include the CIMPA workforce. Included in this calculation are all employees bound to their employer by an employment contract, irrespective of the type of contract (i.e. permanent and temporary contract staff and interns).*

** *Method for calculating frequency rate: (Number of work-related accidents with leave*1,000,000)/Total number of hours worked by total workforce over the year. Method for calculating severity rate: (Number of calendar days on leave following a work-related accident*1,000)/Total number of hours worked by total workforce over the year.*

*** *Extensions of leave for work-related accidents that took place during Year Y-1 are not recognised.*

2.8.2. OVERVIEW OF OCCUPATIONAL ILLNESSES IN FRANCE

No occupational illnesses have been recognised since 2011.

2.9. Non-discrimination principles

Collective negotiations in 2015 resulted in agreements covering the UES and certain entities.

Sopra Steria Group's policy with regard to fighting discrimination is consistent with its approach based on the principle of promoting equal opportunity. This approach focuses on both staff employability and the challenges faced by civil society.

To support these commitments, various guidelines and policies have been established and translated into agreements or action plans.

2.9.1. EMPLOYMENT OF DISABLED INDIVIDUALS

The main aim of the group's disability policy is to favour the hiring and lasting employment of disabled employees, in keeping with local regulations.

Because local regulations and the definition of disability vary from one country to another, it is currently difficult to collect consistent information on this subject in each country.

France

A national network of volunteer disability champions has been rolled out to develop closer relationships with employees with disabilities and better meet their needs.

Awareness-raising days have been held at some group sites. Alongside these actions in the field, a web series has been specifically produced and shared on the company's portal.

Students with disabilities are under-represented in science higher education. In light of this, the group is rolling out a programme both internally and externally (aimed at businesses and educational institutions).

The "Sopra Steria Handitutorat" programme continued in 2015. This original programme lets disabled secondary school students receive academic support from engineering students with disability training who are led by managers of the company.

In the area of "education for everyone", the group launched a MOOC (Massive Open Online Course) using Java EE technology at the end of 2014. In 2015, more than 15,000 students took this first disabled access online course, designed and produced in particular for students with disabilities to help them gain access to employment.

The "Handivoile" programme, organised in connection with the EDHEC Cruising Race, which brings together 3,000 students, was strengthened as part of an approach to fostering social inclusion for both able-bodied and disabled students. The challenge, first run in 2014, saw seven mixed crews consisting of both able-bodied and disabled students receive support in 2015. Moreover, this day focused entirely on disability raised awareness among more than 300 students through memorable experiences.

Through its partnerships with special needs employers, 23 positions for disabled workers were created. The group also offers its clients a range of services with officially recognised special needs employers in the digital sector, so as to involve disabled workers in project implementation.

Lastly, the group continued to support the development of concrete, innovative technical solutions to make life easier for people with disabilities, notably through the Aurevi project to design vision-enhancing glasses.

In 2016, the goal is to share awareness-raising best practice across the group and continue with actions aimed at promoting access to higher education for young people with disabilities.

PROPORTION OF DISABLED EMPLOYEES IN FRANCE

The group employs a higher proportion of disabled workers than the average for the digital sector in France, which is around 1.2% (source: *Syntec Numérique*, 2014 figure).

	2015*	2014
Disabled employees as percentage of workforce	2.05%	2.08%

Calculation method: Number of employees with disabilities recognised within the company (Disabled Worker Unit) increased by 50% according to the rules defined by AGEFIPH + number of qualifying units from subcontracting to firms employing disabled persons in specially adapted and protected work environments, divided by the relevant workforce. The workforce numbers used are calculated according to the rules defined by AGEFIPH, an organisation that promotes the employment of disabled persons.

* *Excluding CIMPA.*

2.9.2. WORKPLACE GENDER EQUALITY

The group remains committed to professional equality between women and men. This commitment is focused on three areas: promoting gender diversity in scientific career paths, attracting more female employees from engineering schools and being mindful of non-discrimination in women's careers.

While women are less well represented than men in the STEM fields, the proportion of women in the group's workforce is gradually rising, up from 30% in 2014 to over 31% in 2015.

Following the Sopra Steria merger, the international human resources community was trained to share the principles of workplace gender equality in each of the group's countries, in particular during the annual HR cycles. Human Resources Committees monitor compliance with principles of fairness in decisions concerning promotion, compensation, immersion periods in new roles and training.

In 2015, the proportion of women and men trained was consistent with the gender breakdown of the workforce (in France, Spain and India).

In France, male and female applicants with identical qualifications, degrees, skills and experience are offered identical starting salaries. Equal proportions of men and women are promoted.

Furthermore, to fulfil the group's commitment, concrete initiatives have been rolled out in various countries.

In France, the "Passer'Elles" programme, which was launched in 2014 and continued in 2015, aims to promote gender diversity within scientific career paths and careers in the digital sector among female students. The programme operates across all regions, partnering with educational institutions and a network of female employees who act as digital-sector career ambassadors. Talks in schools and open days have provided opportunities to meet with large numbers of students and promote interest in careers in the sector.

In other countries, networks of women have also been set up to promote careers in the digital sector among women.

In Scandinavia, the "Women" network runs a dedicated mentoring programme for female employees and supports female students by providing them with guidance in their choice of a scientific career path.

In India, the "WOW – World of Women" club brings together women in the company to facilitate their career development. In addition, the "POSH – Prevention of Sexual Harassment" awareness programme has been rolled out to combat the sexual harassment of women in the workplace.

In 2016, the aim is to put in place shared group indicators on female managers and kick off an improvement process. Efforts to promote careers in the digital sector will continue and will be rolled out to more countries to attract more women into the group.

2.9.3. INTERGENERATIONAL APPROACH

Pension reform and changes in society have serious implications for access to employment among young people and the average length of the working life, which has increased.

Against this backdrop, the group makes every effort to ensure that all generations are well represented within its workforce by taking care to support its older employees as well as fostering generational renewal.

Group key figures	2015*
Employees under 25	9%
Employees over 55	8%
Average age	38

* *2015 headcount does not include the CIMPA workforce. Included in this calculation are all employees bound to their employer by an employment contract, irrespective of the type of contract (i.e. permanent and temporary contract staff and interns).*

Commitment to older employees in France

To recognise the skills and experience of older employees while helping young graduates find their place in the working world, the group has entered into commitments in France under the 2015-2017 "generation contract" action plan. These commitments in support of over-50s relate, in particular, to recruitment (0.5% of over-50s), continued employment (8% of the workforce over 50) and professional training to develop older employees' skills (5% of all training must relate to over-50s).

In 2015, the group achieved its targets for the recruitment and overall proportion of older employees (1.5% of new recruits and 13.8% of employees over 50).

The group maintained its drive to develop the skills and qualifications of older employees. A total of 12% of all training delivered related to over-50s. Measures were also adopted to give consideration to future career development during in-depth interviews. Information sessions were held for employees affected by end-of-career adjustments and the transition from working life to retirement.

The group also promoted knowledge and skills transfer – a key component of its policy of supporting older employees with the aim of successful intergenerational management – by appointing a mentor for every new recruit aged under 26.

In 2016, the group intends to continue with its programmes aimed at working seniors while pursuing a proactive group-wide policy of recruiting young graduates. Retirement information meetings will be held at the group's major sites in France.

PROPORTION OF OLDER EMPLOYEES IN FRANCE

Scope	2015*	2014
Number of employees aged 45 years and up	3,960	3,809
Percentage of employees aged 45 years and up in relation to the workforce at 31 December	23.4%	22.3%
Number of employees aged 55 years and up	1,031	955
Percentage of employees aged 55 years and up in relation to the workforce at 31 December	6.1%	5.6%

* *2015 headcount does not include the CIMPA workforce. Included in this calculation are all employees tied to the employer by an employment contract, irrespective of the type of contract (i.e. permanent and temporary contract staff and interns). Scope covered, by country: France (Sopra, Sopra HR Software, Sopra Banking Software and I2S), Spain (Sopra, Sopra HR Software and Sopra Banking Software) and India (Sopra and Steria). Excluding CIMPA.*

2.9.4. DIVERSITY AND ACCESS TO EMPLOYMENT FOR YOUNG PEOPLE

Ensuring access to education for all and integrating young graduates into the world of work is central to the group's social policy, in line with the principle of equal opportunity.

France

Since 2007, the group has held special sessions every year to train such young people in digital technology, a step toward employment under permanent contracts. Thanks to this scheme, 210 young people joined the group on permanent contracts in 2015 (compared with 187 in 2014).

To help unemployed young graduates in areas other than IT find jobs, Sopra Steria has teamed up with *Pôle Emploi,* France's network of job centres. Through this partnership, young people are offered access to vocational retraining programmes and given the opportunity to be directly involved in IT projects entrusted to the group, in particular under the terms of social inclusion clauses.

Sopra Steria participates in an employee sponsorship programme run by the "*Nos Quartiers ont des Talents*" association to support young graduates from underprivileged neighbourhoods. Group volunteers sponsored more than 20 young graduates seeking employment in 2015. Workshops and roundtable discussions were held at which over fifty students were taught a wide range of job-search techniques, and three young people from underprivileged neighbourhoods were hired following these sessions.

In 2015, the group worked with Team Jolokia (1) and students from the HEC business school to design a two-day seminar on managing diversity. This initiative served to raise awareness among the group's managers.

United Kingdom

The group has been working for several years alongside the charity Career Ready to help secondary school students from underprivileged areas who have experienced difficulties at school with their studies. Employee volunteers mentor these young people with the aim of re-igniting their desire to learn and encouraging them to think about their career options. The group also partners with the Prince's Trust programme, an initiative that aims to restore confidence to young people from underprivileged backgrounds.

2.10. Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO)

Sopra Steria adheres to the principles and fundamental entitlements of the Universal Declaration of Human Rights of the United Nations and the Charter of Fundamental Rights of the European Union.

Sopra Steria is committed to:

- complying with European Community and national labour laws and the collective bargaining agreements of each country where it operates;
- respecting the exercise of trade union rights in each of the countries in question.

Sopra Steria applies a social policy with the aim of safeguarding the health and safety of each of its employees and treating everyone in the workplace with dignity and respect.

Sopra Steria remains particularly attentive at all times to ensuring compliance with principles of equality, diversity and non-discrimination, as much in relation to its recruitment practices as in the development of its employees' careers.

2.10.1. UPHOLDING THE FREEDOM OF ASSOCIATION

As a participant in the United Nations Global Compact, Sopra Steria is committed to upholding freedom of association and recognising the right to collective bargaining. Sopra Steria reaffirmed this commitment in its Code of Ethics, published in 2015 and applicable across the whole of the new group.

Sopra Steria has implemented non-discrimination policies and procedures with regard to employee representatives.

In countries that do not have an institutional framework governing the recognition of employee representatives, Sopra Steria makes an effort to implement measures intended to improve professional relations between the company and its employees.

2.10.2. REPUDIATION OF FORCED CHILD LABOUR

Sopra Steria has formally committed to fight against child labour, the exploitation of children, forced labour and all other forms of compulsory labour, particularly through its adherence to the United Nations Global Compact. This commitment is reiterated in Sopra Steria's Code of Ethics.

2.11. Regional impact

2.11.1. EMPLOYMENT AND REGIONAL DEVELOPMENT IN FRANCE

Sopra Steria remained a major driver of growth in regional employment in 2015, recruiting 1,939 new employees on permanent contracts in France, with almost 60% of these outside the Paris region.

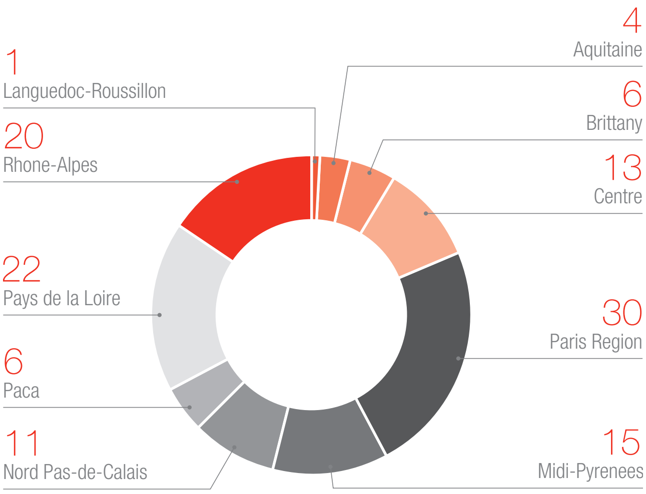
The group has 17,606 employees in France, nearly two-thirds of whom are based outside the Paris region.

To serve its clients and meet their needs as effectively as possible, Sopra Steria has developed regional service centres and boosted its workforce at its regional sites. This policy has resulted in many jobs being created in regions other than Paris.

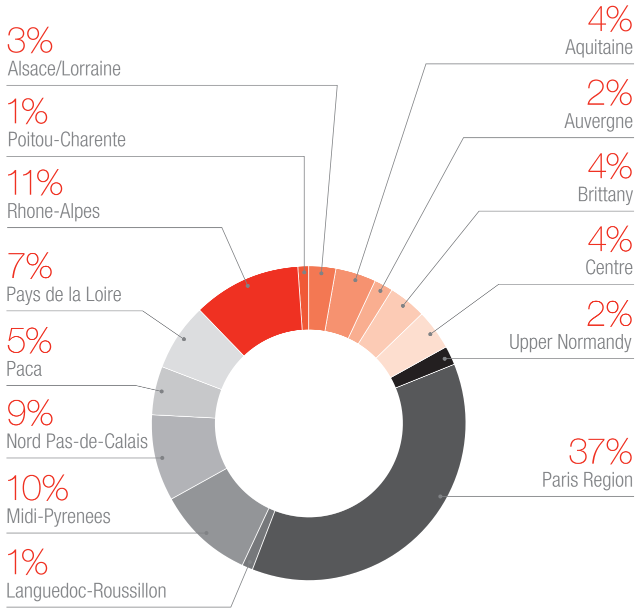
(1) Team Jolokia is the first sailing team consisting of both able-bodied and disabled sportspeople.

NUMBER OF WORK-LINKED TRAINING RECRUITS PER REGION: APPRENTICESHIPS

Recruitment of apprentices increased sharply in 2015, with 35% more new apprentices taken on than in 2014 (128 in 2015, compared with 95 in 2014).

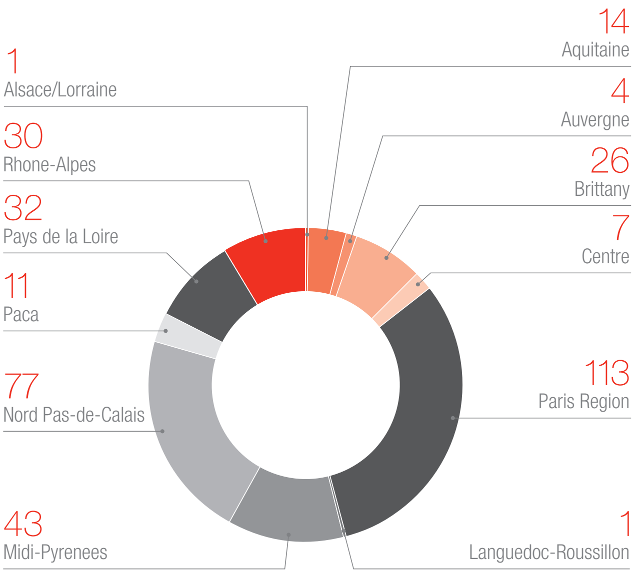


PERCENTAGE OF RECRUITMENTS PER REGION: CONVERSION OF INTERNSHIPS

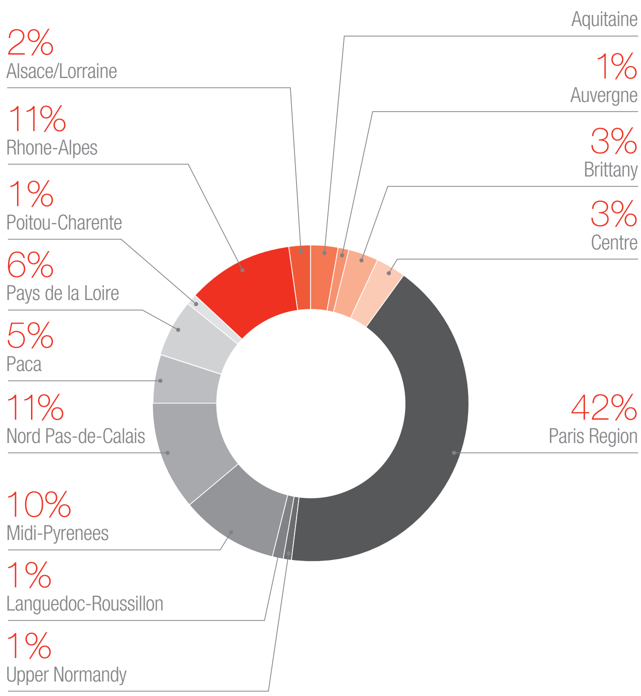


NUMBER OF WORK-LINKED TRAINING RECRUITS PER REGION: PROFESSIONAL TRAINING CONTRACTS

Recruitment of staff on professional training contracts increased sharply relative to 2014, with 20% more new recruits in 2015 (359 in 2015, compared with 300 in 2014).



PERCENTAGE OF RECRUITMENTS PER REGION: PERMANENT CONTRACTS

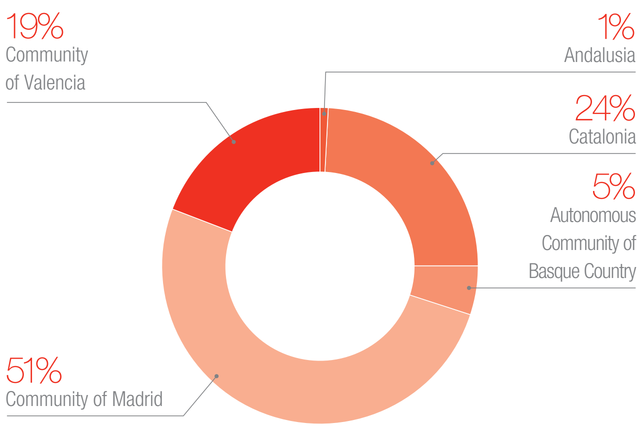


2.11.2. EMPLOYMENT AND REGIONAL DEVELOPMENT IN SPAIN

Sopra Steria confirmed its positioning as a major provider of regional employment in Spain, with 701 recruits on permanent contracts. Recruitment across the country, already high in 2014, increased significantly once again in 2014 (up 29% year on year).

Recruitment remained strong among under-25s, including in struggling regions where unemployment has reached record levels within the European Union, especially among under-25s (almost 50% of whom are unemployed).

PERCENTAGE OF RECRUITMENTS PER REGION: PERMANENT CONTRACTS

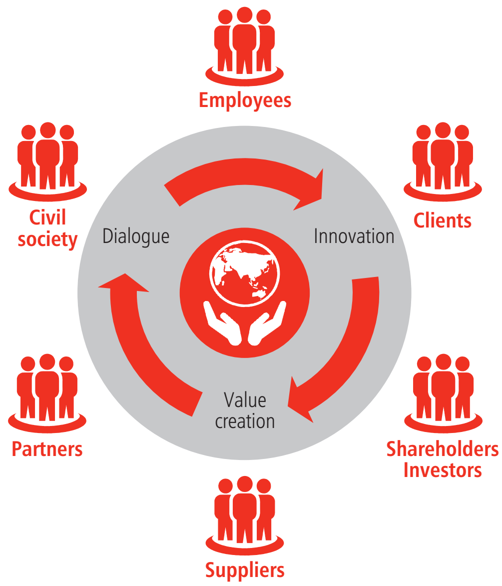


3. Market responsibility

3.1. Stakeholder dialogue

Responsible interaction with all stakeholders, underpinned by three key factors: dialogue, innovation and value creation

Sopra Steria's corporate responsibility approach is based on its commitment to the United Nations Global Compact. This commitment is aligned with the group's aim of behaving transparently, equitably and fairly towards all its stakeholders: clients, employees, shareholders and investors, suppliers, partners and civil society. It is in this spirit of dialogue and transparency that Sopra Steria has incorporated the corporate responsibility dimension into its relationships with its stakeholders. This report, which is based on Sopra Steria's improvement measures, was designed to meet this demand for transparency and information in the group's dealings with its stakeholders.



In 2015, Sopra Steria maintained ongoing dialogue with its clients and partners within extended ecosystems.

More specifically, in 2015 Sopra Steria joined two groups and coalitions in connection with the Conference of Parties or COP21 – We Mean Business and Business Proposals for COP21 – to promote action on climate change and develop new frameworks for environmental regulation.

Stakeholder dialogue is supported by comprehensive group information-sharing arrangements and, more specifically, by the following:

- social media, both external (Twitter, Facebook, LinkedIn and YouTube) and internal (SharePoint and Yammer), which can be used to forge strong relationships with stakeholders, foster attractiveness, cohesion and cooperation and encourage the emergence of value-creating collectives;
- in 2015, digital communication initiatives included the rollout of a group-level external blog dedicated to innovation and digital transformation. Every week, Sopra Steria experts offer their perspectives on a wide variety of topics including mobility, the cloud, big data, cybersecurity, smart objects, smart cities and innovation. Posts are also promoted on external social media;
- press relations: information about the group's corporate responsibility initiatives received particularly strong coverage in national and local media, as well as trade journals on finance, economics, IT, human resources and the environment.

3.1.1. CLIENTS

To meet the challenges of increasingly complex projects and the explosion in new uses of digital technology, the group's guiding principle is to maintain close relationships with its clients while relying on robust mass processing capability.

For many years, Sopra Steria has succeeded in building lasting relationships with its clients to support them in their major transformation programmes, drawing on a set of values and fundamentals combined with a strong ethical approach. This approach enables the group to offer robust, resilient and secure innovative solutions that take into account new uses of digital technology. It has enabled Sopra Steria to achieve preferred partner status with a number of major organisations that have trusted the group to help them grow for a number of years and continue to do so.

Client satisfaction surveys and project reviews help build a relationship of dialogue and lasting trust. Lastly, Sopra Steria regularly informs its clients about its commitment to corporate responsibility and improvement measures put in place.

Information security and data protection:

To guarantee information security and data protection in all its projects, Sopra Steria has for many years followed an Information Security Policy.

3.1.2. EMPLOYEES

For a number of years, the group has had a strong internal communications programme to keep employees informed and promote dialogue, including group collaborative portals, social media, communities and newsletters. The collaborative company portal shared by Sopra Steria employees serves two purposes: it facilitates access to all group information, from fundamentals to corporate and business line-specific information; and it accelerates knowledge acquisition and the development of expertise. The portal does so by offering powerful tools for sharing and leveraging knowledge and fostering more fruitful communication between employees, thanks in particular to integrated social networking features.

This system is supplemented by regular meetings, either at entity level or targeted at specific roles. They are based on highly structured management and exchange systems, in particular. All of these systems were harmonised to cover all Sopra Steria employees from 2015 and to support the group's development driven by an ambitious transformation project.

Employees are also ambassadors for the group and help promote its expertise (for example through expert opinions and contributions to business blogs) and its employer brand (for example through activity on social media and partnerships with educational institutions). Throughout the year, an ongoing calendar of initiatives (dedicated campaigns, events, etc.) aimed at potential Sopra Steria candidates supports the group's brand as a leading employer as well as its recruitment targets.

3.1.3. SHAREHOLDERS AND INVESTORS

Sopra Steria Group is listed on Compartment A of NYSE Euronext Paris. The group applies the AFEP-MEDEF Corporate Governance Code, and every year in Chapter 2 of its Registration Document the group informs its shareholders of the way in which it applies the recommendations of this Code.

In accordance with French legislation, Sopra Steria Group is committed to communicating its progress and the relevant performance indicators every year in four areas: the workforce, the market, community engagement and the environment, which it covers in its Corporate Responsibility Report published in the Registration Document.

Sopra Steria Group constantly seeks to maintain a relationship of trust and transparency with the financial community; as such, it regularly communicates with its shareholders, institutional investors and financial analysts. This ongoing and periodic communication includes quarterly, half-yearly and annual publications, and covers both financial and non-financial information about the group. Each year, the General Meeting of Shareholders and meetings to announce the full-year and half-year results are occasions for the group to share its strategy, financial performance and outlook with the financial community.

All published information is made available to the public in French and English in the "Investors" section of the group's website (www.soprasteria.com). A dedicated e-mail address is also available (investors@soprasteria.com). Furthermore, Sopra Steria provides regular updates on its commitment to corporate responsibility through dedicated communications in response to new regulatory requirements.

In 2015, Sopra Steria joined the CDP Climate Change index (an international benchmark index for investors), achieving a score of 100B across the whole of its new scope for the transparency and performance of its environmental initiatives.

3.1.4. SUPPLIERS

The departments in charge of purchasing for the group must verify that their suppliers and service providers share Sopra Steria's values in the area of corporate responsibility. A number of measures have been taken by Sopra and Steria in the past several years, such as having suppliers adhere to the responsible purchasing charter and take rules of ethics into account, raising awareness among members of the Purchasing Department, and assessing the group's main suppliers. Since 2015, these measures have been gradually harmonised across the group, based on the same guiding principles.

Sopra Steria may make use of subcontractors in cases where its commitments cover activities or services that fall outside its usual scope of activity, or where specific expertise is needed within a given project.

Where external skills are used, any service providers or subcontractors to whom work is entrusted remain under the responsibility of group entities. Their services are subject to the same level of monitoring and control as services delivered by other members of Sopra Steria teams.

3.1.5. PARTNERSHIPS

Sopra Steria's partner strategy is based on the expectations of its clients, with the aim of providing them with the best solutions on the market and an excellent level of service across all of the group's businesses.

By building close, lasting relationships with the world's leading software developers such as Microsoft, IBM Software, SAP, Oracle and HP Software, Sopra Steria provides its clients with innovative, proven solutions tailored to their needs.

Sopra Steria works every day with its strategic partners to ensure that the group's expertise combined with its partners' solutions support clients in transforming their businesses and information systems and adopting new practices.

As such, Sopra Steria is able to add value to its clients by bringing market-leading solutions and technologies into their specific environments.

Furthermore, powerful research and development programmes drawing on the best of its partners' technologies help the group develop its expertise and strengthen its innovation programme. Through these programmes, the group's consultants gain operational expertise and improve their ability to deliver valuable advice to clients.

Solutions based on strategic partnerships are taken into consideration in the group's training and knowledge management programmes, and play a role in project methodology and management, so as to ensure a high level of service. The group's relationship with its partners involves all levels of group management and sales functions, and permeates its consulting, integration, infrastructure management and software development businesses in every country in which the group operates.

The group's governance structure is comprised of a supervisory level managed by an Advocate, who is a member of the Executive Committee, and a steering level managed by an Alliance Manager, who is responsible for day-to-day coordination of all aspects of the group's relations with the partner, as part of the Key Accounts and Partnerships Department.

In addition to its five strategic partnerships, the group enters into specialised, industry-specific and technology partnerships, implemented for specific markets and offerings.

3.1.6. CIVIL SOCIETY

Sopra Steria works together with non-governmental organisations (NGOs) and charitable organisations. The group is also active in professional organisations related to its activities. Sopra Steria is thus involved in developing professional standards, expanding the use of digital technology and fostering dialogue between companies in its sector and with local authorities.

a. Trade unions and industry groups

In France, Sopra Steria has traditionally been very involved with *Syntec Numérique*, the leading trade union in the French digital sector. In 2015, the group actively worked together with Syntec Numérique on several different levels, notably as a member of the Board of Directors and its overseas delegation, and by participating in its working group on Smart Cities.

In India, group entities have been working with NASSCOM (National Association of Software and Services Companies), an organisation that represents IT professionals, for several years.

In Spain, the group continued to work with the Spanish Association of Consulting Firms (AEC), which represents Spain's leading consultancy and IT firms.

In the United Kingdom, Sopra Steria chairs the Hertfordshire Chamber of Commerce's Environment, Innovation and Sustainable Development Committee and helps promote corporate responsibility at the local level.

b. We Mean Business

We Mean Business is a group of organisations working with thousands of businesses that recognise that transitioning to a low-carbon economy is the only way to ensure sustainable, healthy economic growth. To speed up this transition, We Mean Business has put in place a shared platform to give businesses a louder voice and act as a catalyst for action on climate change to promote new regulatory frameworks.

Alongside We Mean Business, Sopra Steria is committed to:

- reporting on its actions in response to climate change;
- adopting carbon emissions reduction targets based on a recognised methodology.

c. Business Proposals for COP21

Business Proposals for COP21 is an international initiative launched, in connection with COP21, by AFEP (*Association Française des Entreprises Privées* – French Association of Private Companies), the *Cercle de l'Industrie* (Circle of Industry) and employers' association Medef. Its aim is to unite French and international business leaders around principles such as the following:

- determining a carbon price;
- constructive dialogue both within the network of signatories and with public authorities;
- low-carbon R&D and innovation choices;
- low-carbon investment choices.

d. CSR Advisory Board

Sopra Steria's Corporate Responsibility Advisory Board consists of independent experts from the public and private sector and civil society. It supports the new group by providing outside input on stakeholder relations and the group's corporate responsibility approach. The committee will continue its work to support Sopra Steria in 2016.

3.2. Business ethics

Sopra Steria's main priority in carrying out its day-to-day activities is observing business ethics.

This priority, which is based on the commitments of the United Nations Global Compact, is formalised in Sopra Steria's Code of Ethics, which applies to the group's entire scope. Sopra Steria's Code of Ethics is based on shared ethical principles that apply to all group entities.

At the local level, depending on legislation in force in the countries in which the group operates, additional rules on business ethics are in place and regularly monitored.

The principles of the group's code are founded on compliance with legislation and regulations in all countries in which group entities operate, and on the entities' commitments to carry on their business as efficiently and effectively as possible.

In conducting its business, the group is committed to ensuring that its entities and employees:

- work to prevent all forms of active or passive corruption, whether direct or indirect;
- abide by competition rules;
- maintain the confidentiality of information to which employees have access in the course of their duties and activities.

Sopra Steria is also committed to avoiding personal conflicts of interest that are contrary to its best interests.

The Code of Ethics is supported by group management, which is responsible for ensuring that these rules are observed. The code applies to all Sopra Steria employees to ensure that the group's businesses operate effectively.

The code is communicated to employees via the company's internal network, and awareness initiatives were held in 2015 to ensure that its message was taken into account across the new group structure.

In 2015, Sopra Steria set up a working group to step up monitoring of the principles set out in the code and support the new group in meeting its challenges. This work will continue in 2016 in support of the rollout of a new monitoring and control system.

3.3. Responsible purchasing policy

The responsible purchasing policy establishes a global framework that is adapted to suit local requirements

Sopra Steria is particularly attentive to the issue of responsible purchasing. The supplier and service provider selection policy, based on the principles set out in the United Nations Global Compact, was harmonised in 2015.

3.3.1. RESPONSIBLE PURCHASING CHARTER

In 2015, Sopra Steria's Responsible Purchasing Charter was rolled out in the main countries in which the group operates.

It sets out the fundamental principles of fair and transparent purchasing.

It is appended to supplier contracts, both when new contracts are signed and when existing contracts are renewed. Its rollout will gradually be extended to all countries in 2016.

In 2016, this approach will be supplemented by a dedicated code of ethics for the group's buyers.

3.3.2. ASSESSING SUPPLIERS

For several years, the group has conducted corporate responsibility assessments of its suppliers in France. This assessment programme serves to monitor suppliers' observance of best practice with regard to the environment, employees and ethics.

a. Ecovadis

In 2015, the group implemented the Ecovadis system for assessing the corporate responsibility of suppliers for all centralised group purchases in France and the United Kingdom. The aim of this programme is to harmonise responsible purchasing practices across the new group. The assessment covers more than 20 criteria in the areas of business ethics, the workforce, the environment and the supply chain.

The Ecovadis assessment system takes into account local regulatory requirements (such as the duty of care for parent companies in France and the Bribery Act and the Modern Slavery Act in the United Kingdom).

In 2015, 43 of the group's key suppliers were assessed using the Ecovadis system. The results of this campaign will be used to adjust purchasing procedures.

In 2016, Sopra Steria will roll out Ecovadis to other group countries such as Belgium, Luxembourg, Poland and Spain. The Ecovadis assessment system will also be extended to a broader range of suppliers identified as strategic.

b. CDP Supply Chain

In 2015, 64 of Sopra Steria's key suppliers responded to the CDP Supply Chain questionnaire in connection with central group purchases as well as purchases in France, the United Kingdom, Germany, Belgium and Poland. Sixty-five percent of respondents require their own suppliers to commit to action on climate change.

3.3.3. RESPONSIBLE PURCHASING OF GOODS AND SERVICES

Wherever possible, Sopra Steria seeks to purchase products and services with a low environmental impact:

- standard-issue computer hardware (PCs) with an Energy Star and EPEAT Gold or Silver rating;
- FSC-, PEFC- or Blue Angel-certified paper produced from sustainably managed forests;
- Fair Trade and sustainable catering products;
- when renegotiating contracts, Sopra Steria endeavours to increase the proportion of "green" products (office supplies, etc.). In countries where the group uses Office Depot as a supplier, 25.5% of supplies purchased from it were "green" in 2015 (i.e. FSC-, Blue Angel-, PEFC- or NF Environnement-certified; made from recycled or recyclable products; rechargeable; PVC-free or containing fewer chemicals). Furthermore, 75% of orders placed with Office Depot in 2015 were paperless;
- Sopra Steria introduced new, more sustainable services in 2015, such as electric company cars in Germany, and is considering introducing them in France and the United Kingdom;
- Sopra Steria requires all cleaning companies working for the group to use "biological and green" cleaning products.

Ethical purchasing

- Sopra Steria works with many companies in the special needs sector. To increase its involvement in this sector, the group has entered into a partnership with Atimic, a disability-friendly company in the digital economy. The goal of this partnership is to promote job opportunities for employees with disabilities on technology projects undertaken for Sopra Steria clients. It also enables Sopra Steria clients to count the services delivered by Atimic towards their disability employment targets.
- Sopra Steria also uses special needs employers for services such as recycling of WEEE (Waste Electrical and Electronic Equipment), premises maintenance, management of some mailings for catering services, and the design of advertising materials.

In 2016, responsible purchasing best practice will be rolled out group-wide.

3.4. Client satisfaction

Long-term relationships with key clients are an important indicator of their satisfaction

For a number of years, Sopra Steria's client approach has been based on a key account strategy for all its target segments. Strategic clients are identified and selected according to performance criteria, development potential and compatibility with the group's business lines and geographies.

Sopra Steria has developed specific approaches aimed at building long-term relationships with its strategic clients.

As such, most of its key accounts have been clients of the group for over 10 years. These longstanding relationships reflect the quality of services delivered and the resulting client satisfaction.

Sopra Steria's level of client satisfaction is closely linked to both the quality of the products and services delivered by the group and the continuous improvement of its Quality System.

The client satisfaction surveys and reviews carried out by Sopra Steria entities enable the group to improve the quality of the services it delivers while taking account of client expectations during client reviews.

The quality policy is backed by a high level of commitment from Sopra Steria's management, with the main focus being on meeting clients' requirements while continuing to deliver the strong performance that ensures that the group retains the freedom it needs to offer them appropriate solutions.

All Sopra Steria entities (in Europe and India) have been certified to ISO 9001 by accredited organisations.

The group has also responded to its clients' growing concerns about data security by setting out specific confidentiality rules and best practices applicable to production.

3.5. Know-how and services

Digital transformation should help businesses and organisations better meet their sustainable development goals

As a European leader in digital transformation, Sopra Steria provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow. Digital transformation is a key driver of sustainability. Sopra Steria therefore combines its high level of business expertise with the best technology to help its clients improve their IT systems and thus boost their performance. To this end, the group provides services such as optimisation, paperless processing, security, mobility and accessibility to support and usher in the digital revolution in favour of a more sustainable world.

3.5.1. DIGITAL TECHNOLOGY IN SUPPORT OF A LOW-CARBON ECONOMY

While digital technology has already changed the way we live, it encourages us to go even further in working for a more sustainable world. Sopra Steria supports its clients in their approach to the environment, offering services geared towards a low-carbon economy based on the management of energy consumption and resources.

Smart Cities

Sopra Steria is helping major European cities put together their digital strategies. Under the "smart cities" approach, digital technology is harnessed to improve quality of life for citizens and promote sustainable economic development. Smart cities reinvent and improve services by using resources more effectively and relying on more economical, environmentally friendly practices. Digital technology helps drive regional efficiency, optimise urban mobility and develop the digital economy while also encouraging civic engagement and the construction of sustainable regions that provide a pleasant living and working environment and comply with environmental standards.

Sopra Steria develops innovative services ranging from consulting through to hosting and including integration and solutions development. Digital technology can help reduce carbon footprints through energy and transport management (smart grids, smart buildings, smart harbours, smart rail, etc.) and adopt innovative and collaborative methods for designing new urban services thanks to an approach based on co-innovation, co-design and open innovation that promotes development through collective intelligence.

Energy Management:

Smart Metering, Smart Grids, Smart Buildings and Grid Balancing

For a number of clients in the energy sector, Sopra Steria helps develop smart systems for consumer energy demand management. One example involves deploying smart meters that enable two-way communication with the central system for residential clients of French gas and electricity providers. These smart meters let consumers manage their energy use more effectively, which in turn helps better regulate demand for providers.

Sopra Steria is a member of a consortium established to develop a local power grid whose purpose is to optimise energy use in a neighbourhood or town. Issy Grid®, located in the Paris suburb of Issy-les-Moulineaux, is thus France's first smart neighbourhood grid. It may well be the forerunner of a new approach to optimising energy management in the neighbourhoods and towns of tomorrow.

For office buildings, the group has developed a system to improve energy efficiency and maximise user comfort (e.g. air temperature and quality).

Smart Usages:

Smart Homes

As part of its work on home energy management, Sopra Steria offers its Property Management and Energy clients services that respond to the new challenges of energy efficiency.

Transport

Sopra Steria helps:

- large operators make transport more environmentally friendly and secure, make the urban transport offering more attractive and accessible, and make the shift towards collective means of transport;
- local ecosystems establish new transport policies that comply with environmental constraints, notably by optimising traffic management and intermodal travel.

3.5.2. SUSTAINABILITY CONSULTING

Sopra Steria has developed a number of consulting services based around the management of corporate responsibility.

- Using an ITIL-based methodology, Sopra Steria helps its clients incorporate sustainable development into the management of their information systems and align their environmental performance with their sustainable development strategy. This comprehensive approach also promotes digital inclusion by taking into account a business's impact on the local community. Sopra Steria has rolled out this "Sustainable Service Delivery" service to key public-sector clients, mainly in the United Kingdom.
- Support for corporate responsibility reporting and benchmarking: the group offers consulting services focusing on reporting and benchmarking and associated action plans.

3.5.3. A COLLABORATIVE APPROACH TO INNOVATION FOR NEW SERVICES

For several years, Sopra Steria has been developing a very active innovation approach.

- DigiLab: In 2015, digital co-innovation – a driver of value creation in the digital revolution – saw Sopra Steria and its clients work together on mobility, the Internet of Things and augmented reality. Involving business lines, the end users of the solutions delivered, this approach shortens the design phase, optimises processes and helps maximise access to digital technology. This approach is supported, in particular, by DigiLabs, which exist throughout the group in France (Paris, Toulouse and Lille), the United Kingdom (London), Spain (Madrid), Germany (Berlin) and, since February 2016, India (Noida).
- Sopra Steria Innovation Awards: In 2015, this in-house initiative mobilised almost 600 teams and gave rise to 15 prototypes. Three of the winning projects combined innovation and sustainable development:
  - a waste recycling system that connects local authorities and citizens;
  - a real-time water pollution monitoring system using M2M (machine-to-machine) technology and the IoT (Internet of Things);
  - biometrics to help prevent livestock contamination.

- Collaborative social innovation with our clients in France and the United Kingdom: Under its service agreements, Sopra Steria helps its clients develop innovative social action. For example, the group supports grass-roots social entrepreneurship by offering its expertise and involving managers, client teams and future entrepreneurs.
- In France, Sopra Steria is a preferred partner of collaborative innovation initiatives such as TUBÀ, an "urban test tube" that allows users to try out new digital urban services. Located at the Lyon-Part-Dieu train station, TUBÀ is designed to broaden access to digital technology and encourage users to co-design the services of the future.
- At the European and global level, Sopra Steria is fully involved in the H2020 Festival project, financed by the European Commission and twinned with a similar Japanese project based in Osaka. The aim of this initiative is to build a tool for testing digital services that involves local authorities, universities, IT services suppliers, network operators and citizens in co-designing new digital services for smart regions.
- Responsible investment: in 2015, in collaboration with its partner Natural Capital Partners, Sopra Steria embarked on two new initiatives within its ecosystem:
  - Water Certificates Gold Standard: The group acquired a thousand Water Benefit Certificates to finance a million litres of drinking water in the Bangalore region of India. This initiative helped finance the WaterHealth India project, which offers upgradeable and sustainable water treatment solutions for underserved communities. To ensure that the projects it supports meet high standards for quality and sustainable performance, the Water Benefit standard is underpinned by a mechanism based on commitments to achieve specific results.
  - PowerPlus™: in 2015, Sopra Steria was the first company to implement this solution, developed by Natural Capital Partners. Sopra Steria uses this innovative system to invest in renewable energies. PowerPlus™ makes it possible to produce the equivalent of the amount of electricity used by Sopra Steria's data centres in India by investing in a renewable energy project – in this case a wind energy project in southern India (Tamil Nadu).

4. Community engagement

Supporting local communities by promoting access to education, digital inclusion, employability and access to water

Sopra Steria recognises the importance of civil society and local communities. In 2015, the group confirmed its commitment to supporting vulnerable populations by focusing on four areas: digital inclusion, education, employability and access to water. To implement these programmes, which are supplemented by community action in response to local issues, the group sponsors non-profit organisations, local programmes involving employees, and two foundations and a trust in France and India.

4.1. Actions in support of digital inclusion

In a connected world, the acquisition of digital skills and the many uses to which they are put are key drivers of social, cultural and professional inclusion. Digital technologies can also help create solutions whereby digital innovation and social innovation interact constructively.

FRANCE

The Sopra Steria-Institut de France Foundation supports projects that use digital technologies to help vulnerable groups integrate into society and the workplace in three areas: education and training, innovative solutions designed to make their day-to-day lives easier, and social entrepreneurship. Employees volunteer to sponsor projects, providing support to the associations concerned and offering advice and expertise. The Foundation supports four or five new projects every year. In 2015, it supported 12 volunteer projects sponsored by Sopra Steria staff, including a school in India.

In 2016, the Foundation – which will become the Sopra Steria – Institut de France Foundation – will continue to support new projects in the area of digital inclusion, including the Student Prize.

JobIRL: the leading social network providing careers advice to 14- to 25-year-olds

JobIRL is the leading social network providing careers advice to 14 to 25-year-olds with the help of professionals from all sectors. The new collaborative portal JobIRL (www.jobirl.com) was launched in spring 2015, with the support of the Foundation and volunteers in developing the mobile application. A total of 13,000 young people and 2,000 professionals have already registered. In December, secondary school students interested in working in the IT sector were welcomed to Sopra Steria's head office for an interview with a consultant. The interview was broadcast during TV channel TF1's news programme in December.

The *doc.dépôt* digital deposit box is a software solution that allows homeless people to save their documents and personal information. In 2015, the Foundation continued to support this project, launched by a member of staff who founded the association Adileos to help people in very difficult circumstances and their social workers. The solution has already been adopted by a number of social welfare agencies in the Hauts-de-Seine region.

This support will continue in 2016 in the form of funding for a weather alert module for homeless people.

A team from the ECE engineering school, which won the Foundation's 2014 Student Prize, devised a solution based on a "smart" glass to improve the monitoring of hydration in elderly people. The students continued with their project in 2015, presenting a prototype of a bracelet that collects data from a glass of water. Links were then established with a similar project developed by a team of students at the ESCP business school, hosted at the *École Polytechnique's* incubator. The Foundation is providing financial support to the Dry Care Auxivia project to develop the software component of the project, with support from the ECE team and the project's Sopra Steria sponsor.

The Foundation continued its support in 2015 for *Interface Handicap*, an innovative portal on digital solutions and services accessible to people with all types of disability. The association is frequently asked to provide training on accessibility and was keen to make its website easier to use and more accessible. Thanks to financial support from the Foundation and the support of a Sopra Steria sponsor, the *Interface Handicap* team has been able to improve its site.

UNITED KINGDOM

Digital inclusion activities are undertaken interactively with clients and non-profits under the banner of the annual Community Matters event and thanks to the programme of scholarships and matched funding for projects put forward by staff. These activities are aimed at developing the acquisition of digital skills to enhance employability and bringing small businesses and non-profits into the digital economy. They also contribute to social inclusion by providing access to services and resources, including family and friends.

An IT lab for a UK local authority

For a local authority, Sopra Steria will be equipping eight community centres with computers for use by people with disabilities, elderly people and jobseekers. As a result, around a hundred people will have access to the internet and training to help them develop skills over several years. The equipment will be installed and training delivered by Sopra Steria volunteers.

Sopra Steria won the Oldham College "Outstanding Employer Contribution to Curriculum" award for helping the college develop digital courses to prepare students for careers both now and in the future. Sopra Steria is a signatory of the British government's Digital Inclusion Charter.

POLAND

Since 2012, Sopra Steria has been supporting orphanages in the Katowice region by installing computer rooms and organising English classes with the help of volunteers from the company. Three computer rooms have been installed and around 15 children have already attended classes. In 2015, a new computer room was installed and 12 volunteers gave classes to groups of children. The project is funded through an annual staff collection and support from local subcontractors.

ITALY

Sopra Steria has installed a computer room for 14- to 19-year-olds with mental disabilities, in partnership with ANFFAS, a non-profit involving these young people's families. The 12 computers installed will help the young people more effectively learn about IT and the web.

4.2. Action in support of education

Education is a key driver of wealth creation in society and a catalyst for social inclusion.

FRANCE

The Foundation supported *École de la Deuxième Chance* in Marseille, which offers a micro-entrepreneurship development tool as part of a course tailored to young people with no qualifications. Building on the fundamental core competencies already available on the school's web platform, this initiative aims to add basic information about setting up and running a microbusiness. Awareness-raising sessions have been run with young people to encourage them to launch projects.

In 2015, the Foundation continued to work with *Apprentis d'Auteuil* to implement a computer-assisted experimentation project for students in a priority education area in Bagneux. The lab will eventually give more than 400 young people the opportunity to experience the sciences using IT equipment.

INDIA

The group's educational programme is aimed at poor children in rural areas. In 2015, the programme helped 63,000 children in around 50 schools, combining the activities of the Steria India Foundation and Sopra India's Yogdaan Trust.

The programme focuses in particular on the use of IT equipment, knowledge of English, sport and awareness of environmental issues, with the emphasis on education for girls.

The foundation provides teachers, playground equipment, computer classes, milk-based nutritional supplements, school uniforms and shoes.

This commitment continues at secondary school level through modern computer rooms, software for learning English and exam preparation courses. The programme also includes extracurricular activities such as sports and drama.

Six new computer rooms have been converted to run on solar power, bringing the total to 15. In October 2015, two Sopra Steria volunteers undertook *Congé Solidaire* outreach projects organised by the Steria – Institut de France Foundation, helping install solar panels at the Thiruporur school near Chennai, a girl's school with 800 students.

Finally, a partnership entered into in 2014 by the Steria India Foundation and a major player in the Indian economy, to help the latter roll out its community outreach programme, resulted in the creation of two schools for underprivileged children in Hyderabad (Andhra Pradesh) and Jamshedpur (Jharkhand).

SPAIN

The increase in child poverty caused by the economic and social crisis has prompted Sopra Steria to support the Balia children's foundation in two ways: by donating IT equipment for the Seville education centre and by launching a staff volunteering campaign to provide children with academic support.

MOROCCO

Sopra Banking Software's office for social action launched a rural education project in the village of Zaouia, near Casablanca. Around ten volunteer engineers set up and equipped a computer room with computers, internet access and tables at "Dar Taliba", a secondary level girls' boarding school. In 2016, members of the office for social action plan to put on support classes in a variety of subject areas to help the girls succeed at school.

4.3. Activities in support of training and employment

Studying, training, gaining new skills and learning the nuts and bolts of business help people build confidence in their abilities and prepare to enter the job market.

FRANCE
PLANÈTE URGENCE

For years, the group's sponsorship of the NGO *Planète Urgence* has given group employees in France the opportunity to take part in ***Congé Solidaire*** outreach projects where they pass on their skills to projects initiated by local stakeholders in developing countries. Since 2011, the programme has allowed group employees to take part in some forty projects in Africa, Asia and Haiti.

As part of a partnership with *Passerelles Numériques*, one Sopra Steria employee undertook a *Congé Solidaire* outreach project in Cambodia to help this non-profit's Centre for Information Systems Training, which trains underprivileged young Khmers in network administration and web development.

INDIA

An academic scholarship programme, financed through an annual event that raises funds from staff, clients and other supporters, enables high-potential students to continue with their university studies. So far, 361 students have benefited from this programme, including 76 new students in 2015. In 2015, two scholarship students began university courses in medicine.

A Career Development Centre was set up in Chennai, in partnership with the NIIT foundation and sponsored by Sopra Steria Norway. At the end of 2015, 1,492 students had taken courses and 301 students had found work.

Sopra Steria also supports a programme of professional training for women in sewing centres to help them set up their own businesses.

UNITED KINGDOM

As part of its commitments to local authority clients, Sopra Steria offers young people opportunities to work and gain qualifications through its apprenticeship programme. In 2015, 29 new apprentices were recruited, bringing the total to 51.

NORWAY

For several years, Sopra Steria has been running computer classes for immigrant women, in cooperation with Church City Mission in Oslo.

SPAIN

At the end of 2015, Sopra Steria took part in socio-professional integration days in Madrid's Chamberi district, with the aim of helping socially excluded people gain access to employment.

4.4. Water rights and access to water

Sopra Steria is involved in a major humanitarian effort to secure water rights for everyone. This commitment is underpinned by financial sponsorship from international organisations working for greater awareness of water-related issues: access, drainage and the prevention and reduction of pollution. The group currently sponsors major projects with Green Cross, 1001fontaines, TCHAPE and Planet Water Foundation.

GREEN CROSS FRANCE & TERRITOIRES

In 2015, the group continued to support Green Cross France & Territoires (GCFT). Green Cross is an international NGO created in 1993 by Mikhail Gorbachev; one of its major areas of focus is the right and access to water. In particular, Sopra Steria's financial sponsorship helps the organisation develop its advocacy work in France and as part of international events. For 2016, Sopra Steria is considering broadening its action to support the organisation internationally.

1001FONTAINES

In 2014, the group entered into a two-year sponsorship deal with 1001fontaines. This international aid organisation aims to bring about long-term improvements in the health of rural populations in developing countries, by helping them to produce and consume clean drinking water on a daily basis.

The aim of this sponsorship is to fund the creation of a clean water production plant in a region of Madagascar with no water supply network. The plant financed by Sopra Steria has been operational since the end of 2015 and should supply clean drinking water for around 2,000 people.

The sponsorship programme has been renewed for 2016 to build a new plant in one of the region's villages.

TCHAPE

In 2015 and 2016, Sopra Steria has decided to financially support TCHAPE, an NGO working in Africa to promote environmental protection, access to drinking water and schooling for child soldiers. This COP21-accredited project places the emphasis on the environmental aspect of the survival of indigenous nomadic and refugee populations in the Lake Chad area, which have declined by 90% since 1998. The aim is to drill wells and set up a farming and agroforestry project in the Wadi-Djeddi and El-Khiezi regions where these populations live.

PLANET WATER FOUNDATION

In 2015, the group launched the Aqua Water Tower project at Ganage Junior College in Pune (India), in partnership with Planet Water Foundation (PWF). The aim of this initiative is to supply clean drinking water to over 4,000 children at the school, which is supported by the group. The Aqua Tower system uses very low-maintenance ultrafiltration water purification technology. PWF trained some of the school's staff, as well as Sopra Steria Group staff involved in the project, in how to use and maintain the system. In 2015, five schools were equipped with drinking water towers, in partnership with Planet Water Foundation, giving more than 17,000 children access to drinking water. The sponsorship programme will be extended to other schools in 2016.

4.5. Local initiatives

In 2015, a number of countries set up community engagement programmes, either by raising funds from employees or with direct financial support from the group.

FRANCE

Since 2014, the group has launched two sponsorships in support of culture:

- the Royaumont Foundation to promote the conservation of Royaumont Abbey, support young artists by helping them gain access to employment and promote old and new artistic works;
- the Auvers-sur-Oise festival to promote talented new musicians and help them launch their artistic careers.

UNITED KINGDOM

As part of the Community Matters fundraising campaign, the group offers scholarships and matched funding for projects proposed by employees.

For example, a scholarship was awarded to an employee member of non-profit organisation Child Education Nepal UK following the earthquake in Nepal, to help build temporary accommodation.

In 2015, the staff fundraising programme supported more than 90 non-profits and community engagement projects covering a variety of causes: education, schools, healthcare, medical research, sport, help for the homeless, etc.

NORWAY

Thanks to competitions between teams, the event "The Challenge" raised funds for educational programmes in India both at school and at the Career Development Centre sponsored by Scandinavia. This programme was supplemented by a voluntary salary deduction scheme enabling employees to choose to help finance student scholarships in India.

INDIA

India was hit by two natural disasters in 2015: the earthquake in Nepal, close to the group's New Delhi sites, and the floods in Chennai. Emergency action was taken to help earthquake victims. As regards the floods, over a hundred families received emergency support in the area around the group's Chennai site and financial aid was granted to the hardest hit Sopra Steria staff members and subcontractors.

Among action taken to help local populations, healthcare is especially important, including in particular regular dental and eye care. With support from medical organisations, the group set up mobile ophthalmology and dental centres in villages and schools.

As part of the *Swatch Bharat* campaign, a Clean India programme initiated by the Indian government, Sopra Steria has committed to work for better sanitation; in 2015, it contributed to the construction and maintenance of sanitary facilities in nine schools and a village.

GERMANY

Employees can opt to donate automatically by rounding down their salaries to finance community projects proposed by the company. Sopra Steria Consulting tops up the donation. In 2015, this programme made it possible to sponsor a school in India and a local project at the Sternenbrücke palliative care centre for children in Hamburg.

ITALY

Staff organised a toy collection at the Milan and Parma sites for children in prison, in support of non-profit organisation Telefono Azzuro. To support the work of non-profit organisation Giocamico among children at the children's hospital in Parma, Sopra Steria also sponsored and organised the sale of a children's book written by a member of staff.

SPAIN

For the past several years, a food collection has been run at Sopra Steria's Madrid site in support of the food bank, which redistributes food to the city's various charities free of charge.

5. Environmental responsibility

Compared with heavy industry, Sopra Steria's IT service and consultancy activities have a limited impact on the environment. However, as a European leader in digital transformation, Sopra Steria has put in place an environmental policy aimed at reducing its greenhouse gas emissions and the environmental impact of its activities.

Sopra Steria aims to become a European IT services provider that is recognised as environmentally responsible, able to manage the sustainability of its operations and supply chain and pass on the resulting benefits to its clients. The key thrusts of the group's environmental policy are to innovate in the area of sustainable development, reduce our greenhouse gas emissions, conserve resources and promote the use of renewable energy. The need to control Sopra Steria's environmental impact has therefore become a key factor in our management and production methods, and is covered by a group-wide approach involving all departments and staff.

The Conference of Parties (COP21), which concluded in Paris in December 2015, highlighted the importance of commitments and concrete action by economic operators to make the world more sustainable. Sopra Steria has thus been working alongside We Mean Business, a movement initiated by CDP Climate Change in connection with the Conference, to reduce the group's greenhouse gas emissions by 15% between 2014 and 2020. This commitment covers Scopes 1, 2 and 3 (greenhouse gas emissions generated by business travel and energy consumption by offices and on-site and off-site data centres).

To this end, the Group is working on reducing business travel and the energy consumption of its premises and IT infrastructures.

The Group seeks to boost energy efficiency by reducing energy consumption and giving preference to green energy suppliers.

The Group is also keen to support initiatives in some countries aimed at reducing the use of landfill sites for waste disposal.

New initiatives launched in 2015 and set to continue in 2016 include investment in renewable energy in Chennai and Pune in India, using PowerPlus™ to "decarbonise" the local power supply network.

Lastly, to reinforce its action in this area, Sopra Steria has also opted to compensate for the carbon footprint resulting from the energy consumption of its data centres and business travel.

In 2015, this environmental approach was recognised by the CDP, which gave Sopra Steria the top CDP Climate rating score for its transparency and added Sopra Steria to the Carbon Disclosure Leadership Index.

As well as taking action to reduce its environmental impact, Sopra Steria pursued its commitment to greater accountability on water-related issues and stepped up its activities in this area.

Work will begin in 2016 to scientifically model the group's carbon footprint (resulting in a science-based target).

While the group develops all these initiatives in-house to support its own environmental approach, it may also offer them to clients as part of projects requiring an environmental approach.

> Taken together, the various initiatives undertaken in 2015 led to a 4% reduction in greenhouse gas emissions group-wide relative to 2014.
>
> Furthermore, the group's efforts saw the proportion of renewable energy rise to 20.4% of total electricity consumption, and 50.3% of consumption by on-site and off-site data centres.

5.1. Environmental policy

An environmental policy extended to cover the whole of the new group

Sopra Steria is committed to a proactive corporate responsibility policy that is aligned with the group's business requirements.

Since 2015, Sopra Steria has put in place an environmental management programme agreed by Executive Management and rolled out across the entire group.

This policy is part and parcel of the broader ongoing commitment to sharing information every year about the efforts made by Sopra Steria and the results achieved.

This programme encompasses all the group's commitments and is supported by an Environmental Management System (EMS). Key commitments include limiting greenhouse gas emissions, with a target of reducing emissions by 15% between 2014 and 2020, and offsetting carbon emissions generated by data centres and business travel.

To implement its environmental programme, Sopra Steria has developed tools and gained significant experience in managing the environmental impact of its activities. As such, the group is able to provide its clients with services designed to support them in their own environmental approaches.

These services concern the implementation of energy management and smart usage systems. These systems are explored in more detail in Section 3.5 of this report.

5.2. Carbon offsetting

Certified carbon-neutral business travel and data centres thanks to carbon offsetting

Sopra Steria achieved CarbonNeutral® certification for the greenhouse gas emissions related to energy consumption at its data centres and business travel in 2015.

This policy is part and parcel of the programme to reduce the carbon impact of the group's data centres through pooling and upgrading of the data centres, server virtualisation and renewable energy use. As a result of the programme, a carbon-neutral IT infrastructure underpins services offered to Sopra Steria clients.

Sopra Steria engages in carbon offsetting to correct for its greenhouse gas emissions by investing in projects that preserve natural resources or developing renewable energy use.

Projects supported by the group include the construction of wind turbines in the north and the south of India and the installation of water turbines to generate electric power in the northwest of China.

5.3. Environmental Management System

An Environmental Management System ensuring that practices are harmonised across the group

Sopra Steria has put in place an Environmental Management System (EMS) to ensure that practices are harmonised across the group, including ISO 14001 certification for some sites.

Although its environmental risks are not deemed significant compared to other risks, the group endeavours to limit their impact and is committed to mapping these risks in order to implement mitigation plans at its ISO 14001-certified sites.

The EMS involves the relevant functional departments, the Industrial Department, the network of environment correspondents and all Group staff. Its aim is to gradually determine the environmental footprint of the group's operations and assess and reduce its impact.

The main aims of the EMS concern the following topics:

- Energy and resources (offices and data centres): managing the consumption of energy and resources (electricity, gas, heating oil, water, paper, etc.). Using renewable energy. Offsetting greenhouse gas emissions of data centres. Running a continuous improvement programme at Group sites and selecting new premises that meet the latest environmental standards.
- Business travel: giving priority to low-carbon means of transport. Favouring the use of digital communication systems (online meetings/videoconferencing). Offsetting greenhouse gas emissions from business travel.
- Product life cycle and waste: promoting longer product life cycles (green and organic products) and developing on-site selective waste sorting. Responsibly recycling electrical and electronic waste.
- Suppliers: assessing group suppliers' CSR approaches, with support from the most advanced partners in this field. Strengthening the responsible purchasing policy favouring products and services with a low environmental impact.
- Stakeholders: communicating the group's commitments to all stakeholders and fostering environmental responsibility among all group staff.

In most countries where the group operates, the Environmental Management System has been developed in accordance with ISO 14001. Sopra Steria has also carried out emissions checks independently in India and the United Kingdom in accordance with ISO 14064-3. The following table lists the certifications obtained by the group in 2015, country by country.

ENVIRONMENTAL CERTIFICATIONS

Country	ISO 14001	ISO 14064-3
Belgium	X	-
Denmark	X	-
France	X	-
Germany	X	-
India	X	X
Morocco	-	-
Norway	X	-
Poland	X	-
Singapore	-	-
Spain	X	-
Sweden	X	-
Switzerland	-	-
United Kingdom	X	X

The group seeks to secure the best of the various available certifications concerning quality management (ISO 9001), information security management (ISO 27001), IT service management (ISO 20000) and environmental management (ISO 14001) depending on the scope of certification, added value for the group's clients and optimisation of the group's operations.

5.4. Organisation and awareness

As well as promoting energy efficiency for its buildings and IT infrastructure, the group has put in place a network of correspondents and rolled out an environmental responsibility programme to all staff. This approach is supported by awareness campaigns and the guide to eco-friendly behaviours.

Topics covered include travel, paper, electricity, water and recycling.

5.4.1. ORGANISATION TO TAKE ENVIRONMENTAL ISSUES INTO CONSIDERATION

The Sopra Steria group has created a system based on the work done by both original entities to address environmental issues. The system is organised along the following lines:

At functional department level

Several functional departments are involved in the environmental approach. Together with the Corporate Responsibility and Sustainable Development Department and its environmental responsibility unit, they define the group's environmental policy, which is under the responsibility of Executive Management.

The Real Estate, Purchasing and Information Systems Departments are more closely involved in the group's environmental policy.

Network of environment contact persons

Sopra Steria has established a network of environment contact persons to coordinate the environmental initiatives taken at each group entity. The environment contact persons report on their implementation to the group's environmental responsibility unit. This includes analysing results obtained and difficulties encountered, and recommending improvement plans at briefings held every two months with the environmental responsibility team.

5.4.2. RAISING ENVIRONMENTAL AWARENESS AMONG EMPLOYEES

For the past several years, the group has followed a staff environmental responsibility approach.

a. Environmental responsibility campaigns

In 2015, a new awareness programme was held for employees on managing the group's environmental impact. On-site campaigns were launched by site managers, with guides to eco-friendly behaviours and a poster campaign reminding employees of the key aspects of environmental responsibility.

These training and informational campaigns were reproduced and disseminated via all of the group's communication tools.

b. Information provided to new employees

All new employees receive information on the group's environmental approach at orientation seminars.

c. Other actions

Sopra Steria keeps employees regularly informed of its corporate responsibility strategy, its commitment programmes and its results. The group also encourages employees to get involved by making suggestions for improvement. In France, for example, employees can send their questions and suggestions to the Corporate Responsibility and Sustainable Development Department via a dedicated e-mail address; the information is then passed on to the relevant departments.

5.5. Business travel

Certified carbon-neutral business travel

5.5.1. TRAVEL AND COMMUTING POLICY

Sopra Steria operates in more than 20 countries and has many sites located in these different countries, especially in France, the United Kingdom and India. This generates a large amount of travel, which has an impact on the environment.

With this in mind, Sopra Steria has opted to make all its business travel carbon-neutral and to reduce the amount of business travel by putting in place a multi-pronged action plan:

- limiting travel for internal and external meetings through the use of videoconferencing equipment and new information technologies at Group sites;

- encouraging the use of the most eco-friendly means of transport whenever possible, particularly for short trips or daily commutes to client locations. The use of public transport and car-sharing initiatives is promoted.

Optimising travel is a key objective that takes into account the need to maintain close client relationships.

5.5.2. MAIN INITIATIVES

Green Energy train travel in Germany

Sopra Steria has overhauled its transportation policy in Germany. Management encourages employees to travel by train and has signed up for train passes under one rail operator's Green Energy programme. The operator offers long-distance travel within Germany, in some cases with a surcharge on specific lines, using renewable energies exclusively. As a result, 92% of all train travel by group employees in Germany can now be considered carbon-neutral.

Metro shuttle service and Noida cab service in India

A shuttle service has been put in place between the nearest metro station, around 20 kilometres from Noida, and the Sopra Steria SEZ site to shorten individual commutes. This initiative has resulted in an 18% reduction in greenhouse gas emissions generated by commuting in India.

Electric cars incorporated into the group's fleets

A policy of purchasing electric cars is currently under consideration for France. Some countries in which the group operates, such as Germany, have already purchased electric cars.

5.5.3. CARBON FOOTPRINT

To identify areas in need of improvement, the group monitors the carbon footprint of its employees' business travel every year. This ongoing assessment allows the group to identify new ways in which it can limit its use of more polluting forms of travel without compromising the quality of service delivered to the group's clients.

GREENHOUSE GAS EMISSIONS FROM BUSINESS TRAVEL: ROAD - AIR - RAIL

(in tonnes of CO_2 equivalent)	2015
France	16,512
Germany and Austria*	5,221
United Kingdom	3,364
Belgium	2,086
India	1,526
Spain	1,057
Norway	507
Luxembourg	422
Italy	279
Morocco	264
Switzerland	261
Tunisia	125
Poland	114
Denmark	92
Sweden	54
Singapore	45
Cameroon	38
Netherlands	25
Algeria	5
Côte d'Ivoire	4
Gabon	4
2015 SOPRA STERIA TOTAL**	**32,005**
2014 SOPRA STERIA TOTAL FOR REFERENCE	**33,562**
Reduction in emissions	-4.6%

** Not including emissions generated by rail travel by the group in Germany, since this form of transport is considered carbon-neutral.*

*** Air, rail and road travel within the scope are based on 75.5% actual data.*

The estimates for countries where no data was available are based on information from countries that show similar business travel and commuting patterns to those countries.

For the sake of clarity, figures have been rounded to the nearest unit.

In 2014, the group's greenhouse gas emissions arising from business travel totalled 33,562 tonnes of CO_2 equivalent. In 2015, these emissions were reduced to 32,005 tonnes of CO_2 equivalent, representing 54% of the group's total emissions.

The high proportion of total greenhouse gas emissions in France is explained by the scale of the group's activities, the number of regional sites and the management of activities in India.

High emissions from travel in Germany are explained by two phenomena. Firstly, the majority of Sopra Steria's business in Germany is focused on consulting projects, which require frequent travel to client sites. Secondly, since Germany's rail transport networks are regional, greater use is made of air and road transport when travelling between regions.

The total volume of emissions in the United Kingdom is directly related to the management of projects undertaken in India, with BPO and BPS activities representing substantial volumes.

Group greenhouse gas emissions arising from business travel down 4%

The various initiatives developed in 2015 (awareness campaign, shuttle services, cost control, etc.) allowed the group to cut greenhouse gas emissions arising from business travel by 4% without compromising the closeness of its client relationships.

Efforts undertaken since the end of 2014 – when the group's entities were brought together – to collect data and boost data quality led to an increase in the proportion of actual data provided for 2015. In 2016, Sopra Steria will continue with its efforts and initiatives to further reduce emissions arising from business travel.

5.6. Offices and energy consumption

New offices that meet the latest environmental standards and management of energy consumption

The group is keen to limit the environmental impact of its business and is working to reduce energy consumption on its premises.

For new offices, Sopra Steria's policy is to favour low-energy buildings. A number of group sites comply with new environmental standards, while others are innovating in anticipation of future regulatory developments.

5.6.1. MANAGING BUSINESS PREMISES

Sopra Steria continues to implement environmental protection measures:

- installing ergonomic workstations to enhance the quality of working conditions for its staff;
- carrying out preventive maintenance on installations to save energy;
- having cleaners use non-toxic and non-hazardous products;
- raising employee awareness of the best practices presented in the group's guide to eco-friendly behaviours;
- regularly reminding site managers to respect the environment and use best practices on a day-to-day basis.

Regarding soil pollution, Sopra Steria's business activities on the premises occupied by the group do not have a significant impact on the environment.

5.6.2. NEW SITES THAT MEET THE MOST RECENT ENVIRONMENTAL STANDARDS

Sopra Steria's policy is to favour buildings eligible for the new RT 2012 (2012 thermal regulations), BBC (low energy consumption), HQE® (high environmental quality) and BREEAM (Building Research Establishment Environmental Assessment Methodology) standards. These choices are made to remain consistent with the criteria for enhancing the quality of the group's work environment.

In France, several group sites incorporate these new environmental standards:

- the Green Office® in Meudon (outside Paris) is a building equipped to meet the most stringent environmental standards, with a biomass cogeneration unit and solar panels. It is certified to HQE® *Bâtiment Tertiaire* (high environmental quality office building) and HQE® *Exploitation* (high environmental quality operations), BBC (low energy consumption) and BREEAM – Excellent Europe 2008;
- the Limonest site near Lyon, which covers more than 8,000 square metres, is also certified to BBC and HQE® *Bâtiment Tertiaire*;
- the new building at Colomiers (near Toulouse) meets the new RT 2012 (2012 thermal regulations) standards and is certified HQE® (high environmental quality), with regulatory energy consumption 30% below the maximum level stipulated in regulations;
- new buildings under construction:
  - the planned extension at Limonest (2,800 square metres) will be BREEAM-certified with a "very good" rating,
  - the new combined site in Aix-en-Provence (more than 4,000 square metres) will be HQE®-certified,
  - the planned project in Lille (5,000 square metres) will be BREEAM-certified with a "very good" rating.

5.6.3. MANAGING ENERGY CONSUMPTION AT OFFICES AND ON-SITE DATA CENTRES

Energy consumption in offices and on-site data centres (located on the group's premises) is responsible for a significant portion of the group's emissions. The group is working to reduce energy consumption and expand the use of renewable energy to power buildings. All energy used at the group's dedicated sites in Germany, Denmark, Switzerland and the United Kingdom is entirely renewable.

While taking into account local constraints, Sopra Steria favours the use of energy sources that have a low environmental impact.

ENERGY CONSUMPTION OF OFFICES AND ON-SITE DATA CENTRES

	2015		
(in kWh)	Scope 1	Scope 2	Renewable energy as % of electricity consumption
France	2,935,112	28,318,240	
United Kingdom	5,462,020	12,176,192	70%
India	2,900,089	11,683,878	
Germany		2,336,655	93%
Belgium	854,529	2,168,009	48%
Norway		1,826,841	
Spain		1,673,062	
Poland	24,384	779,636	
Italy	156,620	722,564	
Switzerland	115,833	653,056	99%
Denmark		333,333	100%
Tunisia		243,495	
Sweden		138,156	100%
Morocco		168,947	
Luxembourg	174,543	165,457	100%
Singapore		79,481	
Cameroon		24,474	
Algeria		3,158	
Ivory Coast		2,368	
Gabon		2,368	
2015 TOTAL	**12,623,129**	**63,562,544**	**20.4%**
2014 TOTAL FOR REFERENCE	**11,565,292**	**64,214,986**	

GREENHOUSE GAS EMISSIONS OF OFFICES AND ON-SITE DATA CENTRES

	2015	
(in tonnes of CO_2 equivalent)	Scope 1	Scope 2
India	653	9,687
United Kingdom	1067	6,270
France	284	2,336
Germany	0	855
Poland	5	533
Spain	0	484
Belgium	158	411
Italy	29	288
Tunisia	0	142
Morocco	0	98
Denmark	0	69
Luxembourg	32	65
Singapore	0	40
Norway	0	38
Switzerland	9	25
Cameroon	0	14
Sweden	0	10
Algeria	0	2
Ivory Coast	0	1
Gabon	0	1
2015 TOTAL	**2,237**	**21,381**
2014 TOTAL FOR REFERENCE	**2,328**	**21,335**

Scope 1: Direct combustion of fuels (oil, gas, fuel oil) required in operations owned or controlled by the group.
Scope 2: Electricity consumed by the group (electric power, and heating, steam and cooling systems).
The emissions factors used in calculating this indicator are based on the location-based definition and the methodology of DEFRA (the Department for Environment, Food and Rural Affairs) in the United Kingdom.
Location-based: A method for calculating Scope 2 greenhouse gas emissions based on a system of emissions factors arising from the geographical origin.

Even though the transition phase between old and new sites may have temporarily led to redundant energy consumption, total consumption at the group's offices and on-site data centres in 2015 was stable relative to 2014.

Following the transposition into domestic law of the European Directive on energy policy (Directive 2012/27/EU), energy audits have been completed at sites in some of the group's countries.

These audits, undertaken in France, the United Kingdom and Germany, have helped strengthen existing improvement plans (through phased relamping, analysis of consumption, changes of supplier if the energy market is opened up, etc.).

Efforts in 2016 will see renewable energy account for 20.4% of the group's total electricity consumption. In France, the use of a central purchasing organisation linked to around 15 companies will make it possible to supply partially renewable electricity from January 2016.

Energy-plus offices managed using SI@GO®

Green Office® Meudon is a BEPOS energy-plus building. It produces 100% renewable energy (through biomass cogeneration and solar panels). Sopra Steria, which has occupied the building since July 2011, is a pioneer in work to prepare for the RT 2020 thermal regulations. All of the building's energy production and consumption is managed using the SI@GO® energy management system developed by Sopra Steria. The building is HQE® *Exploitation*-certified.

5.6.4. RENEWABLE ENERGY SUPPLY

Power Plus in India

In 2015, Sopra Steria participated in the production of renewable energy by being the first company to implement PowerPlus™, the benchmark solution in the clean energy market.

Sopra Steria uses this innovative system to invest in renewable energies. PowerPlus™ makes it possible to produce the equivalent of the amount of electricity used by Sopra Steria's data centres in India by investing in a wind energy project in southern India (Tamil Nadu). The solution, developed by Natural Capital Partners, is fully compliant with international standards in force. It is one of the few environmentally friendly energy products that allows for additional investment in renewable energy, linked to the electricity supply grid. All PowerPlus™ transactions are tracked and recorded in the solution's registry. This means all numerical information (on the electricity supply grid, the "residual energy mix" and emissions factors) is available from www.powerplus.energy/registry.html.

At present, this solution enables the group to offset 628 MWh of energy use.

Use of 100% renewable energy in the United Kingdom, Sweden, Switzerland, Germany and Denmark

Energy used in buildings managed by Sopra Steria in these countries is entirely renewable. Thanks to its substantial natural resources conducive to the use of renewable energy, Scandinavia is a pioneer in this sector.

Waste heat recovery and eco-friendly smart cooling

In Sweden, Sopra Steria's premises in Stockholm are located in Kungsbrohuset, a green office building built in 2010 which features the latest technological innovations in energy efficiency. The building recovers the excess heat produced by the 250,000 passengers that pass through the nearby central train station every day to heat the building. It also has an eco-intelligent building cooling system that uses water from the Klara Sjö canal.

5.6.5. WATER CONSUMPTION

Sopra Steria only uses water from the municipal water system, mainly for sanitary use. It is difficult to accurately assess the amount of water consumed by the entire group, since this assessment depends on the utility management system readings made available by the group's various lessors. However, the group intends to step up its efforts to obtain this information.

5.7. IT infrastructure and data centres

Optimisation of certified carbon-neutral IT infrastructure and data centres

5.7.1. CHOICE OF IT EQUIPMENT

Energy Star

Sopra Steria's desktop computers, laptops and servers comply with manufacturer standards (Energy Star 5.0 and 5.2) and generate low energy consumption. Laptops are also equipped with three-cell batteries, which recharge quickly, or with a fast-charging battery system (ExpressCharge™).

EPEAT

New computers used by the group meet the EPEAT standard. EPEAT (Electronic Product Environmental Assessment Tool) is an environmental label that helps consumers assess the environmental impact of IT products. Certified products fall into one of three categories (Gold, Silver or Bronze) based on a range of environmental performance criteria.

All EPEAT-certified computers forming part of the group's installed base of IT equipment are rated either Gold or Silver.

5.7.2. VIRTUALISATION OF IT INFRASTRUCTURE

Sopra Steria continued its programme to virtualise its IT infrastructure. Virtualisation allows IT centres to pool and optimise the use of their equipment resources.

This approach is aimed at:

- increasing processing capacity by reducing the number of physical machines and thereby reducing energy consumption;
- acquiring more compact machines that use less energy;
- saving significant amounts of space at IT centres by limiting the need to build extensions;
- extending the lifespan of IT equipment.

5.7.3. OPTIMISING ENERGY CONSUMPTION OF ON-SITE AND OFF-SITE DATA CENTRES

On-site data centres are data centres that are located on Group premises. Off-site data centres are hosted by third parties.

ENERGY CONSUMPTION OF DATA CENTRES (ON-SITE AND OFF-SITE)*

(in kWh)	2015	% renewable energy
United Kingdom	14,594,689	86%
France	10,973,842	
Norway	3,161,922	
India	2,205,746	
Switzerland	1,102,860	100%
Germany	1,006,860	97%
Belgium	950,880	100%
Denmark	353,796	
Poland	361,003	
Luxembourg	170,990	100%
Sweden	325,215	
2015 TOTAL	**35,207,802**	
2014 TOTAL FOR REFERENCE	**37,573,771**	
Reduction in consumption	-6.3%	50.3%

* *A data centre or similar set-up refers to a set of IT equipment which, according to the IMSL definition, features controlled access, secure space for projects, climate control and an uninterruptible power supply.*

CARBON FOOTPRINT OF DATA CENTRES (ON-SITE AND OFF-SITE)

	2015	
(in tonnes of CO_2 equivalent)	Scope 1	Scope 2
United Kingdom		7,421
India	115	1,714
France		644
Germany		480
Poland	5	282
Denmark		104
Belgium	12	180
Luxembourg		67
Norway		43
Switzerland		33
Sweden		5
2015 TOTAL	**132**	**10,973**
2014 TOTAL FOR REFERENCE	**109**	**11,256**
Reduction in emissions (Scopes 1 & 2)		-1.5%

Scope 1: Direct combustion of fuels (oil, gas, fuel oil) required in operations owned or controlled by the group.
Scope 2: Electricity consumed by the group (electric power, and heating, steam and cooling systems).
The emissions factors used in calculating this indicator are based on the location-based definition and the methodology of DEFRA (the Department for Environment, Food and Rural Affairs) in the United Kingdom.
Location-based: A method for calculating Scope 2 greenhouse gas emissions based on a system of emissions factors arising from the geographical origin.

Reduction in energy consumption and proportion of renewable energy at the group's on-site and off-site data centres.

Energy consumption and greenhouse gas emissions at data centres located on group premises or third-party premises decreased year on year in 2015 thanks to substantial optimisation measures.

Furthermore, 50.3% of the energy used by the group's data centres (both on-site and off-site) in 2015 came from renewable sources.

The group is continuing to apply these measures in 2016, in terms of both the use of renewable energy and the optimisation of data centres.

5.8. Product life cycle management

Product life cycle management, from catalogue selection through to waste tracking

Sopra Steria is committed to a responsible purchasing approach that favours products and services with a low environmental impact. From product selection through to product life cycle and waste management, Sopra Steria monitors each stage in the life of its IT equipment and consumables.

5.8.1. SUSTAINABLE PURCHASING

a. Purchasing Energy Star and EPEAT IT equipment

The group's IT equipment suppliers' catalogue is required to list equipment that meets Energy Star and EPEAT standards.

b. Purchasing "green" consumables

Within the group, cleaning companies use only "biological and green" products. In addition, orders placed with one of the suppliers of office consumables are mainly in electronic form and for green products.

In France and Spain, the group has been expanding the use of "green" photocopy paper. Since 2011, the group has used SFI-certified paper at all its French sites. All paper used is certified paper (FSC, PEFC, Blue Angel) produced from sustainably managed forests. In Spain, all paper purchased is FSC-certified.

Moreover, the group's campaign to promote eco-friendly behaviours among employees includes a focus on the need to limit printing, with the aim of reducing paper consumption and making more rational use of printing equipment.

5.8.2. MANAGING PRODUCT LIFESPANS

a. Managing the group's IT equipment

Sopra Steria manages its installed base of IT equipment according to very precise guidelines with a view to controlling costs and protecting the environment.

This IT equipment is listed in a database managed using HP's AssetCenter software. Steria's equipment is being progressively integrated into this database. Technical, financial and usage information is continually updated over the equipment's life cycle, allowing the group to optimise equipment lifespans and ensure it is properly recycled once it reaches the end of its useful life.

Collecting accurate information helps Sopra Steria effectively manage its installed base of IT equipment and identify and replace equipment that becomes obsolete or whose use no longer corresponds to the group's business standards.

b. Managing energy consumption

For several years, the group has relied on an optimised energy management model and standardised its IT equipment in favour of more energy-efficient models. A number of initiatives have also been taken, such as programming monitors to switch off after fifteen minutes and activating hibernation mode. This helps limit energy consumption when employees are not using their computers for extended periods of time. Awareness-raising messages are also sent out via the intranet on a regular basis to encourage employees to shut down their computers or activate sleep mode when not using their computers for long periods of time.

With regard to photocopiers and printers, the group has developed a process to streamline the number of devices and promote sensible use of consumable supplies. Networking also helps reduce the number of devices by using photocopiers that can function as both printers and scanners (scan to email) and are set to print double-sided and in black and white by default.

5.8.3. PRODUCT END-OF-LIFE MANAGEMENT AND WASTE MANAGEMENT

a. End-of-life management of electrical and electronic equipment

Sopra Steria uses specialist providers, including in particular special needs employers, to recycle its Waste Electrical and Electronic Equipment (WEEE). Once checked, hardware that cannot be remarketed becomes WEEE and is sent to authorised dismantling sites for processing and pollutant removal. Recycling can take various forms: full recycling of equipment or recycling of parts or raw materials.

Even once an item of equipment has been removed and recycled, the group maintains information relating to its final destination in its database. In order to ensure that electrical and electronic equipment reaching the end of its useful life is managed in an environmentally friendly manner, the group sells most of its equipment to certified organisations. Lastly, a portion of PCs coming to the end of their useful lives is donated to educational institutions or charitable associations.

QUANTITIES OF WEEE

(in kg)	2015	% Resold	% Reused	% Recycled
India	107,181	75%		25%
United Kingdom**	25,674	11%	89%	
France	20,939		43%	56%
Germany**	2,605			98%
Norway	1,317		NA	
Switzerland**	688			100%
Italy*	627	30%	50%	
Sweden	566		NA	
Spain	454			
Denmark*	142		NA	
Poland	53			100%
TOTAL	**160,246*** **			

* *Estimated data based on information from countries with the same consumption profile.*
** *Data estimated for Sopra Banking Software and/or Sopra HR Software.*
*** *Total quantity of WEEE in 2014 = 44,260 kg (updated data based on newly available information).*
Sopra scope: France, India, Spain
Steria scope: all countries except France, head office, Singapore, and Morocco
WEEE volumes may vary substantially from one year to the next depending on whether a portion of IT hardware is replaced.
For the sake of clarity, figures have been rounded to the nearest unit.

Actual 2015 data on WEEE show a substantial improvement relative to 2014. Throughout 2015, the group pursued a policy of aligning WEEE handling processes across the countries in which it operates. Where a country's geographical configuration permits, a single WEEE processing provider was selected to cover the whole of the country in question. Suppliers are encouraged to provide waste tracking forms and produce statistics on the type of processing undertaken (resale, reuse or full recycling).

France

In 2015, the group worked with two specialised companies to handle its waste electrical and electronic equipment: ATF Gaia for the group's sites in the French provinces and Tricycle Environnement for its sites in the Paris region and in Tours.

ATF Gaia organises the collection of a major portion of the waste electrical and electronic equipment from Annecy, where the group stores its IT equipment. This company employs people with disabilities.

This WEEE management organisation in two regions enables the group to limit the transport of inoperable or obsolete equipment.

The two service providers organise the collection of waste electrical and electronic equipment and ensure a high degree of traceability for IT-related waste, offering several types of recycling:

- full recycling of equipment;
- recycling of spare parts;
- recycling of computer components;
- secure data destruction of disks and magnetic cartridges.

United Kingdom

The WEEE management policy in place in the United Kingdom favours the reuse of IT equipment by charities. A collection optimisation process will be introduced in 2016 to improve the waste management process.

India

In 2015, the replacement of IT equipment resulted in a significant quantity of WEEE. However, the vast majority of this waste was sold on to a supplier who dismantles the equipment and resells the raw materials.

b. Wastepaper management

(in kg)	2015	% Recycled	% Destroyed
United Kingdom	146,900	100%	
France*	96,269	89%	13%
Germany**	45,214	98%	2%
India	27,217	100%	
Norway	7,670	100%	
Switzerland**	3,549	99%	
Denmark***	827	100%	
Sweden	802	100%	
TOTAL	**328,448**		

* *Sites where a system of waste tracking forms has been implemented.*
** *Data estimated for Sopra Banking Software and/or Sopra HR Software.*
*** *Estimated data based on information from countries with the same consumption profile.*

In 2015, particular attention was paid to monitoring paper consumption across the group.

Some countries launched novel sorting and recycling initiatives, such as closed-loop paper recycling in the United Kingdom, an important component of the circular economy, under which virtually all paper used at Sopra Steria sites in the United Kingdom is recycled. This initiative saw 146 tonnes of paper recycled in the United Kingdom in 2015.

For buildings and facilities that Sopra Steria controls, the group has put in place local policies aimed at reducing the amount of ordinary waste generated. Otherwise, Sopra Steria works with building owners to develop selective sorting and optimise recycling processes.

France

Selective sorting at many sites in France is handled in two ways:

- by specialist companies managed by the group, which closely monitor quantities disposed of and allow for better traceability by providing waste tracking documents;
- by local councils or service providers not managed by the Group (for multi-tenant properties).

New sites were equipped in 2015 (Paris – Manhattan, Orléans, Rouen, Strasbourg, Annecy, Lille Urban and Toulouse). Individual wastepaper baskets are gradually being replaced by recycling bins. Depending on the type of selective sorting method implemented at each site, plastic bottles, cans, glass and used batteries are also sorted.

India

The Group has introduced an aggressive wastepaper recycling policy which allows it to recycle a large portion of wastepaper produced.

Wastepaper is treated by Green-O-Tech (New Delhi), IPCA and Rohit Enterprises.

Spain

The Group worked with specialist provider DCD (Destrucción Confidencial de Documentación SA) to manage its wastepaper. Bins for used paper are installed close to printers. Empty printer and toner cartridges are also recycled by specialist provider Grupo Colombia. Organic waste, plastic and packaging is also sorted and processed by local councils.

Since 2014, a selective sorting system (organic waste, plastic, packaging and glass) has been in place for the group's entire workforce. Batteries, wastepaper and used ink cartridges are also recycled.

United Kingdom

Since 2011, Sopra Steria has been using a closed-loop paper recycling process, now extended to all sites.

In addition, printer cartridges and toner, plastic bottles, cans, glass and used batteries are recycled at all sites. Since 2014, all waste produced by Sopra Steria's UK sites has been reprocessed through recycling without recourse to landfill sites, reuse and the production of energy from non-recyclable waste. The success of this "zero waste to landfill" programme is the fruit of four years of commitment, employee awareness-raising, the implementation of new recycling methods and improvements in the reuse of equipment.

5.9. Reducing the group's greenhouse gas emissions

Greenhouse gas emissions reduced in line with the 2020 target

SCOPE 1, 2 AND 3 GREENHOUSE GAS EMISSIONS

(in tonnes of CO_2 equivalent)		2015 Location-based	2015 Market-based	2014 Location-based	2014 Market-based
	Scope 1	2,237	2,237	2,328	2,328
Offices and on-site data centres	Scope 2	21,379	15,723	21,335	14,098
Off-site data centres	Scope 3	4,725	1,227	5,482	1,998
Business travel	Scope 3	33,244	32,005	35,006	33,562
TOTAL		**61,648**	**48,955**	**64,151**	**49,658**
Reduction in emissions relative to 2014		**-4.0%**			

Location-based: a method for calculating Scope 2 greenhouse gas emissions based on a system of emissions factors arising from the geographical region covered.
Market-based: a method for calculating Scope 2 greenhouse gas emissions based on a system of emissions factors arising from the supplied energy source.

Lower greenhouse gas emissions, more renewable energy purchased by the group

In 2015, the fact that renewable energy accounted for 20% of the group's energy consumption made it possible to avoid emitting more than 12,500 tonnes of CO_2 equivalent. All in all, the group cut its greenhouse gas emissions by 4% of total emissions in 2015: a very good start toward achieving the target of cutting emissions by 15% between 2014 and 2020.

Improvement efforts are focused on those emissions over which the group has direct control (energy used in offices, on-site data centres and business travel) or significant influence (data centres managed for the group by external suppliers).

6. Report by the independent third party on the consolidated workforce, environmental and social information presented in the Management Report

Financial year ended 31 December 2015

To the Shareholders,

In our capacity as independent third party, member of the Mazars network and Statutory Auditor of Sopra Steria accredited by COFRAC under number 3-1058, [(1)] we hereby report to you on the consolidated workforce-related, environmental and social information for the year ended 31 December 2015, presented in the Management Report (hereafter referred to as the "CSR Information"), pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for preparing a Management Report including the CSR Information referred to in Article R. 225-105-1 of the French Commercial Code, in accordance with the guidelines used by the Company (hereafter referred to as the "Guidelines"), which are summarised in the Management Report and are available on request from the Company's registered office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations, the Code of Ethics governing the audit profession in France and the provisions of Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with ethical rules, professional auditing standards and applicable law and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the Management Report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of five people between November 2015 and March 2016, and took around seven weeks.

We conducted the work described below in accordance with the professional standards applicable in France, the administrative order of 13 May 2013 setting the manner in which an independent third party should perform its engagement, and, with regard to the reasoned opinion on the fairness of the CSR Information, in accordance with the ISAE 3000 international standard [(2)].

I – Statement of completeness of CSR Information

On the basis of interviews conducted with the management of the departments concerned, we observed the presentation of the Company's sustainable development strategy, which is based on the workforce-related and environmental consequences of the Company's activities and its social commitments, as well as, where applicable, any resulting actions or programmes.

We compared the CSR Information presented in the Management Report with the list provided for by Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, Paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covered the scope of consolidation, i.e. the Company, its subsidiaries as defined by Article L. 233-1 and the entities it controls as defined by Article L. 233-3 of the French Commercial Code within the limitations set out in the methodological information presented in the "Approach and methodology" section of the Management Report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the Management Report.

II – Reasoned opinion on the fairness of the CSR Information

Nature and scope of work

We conducted around ten interviews with the people responsible for preparing the CSR Information, the departments in charge of collecting the information and, where appropriate, those responsible for internal control and risk management, in order to:

- assess the suitability of the Guidelines in light of their relevance, completeness, reliability, impartiality and comprehensibility, taking industry best practices into account where applicable;

(1) Scope available in French at www.cofrac.fr.

(2) ISAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

- verify the implementation of a data-collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and checks according to the nature and importance of the CSR Information in light of the characteristics of the Company, the potential social and environmental impact of its activities, its sustainable development policy and industry best practice.

With regard to the CSR Information that we considered to be the most important [(1)]:

- at the level of the consolidated entity and the group's Sustainable Development Department, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.); we applied analytical procedures to the quantitative information and used sampling techniques to verify the calculations and the consolidation of the data; and we verified their consistency and concordance with the other information presented in the Management Report;
- at the level of a representative sample of entities and departments that we selected [(2)] based on their activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents.

The sample selected represented an average of 56% of the workforce and between 9% and 73% of quantitative environmental data.

For the other consolidated CSR Information, we assessed consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material misstatement has not been detected.

CONCLUSION

Based on our engagement, we have not identified any material misstatement such as may call into question the fair presentation of the CSR Information as a whole in accordance with the Guidelines.

Paris-La Défense, 21/04/2016

The independent third party

Mazars SAS

Bruno Pouget *Partner*	Emmanuelle Rigaudias *CSR & Sustainable Development Partner*

(1) *Workforce-related information: Total workforce by age and type of employment contract; Average workforce (FTE); Proportion of management-level employees in total workforce; Average age of employees on permanent contracts; Average length of service of employees on permanent contracts; Hires; Staff turnover rate for permanent contracts; Number of training hours and days; Average number of days of training per employee; Proportion of disabled employees; Absence rate; Frequency and severity rates of workplace accidents.*

Environmental information: Energy consumption (offices and on-site data centres); Energy consumption of data centres (on-site and off-site); Greenhouse gas emissions related to energy consumption of offices and on-site data centres; Greenhouse gas emissions related to energy consumption of data centres (on-site and off-site); Greenhouse gas emissions related to business travel; Quantity of Waste Electrical and Electronic Equipment (WEEE).

(2) **Sopra Steria (France)** *(Total workforce by age and type of employment contract; Average workforce [FTE]; Proportion of management-level employees in total workforce; Average age of employees on permanent contracts; Average length of service of employees on permanent contracts; Hires; Staff turnover rate for permanent contracts; Proportion of disabled employees; Absence rate; Frequency and severity rates of workplace accidents; Number of training hours and days; Average number of days of training per employee).*

Sopra Steria (France) Vélizy and Annecy sites *(Energy consumption of offices and on-site data centres; Energy consumption of off-site data centres; Greenhouse gas emissions related to energy consumption of offices and on-site data centres; Greenhouse gas emissions related to energy consumption of on-site and off-site data centres).*

Sopra HR Software (Spain) *(Number of training hours and days; Average number of days of training per employee).*

Sopra Steria (India) *(Number of training hours and days; Average number of days of training per employee).*

Steria Limited (United Kingdom) *(Total workforce by age and type of employment contract; Average workforce [FTE]; Proportion of management-level employees in total workforce; Average age of employees on permanent contracts; Average length of service of employees on permanent contracts; Hires; Staff turnover rate for permanent contracts).*

Sopra Steria (United Kingdom) – Hemel Hempstead and Edinburgh sites *(Energy consumption of offices and on-site data centres; Energy consumption of off-site data centres; Greenhouse gas emissions related to energy consumption of offices and on-site data centres; Greenhouse gas emissions related to energy consumption of on-site and off-site data centres).*

Sopra Steria (United Kingdom) *(Greenhouse gas emissions related to business travel; Quantity of Waste Electrical and Electronic Equipment – WEEE).*

4 2015 Consolidated financial statements

Consolidated statement of net income

(in millions of euros)	Notes	2015	2014
Revenue	3	**3,584.4**	**2,280.4**
Staff costs	4	-2,185.6	-1,437.6
Purchases and external expenses	5	-1,087.9	-605.6
Taxes and duties		-32.4	-23.4
Depreciation, amortisation, provisions and impairment		-58.4	-27.0
Other current operating income and expenses		25.3	6.3
Operating profit on business activity	5	**245.5**	**193.0**
as % of revenue		*6.8%*	*8.5%*
Expenses related to stock options and related items	6	-1.2	-2.0
Amortisation of allocated intangible assets		-19.4	-10.6
Profit from recurring operations		**225.0**	**180.3**
as % of revenue		*6.3%*	*7.9%*
Other operating income and expenses	7	-72.4	-32.1
Operating profit		**152.6**	**148.2**
as % of revenue		*4.3%*	*6.5%*
Cost of net financial debt	8	-8.1	-7.4
Other financial income and expenses	8	-14.9	-10.7
Tax expense	9	-47.2	-34.4
Net profit from associates	10	7.2	5.9
Net profit from continuing operations		**89.6**	**101.5**
Net profit from discontinued operations		-	-
Consolidated net profit		**89.6**	**101.5**
as % of revenue		*2.5%*	*4.5%*
Non-controlling interests		5.2	3.3
NET PROFIT ATTRIBUTABLE TO THE GROUP		**84.4**	**98.2**
as % of revenue		*2.4%*	*4.3%*
EARNINGS PER SHARE *(in euros)*			
Basic earnings per share	11	4.27	6.81
Fully diluted earnings per share	11	4.26	6.77

Note: Data presented for comparison with 2015 are data reported at 31 December 2014, which include seven months of Sopra Group revenue and five months of Sopra Steria Group revenue.

Consolidated statement of comprehensive income

(in millions of euros)	Notes	2015	2014
Consolidated net profit		**89.6**	**101.5**
Other comprehensive income:			
Actuarial gains and losses on pension plans	*23.2*	125.7	-53.6
Tax impact		-33.8	12.8
Related to associates		0.3	-0.1
Subtotal of items recognised in equity and not reclassifiable to profit or loss		**92.2**	**-40.9**
Translation adjustments		45.6	16.7
Change in net investment hedges		-8.6	-1.5
Tax impact on net investment hedges		3.3	-0.9
Change in cash flow hedges	*30.4*	-0.4	4.3
Tax impact on cash flow hedges		-0.2	-1.5
Related to associates		4.8	5.1
Subtotal of items recognised in equity and reclassifiable to profit or loss		**44.5**	**22.2**
Other comprehensive income, total net of tax		**136.7**	**-18.7**
COMPREHENSIVE INCOME		**226.3**	**82.8**
Non-controlling interests		8.2	5.9
Attributable to Group		**218.1**	**76.9**

Note: Data presented for comparison with 2015 are data reported at 31 December 2014, which include seven months of Sopra Group revenue and five months of Sopra Steria Group revenue.

Consolidated statement of financial position

ASSETS *(in millions of euros)*	**Notes**	**31/12/2015**	**31/12/2014**
Goodwill	12	1,586.9	1,475.2
Intangible assets	13	214.0	219.5
Property, plant and equipment	14	118.5	109.9
Equity-accounted investments	15	154.4	146.8
Other non-current financial assets	16	77.7	78.1
Post-employment and similar benefit obligations	23	7.9	-
Deferred tax assets	17	142.7	154.7
Non-current assets		**2,302.1**	**2,184.4**
Trade accounts receivable	18	1,099.8	931.7
Other current assets	19	191.6	166.8
Cash and cash equivalents	20	**222.7**	**222.4**
Current assets		1,514.0	1,320.8
Assets held for sale	28	5.1	4.8
TOTAL ASSETS		**3,821.3**	**3,510.0**

LIABILITIES AND EQUITY *(in millions of euros)*	**Notes**	**31/12/2015**	**31/12/2014**
Share capital		20.4	20.4
Share premium		528.3	658.6
Consolidated reserves and other reserves		561.3	280.0
Profit for the year		84.4	98.2
Equity – Group share		**1,194.4**	**1,057.1**
Non-controlling interests		**38.7**	**29.7**
TOTAL EQUITY	21	**1,233.1**	**1,086.8**
Financial debt – long-term portion	22	437.8	594.9
Deferred tax liabilities	17	15.8	8.1
Post-employment and similar benefit obligations	23	317.3	428.6
Non-current provisions	24	38.6	30.1
Other non-current liabilities	25	86.4	62.0
Non-current liabilities		**895.9**	**1,123.8**
Financial debt – short-term portion	22	315.7	69.9
Current provisions	24	88.2	69.2
Trade payables	26	257.5	258.7
Other current liabilities	27	1,030.9	901.5
Current liabilities		**1,692.2**	**1,299.4**
Liabilities held for sale	28	0.1	-
TOTAL LIABILITIES		**2,588.2**	**2,423.2**
TOTAL LIABILITIES AND EQUITY		**3,821.3**	**3,510.0**

Note: The consolidated statement of financial position at 31/12/2014 has been adjusted to reflect the definitive purchase price allocation for the merger with Steria described in Note 2.1 Sopra Steria merger.

Consolidated statement of changes in equity

(in millions of euros)	Share capital	Premiums	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income	Total Group share	Minority interests	Total
AT 31/12/2013	**11.9**	**13.2**	**-0.3**	**360.9**	**-27.8**	**357.9**	**-**	**357.9**
Capital transactions	-	0.9	-	0.5	-	1.4	-	1.4
Steria public exchange offer	8.3	643.0	-	-	-	651.3	-	651.3
Share-based payments	-	0.1	-	0.4	-	0.5	-	0.5
Transactions in treasury shares	-	-	-	-0.6	-	-0.6	-	-0.6
Ordinary dividends	-	-	-	-22.7	-	-22.6	-	-22.6
Free share allotment plan	0.1	1.4	-	-0.2	-	1.3	-	1.3
Changes in scope	-	-	-33.3	23.4	-	-9.9	24.4	14.5
Put option on minority interests	-	-	-	0.6	-	0.6	-0.6	-
Other movements	-	-	-	0.3	-	0.4	-	0.4
Shareholder transactions	**8.5**	**645.4**	**-33.3**	**1.7**	**0.0**	**622.3**	**23.8**	**646.1**
Profit for the year	-	-	-	98.2	-	98.2	3.3	101.5
Other comprehensive income	-	-	-	-	-21.3	-21.3	2.6	-18.7
Comprehensive profit for the year	**-**	**-**	**-**	**98.2**	**-21.3**	**76.9**	**5.9**	**82.8**
AT 31/12/2014	**20.4**	**658.6**	**-33.6**	**460.9**	**-49.1**	**1,057.1**	**29.7**	**1,086.8**
Capital transactions	0.1	1.0	-	-	-	1.0	1.4	2.4
Reduction of the share issue premium	-	-118.8	-	118.8	-	-	-	-
Share-based payments	-	-	-	0.9	-	0.9	-	0.9
Transactions in treasury shares	-	-	-21.3	-1.2	-	-22.5	-	-22.5
Ordinary dividends	-	-	-	-37.5	-	-37.5	-	-37.5
Put option on minority interests	-	-	-	-23.0	-	-23.0	-0.7	-23.7
Other movements	-	-12.4	-	12.7	-	0.4	-	0.4
Shareholder transactions	**0.1**	**-130.2**	**-21.3**	**70.7**	**-**	**-80.8**	**0.8**	**-80.0**
Profit for the year	-	-	-	84.4	-	84.4	5.2	89.6
Other comprehensive income	-	-	-	-	133.7	133.7	3.0	136.7
Comprehensive profit for the year	**-**	**-**	**-**	**84.4**	**133.7**	**218.1**	**8.2**	**226.3**
AT 31/12/2015	**20.4**	**528.3**	**-54.9**	**616.0**	**84.6**	**1,194.4**	**38.7**	**1,233.1**

Note: Equity at 31/12/2014 has been adjusted to reflect the definitive purchase price allocation for the merger with Steria described in Note 2.1 Sopra Steria merger.

Consolidated cash flow statement

(in millions of euros)	2015	2014
Consolidated net profit (including non-controlling interests)	**89.6**	**101.5**
Net increase in depreciation, amortisation and provisions	103.3	49.7
Unrealised gains and losses related to changes in fair value	-7.3	-1.9
Share-based payment expense	1.2	1.8
Other calculated income and expense	-	-22.4
Gains and losses on disposal	5.4	0.7
Share of net profit of equity-accounted companies	-7.2	-5.9
Cash from operations after cost of net debt and tax	**184.8**	**123.4**
Cost of net financial debt	8.1	7.4
Tax expense	47.2	34.4
Cash from operations before cost of net debt and tax (A)	**240.2**	**165.3**
Tax paid (B)	-35.2	-39.1
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	-81.9	14.8
Net cash from operating activities (D) = (A+B+C)	**123.2**	**140.9**
Purchase of tangible and intangible fixed assets	-42.5	-26.3
Proceeds from sale of tangible and intangible fixed assets	0.2	0.1
Purchase of financial assets	-0.3	-9.1
Proceeds from sale of financial assets	-	0.7
Impact of changes in scope	-92.3	134.2
Dividends received (equity-accounted companies, non-consolidated securities)	2.2	2.2
Proceeds from / (payments on) borrowings	3.4	1.6
Net interest received	0.1	-
Net cash from (used in) investing activities (E)	**-129.1**	**103.6**
Purchase and proceeds from disposal of treasury shares	-22.5	-0.5
Dividends paid during the year		
▪ Dividends paid to shareholders of the parent company	-37.5	-22.5
▪ Dividends paid to minority interests of consolidated companies	-	-
Change in borrowings	94.2	-61.1
Net interest paid (including finance leases)	-6.6	-3.5
Additional contributions related to defined-benefit pension plans	-23.3	-8.3
Other cash flows relating to financing activities	5.1	-1.4
Net cash from (used in) financing activities (F)	**9.3**	**-95.9**
Effect of foreign exchange rate changes (G)	15.4	8.9
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**18.7**	**157.6**
Opening cash position [(1)]	198.8	41.2
Closing cash position [(1)]	217.5	198.8

Note: Data presented for comparison with 2015 are data reported at 31 December 2014, which include seven months of Sopra Group revenue and five months of Sopra Steria Group revenue.

(1) See Note 20

Notes to the consolidated financial statements

The group's consolidated financial statements for the year ended 31 December 2015 were approved by the Board of Directors at its meeting held on 20 April 2016.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 Overview of main accounting policies

The main accounting policies applied in the preparation of the consolidated financial statements are presented below. They have been applied consistently for all of the financial years presented.

1.1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with:

- International Financial Reporting Standards (IFRS) as adopted by the European Union. Information on this is available on the website of the European Commission: http://ec.europa.eu/finance/accounting/index_en.htm;
- IFRS as published by the IASB.

1.2. Application of new standards and interpretations

a. New mandatory standards and interpretations

New standards, amendments to existing standards and interpretations required for accounting periods starting on or after 1 January 2015 had no material impact on the financial statements. That includes:

- IFRIC 21 *Levies;*
- Annual Improvements cycle 2011-2013.

b. Standards and interpretations published by the IASB and adopted by the European Union but not applied early

The group has not opted for early application of the following standards and interpretations:

- *Disclosure Initiative* (Amendments to IAS 1);
- *Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to IAS 16 and IAS 18);
- *Defined Benefit Plans: Employee Contributions* (Amendments to IAS 19);
- *Accounting for Acquisitions of Interests in Joint Operations* (Amendments to IFRS 11);
- *Annual Improvements to IFRSs 2010-2012 Cycle* including IFRS 2 *Share-based Payment*: Definition of "vesting conditions" and IFRS 3 *Business Combinations*: Accounting for contingent consideration in a business combination;
- *Annual Improvements to IFRSs 2012-2014 Cycle* including IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Change in methods of disposal and IAS 19 *Employee Benefits* – Discount rate: regional market issue.

c. Standards and interpretations published by the IASB but not yet adopted by the European Union

The group has not opted for early application of the standards and interpretations not yet adopted by the European Union for accounting periods starting on or after 1 January 2015. That includes:

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28);
- IFRS 9 *Financial Instruments;*
- IFRS 15 *Revenue from Contracts with Customers*: the group is currently working on identifying issues and will subsequently analyse all potential impacts.

1.3. Format of the financial statements

With regard to the presentation of the consolidated financial statements, Sopra Steria Group applies Recommendation 2013-03 of the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC) of 7 November 2013 on the format of the income statement, the cash flow statement and the statement of changes in shareholders' equity.

Thus, the format of the income statement has been improved to clarify the presentation of the company's performance: an aggregate measure known as *Operating profit on business activity* has been added before *Profit from recurring operations* – this is an internal performance indicator used by management. It corresponds to *Profit from recurring operations* before:

- the expense relating to the cost of services rendered by the grantees of stock options and free shares;
- additions to amortisation of allocated intangible assets.

Operating profit is then obtained by taking *Profit from recurring operations* and subtracting *Other operating income and expenses*. The latter contains any material items of operating income and expense that are unusual, abnormal, infrequent or unpredictable, presented separately in order to give a clearer picture of performance based on ordinary activities.

1.4. Consolidation methods

Sopra Steria Group is the consolidating company.

The companies over which Sopra Steria Group has exclusive control have been fully consolidated. An investor controls an investee where that investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consequently, an investor controls an investee if and only if all the following criteria are met:

- the investor has power over the investee;
- the investor is exposed, or has rights, to variable returns from its involvement with the investee;
- the investor has the ability to exercise its power over the investee in such a way as to affect the amount of returns it obtains.

Investments in entities over which the group exerts significant influence (associates) are accounted for using the equity method. Significant influence is deemed to exist, unless clearly demonstrated not to be the case, when a parent company directly or indirectly holds 20% or more of the voting rights on the investee.

Intercompany transactions as well as balances and unrealised profits on transactions between group companies are eliminated.

The accounts of all consolidated companies are prepared as at 31 December. Those accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the group.

The scope of consolidation is presented in Note 2.

1.5. Foreign currency translation

a. Functional and presentation currencies

Items included in the financial statements of each group entity are measured using the currency of the primary economic environment in which that entity operates, i.e. its “functional currency”.

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Sopra Steria Group.

b. Translation of the financial statements of foreign subsidiaries

The accounts of all group entities whose functional currency differs from the group’s presentation currency are translated into euros as follows:

- assets and liabilities are translated at the end-of-period exchange rate;
- income, expenses and cash flows are translated at the average exchange rate for the period;
- all resulting foreign exchange differences are recognised as a distinct equity component under *Other comprehensive income*.

In accordance with IAS 21, translation gains and losses arising from the translation of net investments in foreign operations are recognised as a distinct component of equity. Translation gains and losses in respect of intercompany loans are considered an integral part of the group’s net investment in the foreign subsidiaries in question.

When a foreign operation is divested, the cumulative translation difference is transferred to profit or loss as part of the gain or loss arising on disposal.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at the end-of-period exchange rate.

The group does not own any consolidated entities operating in a hyperinflationary economy.

The applicable rates of exchange are as follows:

€1 / Currency	Average rate for the period		Period-end rate	
	2015	2014	31/12/2015	31/12/2014
Danish krone	7.4587	7.4549	7.4626	7.4453
Norwegian krone	8.9496	8.3551	9.6030	9.0420
Swedish krona	9.3535	9.0969	9.1895	9.3930
US dollar	1.1095	1.3288	1.0887	1.2141
Canadian dollar	1.4186	1.4669	1.5116	1.4063
Singapore dollar	1.5255	1.6831	1.5417	1.6058
Moroccan dirham	10.8204	11.1591	10.7719	10.9667
Tunisian dinar	2.1772	2.2517	2.2126	2.2586
Swiss franc	1.0679	1.2146	1.0835	1.2024
Pound sterling	0.7258	0.8064	0.7340	0.7789
Rupee (India)	71.1956	81.0689	72.0215	76.7190
Chinese yuan	6.9733	-	7.0608	-
Polish zloty	4.1841	4.1845	4.2639	4.2732

c. Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to entities' functional currencies at the exchange rate applying on the transaction date. Foreign exchange gains and losses arising on settlement, as well as those arising from the translation of foreign currency-denominated monetary assets and liabilities at the end-of-period exchange rate, are recognised in profit or loss under *Other operating income and expenses* for transactions hedged against foreign exchange risk and under *Other financial income and expenses* for other transactions.

1.6. Significant estimates and accounting judgements

The preparation of financial statements entails the use of estimates and assumptions in measuring certain consolidated assets and liabilities as well as certain income statement items. Management is also required to exercise judgement in the application of the group's accounting policies.

Such estimates and judgements, which are continually updated, are based both on historical information and on a reasonable anticipation of future events according to the circumstances. However, given the uncertainty implicit in assumptions as to future events, the related accounting estimates may differ from the ultimate actual results.

The main assumptions and estimates that may leave scope for material adjustments to the carrying amounts of assets and liabilities in the subsequent period are as follows:

- measurement of the recoverable amount of intangible assets and property, plant and equipment, including goodwill in particular (see Notes 1.7 and 12);
- measurement of retirement benefit obligations (see Notes 1.19 and 23);
- revenue recognition (see Note 1.22);
- valuation of deferred tax assets (see Note 1.14);
- amounts payable to non-controlling interests (see Note 1.25);
- provisions for contingencies (see Notes 1.21 and 24).

1.7. Business combinations

The group applies IFRS 3 (revised version) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that does not constitute a business is recognised under the standards applicable to those assets (IAS 38, IAS 16 and IAS 39).

All business combinations are recognised by applying the acquisition method, which consists in:

- the measurement and recognition at fair value of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree (minority interests). The group identifies and allocates these items on the basis of contract provisions, economic conditions and its accounting and management principles and procedures;
- the measurement and recognition at the acquisition date of the difference referred to as "goodwill" between:
  - the purchase price of the acquiree plus the amount of any minority interests in the acquiree, and
  - the net amount of the identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the group effectively obtains control of the acquiree.

The purchase price of the acquiree is the fair value, at the acquisition date, of the elements of consideration transferred to the seller in exchange for control of the acquiree, to the exclusion of any consideration for a transaction separate from the business combination.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination takes place, the acquirer recognises the combination using provisional amounts. The acquirer must then recognise adjustments to those provisional amounts as the accounting for the business combination is completed within 12 months of the acquisition date.

1.8. Goodwill

For each business combination, the group may elect to recognise under its balance sheet assets either partial goodwill (corresponding only to its percentage of ownership interest) or full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (bargain purchase), the group recognises the resulting gain entirely in profit or loss.

Goodwill is allocated to cash-generating units for the purposes of impairment tests as set out in Note 1.12. Such tests are performed when there is an indication of impairment, and in any event at the balance sheet date of 31 December.

1.9. Intangible assets

a. Assets acquired separately

These are software assets recorded at cost. They are amortised using the straight-line method over one to ten years, depending on their estimated useful lives.

b. Assets acquired in connection with business combinations

These are software assets, client relationships, brands and distributor relationships measured at fair value as part of a purchase price allocation for entities acquired in business combinations. They are amortised using the straight-line method over three to fifteen years, depending on their estimated useful lives. Acquired brands whose useful lives cannot be estimated are not amortised.

c. Internally generated assets

Pursuant to IAS 38 *Intangible assets*:

- research and development costs are expensed in the year in which they are incurred;
- software development costs are capitalised if the following can be demonstrated:
  - the technical feasibility of completing the intangible asset for use or sale,
  - the intent to complete the intangible asset and use or sell it,
  - the ability to use or sell the intangible asset,
  - generation of probable future economic benefits,
  - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
  - the ability to reliably measure the expenditure attributable to the intangible asset during its development.

No significant development expenditures for software and solutions (Banking, Human Resources and Property Management) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

1.10. Property, plant and equipment

Property, plant and equipment essentially comprises land and buildings, fixtures, office furniture and equipment and IT equipment.

Property, plant and equipment is measured at acquisition cost (excluding any borrowing costs) less accumulated depreciation and any impairment losses. No amounts have been remeasured.

Depreciation is based on the straight-line method in accordance with the expected useful economic lives of each fixed asset category as follows:

Buildings	20 to 50 years
Fixtures and fittings	4 to 10 years
IT hardware and equipment	3 to 8 years
Vehicles	4 to 5 years
Office furniture and equipment	4 to 10 years

Depreciation is applied against assets' acquisition cost after deducting any residual value. Assets' residual values and expected useful lives are reviewed at each balance sheet date.

1.11. Leases

a. Finance leases

Leases of tangible fixed assets under which the group takes on substantially all the risks and rewards incidental to ownership of the assets are treated as finance leases. They are recognised at the lower of leased assets' fair value and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability so as to product a constant periodic rate of interest on the remaining balance of the liability. The corresponding contractual lease commitments, net of finance costs, are included within *Financial debt*. The corresponding finance costs are recognised in profit or loss, under the caption *Cost of financial debt*, over the lease term.

Assets acquired under finance leases are depreciated over the shorter of their estimated useful lives or the applicable lease terms:

- leases of immovable property: built assets are depreciated on a straight-line basis over twenty-five years;
- movable property leases of IT equipment: hardware is depreciated on a straight-line basis over four years – the most common lease term.

b. Operating leases

Leases under which the lessor retains substantially all the risks and rewards incidental to ownership are treated as operating leases. Payments under such leases are expensed on a straight line basis over the lease term.

1.12. Impairment of goodwill and other intangible assets and investments in associates

a. Impairment of intangible assets

IAS 36 *Impairment of assets*, requires that an entity assess at each reporting date whether there is any indication that an asset may be impaired. If so, the asset's recoverable amount must be estimated.

Irrespective of whether there is any indication of impairment, an entity must also:

- test intangible assets with indefinite useful lives annually;
- test the impairment of goodwill acquired in a business combination.

In practice, impairment testing is above all relevant to goodwill, which constitutes the majority of Sopra Steria Group's consolidated non-current assets.

Impairment testing is performed at the level of the cash-generating units (CGUs) to which assets are allocated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's segmentation into cash-generating units is consistent with the operating structure of its businesses, its management and reporting system and its segment reporting (see Note 1.23). Impairment testing involves comparing CGUs' carrying amounts with their recoverable amounts. A cash-generating unit's recoverable amount is the higher of its fair (generally market) value less costs of disposal and its value in use.

The value in use of a CGU is determined using the discounted cash flow (DCF) method:

- cash flows for an explicit forecast period of five years, with the first year of the period based on the budget;
- cash flows beyond the five-year explicit period are calculated using a perpetual growth rate reflecting the anticipated rate of real long-term economic growth adjusted for long-term inflation forecasts.

The discount rate is based on the weighted average cost of capital. This is compared with the estimates produced by financial analysts. The final discount rate used for each CGU is derived from this comparison and falls between the weighted average cost of capital and the average of analyst estimates.

Perpetual growth rates are based on an average of analyst estimates.

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to profit or loss as part of *Other operating income and expenses*.

It is forbidden to write back impairment losses on goodwill arising on fully consolidated investments.

The group's CGU segmentation and the other parameters applied for the purposes of impairment testing are presented in Notes 12.3 and 12.4.

b. Impairment of investments in associates

Equity-accounted shares in a company constitute a single asset and must be tested for impairment in accordance with IAS 36 *Impairment of assets*.

Goodwill on associates is included in the value of equity-accounted investments, the value of which is measured inclusive of goodwill. As such, goodwill on associates must not be tested for impairment separately.

At each balance sheet date, where there is an indication of impairment of an investment in an associate, the parent company must carry out an impairment test consisting of comparing the carrying amount of the relevant equity-accounted investment with its recoverable amount.

According to IAS 36, the recoverable amount of an investment in an associate is the higher of its value in use, calculated on the basis of future cash flows, and the fair value of the investment less costs of disposal. Where an associate's shares are listed, fair value less costs of disposal is equal to market price less costs to sell: in the absence of any firm sale agreement, this is the price at which the shares are currently trading.

Any impairment losses are charged to profit and loss as *Other operating income and expenses*.

Where there is an improvement in the recoverable amount of an equity-accounted investment such that the impairment loss may be written back, the full amount of the impairment loss, including the portion relating to goodwill, must be written back.

1.13. Financial assets

The group classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

Classification depends on the purposes for which financial assets were acquired. Management determines the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

The financial assets recognized by the group consist of the items described below.

a. Assets measured at fair value through profit or loss

This category comprises both financial assets held for trading (i.e. acquired with a view to resale in the near term) and those designated upon initial recognition as at fair value through profit or loss. Changes in the fair value of assets of this category are recognised in profit or loss.

These assets are mostly marketable securities and other cash equivalents.

b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the group transfers funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The group distinguishes between:

- long-term loans and receivables classified as non-current financial assets;
- short-term trade receivables and other equivalent receivables. Short-term trade receivables continue to be measured at the nominal amount originally invoiced, which usually equates to the fair value of the consideration to be received.

c. Available-for-sale assets

Available-for-sale assets are non-derivative financial assets not falling into any other category, whether or not the group intends to dispose of them.

Changes in the fair value of these assets are recognised directly in equity with the exception of impairment losses, which are recognised in profit or loss and considered final. Equity instruments whose fair value cannot be reliably measured (assets not quoted on an active market or for which there is no active market) are recognised at cost.

The group has included in this category its investments in unconsolidated entities over which it exercises no control or significant influence, and listed bonds for which there is not considered to be an active market.

d. Impairment of financial assets

At each balance sheet date, the group assesses whether or not there exists objective evidence that a financial asset or group of financial assets may be impaired.

Loans and receivables are impaired when their estimated recoverable amount is less than their net carrying amount. For trade receivables, impairment losses are recognised on an individual basis to reflect any problems of recovery. These write-downs are charged to profit and loss as part of *Operating profit on business activity* and reversed in the event of an improvement in the recoverable amount.

Impairments of available-for-sale assets charged to profit and loss are considered final. The recoverable amount of these assets is estimated based on criteria such as the group's share of an entity's net assets and its outlook on growth and profitability. Impairment losses flow directly through profit and loss as *Other financial income and expenses* and cannot subsequently be reversed.

1.14. Current and deferred taxes

The group calculates its current tax in accordance with the tax laws prevailing in the countries where its income is taxable. The current tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in countries where the group's subsidiaries and associates conduct their business and generate taxable revenues.

Deferred tax is recognised on all temporary differences between the tax base and the carrying amount of assets and liabilities on consolidation.

Deferred tax assets are only recognised if it is probable that they will be recovered as a result of taxable profit expected in future periods over a reasonable time horizon.

They are reviewed at the end of each reporting period.

Tax assets and liabilities are measured based on the tax rates enacted or substantively enacted applicable to the fiscal period during which the asset will be realised or the liability settled.

Deferred tax assets and liabilities, regardless of their expiry date, are offset when:

- the group has a legal right to set off its current tax positions; and
- the deferred tax assets and liabilities relate to the same tax entity.

Deferred taxes are recognised in the income statement unless they relate to items recorded directly in *Other comprehensive income*; in that case, they are also recorded in gains and losses recognised directly in equity.

1.15. Derivatives

The group uses derivative instruments such as currency forwards, swaps and options to hedge its exposure to interest rate risk and fluctuations in foreign currencies. Derivative instruments are recognised at fair value.

Any gains or losses resulting from fair value movements in derivatives not designated as hedging instruments are recognised directly in profit or loss as *Other financial income and expenses*.

The fair value of currency forwards is calculated by reference to current rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to the market value of similar instruments.

For hedge accounting purposes, hedges are classified as either:

- fair value hedges, which hedge exposure to changes in the fair value of a recognised asset or liability or a firm commitment (except currency risk);
- cash flow hedges, which hedge exposure to fluctuations in cash flows attributable either to a specific risk associated with a recognised asset or liability or a highly probable future transaction or currency risk on a firm commitment;
- hedges of a net investment in a foreign operation.

Hedging instruments that satisfy hedge accounting criteria are recognised as follows:

a. Fair value hedges

Changes in the fair value of a derivative designated as a fair value hedge are recognised in profit or loss (*Other operating income or expenses* or *Other financial income or expenses* according to the type of hedged item). The ineffective portion of the hedges is recognised immediately in the income statement under *Other financial income* or *Other financial expenses*. Fair value gains and losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are also recognised in profit or loss.

b. Cash flow hedges

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss, under *Other financial income* or *Other financial expenses*.

Gains and losses recognised directly in equity are released to profit or loss in the period during which the hedged transaction impacts profit or loss.

If the group does not expect the realisation of the forecast transaction or commitment, the gains and losses previously recognised directly in equity will be released to profit or loss. If the hedging instrument matures, is sold, cancelled or exercised and is not replaced or renewed or if its designation as a hedging instrument is revoked, amounts previously recognised in equity will be held in equity until realisation of the forecast transaction or firm commitment.

c. Hedges of a net investment

Hedges of a net investment in a foreign operation, including hedges of monetary items recognised as part of a net investment, are recognised in the same way as cash flow hedges.

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss.

On the disposal of the foreign operation, cumulative gains and losses recognised directly in equity are released to profit or loss.

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash, bank demand deposits, other highly liquid investments with maturities not exceeding three months and bank overdrafts. Bank overdrafts are included in current liabilities as part of *Financial debt – short-term portion*.

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash, and that are subject to an insignificant risk of changes in value, with the exception for foreign exchange impacts.

UCITS classified by the AMF (France's financial markets regulator) as belonging to the money market and short-term money market categories are, for practical purposes, presumed to automatically meet all four quoted eligibility criteria. Other cash UCITS cannot be presumed to be eligible for classification as cash equivalents: an analysis must be carried out to establish whether or not the four quoted criteria are met.

Cash equivalents are recognised at fair value; changes in fair value are charged to profit and loss in the *Cost of net financial debt*.

1.17. Share-based payments

a. Share subscription options

Options to subscribe for Sopra Steria Group shares are allotted to some staff members, subject to their continued employment within the group at the date on which those options are exercised. The benefit granted under stock option plans constitutes additional compensation and is measured and recognised in the financial statements.

The grantees of the options concerned may exercise their rights five years after options are granted and during a period of three years, i.e. at any time during the sixth to eighth years following the grant.

The fair value of such options as at their grant date is determined by a specialist institution using a Black & Scholes-type model that takes into account discrete dividends, yield curves and projected financial performance. This value is constant over a plan's duration.

The value attributed to the options is analysed as a cost of services rendered by employees in return for the options and is recognised on a straight-line basis over the vesting period, i.e. on the basis of one fifth per year.

This charge is recognised in the income statement as part of *Expenses related to stock options and related items,* with a corresponding entry made directly to equity in *Consolidated reserves and other reserves*. There is thus no net impact on shareholders' equity.

The calculation performed reflects the total number of options held at each balance sheet date by eligible employees taking into account the very high rate of exercise of the options.

Under the regulations governing the various stock option plans, shares resulting from the exercise of options may not be sold or converted into bearer shares during the statutory lock-up period.

b. Free shares with and without performance conditions

At the end of each reporting period, the group reviews, based on non-market performance conditions, its estimates of the number of shares that will eventually vest. The impact of this re-estimate is recorded in the income statement as an offset against equity.

Free shares are valued on the sole basis of the share price on the date of grant. When these equity instruments are subject to conditions of non-transferability, the cost of non-transferability is taken into account in their fair value. Where appropriate, the inability to collect dividends is also taken into account in the fair value calculation. Finally, the expense recognised on a cumulative basis also takes into account the estimated number of shares that will be definitively vested.

The expense reflecting share-based payments made to employees under free share plans is recognised on a straight-line basis in profit or loss over the vesting period, under *Expenses related to stock options and related items*.

1.18. Treasury shares

All of the treasury shares held by Sopra Steria Group are recognised at their acquisition cost, deducted from shareholders' equity.

Gains or losses on the sale of treasury shares are added to or deducted net of tax from consolidated reserves.

1.19. Post-employment and similar benefit obligations

a. Short-term employee benefits and defined contribution post-employment benefits

The group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, under *Staff costs*. As the group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined benefit plans

Defined benefit plans are paid for either directly by the group, which provisions the costs of benefits to be granted, or via pension funds to which the group contributes. In both cases, the group recognises a pension liability corresponding to the present value of future payments estimated according to internal and external parameters and laws and regulations specific to each group entity.

Certain post-employment benefit plans comprise assets intended to settle the obligations. They are financed by pension funds that are legally separate from the entities making up the group. The assets held by these funds are mainly shares or bonds. Their fair value is generally calculated using their market value.

Obligations in respect of defined benefit plans are measured annually using the actuarial valuation method known as the projected unit credit method, which stipulates that each period of service gives rise to an additional unit of benefit entitlement, and measures each unit separately to obtain the final obligation. These calculations include assumptions of life expectancy, employee turnover and projected future salaries.

The present value of retirement obligations is determined by discounting future cash outflows using the rate for market yields on high quality corporate bonds of the currency used to pay the benefit and a term consistent with the estimated average term of the relevant post-employment obligation.

The expense representing the current service cost for the period is recognised in *Staff costs*.

The effects of plan amendments, recognised through past service cost (cost of service in prior periods modified by the introduction of changes or new benefit plans), are recorded immediately in *Staff costs* in the income statement when they occur.

The gains or losses recognised in the event of defined benefit plan curtailments or settlements are recorded, when the event occurs, in *Other operating income or expenses* in the income statement.

An interest cost is recognised in *Other financial expenses* in the income statement and corresponds to the cost of unwinding the discount of the net retirement obligation net of plan assets.

The actuarial calculation of defined benefit retirement obligations includes uncertainties which may affect the value of financial assets and obligations towards employees. The actuarial gains and losses arising from the effects of demographical assumption changes, the effects of financial assumption changes and the difference between the discount rate and the actual return rate of the plan assets, less their management and administration costs, are recognised directly in equity under *Other comprehensive income*, and are not recyclable to profit or loss.

c. Other long-term employee benefits

The group also recognises other long-term employee benefits, such as:

- long-term paid leave such as long-service or sabbatical leave;
- jubilee or other long-service benefits;
- incentives and bonuses payable twelve months or more after the end of the period in which the employees render the related service;
- profit-sharing liabilities, recognised at the present value of the obligation at the balance sheet date. For the year in which this profit-sharing is appropriated, the difference between the present value of the profit-sharing and the nominal value that will be paid to employees at the close of the lock-up period is recognised as a financial liability and balanced by an additional staff expense. It is then reversed as a deduction against financial expenses over the following five years;
- deferred compensation paid twelve months or more after the end of the period in which it is earned.

All expenses relating to other long-term benefits are recognised immediately in the income statement.

1.20. Financial debt

Financial debt essentially comprises:

- bond debt and bank borrowings: initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently recognised at amortised cost; any difference between the capital amounts borrowed (net of transaction costs) and the amounts repayable is recognised in profit or loss over the duration of the borrowings using the effective interest method;

- liabilities on finance leases: a liability is recognised at the inception of each lease is based on the present value of future lease payments, discounted using the interest rates implicit in each lease;
- bank overdraft facilities.

Financial debt repayable within twelve months of the balance sheet date is classified within current liabilities.

1.21. Provisions and contingent liabilities

a. Provisions

Present obligations resulting from past events involving third parties are recognised in provisions only when it is probable that such obligations will give rise to an outflow of resources to third parties, without consideration from the latter that is at least equivalent and if the outflow of resources can be reliably measured.

Since provisions are estimated based on future risks and expenses, such amounts include an element of uncertainty and may be adjusted in subsequent periods. The impact of discounting provisions is taken into account if significant.

In the specific case of restructuring, an obligation is recognised as soon as the restructuring has been publicly announced and a detailed plan presented or the plan implementation has commenced. This cost mainly corresponds to severance payments, early retirement, costs related to notice periods not worked, training costs for departing employees and other costs relating to site closures. A provision is recognised for the rent and related costs to be paid, net of estimated sub-leasing income, in respect of any property if the asset is sub-leased or vacant and is not intended to be used in connection with main activities.

Scrapped assets and impairment of inventories and other assets directly related to the restructuring measures are also recognised in restructuring costs.

b. Contingent liabilities

To the extent that a liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the group among its commitments given. By exception, in connection with business combinations, the group may recognise contingent liabilities on the balance sheet if they result from a present obligation arising from past events and their fair value can be reliably estimated, even where it is not probable that an outflow of resources will be necessary to extinguish the obligation.

1.22. Revenue recognition

a. Consulting and Systems Integration services

Technical assistance, consulting, training and projects provided on a time and materials basis

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are assigned a value on the basis of the contractual billing rates and billable time or units of work. They give rise to revenue recognition, with a corresponding entry to *Accrued income* reflected in the balance sheet as part of *Trade accounts receivable*;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet as *Deferred income* within *Other current liabilities*.

Services covered by fixed-price contracts

Fixed-price contracts are characterised by commitments relating to the price, the end result and the deadline. Services performed under such contracts are recognised as follows using the percentage-of-completion method:

- revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the group's quality procedures, of the contract's degree of completion. During performance of a project, this assessment is generally based on 90% of the contract amount with the remaining 10% deferred until completion;
- the amount of revenue recognised at each balance sheet date is based on the difference between 90% of the contract value and the amount required to cover the total number of man-days remaining to be performed. This amount is included in the balance sheet as *Accrued income* within *Trade accounts receivable*. Payments on account received are deducted from the amount of *Trade accounts receivable*, which are therefore stated in the balance sheet at their net amount.

Moreover, costs incurred in the start-up phase of a contract may be recognised in the balance sheet as work-in-progress when they relate to future activities of the contract and provided it is probable that they will generate future economic benefits. These capitalised transition costs are reported in the balance sheet under *Trade accounts receivable*.

Should a contract become loss-making, losses at completion are systematically recorded in *Provisions for contingencies and losses*.

b. Services relating to the group's software and solutions business

Services provided within the scope of the group's Software and Solutions (Banking, Property Management and Human Resources) operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary services: installation, configuration, adjustments, training, etc.

In general, separate contracts are entered into with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising the contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are non-material and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a pro rata basis;
- ancillary services are generally provided on a time and materials basis and are recognised when performed, i.e. in general when invoiced. They are sometimes performed within the scope of fixed-price contracts in which case they are recognised using the percentage of completion method described in Section 1.22.a.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated for a fixed-price

In this situation, the amount of revenue attributable to the licence is obtained by calculating the difference between the total contract amount and the fair value of its other components, e.g. maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered essential to the operation of a software package

This may be the case for very complex projects the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Industrial Department. They are accounted for using the percentage of completion method described in Section 1.22.a.

1.23. Segment information

Under IFRS 8, segment information is based on internal management data used by the Chief Executive Officer, the company officer with ultimate responsibility for operational decisions.

The group organisational structure reflects both its businesses and the geographic distribution of its activities.

The divisions comprise:

- Consulting, Systems Integration and Infrastructure Management carried out in **France**;
- Systems Integration carried out in the **United Kingdom** by a combination of subsidiaries;
- Systems Integration carried out in **Europe** by a combination of subsidiaries;
- the **Sopra Banking Software** business;
- the **Other Solutions** business, which encompasses products relating to Human Resources and Property Management.

1.24. Earnings per share

Earnings per share as stated in the income statement are calculated on the basis of the group's share in the net profit as follows:

- basic earnings per share are based on the weighted average number of shares in issue during the financial year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for contributions in kind via equity, the date on which the corresponding new group companies were consolidated for the first time;
- diluted earnings per share are calculated by adjusting the group's share of net profit and the weighted average number of shares outstanding for the diluting effect of share subscription option plans in force at the end of the financial year and free share award plans. The treasury stock method is applied on the basis of the average share price for the year.

1.25. Put options granted to non-controlling interests

When non-controlling interests have an option to sell their investment to the group, a financial liability is recorded in other non-current liabilities for the present value of the option's estimated exercise price. The offset of the financial liability generated by these commitments is deducted from:

- mainly, the corresponding amount of non-controlling interests; and
- for the remainder, the group's share of consolidated reserves.

Subsequent changes in this put option arising from changes in estimates or relating to the unwinding of discount are offset against the corresponding non-controlling interests and the remainder is deducted from the group's share of consolidated reserves.

1.26. Non-current assets classified as held for sale and discontinued operations

A non-current asset classified as held for sale is:

- an asset whose carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- available for immediate sale in its present condition (subject only to terms that are usual and customary for sales of such assets);
- whose sale is highly probable.

For the sale to be considered highly probable:

- the appropriate level of management must be committed to a plan to sell the asset;
- an active programme to locate a buyer and complete the plan must have been initiated;
- the sale is expected to be completed within one year (this period may be extended if there is evidence that the entity remains committed to its plan to sell the asset);
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Once an asset is classified in non-current assets held for sale or discontinued operations, it is no longer depreciated.

In the balance sheet, these assets are carried at the lower of carrying amount and fair value less costs to sell. They are presented separately in assets and liabilities, with no offsetting.

The group separates the results of discontinued operations from continuing operations and presents them separately in the income statement. This includes the post-tax profit or loss of these operations and, where applicable, the result of their fair value measurement. The group discloses this information for prior periods in comparison to the current period. The same applies for the cash flows arising from discontinued operations.

Note 2 Scope of consolidation

2.1. Sopra-Steria merger

Sopra Group acquired full ownership of Steria in 2014 (see Chapter 4, Note 2.1 of the 2014 Registration Document).

The fair value of the assets acquired and liabilities assumed has been updated as at 30 June 2015 to reflect new information on facts and circumstances existing at the time of the acquisition that was not available at 31 December 2014. Said information mainly concerns project risk in France, the United Kingdom and Germany and tax risk in France.

The final purchase price allocation has now been determined based on the following identifiable assets and liabilities measured at fair value:

(in millions of euros)	**Fair value**
Allocated intangible assets	127.3
Other intangible assets	43.0
Property, plant and equipment	52.6
Deferred tax	104.3
Trade accounts receivable	412.6
Other assets	186.3
Cash and cash equivalents	168.1
Total assets acquired	**1,094.1**
Financial debt	541.5
Provision for post-employment benefits	286.1
Provisions for contingencies and losses	84.1
Trade payables	177.4
Other liabilities	467.9
Total liabilities assumed	**1,557.0**
TOTAL NET ASSETS ACQUIRED / (NET LIABILITIES ASSUMED)	**-462.8**
Minority interests	-24.4
GOODWILL	**1,128.7**
PURCHASE PRICE	**641.4**

The fair value of the assets acquired and liabilities assumed has been adjusted retrospectively. The amounts at 31 December 2014 provided for comparison in the financial statements have been adjusted accordingly as follows:

ASSETS *(in millions of euros)*	31/12/2014 reported	Adjustments	31/12/2014
Goodwill	1,449.3	25.9	1,475.2
Intangible assets	219.5	-	219.5
Property, plant and equipment	109.9	-	109.9
Equity-accounted investments	146.8	-	146.8
Other non-current financial assets	78.1	-	78.1
Deferred tax assets	156.3	-1.6	154.7
Non-current assets	**2,160.1**	**24.3**	**2,184.4**
Trade accounts receivable	942.3	-10.6	931.7
Other current assets	167.1	-0.3	166.8
Cash and cash equivalents	222.4	-	222.4
Current assets	**1,331.7**	**-10.9**	**1,320.8**
Assets held for sale	5.0	-0.3	4.8
TOTAL ASSETS	**3,496.8**	**13.2**	**3,510.0**

LIABILITIES AND EQUITY *(in millions of euros)*	31/12/2014 reported	Adjustments	31/12/2014
Share capital	20.4	-	20.4
Share premium	658.6	-	658.6
Consolidated reserves and other reserves	280.0	-	280.0
Profit for the year	98.2	-	98.2
Equity attributable to the Group	**1,057.1**	**-**	**1,057.1**
Non-controlling interests	**31.3**	**-1.6**	**29.7**
TOTAL EQUITY	**1,088.4**	**-1.6**	**1,086.8**
Financial debt – long-term portion	594.9	-	594.9
Deferred tax liabilities	9.7	-1.6	8.1
Post-employment and similar benefit obligations	428.6	-	428.6
Non-current provisions	24.5	5.6	30.1
Other non-current liabilities	62.0	-	62.0
Non-current liabilities	**1,119.8**	**4.0**	**1,123.8**
Financial debt – short-term portion	69.9	-	69.9
Current provisions	61.4	7.8	69.2
Trade payables	256.9	1.9	258.7
Other current liabilities	900.5	1.1	901.5
Current liabilities	**1,288.6**	**10.8**	**1,299.4**
Liabilities held for sale	-	-	-
TOTAL LIABILITIES	**2,408.4**	**14.8**	**2,423.2**
TOTAL LIABILITIES AND EQUITY	**3,496.8**	**13.2**	**3,510.0**

The fair value remeasurement of the assets acquired and liabilities assumed led to the recognition of a new intangible asset of €127.3 million in respect of client relationships. The value of this intangible asset was measured by an independent appraiser. It is amortised on a straight-line basis over ten years.

The amount of the contingent liabilities identified and recognised in liabilities assumed is €18.3 million, or €17.1 million after tax. They represent tax and employee risk, contractual risk and project risk. They are located mainly in India (€6.8 million after tax) but also in the United Kingdom and France.

The adjustments to assets acquired and liabilities assumed did not have a material impact on the Group's profit for the period ended 31 December 2014.

2.2. Newly consolidated companies

- **CIMPA** – On 29 July 2015, Airbus and Sopra Steria Group announced that they had signed an agreement on Sopra Steria Group's acquisition of all of the shares of CIMPA, an Airbus subsidiary specialising in PLM (Product Lifecycle Management) services. Contractually, the acquisition of this business took place on 1 October 2015, the date as of which the entities of the CIMPA group are fully consolidated in the financial statements of Sopra Steria Group.

  In the fair value measurement of identifiable assets acquired and liabilities assumed, a value of €9 million was assigned to the CIMPA brand and a value of €7.3 million was assigned to customer relationships. The values of these intangible assets were measured by an independent appraiser.

The provisional amounts assigned to the assets acquired and liabilities assumed are as follows:

(in millions of euros)	**CIMPA**
Allocated intangible assets	16.3
Other intangible assets	1.1
Property, plant and equipment	1.8
Trade accounts receivable	27.7
Other assets	5.4
Cash and cash equivalents	7.7
Total assets acquired	**60.1**
Financial debt	-
Deferred tax	3.3
Provision for post-employment benefits	1.6
Provisions for contingencies and losses	0.3
Trade payables	6.4
Other liabilities	20.9
Total liabilities assumed	**32.6**
TOTAL NET ASSETS ACQUIRED / (NET LIABILITIES ASSUMED)	**27.5**
GOODWILL	**72.5**
PURCHASE PRICE	**100.0**

From its acquisition to the end of 2015, CIMPA contributed €29.8 million to group revenue, €2.0 million to operating profit on business activity and €1.1 million to net profit. If the acquisition had taken place on 1 January 2015, the contribution to group revenue would have been €93.8 million, according to the disclosures provided by CIMPA.

The costs charged to profit and loss for this acquisition are €0.5 million, included in *Other operating income and expenses*.

Owing to the deep synergies unlocked with Sopra Steria Group's customers in France, CIMPA is consolidated in the "France" operating segment and cash-generating unit.

- **Other** – At the end of the 2015 financial year, the group established a Chinese subsidiary, Sopra Steria Wenhao, which is 51%-owned by it and 49%-owned by a local partner. The group controls this subsidiary.

2.3. Other changes in scope

No group entities were deconsolidated in financial year 2015.

The group reorganised the legal structure of its subsidiaries in Switzerland, Belgium, Luxembourg and Morocco via mergers and business transfers with no impact on the financial statements.

2.4. Scope of consolidation

Entities are presented according to the classification in group divisions.

Company	Country	% control	% held	Consolidation method
FRANCE				
Sopra Steria Group	France	-	-	Parent company
Sopra Steria Infrastructure & Security Services	France	100.00%	100.00%	FC
Sopra Steria Services	France	100.00%	100.00%	FC
Diamis	France	40.00%	40.00%	EM
Beamap SAS	France	100.00%	100.00%	FC
CIMPA SAS	France	100.00%	100.00%	FC
CIMPA GmbH	Germany	100.00%	100.00%	FC
CIMPA Ltd	United Kingdom	100.00%	100.00%	FC
CIMPA PLM España SL	Spain	100.00%	100.00%	FC
Sopra Steria Polska	Poland	100.00%	100.00%	FC
Sopra India Private Ltd	India	100.00%	100.00%	FC
UNITED KINGDOM				
Sopra Group Holding Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Holdings Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Limited	United Kingdom	100.00%	100.00%	FC
Sopra Steria Services Ltd	United Kingdom	100.00%	100.00%	FC
Druid Group Limited	United Kingdom	100.00%	100.00%	FC
NHS Shared Business Services Ltd	United Kingdom	50.00%	50.00%	FC
Steria Recruitment Ltd	United Kingdom	100.00%	100.00%	FC
Steria UK Corporate Ltd	United Kingdom	100.00%	100.00%	FC
Shared Services Connected Ltd SSCL	United Kingdom	75.00%	75.00%	FC
Steria Employee Trustee Company Ltd	United Kingdom	100.00%	100.00%	FC
Xansa 2004 Employee Benefit Trust	United Kingdom	100.00%	100.00%	FC
Zansa Limited	United Kingdom	100.00%	100.00%	FC
Xansa Cyprus (No. 1) Ltd	Cyprus	100.00%	100.00%	FC
Xansa Cyprus (No. 2) Ltd	Cyprus	100.00%	100.00%	FC
Xansa India Sez DP Ltd	India	100.00%	100.00%	FC
Steria India Limited	India	100.00%	100.00%	FC
Sopra Steria Asia Pte Ltd	Singapore	100.00%	100.00%	FC
Sopra Steria Wenhao	China	51.00%	51.00%	FC
OTHER EUROPE				
Sopra Steria GmbH	Germany	100.00%	100.00%	FC
ISS Software GmbH	Germany	100.00%	100.00%	FC
Sopra Group GmbH	Germany	100.00%	100.00%	FC
Sopra Steria GmbH	Austria	100.00%	100.00%	FC
Sopra Steria Benelux	Belgium	100.00%	100.00%	FC
Sopra Steria PSF Luxembourg	Luxembourg	100.00%	100.00%	FC
Xansa SA Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Steria AG	Switzerland	100.00%	100.00%	FC
Sopra Steria Group SpA	Italy	100.00%	100.00%	FC
Sopra Group Informatica	Spain	100.00%	100.00%	FC
Sopra Group Euskadi SL	Spain	100.00%	100.00%	FC
Sopra Group Informatica Lda	Portugal	100.00%	100.00%	FC
Sopra Steria A/S	Denmark	100.00%	100.00%	FC
Sopra Steria AS	Norway	100.00%	100.00%	FC
Sopra Steria AB	Sweden	100.00%	100.00%	FC

Company	Country	% control	% held	Consolidation method
SOPRA BANKING SOFTWARE				
Sopra Banking Software	France	100.00%	100.00%	FC
Sopra Banking Software Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Banking Software Belgium	Belgium	100.00%	100.00%	FC
Sopra Banking Software Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Banking Netherlands BV	Netherlands	100.00%	100.00%	FC
Sopra Banking Software GmbH	Germany	100.00%	100.00%	FC
Sopra Banking Software Singapore Pte Ltd	Singapore	100.00%	100.00%	FC
Sopra Banking Software Morocco	Morocco	100.00%	100.00%	FC
Sopra Software Cameroun	Cameroon	95.00%	95.00%	FC
OTHER SOLUTIONS				
Sopra HR Software	France	100.00%	100.00%	FC
Sopra HR Software Ltd	United Kingdom	100.00%	100.00%	FC
Sopra HR Software SPRL	Belgium	100.00%	100.00%	FC
Sopra HR Software Sarl	Luxembourg	100.00%	100.00%	FC
Sopra HR Software GmbH	Germany	100.00%	100.00%	FC
Sopra HR Software Sarl	Switzerland	100.00%	100.00%	FC
Sopra HR Software Srl	Italy	100.00%	100.00%	FC
Sopra HR Software SL	Spain	100.00%	100.00%	FC
Sopra HR Software Sarl	Tunisia	100.00%	100.00%	FC
Sopra HR Software Sarl	Morocco	100.00%	100.00%	FC
AXWAY	France	24.93%	24.93%	EM

FC: Fully consolidated.
EM: Equity method.

The Group does not control, directly or indirectly, any special-purpose entities.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 3 Revenue

REVENUE BY REPORTING UNIT

(in millions of euros)	2015		2014	
France	1,364.3	*38.1%*	1,009.8	*44.3%*
United Kingdom	1,042.0	*29.1%*	443.9	*19.5%*
Other Europe	697.4	*19.5%*	388.7	*17.0%*
Sopra Banking Software	282.4	*7.9%*	263.3	*11.5%*
Other Solutions	198.3	*5.5%*	174.7	*7.7%*
TOTAL REVENUE	**3,584.4**	***100.0%***	**2,280.4**	***100.0%***

Note 4 Staff costs

4.1. Breakdown

(in millions of euros)	2015	2014
Salaries	-1,640.4	-1,076.3
Employee-related expenses	-523.6	-350.4
Net expense for post-employment and similar benefit obligations	-21.5	-10.8
TOTAL	**-2,185.6**	**-1,437.6**

4.2. Workforce

Workforce at year-end	2015	2014
France	17,606	17,048
International	20,844	20,310
TOTAL	**38,450**	**37,358**

Average workforce	2015	2014
France	17,589	17,451
International	20,534	19,235
TOTAL	**38,123**	**36,686**

Note 5 Other expenses included in *Operating profit on business activity*

Aside from the staff costs detailed in Note 4, *Operating profit on business activity* mainly includes purchases and external expenses, which break down as follows:

(in millions of euros)	2015		2014	
Project subcontracting purchases	-509.1	46.8%	-265.8	43.9%
Purchases held in inventory of equipment and supplies	-21.6	2.0%	-15.2	2.5%
Goods purchases and changes in inventory	-57.0	5.2%	-34.8	5.7%
Leases and charges	-116.6	10.7%	-80.2	13.2%
Maintenance and repairs	-90.1	8.3%	-41.7	6.9%
Subcontracting	-14.3	1.3%	-8.8	1.4%
Remuneration of intermediaries and fees	-53.0	4.9%	-23.0	3.8%
Advertising and public relations	-12.9	1.2%	-8.2	1.3%
Travel and entertainment	-97.0	8.9%	-77.2	12.8%
Telecommunications	-46.1	4.2%	-22.6	3.7%
Other expenses	-70.2	6.5%	-28.2	4.7%
TOTAL	**-1,087.9**	**100%**	**-605.6**	**100%**

The Group also separately recognises other current operating income and expenses, which mainly included foreign exchange gains of €7.9 million, reversals of provisions used of €6.0 million, the compensation received following the termination of the Ecotaxe contract in France of €4.1 million and rental income from sublet premises of €2.3 million.

Note 6 Expenses related to stock options and related items

The amount recorded in 2015 for the cost of services rendered by staff in exchange for options received was not material. Information on outstanding share subscription option plans is set out in Note 21.2.

Expenses associated with free share award plans totalled €1.2 million in 2015 and accounted for the overwhelming majority of share-based payment expenses.

Information on the rules of the various free share award plans is set out in Note 21.3.

Note 7 Other current operating income and expenses

(in millions of euros)	2015	2014
Expenses arising from business combinations (fees, commissions, etc.)	-2.0	-13.5
Net restructuring and reorganisation costs	-67.2	-30.7
■ *of which integration and reorganisation of business lines*	*-14.4*	*-5.4*
■ *of which separation costs*	*-52.8*	*-25.4*
Other operating expenses	-8.9	-5.3
Total other operating expenses	**-78.1**	**-49.5**
Reversal of impairment on Axway shares	-	17.4
Other operating income	5.7	-
Total other operating income	**5.7**	**17.4**
TOTAL	**-72.4**	**-32.1**

An expense of €1.5 million arising from the Sopra-Steria merger was recognised in 2015. The rest of this item is attributable to the acquisition of CIMPA. Net restructuring and reorganisation costs include €46.3 million attributable to the Sopra-Steria integration process. The rest of this item consists of non-recurring resource adjustment costs incurred primarily in the Other Europe (mainly Germany, Scandinavia and Spain) and United Kingdom operating divisions.

In 2014, the costs associated with business combinations mainly consisted of fees incurred in connection with the Sopra-Steria public exchange offer in the amount of €10 million. Separation costs corresponded to changes to the workforce in response to market conditions. The group decided to recognise the reversal of the impairment loss on Axway shares under *Other operating income and expenses* given its unusual and material nature.

Note 8 Financial income and expenses

8.1. Cost of net financial debt

(in millions of euros)	2015	2014
Interest income	9.2	4.6
Gains/losses on hedges of cash and cash equivalents	-	-
Income from cash and cash equivalents	**9.2**	**4.5**
Interest charges	-15.2	-10.3
Gains/losses on hedges of gross financial debt	-2.1	-1.6
Cost of gross financial debt	**-17.3**	**-12.0**
COST OF NET FINANCIAL DEBT	**-8.1**	**-7.4**

The increase in financial income is mainly attributable to investments in India, especially by Steria India (twelve months of interest in 2015 versus five in 2014). The rise in the cost of gross debt is due to the inclusion of Steria's debt and the increase in the average amounts outstanding. The average amount of debt outstanding in respect of bank borrowings, bonds and commercial paper is €898 million, versus €534 million in 2014. The average cost of borrowings after hedging was 2.01% in 2015, compared with 2.33% in 2014. Including bank overdrafts, the average cost of financing was 1.94% in 2015, compared with 2.19% in 2014.

8.2. Other financial income and expenses

(in millions of euros)	2015	2014
Foreign exchange gains and losses	**-0.3**	**-0.3**
Other financial income	**0.6**	**0.5**
Discounts granted	-0.9	-1.2
Net interest expense on retirement benefit obligations	-11.9	-6.1
Interest on employee profit-sharing liability	-1.0	-1.0
Expense on unwinding of discounted non-current liabilities	-1.0	-0.4
Change in the value of derivatives	0.9	-0.3
Other financial expenses	-1.2	-1.9
Total other financial expenses	**-15.1**	**-11.0**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**-14.9**	**-10.7**

The net interest expense on retirement benefit obligations is detailed in Note 23 *Post-employment and similar benefit obligations*. *Foreign exchange gains and losses* mainly relate to commercial transactions denominated in foreign currencies and not hedged against foreign exchange risk.

Note 9 Tax charge

9.1. Breakdown

(in millions of euros)	2015	2014
Current tax	-62.1	-41.6
Deferred tax	14.9	7.2
TOTAL	**-47.2**	**-34.4**

9.2. Reconciliation of theoretical and effective tax charge

(in millions of euros)	2015	2014
Net profit	**89.6**	**101.5**
Adjustment for:		
■ Net profit from associates	7.2	5.9
■ Reversal of impairment on Axway shares	-	17.4
■ Tax expense	-47.2	-34.4
Profit before tax	**129.6**	**112.7**
Theoretical tax rate	**38.00%**	**38.00%**
Theoretical tax expense	**-49.2**	**-42.8**
Reconciliation		
Permanent differences	-0.7	-2.1
Impact of uncapitalised losses for the year	-5.3	-2.8
Use / capitalisation of previously uncapitalised loss carryforwards	1.5	0.9
Impact of tax credits	15.5	14.0
Tax rate differences – France / Other countries	15.1	9.3
Prior year tax adjustments	-0.8	1.3
CVAE (net of tax)	-12.5	-10.1
Tax reassessment	-7.8	-
Other tax	-3.0	-2.2
Actual tax expense	**-47.2**	**-34.4**
Effective tax rate	**36.44%**	**30.57%**
Effective tax rate excluding CVAE	*24.70%*	*18.88%*

The group operates in many countries with differing tax legislation and taxation rates. As such, local weighted average taxation rates applicable to group companies can vary from year to year depending on the relative level of taxable profit.

Other tax mainly includes the 3% contribution on dividends in France and unrecovered withholdings.

Note 10 Net profit from associates

Profit for 2015 includes the following:

- €6.9 million in respect of the share of the Axway group's profit for the period (24.93% of €27.9 million);
- €0.3 million in respect of the share of Diamis' profit for the period (40% of €0.7 million).

In 2014, this item included the following:

- €6.7 million in respect of the share of the Axway group's profit for the period (25.47% of €26.5 million);
- a €0.8 million loss in respect of the dilution of Axway Software's share capital.

Note 11 Earnings per share

	2015	2014
Net profit attributable to the Group in millions of euros (a)	84.4	98.2
Weighted average number of ordinary shares in issue (b)	20,394,626	14,787,615
Weighted average number of treasury shares (c)	638,010	366,671
Weighted average number of shares in issue excluding treasury shares (d) = (b) - (c)	19,756,616	14,420,944
BASIC EARNINGS PER SHARE IN EUROS (a / d)	**4.27**	**6.81**

	2015	2014
Net profit attributable to the Group in millions of euros (a)	84.4	98.2
Weighted average number of shares in issue excluding treasury shares (d)	19,756,616	14,420,944
Dilutive effect of instruments that give rise to potential ordinary shares (e)	52,460	84,543
Theoretical weighted average number of equity instruments (f) = (d) + (e)	19,809,076	14,505,487
FULLY DILUTED EARNINGS PER SHARE IN EUROS (a / f)	**4.26**	**6.77**

The method used to calculate earnings per share is set out in Note 1.24.

Treasury shares are detailed in note 21.4.

The only diluting instruments are the stock options presented in Note 21.2, the free shares granted under the Sopra plan set up on 19 June 2012 and the free shares granted under Steria's legacy bonus performance share allotment plans (see Note 21.3).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 12 Goodwill

12.1. Statement of changes in goodwill

Movements during the 2015 financial year were as follows:

(in millions of euros)	Gross value	Impairment	Net
31 December 2013	**398.5**	**81.1**	**317.5**
Acquisitions	-	-	-
COR&FJA	8.3	-	8.3
HR Access Service business of IBM	12.5	-	12.5
Steria	1,128.7	-	1,128.7
Adjustments on business combinations	**-**	**-**	**-**
Impairment	**-**	**-**	**-**
Translation adjustments	**10.3**	**2.0**	**8.2**
31 December 2014	**1,558.3**	**83.1**	**1,475.2**
Acquisitions	-	-	-
CIMPA [(1)]	72.5	-	72.5
Adjustments on business combinations	**-**	**-**	**-**
Impairment	**-**	**-**	**-**
Translation adjustments	**41.1**	**1.9**	**39.2**
31 DECEMBER 2015	**1,671.9**	**85.0**	**1,586.9**

(1) See Note 2.2.

12.2. Breakdown of goodwill by CGU

The net carrying amounts of goodwill by CGU are as follows:

(in millions of euros)	31/12/2015	31/12/2014
France	451.2	377.5
United Kingdom	692.3	652.3
Other Europe [(1)]	262.8	264.7
Sopra Banking Software	168.1	167.1
Other Solutions	12.5	13.6
TOTAL	**1,586.9**	**1,475.2**

(1) Other Europe is the group of the following CGUs, tested separately: Germany, Scandinavia, Spain, Italy, Switzerland, Belgium and Luxembourg.

12.3. Impairment testing

The group performed impairment tests as at 31 December 2015. No impairment losses were recognised.

These tests were performed under the conditions described in Note 1.12 using the following parameters:

	Discount rate		Perpetuity growth rate	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
France	8.2%	9.1%	2.0%	2.0%
United Kingdom	8.9%	9.3%	2.0%	2.5%
Other Europe	7.70% - 8.70%	7.9% - 9.4%	2.0%	2.0%
Sopra Banking Software	8.2%	9.1%	2.0%	2.0%
Other Solutions	8.2%	9.1%	2.0%	2.0%

The group tested 0.5-point changes in these assumptions. A decrease of 0.5 points in the perpetual growth rate, or an increase of 0.5 points in the discount rate, or both, would not lead to any recognition of impairment.

Additional testing was performed to measure sensitivity to key assumptions (discount rate, perpetual growth rate, operating margin, revenue growth rate) for each cash-generating unit. Considering their value in use, management believes that there is no reasonably possible change that could make the carrying amount of a CGU exceed its recoverable amount.

The group performed tests using the following hypotheses:

- an increase of 2 points in the discount rate; or
- a decrease of 2 points in the perpetual growth rate (no perpetual growth); or
- the combination of an increase of 2 points in the discount rate and a decrease of 2 points in the perpetual growth rate; or
- a decrease of 2 points in the projected operating margin; or
- a decrease of 2 points in the projected growth rate.

All other things being equal, the group would not recognise an impairment in any of these situations.

12.4. Translation adjustments

The increase of €39.2 million in translation adjustments mainly results from changes in the value of the euro against the following currencies:

(in millions of euros)	31/12/2015	31/12/2014
GBP	41.0	14.9
NOK	-5.6	-6.3
Other currencies	3.8	-0.3
TOTAL	**39.2**	**8.3**

Note 13 Intangible assets

(in millions of euros)	Gross value	Amortisation	31/12/2015	31/12/2014
Enterprise software / Technology	123.5	77.2	46.3	58.6
Client relations	157.4	24.9	132.4	129.7
Favourable contracts	0.9	0.4	0.5	0.6
Order backlog	0.5	0.5	-	-
Brands	9.0	-	9.0	-
Acquired software	116.6	90.9	25.7	30.6
TOTAL	**407.9**	**194.0**	**214.0**	**219.5**

This item mainly consists of allocated intangible assets (technologies, client relationships, favourable contracts, etc.) where the acquisition price of a business combination has been apportioned and market software packages used in the course of the group's day-to-day operations.

No significant expense incurred in developing the group's solutions and software was capitalised, either in 2015 or in previous years.

Changes in *Intangible assets* are set out in the table below:

(in millions of euros)	Gross value	Amortisation	Net
31 December 2013	**95.1**	**41.1**	**54.0**
Changes in scope	153.2	110.1	43.1
Allocated intangible assets	131.7	-	131.7
Acquisitions	5.3	-	5.3
Disposals	-7.0	-7.0	-
Other movements	-2.4	-3.7	1.3
Translation adjustments	2.9	1.8	1.2
Amortisation charge	-	17.0	-17.0
31 December 2014	**378.8**	**159.3**	**219.5**
Changes in scope	5.8	4.7	1.2
Allocated intangible assets	16.3	-	16.3
Acquisitions	3.7	-	3.7
Disposals	-17.2	-15.9	-1.3
Other movements	8.2	7.3	0.9
Translation adjustments	12.3	3.9	8.4
Amortisation charge	-	34.6	-34.6
31 DECEMBER 2015	**407.9**	**194.0**	**214.0**

In 2014, when the Steria group was acquired, the identification of assets acquired and liabilities assumed resulted in the recognition of client relationships valued at €127.3 million, with €113.0 million of this amount relating to Steria's UK business. These assets are amortised over a ten-year period.

Furthermore, the acquisition of Steria increased intangible assets by €43.1 million, including €29.2 million in software and €10.8 million in intangible assets in progress.

In 2015, on the acquisition of CIMPA, the group recognised €16.3 million of allocated intangible assets, of which €9 million is attributable to the CIMPA brand and €7.3 million to a customer relationship amortising over 10 years.

Note 14 Property, plant and equipment

(in millions of euros)	Land and buildings	Office furniture, fixtures and sundry equipment	IT equipment	Total
GROSS VALUE				
31 December 2013	**11.2**	**83.0**	**49.3**	**143.6**
Changes in scope	19.0	85.0	112.1	216.1
Acquisitions	-	12.3	16.3	28.6
Disposals – scrapping	-	-8.3	-16.3	-24.7
Other movements	-	-0.2	0.1	-0.1
Translation adjustments	0.6	1.4	1.9	4.0
31 December 2014	**30.9**	**173.2**	**163.4**	**367.5**
Changes in scope	0.7	2.2	5.4	8.3
Acquisitions	4.1	16.7	19.1	39.8
Disposals – scrapping	-9.4	-7.8	-26.1	-43.2
Other movements	17.4	-12.5	-12.5	-7.6
Translation adjustments	2.0	2.2	4.7	8.9
31 DECEMBER 2015	**45.7**	**173.9**	**154.1**	**373.7**
DEPRECIATION				
31 December 2013	**9.5**	**48.3**	**36.6**	**94.4**
Changes in scope	13.2	54.4	95.9	163.5
Charges	0.2	9.6	10.4	20.2
Disposals – scrapping	-	-8.0	-15.8	-23.7
Other movements	-	-	-	-
Translation adjustments	0.3	1.1	1.7	3.1
31 December 2014	**23.3**	**105.4**	**128.9**	**257.5**
Changes in scope	0.3	1.7	4.5	6.5
Charges	2.0	13.7	15.8	31.5
Disposals – scrapping	-9.3	-7.0	-24.8	-41.1
Other movements	14.2	-9.1	-11.5	-6.4
Translation adjustments	1.5	1.6	4.2	7.3
31 DECEMBER 2015	**32.0**	**106.2**	**117.0**	**255.3**
NET VALUE				
31 December 2013	**1.7**	**34.7**	**12.7**	**49.2**
31 December 2014	**7.6**	**67.8**	**34.6**	**109.9**
31 DECEMBER 2015	**13.7**	**67.7**	**37.0**	**118.5**

The group's investments in property, plant and equipment (€39.8 million) mainly consist of €18.1 million for office equipment in France and abroad and €19.1 million for IT hardware (€7.9 million of which is in the form of finance leases).

The amounts included in disposals for the year (€43.2 million depreciated by €41.1 million to a net of €2.1 million) mainly correspond to:

- the impact of the discontinuation and disposal of infrastructure management operations in Sweden and Denmark (€1.1 million);
- premises for which leases were not renewed that the group no longer occupies.

Finance leases relating to IT investments (see Note 1.10) are presented in the balance sheet in the following amounts:

(in millions of euros)	31/12/2015	31/12/2014
Gross value	31.1	27.3
Depreciation	-17.2	-16.4
NET VALUE	**13.8**	**10.9**

Note 15 Equity-accounted investments

(in millions of euros)	31/12/2015	31/12/2014
Axway	152.7	145.3
Diamis	1.7	1.6
TOTAL	**154.4**	**146.8**

The following table shows changes in the investment in Axway Software:

(in millions of euros)	Gross value of Axway shares	Impairment of Axway shares	Carrying amount of Axway shares
31 December 2013	**136.7**	**17.9**	**118.8**
Changes in scope	-	-	-
Reversal of impairment	-	-17.4	17.4
Capital transactions	0.3	-	0.3
Dividends paid	-2.1	-	-2.1
Net profit	6.7	-	6.7
Translation adjustments	5.2	-	5.2
Changes in shareholding	-1.7	-0.5	-1.2
Other movements	0.1	-	0.1
31 December 2014	**145.3**	**-**	**145.3**
Changes in scope	-	-	-
Capital transactions	0.8	-	0.8
Dividends paid	-2.1	-	-2.1
Net profit	6.9	-	6.9
Translation adjustments	4.9	-	4.9
Changes in shareholding	-3.0	-	-3.0
31 DECEMBER 2015	**152.7**	**-**	**152.7**

At 31 December 2015, Axway Software shares held by Sopra Steria Group represented 24.93% of Axway Software's total share capital, compared with 25.47% in 2014. The market value of those shares, based on their closing price on 31 December 2015 (€24.40), was €126.4 million. The equity-accounted value of this investment (€152.7 million) is justified by its value in use for Sopra Steria.

(in millions of euros)	31/12/2015	31/12/2014
Market value (Category 1)	126.4	86.4
Market value less costs to sell	123.8	84.7
Value in use	164.9	145.8
Discounted cash flow calculation parameters:		
■ Discount rate	9.4%	9.8%
■ Perpetuity growth rate	2.2%	2.3%
Recoverable amount	**164.9**	**145.8**

SUMMARY FINANCIAL INFORMATION RELATING TO THE AXWAY GROUP

(in millions of euros)	31/12/2015	31/12/2014
Assets	488.6	478.7
Equity	340.6	298.5
Liabilities	148.0	180.2
Revenue	284.6	261.6
Net profit	27.9	26.5

Note 16 Other non-current financial assets

(in millions of euros)	31/12/2015	31/12/2014
Available-for-sale assets	9.9	9.7
Other loans and receivables	66.5	65.7
Derivatives	1.4	2.7
TOTAL	**77.7**	**78.1**

16.1. Available-for-sale assets

(in millions of euros)	Gross value	Impairment	Net
31 December 2013	**0.1**	**0.1**	**0.1**
Changes in scope	1.5	0.1	1.4
Increase	8.2	-	8.2
Decrease	-	-	-
Translation adjustments	-	-	-
31 December 2014	**9.8**	**0.2**	**9.7**
Changes in scope	-	-	-
Increase	0.3	-	0.3
Decrease	-0.1	0.1	-0.1
Other movements	-0.2	-	-0.2
Translation adjustments	-	-	-
31 DECEMBER 2015	**9.9**	**0.2**	**9.7**

The measurement of the fair value of available-for-sale assets is based on the following assumptions:

- quoted data (level 1): 85%;
- observable data (level 2): 0%;
- internal models (level 3): 15%.

Available-for-sale assets mainly consist of 22,300 convertible bonds issued by CS Communication & Systèmes, purchased in July 2014 for a five-year period, representing 66.9% of the total amount issued (€8.4 million).

16.2. Other loans and receivables

(in millions of euros)	31/12/2015	31/12/2014
Loans	0.1	3.3
R&D tax credit receivable	58.3	55.3
Other non-current receivables	2.9	2.1
Deposits and other non-current financial assets	5.5	5.5
Provisions for loans, deposits and other non-current financial assets	-0.3	-0.3
TOTAL	**66.5**	**65.7**

R&D tax credit receivables classified as *Other loans and receivables* are those which will be used or redeemed after more than one year.

Deposits and other non-current financial assets mainly include guarantees given for leased premises (including €2.2 million France).

Other non-current receivables mainly consist of advances paid by the NHS SBS entity to new customers of its platform to facilitate their migration.

These deposits and other receivables are held at their nominal value, given that the effect of discounting is not material.

Note 17 Deferred tax assets and liabilities

17.1. Change in net deferred tax

(in millions of euros)	31/12/2015	31/12/2014
At 1 January	**146.6**	**23.5**
Changes in scope	-3.0	104.8
Tax – income statement impact	14.9	7.2
Tax – equity impact	-34.0	10.0
Translation adjustments	2.4	1.2
AT 31 DECEMBER	**126.9**	**146.6**

17.2. Breakdown of net deferred tax by type

(in millions of euros)	31/12/2015	31/12/2014
Intangible assets	-34.9	-32.3
Property, plant and equipment	1.6	2.1
Finance-leased property, plant and equipment	1.2	1.0
Non-current financial assets	0.1	0.1
Other current assets	1.9	7.7
Derivatives	-1.1	1.4
Equity instruments	-	0.1
Financial debt	1.6	2.6
Retirement benefit obligations	64.5	92.2
Provisions	10.0	-0.4
Other current liabilities	8.8	6.0
Tax loss carryforwards	73.5	66.3
TOTAL NET DEFERRED TAX ASSETS	**127.1**	**146.6**
Deferred tax assets recognised	**142.7**	**154.7**
Deferred tax liabilities recognised	**15.8**	**8.1**
Deferred tax assets recognised in assets held for sale	**0.2**	**-**

17.3. Deferred tax assets not recognised by the group

(in millions of euros)	31/12/2015	31/12/2014
Tax losses carried forward	42.0	54.5
Temporary differences	-	-
TOTAL	**42.0**	**54.5**

17.4. Change in tax loss carryforwards

(in millions of euros)	France	United Kingdom	Germany	Scandinavia	Other countries	Total
31 December 2014	**295.3**	**10.3**	**21.9**	**29.5**	**24.6**	**381.6**
Changes in scope	3.3	0.2	2.1	-	-	5.7
Created	33.2	0.4	3.9	4.5	1.5	43.5
Used	-21.9	-4.5	-1.5	-	-0.6	-28.4
Expired	-39.9	-	-	-	-1.4	-41.3
Translation adjustments	-	0.7	-	0.4	0.9	2.1
Other movements	5.2	-3.2	2.7	-	1.1	5.7
31 DECEMBER 2015	**275.2**	**3.9**	**29.1**	**34.4**	**26.2**	**368.9**
Deferred tax basis – capitalised	210.1	0.6	0.6	-	2.8	214.1
Deferred tax basis – uncapitalised	65.1	3.4	28.5	34.4	23.3	154.7
Deferred tax – capitalised	72.3	0.1	0.1	-	0.9	73.4
Deferred tax – uncapitalised	22.4	0.7	5.0	7.6	6.3	42.0

In France, a portion of the deferred tax assets on tax loss carryforwards arising from Steria has been recognised in the balance sheet. A request has been submitted to the tax authorities to approve Steria's tax losses from prior to 1 January 2014 for transfer to Sopra Steria Group. In 2015, this request was partly accepted by the tax authorities. The loss carryforwards allowed are in line with the amounts estimated in the financial statements at 31 December 2014. Losses generated by Steria's French entities prior to 1 January 2014 have been capitalised due to a recoverability period deemed sufficiently reliable.

Note 18 Trade accounts receivable

(in millions of euros)	31/12/2015	31/12/2014
Trade accounts receivable – gross value	689.2	616.7
Accrued income	419.7	324.4
Impairment of trade accounts receivable	-9.2	-9.5
TOTAL	**1,099.8**	**931.7**

In December 2015 the Group completed a sale of trade receivables in France for a value of €30.1 million. As the transfer was made with recourse, the receivables are still recognised on the balance sheet.

Net trade accounts receivable, expressed in terms of months of revenue, corresponded to about 2.1 months of revenue at 31 December 2015, versus 2.0 months at 31 December 2014 and 2.3 months at 31 December 2013.

This ratio is calculated by comparing *Net trade accounts receivable* with the revenue generated in the final quarter of the year. *Net trade accounts receivable* is obtained by eliminating VAT from the trade accounts receivable balance and subtracting the deferred income balance appearing under liabilities.

Accrued income is comprised essentially of work performed in respect of fixed-price projects recognised using the percentage-of-completion method (see Note 1.22.a). It also includes transition costs, which consist of costs relating to services in progress initiated during the start-up phase of certain major contracts, and correspond to activities that will generate future economic benefits.

Note 19 Other current assets

(in millions of euros)	31/12/2015	31/12/2014
Stock and work in progress	0.4	0.3
Advances and payments on account	7.5	3.6
Staff and social security	6.3	2.7
Tax receivables (other than corporate income tax)	52.2	40.6
Corporate income tax	61.6	55.3
Loans, guarantees and other financial receivables maturing in less than one year	3.6	3.4
Other receivables	8.5	6.7
Impairment of other receivables	-1.0	-0.5
Prepaid expenses	46.8	53.6
Derivatives	5.8	1.2
TOTAL	**191.6**	**166.8**

The United Kingdom accounted for €34.2 million of prepaid expenses, of which €14.0 million related to royalties paid by SSCL to the Cabinet Office.

In France, the group sold its tax receivable arising from the Competitiveness and Jobs Tax Credit (CICE) in respect of 2015 for €21.5 million. This sale removed the receivable from the scope of the consolidated group.

In 2014, the group sold its CICE receivable for €29.3 million (€21.2 million for 2014 CICE and €8.1 million for 2013 CICE).

Note 20 Cash and cash equivalents

The cash flow statement is presented on page 122.

(in millions of euros)	31/12/2015	31/12/2014
Investment securities	132.7	100.9
Cash	90.0	121.5
Cash and cash equivalents	**222.7**	**222.4**
Current bank overdrafts	-5.2	-23.7
TOTAL	**217.5**	**198.8**

Net cash and cash equivalents include available liquid funds (cash at bank and in hand), liquid marketable securities that meet the definition of cash equivalents as indicated in Note 1.16, bills of exchange presented for collection and falling due before the balance sheet date and temporary bank overdrafts.

Net financial debt, as presented in Note 22.1, is more representative of the group's financial position.

Marketable securities and other short-term investments include money-market holdings, short-term deposits and funds advanced under the liquidity provider's agreement. The risk of a change in value on these investments is negligible.

Indian entities contributed €129.7 million to net cash and cash equivalents at 31 December 2015. If that cash is repatriated in the form of dividends, a withholding tax will apply (to date estimated at 20%); a provision has been recognized for this withholding at year-end 2015.

A portion of NHS SBS' cash at bank and in hand is used to grant advances to its production platform client entities with respect to their transition operations, in the amount of €24.0 million as at 31 December 2015.

Note 21 Equity

The consolidated statement of changes in equity is presented on page 121.

21.1. Changes in the share capital

At 31 December 2015, Sopra Steria Group had a share capital of €20,446,723, compared with €20,371,789 at 31 December 2014, comprising 20,446,723 fully-paid shares with a nominal value of €1 each.

The principal movements in 2015 were as follows:

- delivery of 11,882 free shares under the performance-linked free share award plans put in place by Steria;
- exercise of share subscription options during the year: 63,052 shares were created corresponding to a capital increase of €0.1 million and an issue premium of €2.2 million, for a total subscribed of €2.3 million.

21.2. Share subscription option plan

	Plan 5				Plan 6			Plan 7	Total
Date of General Meeting	26/05/2005	26/05/2005	26/05/2005	26/05/2005	15/05/2008	15/05/2008	15/05/2008	10/05/2011	
Date granted by the Board of Directors	25/07/2006	21/12/2006 (1)	08/01/2007	18/03/2008 (1)	17/03/2009 (1)	15/04/2010 (1)	29/03/2011 (1)	20/10/2011	
Total number of shares that may be subscribed or purchased	30,000	67,000	5,000	50,000	20,000	30,000	49,500	5,000	**256,500**
Number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Exercise price	57.85	58.80	60.37	45.30	27.16	53.68	72.40	43.22	
Number of shares initially allocated or readjusted following the Axway spin-off	30,000	70,423	5,000	52,642	21,302	31,953	52,720	5,000	**269,040**
Initial or readjusted exercise price following the Axway spin-off		53.84		41.16	24.13	49.03	66.61		
of which number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Date at which options may be exercised	26/07/2011	22/12/2011	09/01/2012	19/03/2013	18/03/2014	16/04/2015	30/03/2016	21/10/2016	
Expiry date	24/07/2014	20/12/2014	07/01/2015	17/03/2016	16/03/2017	14/04/2018	28/03/2019	19/10/2019	
Subscription or purchase price	57.85	53.84	60.37	41.16	24.13	49.03	66.61	43.22	
Operating procedures	NA	NA	NA	NA	NA	NA	NA	NA	
Number of shares subscribed at 31/12/2015	-	45,270	-	43,142	21,302	6,000	-	-	**115,714**
of which number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Cumulative number of share subscription or purchase options cancelled or lapsed	30,000	25,153	5,000	9,500	-	-	14,911	-	**84,564**
of which number of company officers' shares retired	-	-	-	-	-	-	-	-	-
Share subscription or purchase options remaining at 31/12/2015	**-**	**-**	**-**	**-**	**-**	**25,953**	**37,809**	**5,000**	**68,762**
of which number of company officers' shares remaining	-	-	-	-	-	-	-	-	-

(1) Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.

35,750 subscription options were exercised in 2015 under Plan 5, and 27,302 were exercised under Plan 6.

No further options may be granted under Plan 5, Plan 6, Plan 7 or Plan 8. At the Combined General Meeting held on 19 June 2012, the shareholders authorised the Board of Directors to issue options under Plan 8. No shares have yet been awarded under this plan. At the Combined General Meeting held on 27 June 2014, the shareholders authorised the Board of Directors to issue options under Plan 9. No shares have yet been awarded under this plan.

Adjustments were made to the exercise price and volume of share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway Software spin-off and capital increase with pre-emptive rights for existing shareholders. These adjustments are set out in the table above.

Based on these adjustments, the number of Sopra Steria Group shares issuable against outstanding options is 68,762.

On exercising their options, holders of Sopra options as at 14 June 2011 are eligible to receive one free Axway Software share held by the Company for each option originally granted. The total number of Axway Software shares that could thus be distributed by way of the exercise of Sopra Steria Group options totalled 59,067 at 31 December 2015. 59,067 Axway Software shares may be awarded upon the exercise of options under Plan 6.

The average price of Sopra Steria Group shares in 2015 was €86.82.

The service costs recognised in 2015 in respect of stock option holders, using the method set out in Note 1.17, *Share-based payments*, totalled €39k.

21.3. Free share award plans

The free share plans with an impact on the 2015 financial statements are as follows:

	Former Steria plans				Former Sopra plan
	Plan 13	**Plan 12**	**Plans 10 and 11**	**Plan 9**	**June 2012 plan**
Date granted by General Management and/or the Board of Directors	15 October 2014	17 September 2013	2 July 2012 and 1 August 2012	29 July 2011	19 June 2012
Number of shares that may be granted in Steria shares (former Steria plans) or Sopra Steria Group shares (former Sopra plan)	79,500	151,900	166,600	157,600	166,875
Exchange ratio between Sopra Steria and Steria shares: Number of Steria shares for 1 Sopra Steria share	*4*	*4*	*4*	*4*	*Not applicable*
Performance measurement period	1 January 2015 to 31 December 2016	1 January 2013 to 31 December 2015	1 January 2012 to 31 December 2014	1 January 2011 to 31 December 2013	Plan not subject to performance conditions
Vesting period	3 years (French grantees)	3 years (French grantees)	3 years (French grantees)	3 years (French and Spanish grantees)	2 years (France, Italy, Spain)
	4 years (other grantees)	4 years (other grantees)	4 years (other grantees)	4 years (other grantees)	4 years (other grantees)
Mandatory holding period following the grant of shares	2 years (French grantees)	2 years (French grantees)	2 years (French grantees)	2 years (French and Spanish grantees)	2 years (France, Italy, Spain)
	None (other grantees)	None (other grantees)	None (other grantees)	None (other grantees)	None (other grantees)

	Former Steria plans				Former Sopra plan
	Plan 13	Plan 12	Plans 10 and 11	Plan 9	June 2012 plan
Performance conditions stipulated in the plan	1) Change in Sopra Steria Group's consolidated revenue in 2015 and 2016	1) Average revenue growth in 2013, 2014 and 2015	1) Average revenue growth in 2012, 2013 and 2014	1) Average operating margin in 2011, 2012 and 2013 (70% of shares granted)	
	2) Change in the Group's operating profit on business activity in 2015 and 2016	2) Average operating margin in 2013, 2014 and 2015	2) Average operating margin in 2012, 2013 and 2014	2) Share price trend until 31 December 2013 (30% of shares granted)	
		The criteria are applied separately according to the type of grantee		The criteria are applied separately according to the type of grantee	
Number of potential shares that could have been granted as at 1 January 2015	79,500	151,900	166,600	68,250	5,205
Number of shares granted in 2015	-	-	44,550	2,816	30
Number of shares cancelled in 2015	9,000	39,500	83,200	65,434	630
Number of shares vested at 31 December 2015	-	-	44,550	10,736	129,045
Number of potential shares that could have been granted as at 31 December 2015	70,500	112,400	38,850	-	4,545
Equivalent in Sopra Steria Group shares	*17,625*	*28,123*	*9,722*	-	*4,545*
Share price	15.30	12.69	12.24	17.67	43.84
Risk-free rate	0.32% / 0.15%	1.29% / 0.97%	0.95%/ 1.55% / 1.17%	2.05% / 2.34%	-
Dividends	2.5%	2.5%	2.5%	2.5%	3.4%
Volatility	NA	NA	NA	39.1%	NA
(Expense) / Income recognised in the income statement for the financial year in millions of euros	0.1	0.1	0.1	-	-

At the General Meetings of 27 June 2014 and 25 June 2015, a aggregate limit of 5% of the share capital (thus 1,022,336 shares on the basis of the share capital at 31 December 2015) was fixed for all employee and company officer share ownership schemes (share subscription and purchase options, BSAAR warrants, free share awards, share capital increases reserved for employees participating in the company savings plan).

None of the authorisations granted at the General Meetings of 27 June 2014 and 25 June 2015 have been used to date.

This in turn brings the maximum number of Sopra Steria Group shares that may be issued at 31 December 2015 in respect of options, BSAARs or newly issued free shares to 1,151,113.

21.4. Transactions in treasury shares

At 31 December 2015, the value of treasury shares recognised as a deduction from consolidated equity is €54.9 million, consisting of 630,830 shares, of which 322,330 are held by UK trusts falling within the consolidation scope and 300,000 were acquired through the private placement made on 25 June 2015 by GENINFO (Groupe Société Générale).

All transactions in treasury shares are taken directly to equity.

21.5. Dividends

At Sopra Steria Group's General Meeting of 25 June 2015, the shareholders resolved to distribute an ordinary dividend of €38.7 million in respect of financial year 2014, equating to €1.90 per share. The dividend was paid on 8 July 2015. The dividend paid in respect of the previous year was €22.6 million, equating to €1.90 per share.

Upon approval of the financial statements for the year ended 31 December 2015, it is proposed that the shareholders agree to distribute an ordinary dividend of €1.70 per share, representing a total of €34.8 million.

21.6. Non-controlling interests

The contributions to the income statement and balance sheet of entities in which there are non-controlling interests come mainly from joint ventures formed with the UK authorities in the United Kingdom region: NHS SBS, 50%-owned by the UK Department of Health, and SSCL, 25%-owned by the Cabinet Office. The group has 50% and 75% control respectively.

Control over NHS SBS results from one additional share issued to the Group and the shareholders' agreement, under which Sopra Steria is authorised to make most operational and financial decisions. Furthermore, in relation to SSCL, the Group granted the Cabinet Office an option to sell the shares it holds in the company. The group also committed to support the development of its subsidiary by granting a defined funding budget.

As such, due to the accounting treatment of the put option granted in respect of SSCL shares (see Note 1.25), the amount of non-controlling interests on the balance sheet mainly relates to the UK Department of Health's share in the net assets of NHS SBS, i.e. €37.4 million. In the income statement, the amounts attributable to the non-controlling interests in SSCL and NHS SBS are €1.6 million and €3.8 million respectively. These companies did not pay any dividends.

Summary financial information for these two companies is as follows:

	31/12/2015	
(in millions of euros)	**SSCL**	**NHS SBS**
Non-current assets	21.2	50.1
Current assets	162.2	77.5
Non-current liabilities	41.2	26.8
Current liabilities	87.2	26.1
Revenue	245.1	118.0
Net profit	6.3	7.5

At the end of the 2015 financial year, the group established a Chinese subsidiary that is 51%-owned by it and 49%-owned by a local partner. The group controls this subsidiary.

21.7. Capital management objectives, policy and procedures

The company's capital is uniquely comprised of the items disclosed in the balance sheet. There are no financial liabilities considered to be components of capital and, conversely, there are no equity components not considered to be part of the company's capital.

The company is not subject to any external constraints on its capital.

Note 22 Financial debt

22.1. Net debt

(in millions of euros)	Current	Non-current	31/12/2015	31/12/2014
Bonds	5.9	186.4	192.3	194.5
Bank borrowings	30.7	243.4	274.1	429.5
Finance lease liabilities	5.2	8.0	13.2	10.4
Other sundry financial debt	268.6	-	268.6	6.8
Current bank overdrafts	5.2	-	5.2	23.7
FINANCIAL DEBT	**315.7**	**437.8**	**753.5**	**664.8**
Investment securities	-132.7	-	-132.7	-100.9
Cash	-90.0	-	-90.0	-121.5
NET DEBT	**93.0**	**437.8**	**530.8**	**442.4**

a. Bonds

The group has a bond issued by Groupe Steria to institutional investors in 2013 in the amount of €180 million, maturing in July 2019 and with a fixed annual coupon of 4.25%. Upon the acquisition of Steria, this liability was revalued at fair value at the takeover date, with a resulting revaluation gain of €13.0 million. This amount will be amortised over the period to July 2019 as a deduction to interest expenses. At 31 December 2015, the amount remaining to amortise is €9.5 million.

b. Bank borrowings

In 2014 the group took out a €1,200 million five-year syndicated borrowing facility with two options to extend the expiry date by one year, consisting of a €200 million amortising tranche, an £80 million amortising tranche and a €900 million multicurrency revolving credit line. In 2015, the first one-year extension option on the loan was exercised with the consent of all participating banks. As a result, the loan now matures on 15 September 2020 and carries a single one-year extension option. At 31 December 2015, the outstanding amount drawn on the loan is from the two amortising tranches (€180 million and £72 million after contractual amortizations for the period). The €900 million multi-currency revolving credit facility is undrawn.

c. Finance lease liabilities

	31/12/2015			31/12/2014
(in millions of euros)	Minimum payments for finance leases	Future financial expense	Present value of future lease payments	Present value of future lease payments
Less than one year	5.3	0.1	5.2	4.2
One to five years	8.1	0.1	8.0	6.2
More than five years	-	-	-	-
TOTAL	**13.4**	**0.1**	**13.2**	**10.4**

d. Other financial debt

In 2015, the group implemented an unrated multi-currency commercial paper programme of up to €500 million. The amount outstanding at 31 December 2015 was €231.7 million and £5.0 million. These are included in *Other financial debt*.

At 31 December 2015, the impact of the sale of trade receivables with recourse in France for an amount of €30.0 million is recognised in *Other financial debt* (see Note 18).

22.2. Statement of changes in net debt

(in millions of euros)	2015	2014
NET DEBT AT 1 JANUARY (A)	**-442.4**	**-124.8**
Cash from operations after cost of net debt and tax	**184.8**	**123.4**
Cost of net financial debt	8.1	7.4
Tax expense (including deferred tax)	47.2	34.4
Cash from operations before cost of net debt and tax	**240.2**	**165.3**
Tax paid	-35.2	-39.1
Changes in working capital requirements	-81.9	14.8
Net cash from operating activities	**123.2**	**140.9**
Net cash used in investing activities	-42.3	-33.7
Net interest paid	-8.3	-3.5
Additional contributions related to defined-benefit pension plans	-23.3	-8.3
Available net cash flow	**49.2**	**95.4**
Impact of changes in scope	-92.3	-394.7
Financial investments	3.1	-6.8
Dividends	-37.5	-22.6
Dividends received from equity-accounted companies	2.2	2.2
Capital increases in cash	2.4	1.4
Purchase and proceeds from disposal of treasury shares	-22.5	-
Other changes	0.7	0.2
TOTAL NET CHANGE DURING THE YEAR (B)	**-94.5**	**-325.0**
Impact of changes in foreign exchange rates (C)	6.2	7.4
NET DEBT AT 31 DECEMBER (A+B+C)	**-530.8**	**-442.4**

IMPACT OF CHANGES IN SCOPE

(in millions of euros)	2015	2014
Cost of acquisitions paid (excluding earnouts)	-100.0	-23.0
Net debt / net cash of acquired companies	7.7	-370.8
Earnouts	-	-1.0
TOTAL	**-92.3**	**-394.7**

In 2015, these items correspond to the acquisition of the operations of CIMPA (see Note 2.2).

In 2014, the cost of acquisitions reflected the purchases of COR&FJA and HR Access Service. The net debt of acquired companies mainly reflected Steria's net debt, amounting to €373.5 million.

Note 23 Retirement benefit and similar obligations

Retirement benefits and similar obligations are broken down as follows:

(in millions of euros)	31/12/2015	31/12/2014
Post-employment benefits	282.6	397.4
Other long-term employee benefits	26.8	31.2
TOTAL	**309.4**	**428.6**

23.1. Other long-term employee benefits

Other long-term benefits include, in France, the portion available in more than one year of employee profit-sharing liabilities allocated to a frozen current account for five years (€16.2 million versus €22.6 million at 31/12/2014), benefits relating to length of service in Germany and India, pre-pension obligations in Germany and Belgium and severance benefits in Italy and India.

23.2. Post-employment benefits

Post-employment benefits arise mainly from the group's obligations towards its employees to provide retirement bonuses in France (31.0% of the group's total obligations) and defined-benefit pension plans in the United Kingdom (53.7% of the group's total obligations), Germany (14.2%) and other European countries (Belgium, Norway: 1.0%). At 31 December 2015, they totalled €282.6 million.

In the **United Kingdom**, the group has five defined benefit pension plans arising from Steria. The obligations under each plan are asset-funded. Three of these plans are closed to all new employees and the vesting of benefits is blocked. For each plan, the benefits payable are primarily based on the plan member's final salary and, in certain cases, the member's average salary and any incidental benefits. Each plan is governed by trusts in accordance with UK law and is supervised by the regulating body defined in UK pensions legislation. The plan administrators are corporate trustees whose directors include representatives of the plan members and independent members. External consultants are hired by the administrators to manage the plans on a day-to-day basis and deal with legal and actuarial matters. Under UK law, the plans must be assessed every three years. This assessment is used as a basis to determine the contributions payable by the employer to the funds.

The risks associated with these plans are as follows:

- asset management: this risk gradually decreases over the period until retirement;
- inflation on which pension entitlements are indexed; this risk is limited by the use of inflation-indexed financial instruments;
- interest rates insofar as the future cash outflows are discounted;
- changes in demographic assumptions and mortality tables.

These plans distinguish between active members who still vest benefits, members who are still working but whose benefits have been blocked and retired members. These three member categories represent 3.1%, 67.2% and 29.7% of the total number of plan members respectively.

Projected benefit payments by the funds for defined benefit obligations, which totalled €1,607.1 million at 31 December 2015, for the next ten years would be as follows, in millions of pounds sterling:

- less than two years: £69.3 million;
- two to five years: £111.1 million;
- five to ten years: £206.2 million.

These plans include the payment of contributions to compensate for the deficit existing in the funds (contributions less mandatory expenses and deductions) and to fund the current service cost for the period. In 2015, over 12 months, this paid contribution totalled €29.0 million, including €21.8 million to fund the deficit. In 2016, the group estimates the contribution at £21.1 million (equating to €29.1 million at the average 2015 EUR/GBP exchange rate).

In **France**, the group's defined benefit obligations cover the payment of retirement benefits *(indemnités de départ en retraite)*. The group recognises provisions for its commitments to employees in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement as amended in 2004 following the pension reform act of 21 August 2003. Provisions for retirement benefits are recognised on an actuarial basis as described in Note 1.19.

The resulting liability fluctuates according to demographic assumptions such as mortality tables (public statistics) and the discount rate (Bloomberg eurozone index).

This plan is exposed interest rate risk, inflation risk and the risk of changes in demographic assumptions.

In **Germany**, there are four plans, two of which are material (€34.5 million). Since these plans are not funded, they are covered by a provision. The purpose of the main plan is to pay a minimum pension equal to 14.08% of the salary paid up to the social security ceiling and 35.2% beyond that ceiling. This plan only involves employees who entered into service prior to 1 January 1986, and pension entitlements have been blocked since 30 September 1996. This plan is exposed interest rate risk, inflation risk and the risk of changes in demographic assumptions.

There are also plans in Poland, Norway and Belgium. The plans in the latter two countries are funded and serve to pay an annuity to plan members on retirement. The Polish plan covers benefits payable on retirement. These plans are grouped together under "Other".

a. Change in net liabilities arising from the main post-employment benefit obligations in 2015

(in millions of euros)	Defined-benefit pension funds – United Kingdom	Lump-sum retirement benefits – France	Defined-benefit pension funds – Germany	Other	Total
CALCULATION ASSUMPTIONS FOR ACTUARIAL LIABILITIES					
Discount rate	3.87%	2.41%	2.03% to 2.15%	1.30% to 3%	
Inflation rate	2.01%	1.70%	NA	NA	
Rate of salary increase	3.01%	2%-2.50%	2% to 2.50%	2% to 3.50%	
Age at retirement	variable	65 yrs	60 to 65 yrs	variable	
AMOUNTS RECOGNISED IN THE BALANCE SHEET					
Present value of the obligation at 31/12/2015	1,607.1	89.8	40.1	19.2	1,756.2
Fair value of plan assets at 31/12/2015	1,455.2	2.1	-	16.3	1,473.6
Net liabilities on the balance sheet at 31/12/2015	**151.9**	**87.7**	**40.1**	**2.9**	**282.6**
NET LIABILITY COST COMPONENTS					
Current service cost	5.8	8.5	0.2	0.4	14.8
Past service cost	-	-	-	-	-
Losses (gains) on plan settlements	-	-	-	-	-
Interest cost on obligation	63.2	1.6	0.7	0.4	65.9
Interest on plan assets	-53.6	-	-	-0.3	-54.0
Total expenses recognised in the income statement	**15.4**	**10.1**	**0.9**	**0.4**	**26.7**
Effect of net liability remeasurements	-101.2	-20.7	-3.3	-0.5	-125.7
■ of which return on plan assets (excluding amounts included in interest income)	-2.2	-	-	-0.4	-2.6
■ of which experience adjustments	-0.6	-6.0	-0.2	-0.1	-6.9
■ of which effect of changes in demographic assumptions	-	-4.0	-	-0.1	-4.1
■ of which effect of changes in financial assumptions	-98.4	-10.6	-3.1	0.2	-112.0
Total expenses recognised directly in equity	**-101.2**	**-20.7**	**-3.3**	**-0.5**	**-125.7**
CHANGES IN NET LIABILITIES					
Net liability at 31 December 2014	**250.1**	**98.4**	**43.7**	**5.2**	**397.4**
Changes in scope	-	1.6	-	-	1.6
Net expense recognised in the income statement	15.4	10.1	0.9	0.4	26.7
Net expense recognised in equity	-101.2	-20.7	-3.3	-0.5	-125.7
Contributions	-29.0	-1.7	-1.2	-0.5	-32.4
■ of which employer contributions	-29.0	-1.7	-1.2	-0.5	-32.4
■ of which employee contributions	-	-	-	-	-
Exchange differences	16.6	-	-	-	16.6
Other movements	-	-	-	-1.7	-1.7
NET LIABILITY AT 31 DECEMBER 2015	**151.9**	**87.7**	**40.1**	**2.9**	**282.6**

As a reminder, movements in net liabilities arising from the main post-employment benefit obligations during 2014 are presented in the following table:

(in millions of euros)	Defined-benefit pension funds – United Kingdom	Lump-sum retirement benefits – France	Defined-benefit pension funds – Germany	Other	Total
CALCULATION ASSUMPTIONS FOR ACTUARIAL LIABILITIES					
Discount rate	3.65%	1.59%	1.49% to 2%	2.50% to 3%	
Inflation rate	2.97%	2.00%	2.00%	2% to 3.50%	
Rate of salary increase	2.97%	2.50%	0% to 2.5%	3.00%	
Age at retirement	variable	65 yrs	60 to 65 yrs	variable	
AMOUNTS RECOGNISED IN THE BALANCE SHEET					
Present value of the obligation at 31/12/2014	1,595.5	100.5	43.7	26.8	1,766.5
Fair value of plan assets at 31/12/2014	1,345.4	2.1	-	21.6	1,369.0
Net liabilities on the balance sheet at 31/12/2014	**250.1**	**98.4**	**43.7**	**5.2**	**397.4**
NET LIABILITY COST COMPONENTS					
Current service cost	2.1	5.0	0.2	1.4	8.7
Past service cost	-	-	-	-	-
Losses (gains) on plan settlements	-	-	-	-	-
Interest on obligation	25.8	1.9	0.5	0.3	28.5
Interest on plan assets	-22.1	-	-	-0.2	-22.4
Total expenses recognised in the income statement	**5.8**	**6.9**	**0.7**	**1.4**	**14.8**
Effect of net liability remeasurements	38.2	10.0	5.1	0.3	53.6
■ of which return on plan assets (excluding amounts included in interest income)	-73.1	-	-	-	-73.1
■ of which effect of changes in demographic assumptions	1.4	-4.6	-0.1	0.3	-3.1
■ of which effect of changes in financial assumptions	109.9	14.6	5.2	0.1	129.8
Total expenses recognised directly in equity	**38.2**	**10.0**	**5.1**	**0.3**	**53.6**
CHANGES IN NET LIABILITIES					
Net liability at 31 December 2013	**-**	**51.2**	**1.6**	**5.9**	**58.7**
Changes in scope	211.5	31.6	36.8	2.9	282.8
Net expense recognised in the income statement	5.8	6.9	0.7	1.4	14.8
Net expense recognised in equity	38.2	10.0	5.1	0.3	53.6
Contributions	-10.6	-1.2	-0.5	-0.4	-12.8
■ of which employer contributions	-10.6	-1.2	-0.5	-0.1	-12.4
■ of which employee contributions	-	-	-	-0.4	-0.4
Exchange differences	5.3	-	-	-	5.3
Other movements	-	-	-	-4.9	-4.9
NET LIABILITY AT 31 DECEMBER 2014	**250.1**	**98.4**	**43.7**	**5.2**	**397.4**

b. Change in pension assets and liabilities in the United Kingdom

The majority of the group's pension liabilities are located in the United Kingdom. The change is broken down as follows:

(in millions of euros)	31/12/2015	31/12/2014
Present value of the obligation at the beginning of the period	**1,595.5**	**-**
Changes in scope	-	1,444.5
Translation adjustments	98.7	30.0
Current service cost	5.8	2.1
Past service cost	-	-
Interest	63.2	25.8
Employee contributions	-	-
Effect of obligation remeasurements	-106.1	111.3
■ of which experience adjustments	-0.6	-
■ of which effect of changes in demographic assumptions	-	1.4
■ of which effect of changes in financial assumptions	-105.5	109.9
Plan amendments	-	-
Transfers	-	-
Benefits provided	-50.0	-18.2
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**1,607.1**	**1,595.5**
Fair value of plan assets at the beginning of the period	**1,345.4**	**-**
Changes in scope	-	1,233.0
Translation adjustments	82.1	24.7
Interest	53.6	22.1
Effects of plan asset remeasurements	-4.9	73.1
■ of which return on plan assets (excluding amounts included in interest income)	2.2	73.1
■ of which effect of changes in financial assumptions	-7.1	-
Employer contributions	29.0	10.6
Employee contributions	-	-
Transfers	-	-
Benefits provided	-50.0	-18.2
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**1,455.2**	**1,345.4**

UK pension fund assets fall into four investment categories:

(in millions of euros)	31/12/2015	31/12/2014
Shares	493.0	456.9
Bonds	771.4	723.4
Fixed assets	225.2	132.3
Other assets	-34.4	32.8
TOTAL	**1,455.2**	**1,345.4**

The discount rate used for employee obligations is based on the return on AA bonds in line with the life of the liabilities rounded to the nearest decimal point. In the United Kingdom, the benchmark used is the Mercer yield curve.

A 0.25 point decrease in the discount rate would increase the benefit obligation by €80.1 million. A 10% reduction in the rate of return on plan assets would reduce their value by €145.5 million.

At 31 December 2015, two plans are in net asset positions, totalling €7.6 million. This asset is deemed recoverable through a future decrease in contributions.

c. Change in pension assets and liabilities in France

(in millions of euros)	Lump-sum retirement benefits in France at 31/12/2015	Lump-sum retirement benefits in France at 31/12/2014
Present value of the obligation at the beginning of the period	**100.5**	**51.6**
Changes in scope	1.6	33.3
Current service cost	8.5	5.0
Past service cost	-	-
Interest	1.6	1.9
Employee contributions	-	-
Effect of obligation remeasurements	-20.7	10.0
■ of which experience adjustments	-6.0	-
■ of which effect of changes in demographic assumptions	-4.0	-4.6
■ of which effect of changes in financial assumptions	-10.6	14.6
Plan amendments	-	-
Transfers	-	-
Benefits provided	-1.7	-1.2
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**89.8**	**100.5**
Fair value of plan assets at the beginning of the period	**2.1**	**0.3**
Changes in scope	-	1.7
Translation adjustments	-	-
Interest	-	-
Effects of plan asset remeasurements	-	-
■ of which return on plan assets (excluding amounts included in interest income)	-	-
■ of which effect of changes in financial assumptions	-	-
Employer contributions	-	-
Employee contributions	-	-
Transfers	-	-
Benefits provided	-	-
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**2.1**	**2.1**

For retirement benefit payment liabilities in France, a +/- 50bp change in the discount rate would change the benefit obligation by €-6.2/+6.8 million.

A breakdown by maturity of the French retirement benefit obligation is as follows:

(in millions of euros)	31/12/2015	31/12/2014
Present value of theoretical benefits to be paid by the employer:		
■ less than 1 year	1.5	1.4
■ 1 to 5 years	6.8	6.7
■ 5 to 10 years	20.1	18.9
■ 10 to 20 years	38.8	42.9
■ more than 20 years	22.6	30.6
TOTAL COMMITMENT	**89.8**	**100.5**

Note 24 Provisions for contingencies and losses

(in millions of euros)	01/01/2015	Change in scope	Charges	Reversals (used)	Reversals (not used)	Other	Translation adjustments	31/12/2015	Current portion	Non-current portion
Provisions for disputes	8.3	0.1	13.7	-1.6	-0.9	-1.1	-0.1	18.4	17.8	0.7
Provisions for guarantees	0.5	-	0.4	-	-	-0.1	-	0.8	0.2	0.6
Provisions for losses on contracts	13.8	-	6.9	-2.6	-0.5	-5.2	0.2	12.5	12.4	0.1
Provisions for taxes	10.7	-	7.8	-	-0.2	3.2	-	21.5	-	21.5
Provisions for restructuring	9.7	-	23.0	-8.1	-0.2	0.3	-	24.6	23.1	1.5
Other provisions for contingencies	56.3	0.3	10.4	-12.1	-11.4	3.3	2.2	48.9	34.7	14.2
TOTAL	**99.3**	**0.3**	**62.1**	**-24.4**	**-13.2**	**0.5**	**2.2**	**126.8**	**88.2**	**38.6**

Provisions for disputes cover disputes before employment tribunals and severance benefits (€7.4 million), insurance excesses and client risks provisioned in respect of commercial disputes (€10.2 million).

Provisions for losses at completion are on projects in the United Kingdom (€9.5 million) and Germany (€2.8 million).

Provisions for restructuring correspond to residual costs under the transformation programme within the original scope of Steria in France (€3.8 million), the cost of one-off restructuring measures in Germany (€3.6 million) and Denmark (€2.3 million), and Sopra Steria integration costs notably relating to facilities (€12.3 million mainly in France).

Other provisions for contingencies mainly cover costs relating to premises (€9.8 million, including €9.4 million in restoration costs, mostly in the United Kingdom), clients and projects (including €15.1 million in the United Kingdom and €5.0 million in France), contractual risks (€5.1 million) and tax and employee risks (€9.5 million).

Provisions for taxes mainly relate to tax risks in France, and in particular the R&D tax credit and withholdings applied by foreign clients.

Note 25 Other non-current liabilities

(in thousands of euros)	31/12/2015	31/12/2014
NHS-SBS: fees payable to the UK Department of Health	-	2.4
NHS-SBS: advances granted by the UK Department of Health	24.0	22.6
SSCL: put option granted to the Cabinet Office	58.1	32.7
Other liabilities – portion due in more than one year	1.6	0.7
Derivatives	2.7	3.5
TOTAL	**86.4**	**62.0**

Other liabilities include advances received by NHS SBS from the UK Department of Health totalling €24.0 million. These advances are subsequently made available to new clients to assist with their migration to the new operational platform under the terms of operating contracts.

Under the agreement signed with the UK government to transform its back office functions, the Group granted the Cabinet Office an option to sell the shares it holds in the joint venture SSCL that was set up for this purpose. This option may be exercised between 1 January 2022 and 31 December 2023. Accordingly, the group recognised a non-current liability in the amount of €58.1 million at 31 December 2015.

At 31 December 2015, derivatives consisted of interest rate and foreign exchange hedges (see Note 30.4).

Note 26 Trade accounts receivable

(in millions of euros)	31/12/2015	31/12/2014
Trade payables	257.5	259.1
Trade payables – advances and payments on account, accrued credit notes	-	-0.3
TOTAL	**257.5**	**258.7**

Note 27 Other current liabilities

(in millions of euros)	31/12/2015	31/12/2014
Fixed asset liabilities – portion due in less than one year	5.8	4.7
Advances and payments on account received for orders	1.9	1.6
Employee-related liabilities	424.5	388.5
Tax-related liabilities	220.4	216.5
Corporate income tax	115.9	84.8
Deferred income	249.3	191.4
Other liabilities	12.9	10.9
Derivatives	0.3	3.1
TOTAL	**1,030.9**	**901.5**

Deferred income mainly corresponds to services invoiced but not yet performed, based on their stage of completion (see Note 1.22).

Note 28 Non-current assets classified as held for sale

The non-current assets classified as held for sale recognised in the balance sheet are directly related to the reorganisation of Sopra Steria premises in India. The group is still undertaking measures to sell these assets and considers such sale as still highly probable. The property market in Noida, where these premises are located, has become difficult as a result of the decision by local administrative authorities to significantly increase transfer taxes. This has resulted in sales taking much longer to complete.

Their value represents the lower of the net carrying amount or fair value less costs to sell. At 31 December 2015, the group estimated the value of these assets. At the same time, it obtained external valuations that support these estimates.

The value of these Indian assets is broken down as follows:

(in millions of euros)	31/12/2015	31/12/2014
Land	1.0	0.9
Buildings	4.0	3.7
Building fixtures and fittings	-	-
Deferred tax assets	0.2	0.2
Total assets	**5.1**	**4.8**
Deferred tax liabilities	-	-
Other liabilities	-0.1	-0.1
Total liabilities	**-0.1**	**-0.1**
NET CARRYING AMOUNT OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**5.1**	**4.8**

OTHER INFORMATION

Note 29 Segment information

29.1. Results by reporting unit

a. France

(in millions of euros)	2015		2014	
Revenue	1,364.3		1,009.8	
Operating profit on business activity	102.0	*7.5%*	83.0	*8.2%*
Profit from recurring operations	100.8	*7.4%*	81.4	*8.1%*
Operating profit	52.4	*3.8%*	53.9	*5.3%*

b. United Kingdom

(in millions of euros)	2015		2014	
Revenue	1,042.0		443.9	
Operating profit on business activity	76.2	*7.3%*	46.5	*12.0%*
Profit from recurring operations	63.3	*6.1%*	41.8	*10.8%*
Operating profit	57.1	*5.5%*	39.8	*10.2%*

c. Other Europe

(in millions of euros)	2015		2014	
Revenue	697.4		388.7	
Operating profit on business activity	18.5	*2.7%*	8.9	*2.3%*
Profit from recurring operations	17.4	*2.5%*	8.0	*2.1%*
Operating profit	5.3	*0.8%*	1.8	*0.5%*

d. Sopra Banking Software

(in millions of euros)	2015		2014	
Revenue	282.4		263.3	
Operating profit on business activity	25.7	*9.1%*	32.6	*12.4%*
Profit from recurring operations	20.3	*7.2%*	27.1	*10.3%*
Operating profit	20.1	*7.1%*	26.0	*9.9%*

e. Other Solutions

(in millions of euros)	2015		2014	
Revenue	198.3		174.7	
Operating profit on business activity	23.1	*11.6%*	22.0	*12.6%*
Profit from recurring operations	23.1	*11.6%*	22.0	*12.6%*
Operating profit	17.7	*8.9%*	19.4	*11.1%*

f. Not allocated

(in millions of euros)	2015	2014
Revenue	-	-
Operating profit on business activity	-	-
Profit from recurring operations	-	-
Operating profit	-	7.4

g. Group

(in millions of euros)	2015		2014	
Revenue	3,584.4		2,280.4	
Operating profit on business activity	245.5	*6.8%*	193.0	*8.5%*
Profit from recurring operations	225.0	*6.3%*	180.3	*7.9%*
Operating profit	152.6	*4.3%*	148.3	*6.5%*

29.2. Revenue by geographic area

(in millions of euros)	France	United Kingdom	Other European countries	Other zones	Total
2014	1,228.4	485.6	517.5	48.9	2,280.4
2015	**1,616.4**	**1,083.6**	**804.2**	**80.2**	**3,584.4**

29.3. Non-current assets by geographic area

(in millions of euros)	France	United Kingdom	Other European countries	Other zones	Total
Goodwill	603.7	709.6	271.1	2.5	1,586.9
Intangible assets	68.9	125.8	19.2	0.1	214.0
Property, plant and equipment	70.9	18.4	18.1	11.0	118.5

Note 30 Financial risk factors

30.1. Credit risk

a. Aged trade accounts receivable

(in millions of euros)	Carrying amount	Of which: not past due at the balance sheet date	Of which: past due, with the following breakdown			
			Less than 30 days	Between 30 and 90 days	Between 90 and 120 days	More than 120 days
Trade accounts receivable	689.2	458.9	156.1	40.1	12.0	22.1

b. Statement of changes in provisions for trade accounts receivable

(in millions of euros)	31/12/2015	31/12/2014
Provisions for trade accounts receivable at 1 January	**9.5**	**7.8**
Changes in scope	0.1	2.9
Additions net of reversals	1.4	-1.4
Reclassification	-1.8	0.1
Translation adjustments	-	-
Discontinued operations (Axway)	-	-
PROVISIONS FOR TRADE ACCOUNTS RECEIVABLE AT 31 DECEMBER	**9.2**	**9.5**

30.2. Liquidity risk

According to the definition given by the Autorité des Marchés Financiers (AMF), liquidity risk arises when assets are longer term than liabilities. This can result in an inability to repay short-term debt if the company is unable to sell the asset in question or obtain bank credit lines.

The group carried out a specific review of its liquidity risk and considers that it is in a position to meet its cash disbursement obligations.

The group's general hedging policy is aimed at securing and optimising liquidity. External financing decisions are centralised at group level under the responsibility of the Finance Department. The cash position and undrawn lines of credit are reviewed once a month with the group Finance Director, and regularly with the members of the Audit Committee at its meetings.

At 31 December 2015, the group had lines of credit totalling €1,812.6 million, 42% of which was drawn down.

These are broken down as follows:

	Amount authorised at 31/12/2015		Drawdown at 31/12/2015		Drawdown rate	Repayment terms	Interest rate at 31/12/2015
	in €m	in £m	in €m	in £m			
Bond	**180.0**	**-**	**180.0**	**-**	**100%**	**Repayable on maturity in 2019**	**2.6%**
Syndicated loan							
Tranche A	180.0	-	180.0	-	100%	Amortising until maturity in 2020	1.40%
Tranche B	-	72.0	-	72.0	100%	Amortising until maturity in 2020	1.98%
Multi-currency revolving line of credit	900.0	-			0%	Repayable on maturity in 2020	
Finance leases	**13.2**	**-**	**13.2**	**-**	**100%**	**Amortising until maturity in 2019**	**0.93%**
Commercial paper	**231.8**	**5.0**	**231.8**	**5.0**	**100%**	**2016**	**0.25%**
Other*	**38.7**		**38.7**		**100%**	**Repayable on maturity in 2016**	**0.00%**
Overdraft	**164.0**	-	**4.9**	-	**3%**	**N/A**	**0.58%**
Total per currency	**1,707.7**	**77.0**	**648.6**	**77.0**			

* *"Other" includes accrued interest not yet due on the facilities presented above.*

Interest rates payable on the syndicated loan equal the interbank rate of the currency concerned at the time of drawdown (minimum 0%), plus a margin set for a period of six months based on the leverage ratio.

The coupon payable on the bonds issued on 12 April 2013 has a fixed nominal rate of 4.25%, recognised at fair value upon consolidation. The effective rate is 2.60%.

The terms and conditions to which the syndicated loan and bond are subject include a commitment to comply with certain financial covenants.

There are two financial ratios calculated every six months using the consolidated financial statements on a 12-month rolling basis (adjusted for the impact of acquisitions over a 12-month period):

- the leverage ratio, equal to net financial debt/EBITDA;
- the interest coverage ratio, equal to EBITDA/cost of net financial debt.

The leverage ratio must not exceed 3.0 at any reporting date. The interest coverage ratio must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), less available cash and cash equivalents.

EBITDA is the consolidated operating profit on business activity adding back depreciation and amortisation and current provisions.

At 31 December 2015, the net financial debt to EBITDA ratio covenant was met, with the ratio coming in at 1.76 compared with a requirement of 3.0. The calculation is as follows:

(in millions of euros)	31/12/2015	31/12/2014
Short-term borrowings (< 1 year)	315.7	69.9
Long-term borrowings (> 1 year)	437.8	594.9
Cash and cash equivalents	-222.7	-222.4
Other financial guarantees		7.5
Net debt (including financial guarantees)	**530.8**	**450.0**
EBITDA	**301.9**	**286.8**
NET DEBT / EBITDA RATIO	**1.76**	**1.57**

For the interest coverage ratio, EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis (adjusted for the impact of acquisitions over a 12-month period).

At 31 December 2015, the net financial debt/EBITDA covenant was met, with the ratio coming in at 37.10 compared with a requirement of 5.0. The calculation is as follows:

(in millions of euros)	31/12/2015	31/12/2014
EBITDA	**301.9**	**286.8**
Cost of net debt	**8.1**	**9.8**
EBITDA / COST OF NET DEBT RATIO	**37.10**	**29.25**

In addition to satisfying the financial ratio prerequisites described above, the two principle financing agreements also stipulate a number of:

- performance requirements, standard for this type of financing;
- events of default such as payment default, inaccurate tax returns, cross-default, bankruptcy, occurrence of an event having a material adverse effect, etc.;
- early repayment in full in the event that there is a change of control in ownership of the Company.

The bank loan agreement also stipulates a number of circumstances in which the loan must be repaid in advance, in whole or in part as applicable, or renegotiated with the banks:

- early repayment if all or a substantial number of the Company's assets are sold;
- repayment using proceeds from asset disposals (beyond a specified threshold);
- repayment of a sum equal to each new borrowing taken out by the Company (beyond a specified threshold);
- renegotiation of the financing terms and conditions in the event of financial market disruption (i.e. market disruption clause). This clause is only applicable if a minimum number of banks are unable to obtain refinancing on the capital market as of the date on which the financing is requested, given interest rate fluctuations. The purpose of this clause is to find a replacement rate.

At 31 December 2015, the maturity schedule for the group's financial debt was as follows:

(in millions of euros)	Carrying amount	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Other bonds	192.3	205.4	4.7	7.2	7.3	186.2	-	-
Bank borrowings	274.1	310.2	38.5	38.0	37.5	21.9	174.4	-
Commercial paper	238.6	238.6	238.6	-	-	-	-	-
Finance lease liabilities	13.2	13.4	5.3	4.3	2.6	1.2	-	-
Other sundry financial debt	30.1	34.6	34.6	-	-	-	-	-
Current bank overdrafts	5.2	5.2	5.2	-	-	-	-	-
Financial debt	**753.5**	**807.4**	**326.9**	**49.4**	**47.5**	**209.2**	**174.4**	**-**
Investment securities	-132.7	-132.7	-132.7	-	-	-	-	-
Cash	-90.0	-90.0	-90.0	-	-	-	-	-
CONSOLIDATED NET DEBT	**530.8**	**584.7**	**104.2**	**49.4**	**47.5**	**209.2**	**174.4**	**-**

A breakdown of the group's gross borrowings at 31 December 2015, by type of debt and currency, is shown below:

	Currency of origin			
(in millions of euros)	Euro	Pound sterling	Other	Total
Bond	188.7	-	-	188.7
Bank borrowings	156.2	87.2	-	243.4
Short-term bank borrowings (< 1 year)	18.9	10.9	-	29.8
Borrowings and interest related to finance leases	13.2	-	-	13.2
Commercial paper	231.8	6.8	-	238.6
Accrued interest and other	35.0	-	-	35.0
Bank overdrafts (cash liabilities)	4.9	-	-	4.9
GROSS DEBT	**648.6**	**104.9**	**-**	**753.5**

The group's portfolio of investment securities at 31 December 2015 is broken down as follows:

(in millions of euros)	Short-term investments	Other	Total portfolio of investment securities
Net asset value	132.7	-	132.7
NET POSITION	**132.7**	**-**	**132.7**

Short-term investments are managed by the group's Finance Department, and comply with internally defined principles of prudence.

At constant exchange rates relative to 31 December 2015 and taking into account short-term investments held at that date, a 50 basis point decrease in floating rates would reduce annual financial income by €0.66 million.

30.3. Counterparty risk

All foreign currency and interest rate hedges are put in place with leading banks belonging to the group's banking syndicate, with which market transaction agreements have been signed.

Any financial investments are carried out either via short-term bank deposits with banks mainly belonging to the banking syndicate, or via money market instruments managed by leading financial institutions, which are themselves subsidiaries of banks mainly belonging to the syndicate. These investments are subject to approval by the group, and comply with internally defined principles of prudence.

The group gives priority to short-term investments and systematically analyses the composition of investment fund portfolios proposed by banks.

The group also assesses its clients' solvency risk. Solvency risk takes into account factors that are exclusively internal to the group as well as contextual factors such as geographical location, overall economic situation and segment growth forecasts.

Thanks to these various measures, the group considers that it has introduced a mechanism that significantly reduces its counterparty risk in the current economic context. However, the group remains subject to a residual risk which may affect its performance under certain conditions.

30.4. Financial instruments and interest rate and foreign exchange risk management

a. Derivatives reported in the balance sheet

	31/12/2015		Breakdown by class of financial instrument				
(in millions of euros)	Carrying amount	Fair value	Assets and liabilities at fair value through profit and loss	Available-for-sale assets	Loans, receivables and other debt	Financial liabilities at amortised cost	Derivatives
Non-current financial assets	77.7	77.7	-	9.9	66.5	-	1.4
Trade accounts receivable	1,099.8	1,099.8	-	-	1,099.8	-	-
Other current assets	191.6	191.6	-	-	185.8	-	5.8
Cash and cash equivalents	222.7	222.7	222.7	-	-	-	-
FINANCIAL ASSETS	**1,591.8**	**1,591.8**	**222.7**	**9.9**	**1,352.1**	**-**	**7.1**
Financial debt – long-term portion	437.8	437.8	-	-	-	437.8	-
Other non-current liabilities	86.4	86.4	-	-	83.7	-	2.7
Financial debt – short-term portion	315.7	315.7	5.2	-	-	310.5	-
Trade payables	257.5	257.5	-	-	257.5	-	-
Other current liabilities	1,030.9	1,030.9	-	-	1,030.6	-	0.3
FINANCIAL LIABILITIES	**2,128.2**	**2,128.2**	**5.2**	**-**	**1,371.8**	**748.3**	**2.9**

Items measured at fair value through profit or loss, and derivative hedging instruments, are valued by reference to quoted interbank interest rates (Euribor, etc.) and to foreign exchange rates set daily by the European Central Bank. All financial instruments in this category are financial assets and liabilities classified as such upon first recognition.

Available-for-sale assets are recognised at fair value in the balance sheet.

Borrowings are recognised at amortised cost using their effective interest rate. Hedging instruments may be put in place to hedge against interest rate risk.

The profit and loss impact of these financial instruments is as follows:

	31/12/2015	Breakdown by category of instrument				
(in millions of euros)	Profit or loss impact	Fair value through profit or loss	Available-for-sale assets	Loans, receivables and other debt	Liabilities at amortised cost	Derivatives
Total interest income	9.3	-	-	9.3	-	-
Total interest expense	-15.3	-	-	-	-15.3	-
Remeasurement	-2.1	-	-	-	-	-2.1
NET GAINS OR LOSSES	**-8.1**	**-**	**-**	**9.3**	**-15.3**	**-2.1**

As part of its overall risk management policy and due to the substantial scale of its production activities in India and Poland, the group has entered into and continues to implement transactions designed to hedge its exposure to foreign currency risk through the use of derivatives including exchange-traded futures and options as well as over-the-counter instruments with top-tier counterparties.

The group also hedges against interest rate fluctuations by swapping part of its floating-rate debt for fixed-rate debt.

Derivative financial instruments are recognised at fair value in the consolidated balance sheet.

Changes in the fair value of derivatives not qualifying for hedge accounting are recognised directly in the income statement for the period.

b. Management of interest rate risk

The group's aim is to protect itself against interest rate fluctuations by hedging part of its floating-rate debt and investing its cash over periods of less than three months.

The derivative financial instruments used to hedge the debt are interest rate swap contracts or options, which may or may not be eligible for hedge accounting.

The eligible counterparties for interest rate hedging and investments are leading financial institutions which belong to the Sopra Steria banking syndicate. These financial instruments are managed by the group Finance Department.

All of the group's interest rate hedges are either put in place through the parent company (Sopra Steria Group) or result from undertakings given by Groupe Steria.

The total amount of gross borrowings subject to interest rate risk is €325.3 million. Interest rate hedges in force at 31 December 2015 reduced this exposure to €68.3 million.

The group has taken out a number of interest rate swaps, a breakdown of which is given below:

	Fair value							
	31/12/2015					Maturity		
(in millions of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	< 1 year	from 1 to 5 years	> 5 years
Swap (cash flow hedge) in euros	-	-	1,949.6	55.9	167.0	15.0	152.0	-
Swap (cash flow hedge) in foreign currency	-	-	-	-	-	-	-	-
Options eligible for hedge accounting in euros	103.8	-	402.9	-	90.0	30.0	60.0	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-
TOTAL INTEREST RATE HEDGES	**103.8**	**-**	**2,352.5**	**55.9**	**257.0**	**45.0**	**212.0**	**-**

The remeasurement of these financial instruments in equity is recognised in *Other comprehensive income.*

The remeasurement of these financial instruments in profit or loss is recognised in *Other financial income and expenses*.

The profit or loss and equity impacts of the group's interest rate hedging instruments are broken down as follows:

	Balance sheet amounts					Changes in fair value			
	31/12/2014	Changes in fair value	Changes in scope	Other changes	31/12/2015	Equity impact	Profit or loss impact		
(in millions of euros)							Ineffective portion of cash flow hedges	Fair value hedges	Trading
Swap (cash flow hedge) in euros	-3.0	1.0	-	-	-2.0	1.1	-0.1	-	-
Swap (cash flow hedge) in foreign currency	-0.1	0.1	-	-	-	0.1	-	-	-
Options eligible for hedge accounting in euros	-0.3	0.1	-	-0.1	-0.3	-	0.1	-	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-	-
TOTAL PRE-TAX IMPACT	**-3.3**	**1.2**	**-**	**-0.1**	**-2.3**	**1.1**	**-**	**-**	**-**

The sensitivity of the interest rate derivatives portfolio to a plus or minus 50 basis point change in the euro and pound sterling yield curves at 31 December 2015 is as follows:

	-50 bp		+50 bp	
(in millions of euros)	Equity impact	P&L impact (hedge ineffectiveness)	Equity impact	P&L impact (hedge ineffectiveness)
Swaps (cash flow hedge) in euros	-0.1	-0.2	0.2	0.2
Swaps (cash flow hedge) in foreign currency	-	-	-	-
Swaps not eligible for hedge accounting	-	-	-	-
Options eligible for hedge accounting in euros	-1.4	-	1.4	-
Options eligible for hedge accounting in foreign currency	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	-	-	-
TOTAL	**-1.5**	**-0.2**	**1.6**	**0.2**
i.e.	*-1.7*		*1.8*	

The group's residual exposure to interest rate risk is as follows:

(in millions of euros)	Rate	31/12/2015	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
	Fixed rate	-	-	-	-	-	-	-
Investment securities	Floating rate	132.7	132.7	-	-	-	-	-
Cash	Floating rate	90.0	90.0	-	-	-	-	-
Financial assets	**Fixed rate**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**222.7**	**222.7**	**-**	**-**	**-**	**-**	**-**
Bonds	Fixed rate	-192.3	-5.9	-2.4	-2.5	-181.4	-	-
Bank borrowings	Floating rate	-274.1	-30.7	-29.8	-29.8	-14.4	-169.3	-
Commercial paper	Floating rate	-238.6	-238.6	-	-	-	-	-
Finance lease liabilities	Fixed rate	-13.2	-5.2	-4.2	-2.6	-1.2	-	-
Other financial debt	Fixed rate	-30.1	-30.1	-	-	-	-	-
Current bank overdrafts	Floating rate	-5.2	-5.2	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-205.5**	**-11.1**	**-6.7**	**-5.2**	**-182.6**	**-**	**-**
	Floating rate	**-548.0**	**-304.6**	**-29.8**	**-29.8**	**-14.4**	**-169.3**	**-**
NET EXPOSURE BEFORE HEDGING	**FIXED RATE**	**-205.5**	**-11.1**	**-6.7**	**-5.2**	**-182.6**	**-**	**-**
	FLOATING RATE	**-325.3**	**-81.9**	**-29.8**	**-29.8**	**-14.4**	**-169.3**	**-**
Interest rate hedging instruments	Fixed-rate payer swaps in euros	167.0	15.0	15.0	87.0	50.0	-	-
	Fixed-rate payer swaps in foreign currency	-	-	-	-	-	-	-
	Fixed-rate payer options	90.0	30.0	-	10.0	50.0	-	-
NET EXPOSURE AFTER HEDGING	**FIXED RATE**	**-462.5**	**-56.1**	**-21.7**	**-102.2**	**-282.6**	**-**	**-**
	FLOATING RATE	**-68.3**	**-36.9**	**-14.8**	**67.2**	**85.6**	**-169.3**	**-**

The fair value of interest rate hedging derivatives is measured using the following assumptions:

- level 1: quoted data: 0%;
- level 2: observable data: 100%;
- level 3: internal models: 0%.

c. Management of foreign exchange risk

The group is subject to two main types of risks linked to fluctuations in exchange rates. The first is translation risk in the various financial statements making up the group's consolidated financial statements for business conducted in countries with a functional currency other than the euro. The second is transactional risk linked to purchases and sales of services, where the transaction currency is different from that of the country in which the service is recognised.

As a part of its general risk management policy, the group systematically hedges against business risks that constitute material risks for the group as a whole. To manage its exposure to foreign exchange risk, the group uses derivative instruments.

The group Finance Department provides this hedging via futures or options entered into either on organised markets or over the counter with top-tier counterparties that are members of the banking syndicate.

The group's policy is not to conduct speculative transactions on financial markets.

Finally, the structure of the group's borrowing, part of which is denominated in sterling, provides a natural, if only partial, hedge against currency translation risk on net assets, recognised directly in the balance sheet.

Foreign exchange risk hedging mainly relates to GBP/INR and EUR/PLN hedges on the group's production platforms in India and Poland and certain commercial contracts denominated in US dollars. Changes in fair value corresponding to these hedges are taken to profit or loss for invoiced items and to equity for future cash flows.

The remeasurement through profit or loss of these financial instruments hedging balance sheet items is balanced by the revaluation of foreign currency receivables over the period.

The balance sheet value of the group's foreign currency hedges, and applicable notional amounts hedged, are as follows:

(in millions of euros)	Fair value 31/12/2015 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	Maturity < 1 year	from 1 to 5 years	> 5 years
Fair value hedges								
Foreign currency forwards	-	4.0	-	-	42.3	42.3	-	-
Foreign currency options	-	1.1	-	-	10.2	10.2	-	-
Cash flow hedges								
Foreign currency forwards	0.7	0.5	-	-	37.5	17.4	20.2	-
Foreign currency options	0.3	0.1	-	0.1	18.3	7.6	10.7	-
Instruments not designated for hedging *	**-**	**-**	**-**	**-**	**0.2**	**0.2**	**-**	**-**
TOTAL FOREIGN CURRENCY HEDGES	**1.0**	**5.7**	**-**	**0.1**	**108.6**	**77.7**	**30.9**	**-**

* *The group hedges the transactional foreign exchange risk but chooses in certain cases not to apply hedge accounting.*

The fair value of these financial instruments is adjusted by crediting or debiting *Other current operating income and expenses*, with the exception of the time value and the impact of financial instruments not eligible for hedge accounting, which are recognised in *Other financial income and expenses*.

The profit or loss and equity impacts of the group's foreign currency hedges are broken down as follows:

(in millions of euros)	Balance sheet amounts 31/12/2014	Change in fair value	Changes in scope	Other changes	31/12/2015	Changes in fair value: Equity impact	Profit or loss impact: Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges									
Foreign currency forwards	-0.9	4.9	-	-0.1	4.0	-	-	4.9	-
Foreign currency options	-0.3	1.6	-	-0.2	1.1	-	-	1.6	-
Cash flow hedges									
Foreign currency forwards	2.0	-0.9	-	-	1.1	-0.9	-	-	-
Foreign currency options	0.5	-0.2	-	-	0.3	-0.3	0.1	-	-
Instruments not designated for hedging	**-0.6**	**0.6**	**-**	**-**	**-**	**-**	**-**	**-**	**0.6**
TOTAL PRE-TAX IMPACT	**0.6**	**6.2**	**-**	**-0.3**	**6.5**	**-1.1**	**0.1**	**6.6**	**0.6**

Exposure to foreign exchange risk is as follows:

INTER-COMPANY COMMERCIAL TRANSACTIONS

(in millions of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	49.0	20.4	0.2	1.7	-	7.9	79.1
Liabilities	0.4	7.2	0.6	0.8	6.9	-0.1	15.8
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**48.6**	**13.1**	**-0.4**	**0.9**	**-6.9**	**8.0**	**63.3**
Hedging instruments – auxiliary balance	43.1	9.2	-	-	-	-0.4	52.0
Hedging instruments – future flows	30.9	24.2	-	-	-	-0.8	54.2
NET EXPOSURE AFTER HEDGING	**-25.4**	**-20.3**	**-0.4**	**0.9**	**-6.9**	**9.2**	**-42.8**

CURRENT ACCOUNTS

(in millions of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	86.9	-	-	1.6	3.5	-	92.0
Liabilities	-	-	-	-	-	-	-
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**86.9**	**-**	**-**	**1.6**	**3.5**	**-**	**92.0**
Hedging instruments	-	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**86.9**	**-**	**-**	**1.6**	**3.5**	**-**	**92.0**

FINANCING

(in millions of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	-	1.8	-	-	-	-	1.8
Liabilities	92.9	-	-	-	-	-	92.9
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**-92.9**	**1.8**	**-**	**-**	**-**	**-**	**-91.1**
Hedging instruments *	163.6	-	-	-	-	-	163.6
NET EXPOSURE AFTER HEDGING	**-256.6**	**1.8**	**-**	**-**	**-**	**-**	**-254.7**

* *Hedge of net investment in foreign currency.*

TOTAL (MARKET POSITIONS + CURRENT ACCOUNTS + FINANCING)

(in millions of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	135.8	22.2	0.2	3.3	3.5	7.9	172.9
Liabilities	93.3	7.2	0.6	0.8	6.9	-0.1	108.7
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**42.5**	**15.0**	**-0.4**	**2.5**	**-3.5**	**8.0**	**64.2**
Hedging instruments	237.6	33.4	-	-	-	-1.2	269.8
NET EXPOSURE AFTER HEDGING	**-195.1**	**-18.4**	**-0.4**	**2.5**	**-3.5**	**9.2**	**-205.6**

SENSITIVITY ANALYSIS

(in millions of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	
NET IMPACT ON PROFIT	**-**	**0.3**	**-**	**0.1**	**-0.2**	**0.4**	**0.6**
EQUITY IMPACT	**-9.7**	**-1.2**	**-**	**-**	**-**	**-**	**-10.9**

d. Equity risk

The group does not hold any investments in equities or any equity interests in listed companies other than Axway Software shares recognised using the equity method (see Note 15).

At 31 December 2015, the value of treasury shares recognised as a deduction against consolidated equity for the year was €54.9 million.

Given the limited number of treasury shares held (3.08% of the share capital), the group is not materially exposed to equity risk. Furthermore, since the value of treasury shares is deducted from equity, changes in the share price have no impact on the consolidated income statement.

Note 31 Related party transactions

31.1. Compensation of senior management

(in millions of euros)	31/12/2015	31/12/2014
Short-term employee benefits	1.5	1.7
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	2.1	0.9
Equity compensation benefits	0.1	0.1
TOTAL	**3.8**	**2.8**

At the Combined General Meeting of 25 June 2015, the shareholders voted to set the amount of directors' fees to be apportioned among the directors at €500,000, versus €250,000 for 2014.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.19 and 23). There are no commitments in favour of executive managers with respect to post-employment benefits or other long-term employee benefits.

At its meeting on 17 March 2015, the Board of Directors of Sopra Steria Group, after taking into account the recommendations of the Nomination, Ethics and Governance Committee and the Compensation Committee, authorised a settlement (*transaction*) to be entered into with François Enaud following his removal as Chief Executive Officer. The settlement was presented to shareholders in a specific General Meeting resolution. The €2.9 million expense recognised for the settlement in *Other operating income and expenses* includes the lump-sum settlement payment (*indemnité transactionnelle*), consideration in return for a non-compete obligation, related expenses and the impact of lifting the continued-employment condition for the exercise of share subscription options.

31.2. Transactions with equity-accounted associates and non-consolidated entities

(in millions of euros)	31/12/2015	31/12/2014
Transactions between Sopra Steria Group and the Axway group		
Sales of goods and services	2.9	3.4
Purchases of goods and services	-1.9	-0.5
Operating receivables	0.2	0.1
Operating payables	-0.5	-0.1
Financial income	-	-
Financial receivables (current account)	-	-
Transactions between Sopra Steria Group subsidiaries and the Axway group		
Sales of goods and services	4.1	3.7
Purchases of goods and services	-0.8	-3.1
Operating receivables	0.4	0.3
Operating payables	-0.1	-
Financial income	-	-
Financial receivables (current account)	-	-
Transactions between Sopra Steria Group and holding company Sopra GMT		
Sales of goods and services	0.7	-
Purchases of goods and services	-	-0.8
Operating receivables	-	-
Operating payables	-	-
Financial income	-	-
Financial receivables (current account)	-	-

31.3. Subsidiaries and equity interests

Transactions and balances between Sopra Steria Group and its subsidiaries were eliminated in full on consolidation, since all of the subsidiaries are fully consolidated.

Non-consolidated equity investments are included under *Available-for-sale financial assets* (see Note 16.1).

Note 32 Off balance sheet commitments and contingent liabilities

32.1. Contractual obligations

Contractual obligations consist of operating lease agreements with the following face values and maturities:

Contractual obligations *(in millions of euros)*	Payments due by period				
	Less than one year	One to five years	More than five years	31/12/2015	31/12/2014
Leases of immovable property	56.3	170.6	73.8	300.7	273.1
Leases of movable property	17.0	22.5	0.1	39.6	25.6
TOTAL	**73.2**	**193.1**	**73.9**	**340.3**	**298.8**

32.2. Commitments given related to recurring operations

(in millions of euros)	31/12/2015	31/12/2014
Bank guarantees for project completion	60.0	65.8
Parent company guarantee of commitments entered into by subsidiaries	5.0	18.1
Other guarantees	3.5	-
Charge over business assets	-	11.0
TOTAL	**68.5**	**94.9**

With respect to the information technology service contracts it enters into with its clients, the group may, following formal requests by its clients, provide parent company guarantees to its subsidiaries in respect of the performance of their obligations under the contracts signed directly with their clients. The amount of these guarantees at 31 December 2015 is €59.9 million. To date, no use has ever been made of any such guarantee.

32.3. Commitments received

(in millions of euros)	31/12/2015	31/12/2014
Unused credit lines	900.0	765.0
Unused current bank overdrafts	159.0	95.0
TOTAL	**1,059.0**	**860.0**

The group has also received commitments in relation to subleases of real estate. The nominal value of future lease payments to be received is €1.8 million.

As part of a cash pooling arrangement set up in 2012 between the entities of the group and BMG (Bank Mendes Gans), Sopra Steria Group acts as guarantor for the amounts borrowed by its subsidiaries.

32.4. Contingent liabilities

Apart from the contingent liabilities recognised upon the Sopra-Steria business combination (see Note 2.1), no contingent liabilities need to be taken into account.

Note 33 Exceptional events and legal disputes

To the group's knowledge, there are no exceptional events or legal disputes that may have a material effect on its financial position, revenue, business assets or net profit.

Note 34 Subsequent events

34.1. Planned business combination with Cassiopae

On 24 February 2016, Sopra Steria announced its plan to acquire Cassiopae, a leading developer of specialised finance and real estate management software. Under this plan, Sopra Steria would acquire, through its subsidiary Sopra Banking Software, about 75% of KSEOP, Cassiopae's holding company. The founder and his family, and certain managers, would retain about 25% of the share capital. A subsequent acquisition of that 25% would be envisioned for 2020 at the latest.

If the plan, which is subject to the usual conditions precedent, were approved, Sopra Steria could consolidate Cassiopae in its accounts in the 2nd quarter of 2016.

34.2. Introduction of an employee share ownership plan

The Company has announced the implementation of an offer of shares reserved for employees of the Company and its majority-owned subsidiaries in France that are enrolled in the group savings plan (PEG) as well as employees of the Company's subsidiaries in Belgium, Denmark, Germany, Italy, Luxembourg, the Netherlands, Norway, Poland, Singapore, Spain, Sweden and Switzerland that are enrolled in the international group savings plan (PEGI).

In the United Kingdom and India, a share incentive plan (SIP) is being implemented under the specific legal conditions applying to SIPs.

Employees will be able to acquire Sopra Steria shares according to a "conventional" purchase model and receive a matching employer contribution of one free share per share purchased, within the limit of a gross value of 3,000 euros.

The offer of Sopra Steria shares to Group employees will be carried out via the transfer of existing treasury shares, bought back in advance by Sopra Steria under a share buyback programme authorised by the shareholders at the General Meeting of 25 June 2015. The Offer will concern a maximum of 200,000 shares in the Company, corresponding to 100,000 shares purchased by employees and 100,000 free shares awarded as the employer's contribution, plus a maximum of 8,500 free shares to be awarded under the SIP.

The purchase price was set at €101.62 and equal to 100% of the benchmark price, corresponding to the average of the opening prices for Sopra Steria shares on the Euronext Paris market over the 20 trading days preceding the date of the decision by the Chief Executive Officer.

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2015

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2015 on:

- the audit of the accompanying consolidated financial statements of Sopra Steria Group;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of material accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We certify that the consolidated financial statements are, with respect to IFRS as adopted in the European Union, true and fair and provide an accurate view of the net worth, financial situation and earnings of the consolidated group constituted by the persons and entities included in the consolidation.

II - JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- at each balance sheet date, the Company systematically performs an impairment test of goodwill to determine whether there is any indication that investments in equity-accounted companies may be impaired, using the methods described in Sections 1.12 and 12.3 of the explanatory notes to the consolidated financial statements. In the course of our assessments, we examined the appropriateness of the approach adopted in addition to the implementation methods of this impairment test and the overall consistency of the assumptions used and the resulting assessments;
- the Company allocates a provision for its retirement and similar benefit commitments to its employees based on the projected credit unit method, as indicated in Sections 1.19 and 23.2 of the explanatory notes to the consolidated financial statements. In the course of our assessments, we examined the data used, assessed the actuarial assumptions retained, and verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the notes;
- the Company recognises deferred tax assets in accordance with the procedures described in Sections 1.14 and 17 of the explanatory notes to the consolidated financial statements. In the course of our assessments, we verified the consistency of all of the data and assumptions that underpin the measurement of deferred tax assets.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATION

We also performed the specific procedures in accordance with professional standards applicable in France and required by law in relation to the information on the Group contained in the Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Courbevoie, 21 April 2016

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Bruno Pouget

5 2015 Individual financial statements

Balance sheet

Assets *(in thousands of euros)*	**2015**	**2014**
Intangible assets	576,588	582,716
Property, plant and equipment	47,708	46,187
Financial investments	1,278,215	1,106,358
Non-current assets	**1,902,511**	**1,735,261**
Stocks and work in progress	8	21
Trade accounts receivable	399,183	438,848
Other receivables, prepayments and accrued income	157,840	124,924
Cash and cash equivalents	36,061	40,158
Current assets	**593,092**	**603,951**
Debt issuance costs	889	1,165
Translation adjustments – Asset	179	4,989
TOTAL ASSETS	**2,496,671**	**2,345,366**

Liabilities and equity *(in thousands of euros)*	**2015**	**2014**
Share capital	20,447	20,372
Share premium	528,315	646,099
Reserves	164,070	202,171
Net profit/(loss) for the year	33,358	-118,714
Equity	**746,190**	**749,928**
Provisions	**89,387**	**82,821**
Financial debt	970,364	861,433
Trade payables	91,259	97,911
Tax and social charge payables	329,348	325,723
Other liabilities, accruals and deferred income	259,000	224,328
Liabilities	**1,649,971**	**1,509,395**
Translation adjustments – Liability	11,123	3,222
TOTAL LIABILITIES AND EQUITY	**2,496,671**	**2,345,366**

Income statement

(in thousands of euros)	2015	2014
Net revenue	1,289,104	1,447,462
Other operating income	57,966	23,330
Operating income	**1,347,070**	**1,470,792**
Purchases consumed	376,122	6,985
Staff costs	839,901	1,008,949
Other operating expenses	750	411,122
Taxes and duties	33,747	42,095
Depreciation, amortisation, provisions and impairment	26,391	40,354
Operating expenses	**1,276,911**	**1,509,505**
Operating profit/(loss)	**70,159**	**-38,713**
Financial income and expenses	-6,270	-36,442
Pre-tax profit/(loss) on ordinary activities	**63,889**	**-75,155**
Exceptional income and expenses	-33,263	-60,296
Employee profit-sharing and incentives	-5,554	-1,941
Corporate income tax	8,286	18,678
NET PROFIT/(LOSS)	**33,358**	**-118,714**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

1. Significant events

1.1. Acquisition of CIMPA SAS

On 1 October 2015, Sopra Steria Group finalised the acquisition of CIMPA SAS, an Airbus Invest SAS subsidiary specialising in product lifecycle management (PLM).

Through this acquisition, Sopra Steria Group aims to strengthen its positioning with major players in aeronautics, transport and energy by capitalising on CIMPA's industry-specific expertise relating to product and equipment development and manufacturing processes as well as lifecycle management.

1.2. Renegotiation of the syndicated loan maturity and establishment of a commercial paper programme

In accordance with the terms and conditions of its syndicated loan agreement, Sopra Steria Group opted in July 2015 to extend the loan's maturity by one year, thus until September 2020.

The costs associated with this option amounted to €236k.

Also during the year, Sopra Steria Group made the necessary arrangements to be able to issue commercial paper.

These transactions are described in more detail in Note 3.5.1 below.

1.3. Impact of the Sopra Steria merger on the income statement

The 2015 income statement reflects the impact of the large-scale merger in 2014 bringing together the former Steria and Sopra groups through a set of items relating to the restructuring and reorganisation of the new entity thus formed.

These items are described in detail in Note 4.5 below.

1.4. End of François Enaud's term as CEO

At its meeting of 17 March 2015, the Board of Directors decided to end François Enaud's term of office as Chief Executive Officer. Vincent Paris was appointed to replace him in this role.

Additional information is provided in Note 4.2 below.

2. Accounting principles and policies

The financial statements for the period under review were prepared and are presented in accordance with the accounting methods in force within the Group and in compliance with the principles laid down in Articles 121-1 and 121-5 et seq. of France's 2014 national chart of accounts (*Plan Comptable Général*).

Accounting conventions were applied in line with the provisions of the French Commercial Code, the Accounting Decree of 29 November 1983 and ANC Regulation 2014-03 on the revision of the national chart of accounts applicable at the period-end.

Generally accepted accounting principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods from one year to the next;
- accrual basis; and
- in accordance with general guidelines for the preparation and presentation of annual financial statements.

No changes were made in accounting policies during the periods under review.

With respect to the comparability of the 2015 and 2014 financial statements, it should be noted that the 2014 income statement included operations transferred in the period ended 31 December 2014, namely:

- Infrastructure Management (transferred to Sopra Steria Infrastructure & Security Services);
- Pléiades (transferred to Sopra HR Software);
- Advanced Payment (transferred to Sopra Banking Software).

2.1. Software development costs

All research and development costs are charged to the income statement in the year they are incurred.

Development costs for software and solutions may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset for use or sale;
- the intent to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

No development costs for software and solutions were recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

The only research and development costs recognised are from the accounts of companies acquired and then merged.

Intangible assets also include development costs for fundamentally important computer applications used for the specific needs of companies formerly belonging to the Steria group. These development costs are amortised over their expected useful lives, subject to a maximum of seven years.

2.2. Acquired software

Software is recognised at purchase cost. It is amortised on a straight-line basis over one to ten years.

2.3. Goodwill

Sopra Steria Group conducts goodwill impairment tests each time there is an indication of an impairment loss. The Company writes down the value of an asset if its current value (the higher of market value and value in use) is less than its carrying amount.

2.4. Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at purchase cost.

Depreciation is calculated using the straight-line method over the useful lives assigned to each category of fixed assets.

Buildings	25 years
Fixtures and fittings	10 years
Hardware and equipment	3 to 5 years
Vehicles	5 years
Office furniture and equipment	5 to 10 years

2.5. Equity interests

Equity interests are recognised at their acquisition cost.

At each year-end, an impairment loss is recognised whenever the acquisition cost exceeds the value in use.

The book value of equity interests is estimated on the basis of a number of criteria, principally the following:

- consolidated equity;
- future cash flows.

2.6. Revenue

2.6.1. CONSULTING AND SYSTEMS INTEGRATION

Technical assistance, consulting, training and projects provided on a time and materials basis

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of the contractual billing rates and billable time. They give rise to revenue recognition, with a corresponding entry to *Accrued income* reflected in the balance sheet as part of *Trade accounts receivable*;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet as *Deferred income* within *Other liabilities, accruals and deferred income*.

Services covered by fixed-price contracts

Fixed-price contracts are characterised by commitments relating to the price, the end result and the deadline. Services performed under such contracts are usually recognised as follows using the percentage-of-completion method:

- revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the group's quality procedures, of the contract's degree of completion. During performance of a project, this assessment is generally based on 90% of the contract amount with the remaining 10% deferred until completion;
- the amount of revenue recognised at each balance sheet date is based on the difference between 90% of the contract value and the amount required to cover the total number of man-days remaining to be performed. This amount is included in the balance sheet as *Accrued income* within *Trade accounts receivable*. Payments on account received are included under *Other liabilities, accruals and deferred income*.

Moreover, costs incurred in the start-up phase of a contract may be recognised in the balance sheet as work-in-progress when they relate to future activities of the contract and provided it is probable that they will generate future economic benefits. These capitalised transition costs are reported in the balance sheet under *Trade accounts receivable*.

Should a contract become loss-making, losses at completion are systematically recorded in *Provisions for contingencies and losses*.

2.6.2. SOFTWARE AND SOLUTIONS

Services provided within the scope of Software and Solutions operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary services: installation, configuration, adjustments, training, etc.

In general, separate contracts are entered into with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising the contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are non-material and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a pro rata basis;
- ancillary services are generally provided on a time and materials basis and are recognised when performed, i.e. in general when invoiced. They are sometimes performed within the scope of fixed-price contracts, in which case they are recognised using the percentage-of-completion method described above.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated for a fixed price

In this situation, the amount of revenue attributable to the licence is obtained by calculating the difference between the total contract amount and the fair value of its other components, e.g. maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered essential to the operation of a software package

This may be the case for very complex projects the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Industrial Department. Such projects are recognised using the percentage-of-completion method described above.

2.7. Trade accounts receivable

Trade accounts receivable are recognised using the methods specified above.

A separate estimate is carried out for trade accounts receivable at the end of the financial year and an impairment loss is recognised in the event of a risk of non-recovery, particularly when linked to collective proceedings. Doubtful debts for which legal proceedings have not been instigated are treated as accrued credit notes.

2.8. Retirement benefits

Sopra Steria Group sets aside provisions for all of its retirement benefit commitments in accordance with the retirement clauses of the Syntec collective bargaining agreement.

Sopra Steria Group's obligation towards its employees is determined on an actuarial basis, using the projected unit credit method: the employer's present obligation is recognised in proportion to the probable length of service of the employees, taking into account actuarial assumptions such as the level of future salary, life expectancy and staff turnover. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Actuarial gains and losses representing more than 10% of the amount of obligations are recognised and amortised over the expected average working lives of the employees participating in the plan.

2.9. Foreign currency transactions

Foreign currency income and expense items are recorded at their euro equivalent at the transaction date.

Foreign currency receivables and payables are recorded in the balance sheet at their euro equivalent determined using the closing exchange rate. Any gains or losses arising on the retranslation of foreign currency receivables and payables are recorded in the balance sheet under *Translation adjustments*.

A provision for contingencies and losses is recognised in respect of foreign currency translation losses in the amount of such losses, unless the term of the transactions is sufficiently close. In this case, the unrealised gains and losses are considered to form part of the overall foreign exchange position and the charge to the provision is restricted to the amount by which losses exceed gains.

2.10. Provisions for contingencies and losses

Provisions for contingencies and losses are set aside to cover probable outflows of resources to third parties, without consideration for the Company. They may include, inter alia, provisions to cover the following:

- commercial risks (estimated costs of guarantee expenses, "losses on completion" on some long-term contracts);
- employee-related costs (restructuring costs, post-employment benefits covering pension obligations, supplementary pensions and similar benefits);
- costs related to business premises (unoccupied premises, renovations);
- financial risks such as the risk of foreign exchange losses;
- risks of tax adjustments linked to accounting audits.

2.11. Consolidated financial statements

The Company prepares consolidated financial statements. The group consists of Sopra Steria Group (the parent) and its subsidiaries as well as the group's share in associates.

3. Notes to the balance sheet

3.1. Non-current assets

3.1.1. INTANGIBLE ASSETS

(in thousands of euros)	Research and development costs	Concessions, patents and similar rights	Goodwill [1]	Total
GROSS VALUE				
At 1 January 2015	**3,525**	**37,997**	**619,677**	**661,199**
Acquisitions	-	338	-	338
Disposals [2]	-	-3,413	-	-3,413
At 31 December 2015	**3,525**	**34,922**	**619,677**	**658,124**
AMORTISATION				
At 1 January 2015	**3,397**	**20,844**	**54,241**	**78,482**
Additions	85	5,060	-	5,145
Reversals	-	-2,091	-	-2,091
At 31 December 2015	**3,482**	**23,813**	**54,241**	**81,536**
NET VALUE				
At 1 January 2015	**128**	**17,153**	**565,436**	**582,717**
At 31 December 2015	**43**	**11,109**	**565,436**	**576,588**

(1) Including €484.347 million relating to the premiums paid on the merger with Steria SA.
(2) Including €3.339 million relating to the discontinuation of the Project ONE application. The net carrying amount of this asset was €1.323 million at the date of the discontinuation.

Intangible assets comprise:
- research and development costs;
- software acquired or contributed;
- goodwill acquired or contributed during mergers.

Research and development costs for software and solutions, which totalled €14.330 million in 2015, are recognised as expenses.

Software acquisitions mainly relate to workstation software as well as development and industrialisation tools.

3.1.2. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Land	Buildings	Technical installations	Sundry fittings	Vehicles	Office furniture and equipment	Other property, plant and equipment	Fixed assets in progress	Total
GROSS VALUE									
At 1 January 2015	**323**	**6,829**	**2,620**	**58,225**	**87**	**31,879**	**14**	**176**	**100,153**
Acquisitions	-	-	342	7,067	-	3,751	-	-	11,160
Disposals	-	-	-577	-1,287	-	-264	-	-176	-2,304
At 31 December 2015	**323**	**6,829**	**2,385**	**64,005**	**87**	**35,366**	**14**	**-**	**109,009**
DEPRECIATION									
At 1 January 2015	**117**	**5,654**	**1,437**	**27,540**	**5**	**19,215**	**-**	**-**	**53,968**
Charges	10	134	534	5,660	17	2,619	-	-	8,974
Reversals	-	-	-576	-823	-	-242	-	-	-1,641
At 31 December 2015	**127**	**5,788**	**1,395**	**32,377**	**22**	**21,592**	**-**	**-**	**61,301**
NET VALUE									
At 1 January 2015	**206**	**1,175**	**1,183**	**30,685**	**82**	**12,664**	**14**	**176**	**46,185**
At 31 December 2015	**196**	**1,041**	**990**	**31,628**	**65**	**13,774**	**14**	**-**	**47,708**

Property, plant and equipment consists of:

- *Land and buildings:* Sopra Steria Group owns three buildings at the Annecy-le-Vieux site;
- *Office furniture, fixtures and equipment:* this refers to equipment on premises leased by Sopra Steria Group in major French cities.

Some computer hardware is acquired on four-year leases and is not included under property, plant and equipment in the individual financial statements.

3.1.3. FINANCIAL INVESTMENTS

(in thousands of euros)	Equity interests and long-term investment securities	Receivables in respect of equity interests	Loans and other financial investments	Total
GROSS VALUE				
At 1 January 2015	**1,069,177**	**1,471**	**63,082**	**1,133,730**
Changes in scope	1	-	-	1
Acquisitions / Increases	116,948	-	54,000	170,948
Disposals / Decreases	-2,899	-1,471	-3,898	-8,268
Partial transfers of assets	-	-	-	-
At 31 December 2015	**1,183,227**	**-**	**113,184**	**1,296,411**
IMPAIRMENT				
At 1 January 2015	**25,708**	**1,471**	**194**	**27,373**
Additions	7,520	-	-	7,520
Reversals	-15,032	-1,471	-194	-16,697
At 31 December 2015	**18,196**	**-**	**-**	**18,196**
NET VALUE				
At 1 January 2015	**1,043,469**	**-**	**62,888**	**1,106,357**
At 31 December 2015	**1,165,031**	**-**	**113,184**	**1,278,215**

Details concerning equity interests are provided in the list of subsidiaries and other equity interests presented in Note 5.12.

This item also includes bonds purchased directly from the issuer, CS Communication & Systèmes, at the time of issuance. These bonds have the following characteristics:

- negotiable bonds;
- par value: €360;
- number of bonds acquired: 22,300;
- subscription date: 25 July 2014;
- maturity date: 25 July 2019;
- nominal interest rate: 4% (capitalised and paid at maturity).

a. Breakdown of changes in the gross amounts recognised for equity interests and long-term investment securities

Changes in scope:

These relate to the contributions of shares in connection with the dissolution without liquidation of Stepar and U-Services, both carried out at 11 December 2015.

Increases:

Securities concerned *(in thousands of euros)*	**Transaction**	**Amount**
Sopra Steria AB (Sweden)	Recapitalisation	1,616
Sopra Steria GmbH (Germany)	Recapitalisation	15,000
CIMPA SAS	Purchase of shares	100,000
CS Communication & Systèmes	Capitalised interest on bonds	321
Sopra Steria Services	Subscription to the share capital at formation	10
TOTAL		**116,947**

Decreases:

Securities concerned *(in thousands of euros)*	**Transaction**	**Amount**
Stepar	Dissolution without liquidation	1,141
U-Services	Dissolution without liquidation	205
Valoris Luxembourg	Liquidation	1,154
Ecomouv D&B	Liquidation	21
Axway Software	Delivery of shares upon the exercise of options by Sopra Steria Group	278
Sopra Luxembourg	Intra-group disposal of shares following internal reorganisation	100
TOTAL		**2,899**

b. Impairment of equity interests

In accordance with CRC Regulation 2002-10, issued by the Comité de la Réglementation Comptable, the French accounting regulation committee, on the depreciation, amortisation and impairment of fixed assets, the following changes in impairment charges were recognised in financial year 2015:

(in thousands of euros)	**At 1 January 2015**	**Charges**	**Reversals**	**At 31 December 2015**
Sopra Group Informatica (1)	13,487	-	13,487	-
Valoris Luxembourg	1,154	-	1,154	-
Sopra Group GmbH	5,485	-	-	5,485
Steria Medshore (Morocco)	697	238	-	935
U-Services (2)	128	-	128	-
Stepar (2)	264	-	264	-
Sopra Steria AB (Sweden) (3)	3,997	7,283	-	11,280
Sopra Steria A/S (Denmark) (3)	495	-	-	495
TOTAL	**25,707**	**7,521**	**15,033**	**18,195**

(1) Full reversal of the impairment loss on Spanish shares given the notable improvement in business activity in the region and the earnings prospects for the entity.

(2) Changes relating to the dissolution transactions for these two entities.

(3) Provision recognised or maintained on a prudent basis.

c. Loans and other financial investments

This items mainly consists of:

- loans to UK subsidiaries in the amount of £63.771 million;
- treasury shares in the amount of €24.077 million. During the year, Sopra Steria Group bought back 300,000 shares from Geninfo, corresponding to a total value of €23.175 million.

3.2. Other assets

3.2.1. TRADE ACCOUNTS RECEIVABLE

(in thousands of euros)	2015	2014
Non-group clients and related accounts	264,224	299,163
Accrued income	122,475	112,309
Group clients	12,471	29,254
Doubtful debtors	535	218
Provision for doubtful debtors	-522	-2,096
TOTAL	**399,183**	**438,848**

Trade accounts receivable are recognised as assets and are stated at their carrying amount.

Accrued income is comprised essentially of production recognised for fixed-price projects using the percentage-of-completion method. Invoices are generally prepared for these contracts upon completion of the services rendered, which are covered over the lifespan of the projects through payments on account.

Overall, trade accounts receivable decreased by €40 million during the year. This decline was due in particular to:

- the improvement in the number of days sales outstanding;
- a sale of trade receivables in the amount of €29.994 million carried out at 31 December 2015;
- the change in the process for intra-group rebilling, which has resulted in more regular invoices.

3.2.2. OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

(in thousands of euros)	2015	2014
Staff costs and related accounts	305	542
Social security	338	126
State and local authorities		
■ Corporate income tax	316	7,352
■ VAT	14,458	18,342
■ Other tax	72,284	57,058
Group and associates	54,357	24,127
Impairment of current accounts	-48	-48
Other receivables	10,736	7,574
Prepaid expenses	5,094	9,852
TOTAL	**157,840**	**124,925**

The *Other tax* item includes in particular tax credits not used at 31 December 2015. It mainly consists of R&D tax credit receivables totalling €66.474 million.

In 2014, the *Corporate income tax* item included:

- tax prepayments totalling €4.248 million redeemed in 2015;
- the R&D tax credit receivable for 2013, which was reclassified in 2015 to *Other tax* along with the other tax credits of the same type.

Group and associates increased by nearly €30 million, mainly due to the change in the current account with the subsidiary Sopra Banking Software (up €25 million in 2015).

Prepaid expenses relate to services invoiced in 2015 and attributable to subsequent years. They mainly concern costs associated with hardware and software maintenance contracts and leases of movable and immovable property .

3.2.3. DEBT ISSUANCE COSTS AND TRANSLATION ADJUSTMENTS

(in thousands of euros)	2015	2014
Debt issuance costs	889	1,165
Translation adjustments – Asset	179	4,989
TOTAL	**1,068**	**6,154**

Foreign currency translation losses amounted to €0.179 million at 31 December 2015, down from €4.989 million a year earlier. This change was mainly due to the closing exchange rate for the pound sterling, which had a positive impact on liabilities in GBP (depreciation of the pound against the euro for the most recent automatic renewal period), but also receivables in GBP (closing rate higher than the historical rate).

Debt issuance expenses consist of costs to negotiate and arrange the bond issue carried out on 12 April 2013 for an initial amount of €1.672 million. These costs are amortised over the term of the debt in proportion to the interest accrued.

3.2.4. IMPAIRMENT OF CURRENT ASSETS

(in thousands of euros)	At 1 January 2015	Charges	Reversals	At 31 December 2015
Impairment of trade receivables	2,097	2	1,577	522
Impairment of current accounts	48	-	-	48
Impairment of sundry debtors	-	-	-	-
TOTAL	**2,145**	**2**	**1,577**	**570**

3.3. Equity

3.3.1. STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Share capital	Issue, merger and contribution premiums	Legal reserve	Discretionary reserves	Retained earnings	Net profit/ (loss) for the year	Total
At 1 January 2015	**20,372**	**646,099**	**1,191**	**201,010**	**-30**	**-118,714**	**749,928**
Appropriation of 2014 earnings and dividends		-118,745	-	-38,707	618	118,714	-38,120
Exercise of share subscription options	63	2,217	-	-	-	-	2,280
Impact of disposal of Axway shares following exercise of share subscription options	-	-1,256	-	-	-	-	-1,256
Free share awards to employees	12	-	-	-12	-	-	-
Profit/(loss) for the year	-	-	-	-	-	33,358	33,358
At 31 December 2015	**20,447**	**528,315**	**1,191**	**162,291**	**588**	**33,358**	**746,190**

The amount of dividends paid in 2015, in respect of 2014 profit, was €1.90 per share, for a total amount of €38.706 million.

3.3.2. SHARE CAPITAL

Sopra Steria Group had share capital of €20,446,723 at 31 December 2015, compared with €20,371,789 at 31 December 2014, represented by 20,446,723 fully paid-up shares with a par value of €1 each.

The principal movements in 2015 were as follows:

- delivery of 11,882 free shares under the free share award plans;
- exercise of share subscription options during the year: 63,052 shares were created, corresponding to a capital increase of €63 thousand and an issue premium of €2.217 million.

In accordance with the decision made at the Combined General Meeting of 27 June 2014 pursuant to Article L. 225-123 of the French Commercial Code arising from the Law of 29 March 2014, double voting rights were introduced on 7 July 2014 for all fully paid-up shares held in registered form in the same shareholder's name for at least two years.

At 31 December 2015, the total number of voting rights that could be exercised at Ordinary and Extraordinary General Meetings was 24,711,313, while the total number of theoretical voting rights at that date was 25,019,813.

Sopra Steria Group held a total of 308,500 treasury shares at 31 December 2015. At the balance sheet date, inaccessible reserves amounted to €24.077 million.

3.3.3. SHARE SUBSCRIPTION OPTION PLANS

	Plan 5				Plan 6			Plan 7	Total
Date of General Meeting	26/05/2005	26/05/2005	26/05/2005	26/05/2005	15/05/2008	15/05/2008	15/05/2008	10/05/2011	
Date granted by the Board of Directors	25/07/2006	21/12/2006 (1)	08/01/2007	18/03/2008 (1)	17/03/2009 (1)	15/04/2010 (1)	29/03/2011 (1)	20/10/2011	
Total number of shares that may be subscribed or purchased	30,000	67,000	5,000	50,000	20,000	30,000	49,500	5,000	**256,500**
Number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Exercise price	57.85	58.80	60.37	45.30	27.16	53.68	72.40	43.22	
Number of shares initially allocated or readjusted following the Axway spin-off	30,000	70,423	5,000	52,642	21,302	31,953	52,720	5,000	**269,040**
Initial or readjusted exercise price following the Axway spin-off		53.84		41.16	24.13	49.03	66.61		
of which number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Date at which options may be exercised	26/07/2011	22/12/2011	09/01/2012	19/03/2013	18/03/2014	16/04/2015	30/03/2016	21/10/2016	
Expiry date	24/07/2014	20/12/2014	07/01/2015	17/03/2016	16/03/2017	14/04/2018	28/03/2019	19/10/2019	
Subscription or purchase price	57.85	53.84	60.37	41.16	24.13	49.03	66.61	43.22	
Operating procedures	NA	NA	NA	NA	NA	NA	NA	NA	
Number of shares subscribed at 31/12/2015	-	45,270	-	43,142	21,302	6,000	-	-	**115,714**
of which number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Cumulative number of share subscription or purchase options cancelled or lapsed	30,000	25,153	5,000	9,500	-	-	14,911	-	**84,564**
of which number of company officers' shares retired	-	-	-	-	-	-	-	-	-
Share subscription or purchase options remaining at 31/12/2015	**-**	**-**	**-**	**-**	**-**	**25,953**	**37,809**	**5,000**	**68,762**
of which number of company officers' shares remaining	-	-	-	-	-	-	-	-	-

(1) Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.

Ten largest stock option grants to employees who are not company officers and options exercised by said employees during the year	Number of options granted/number of shares subscribed or purchased	Weighted average price	Plan 5	Plan 6	Plan 7
Ten largest stock option grants during the year by the issuer, or by any other group entities able to grant options, to employees of the issuer or any other group entity (composite information)	-	-	-	-	-
Ten largest purchases or subscriptions of shares of the issuer or the aforementioned entities via the exercise of stock options by employees of the issuer or said group entities during the year (composite information)	*63,052*	*€36.16*	*35,750*	*27,302*	-

No options were granted to company officers during the year.

3.3.4. FREE SHARE AWARD PLANS

	SOPRA PLAN *(in Sopra shares)*	PLANS ADDED FOLLOWING THE STERIA MERGER *(in Steria shares)*			
	Plan (1)	**Plan 9** (2)	**Plans 10 and 11** (3)	**Plan 12** (3)	**Plan 13** (4)
Date of General Meeting	19/06/2012	28/05/2010	15/05/2012	15/05/2012	22/05/2014
Grant date	19/06/2012	29/07/2011	02/07/2012 and 01/08/2012	17/09/2013	15/10/2014
Total number of shares granted unconditionally	166,875	157,600	166,600	151,900	79,500
Number of shares granted to:					
■ former company officers (5)	-	12,000	14,000	14,000	5,500
■ top ten employee grantees (6)	-	42,500	53,000	50,500	21,800
Vesting date					
■ Spain/Italy	01/07/2014	29/07/2014			
■ France	01/07/2014	29/07/2014	02/07/2015 and 01/08/2015	17/09/2016	15/10/2017
■ Other countries	01/07/2016	29/07/2015	01/08/2016	17/09/2017	15/10/2018
Holding period expiry date					
■ France	30/06/2016	29/07/2016	01/07/2017	17/07/2018	15/10/2019
■ Spain	30/06/2016	29/07/2016			
■ Other countries	(7)	(7)	(7)	(7)	(7)
Number of potential shares that could have been granted as at 1 January 2015	5,205	68,250	166,600	151,900	79,500
Granted in 2015	30	2,816	44,550		
Awards cancelled in 2015	630	65,434	83,200	39,500	9,000
Vested at 31/12/2015	129,045	10,736	44,550	-	-
SHARES REMAINING AT 31 DECEMBER 2015	**4,545**	**-**	**38,850**	**112,400**	**70,500**
EQUIVALENT IN SOPRA STERIA SHARES REMAINING AT 31/12/2015 FOLLOWING THE MERGER (8)	**4,545**	**-**	**9,722**	**28,123**	**17,625**

(1) Plan with conditional grant depending on continued employment.

(2) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating margin and share price over a three-year period.

(3) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating margin and consolidated revenue over a three-year period.

(4) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating profit on business activity and consolidated revenue over a two-year period.

(5) The company officer in question is Groupe Steria's former General Manager, who is not subject to the continued employment requirement.

(6) From the former Steria group.

(7) No holding period.

(8) The adjustment of the number of Steria shares to Sopra Steria shares is calculated based on an exchange ratio of one Sopra Steria share for every four Steria shares, rounded up to the nearest whole number, for each grantee.

3.4. Provisions

(in thousands of euros)	At 1 January 2015	Inter-account transfers	Additions for the year	Reversals for the year		At 31 December 2015
				Used	Not used	
Provisions for retirement benefits	45,986	-278	8,146	1,254	-	52,600
Provisions for restructuring [(1)]	3,316	297	12,460	3,781	-	12,292
Provisions for commercial disputes [(2)]	15,379	-2,597	650	2,595	8,613	2,224
Provisions for employee disputes	3,426	-	2,169	427	377	4,791
Provisions for foreign exchange losses	4,988	-	179	4,988	-	179
Provisions for taxes [(3)]	8,511	-	6,854	-	219	15,146
Provision for site restoration	821	-297	-	-	524	-
Provisions for risks relating to subsidiaries	62	-	-	62	-	-
Other provisions for contingencies [(4)]	329	-	2,080	-	254	2,155
TOTAL	**82,818**	**-2,875**	**32,538**	**13,107**	**9,987**	**89,387**

(1) Provisions for restructuring mainly relate to costs connected with the reorganisation of business premises.
(2) Provisions for commercial disputes mainly correspond to contract risks.
(3) Additions to provisions for taxes correspond to readjustments of the estimated risks associated with tax audits.
(4) Additions to other provisions for contingencies mainly relate to a social security contribution adjustment risk.

It should be noted that provisions recognised on a prudent basis in no way prejudice the future outcome of current disputes.

3.4.1. PROVISIONS FOR RETIREMENT BENEFITS

Sopra Steria Group recognises provisions for its commitments to employees in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement as amended in 2004 pursuant to the pension reform act of 21 August 2003. Provisions for retirement benefits are recognised on an actuarial basis as described in Note 2.8.

Assumptions referring to mortality rates are based on published statistical data.

Turnover tables are based on five-year age brackets and are updated at each balance sheet date to reflect separation data for the last five years.

The discount rate used to calculate the present obligation is the yield on high-quality corporate bonds (rated AA or higher) denominated in the payment currency and with a maturity close to the average estimated term of the retirement obligation concerned.

The group uses the 20-year Bloomberg rate for the eurozone as the benchmark for the discounting of its retirement benefit obligations. At 31 December, this rate stood at 2.41%.

The total retirement benefit obligation amounted to €52.600 million.

3.5. Liabilities

3.5.1. FINANCIAL DEBT

(in thousands of euros)	At 1 January 2015	Increase	Decrease	At 31 December 2015
Syndicated loan	434,805	67	156,773	278,099
Commercial paper	-	238,563	-	238,563
Employee profit-sharing	23,076	-	3,518	19,558
Bond	180,000	-	-	180,000
Other financial debt	218,812	30,331	-	249,143
Accrued interest on financial debt	4,738	263	-	5,001
TOTAL	**861,431**	**269,224**	**160,291**	**970,364**

In 2014, the group took out a €1,200 million five-year borrowing facility with two options to extend the expiry date by one year, consisting of a €200 million amortising tranche, an £80 million amortising tranche and a €900 million multicurrency revolving credit line. In 2015, the first one-year extension option on the loan was exercised with the consent of all participating banks. As a result, the loan now matures on 15 September 2020 and carries a single one-year extension option. At 31 December 2015, the outstanding amount drawn on the loan is from the two amortising tranches (€180 million and £72 million after contractual amortizations for the period). The €900 million multicurrency revolving credit facility is undrawn.

In 2015, the group implemented an unrated multi-currency commercial paper programme of up to €500 million. The outstanding amounts on this programme at 31 December 2015 were €231.7 million and £5.0 million.

At 31 December 2015, the *Other financial debt* item consisted of bank overdrafts in the amount of €248.898 million.

The bond issue in the original amount of €180.000 million has the following characteristics:

- subscription date: 12 April 2013;
- coupon rate: 4.25%;
- redemption date: 12 July 2019.

The terms and conditions to which the syndicated loan and bond issue are subject include a commitment to comply with certain financial covenants.

There are two financial ratios calculated every six months using the published consolidated financial statements on a 12-month rolling basis (adjusted for the impact of acquisitions over a 12-month period):

- the leverage ratio, equal to net financial debt/EBITDA;
- the interest coverage ratio, equal to EBITDA/cost of net financial debt.

The first financial ratio (leverage ratio) must not exceed 3.0 at any reporting date.

The second ratio (interest coverage ratio) must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), less available cash and cash equivalents.

EBITDA is the consolidated *Operating profit on business activity* adding back depreciation and amortisation and current provisions.

At 31 December 2015, the covenant for net financial debt/EBITDA, requiring a ratio of no more than 3.0, was met with the ratio coming in at 1.76.

The calculation is as follows:

(in millions of euros)	31/12/2015	31/12/2014
Short-term borrowings (< 1 year)	315.70	69.90
Long-term borrowings (> 1 year)	437.80	594.90
Cash and cash equivalents	-222.70	-222.40
Other financial guarantees	-	7.56
Net financial debt (including financial guarantees)	**530.80**	**450.00**
EBITDA	**301.93**	**286.86**
Net financial debt/EBITDA	**1.76**	**1.57**

For the interest coverage ratio, EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis (adjusted for the impact of acquisitions over a 12-month period).

At 31 December 2015, the covenant for EBITDA/cost of net financial debt, requiring a ratio of at least 5.0, was met with the ratio coming in at 37.10. The calculation is as follows:

(in millions of euros)	31/12/2015	31/12/2014
EBITDA	**301.93**	**286.86**
Cost of net financial debt	**8.14**	**9.80**
EBITDA/Cost of net financial debt	**37.10**	**29.25**

3.5.2. TRADE ACCOUNTS PAYABLE

(in thousands of euros)	2015	2014
Non-Group suppliers and related accounts	34,810	45,703
Accrued expenses	37,219	34,141
Group suppliers (including accrued expenses)	19,230	18,067
TOTAL	**91,259**	**97,911**

3.5.3. TAX AND SOCIAL CHARGE PAYABLES

(in thousands of euros)	2015	2014
Staff costs and related accounts	102,577	106,995
Social security	117,947	109,519
State and local authorities		
■ Corporate income tax	-	-
■ VAT	99,235	104,746
■ Other tax	9,589	4,463
TOTAL	**329,348**	**325,723**

3.5.4. OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

(in thousands of euros)	2015	2014
Liabilities in respect of fixed assets	5,023	5,104
Group and associates	133,198	124,883
Other liabilities	21,139	18,695
Deferred income	99,640	75,646
TOTAL	**259,000**	**224,328**

Deferred income comprises the portion of interim billings issued in advance on fixed-price and maintenance contracts.

3.5.5. TRANSLATION ADJUSTMENTS – LIABILITY

(in thousands of euros)	2015	2014
Translation adjustments – Liability	11,123	3,222
TOTAL	**11,123**	**3,222**

4. Notes to the income statement

4.1. Revenue

Revenue breaks down as follows by vertical market:

	2015	2014
Services (including Property Management)	24.3%	27.2%
Public Sector	19.3%	19.4%
Manufacturing	23.4%	16.3%
Finance	21.2%	20.8%
Telecoms & Media	9.4%	13.0%
Retail	2.4%	3.3%
TOTAL	**100.0%**	**100.0%**

Of the €1,289 million of revenue generated in 2015, €59 million derived from international operations.

4.2. Compensation of directors and company officers

Directors' fees paid in 2015 in respect of the 2014 financial year amounted to €250k.

Compensation paid in 2015 to company officers totalled €1.407 million.

At its meeting on 17 March 2015, the Board of Directors of Sopra Steria Group, after taking into account the recommendations of the Nomination, Ethics and Governance Committee and the Compensation Committee, authorised a settlement (*transaction*) to be entered into with François Enaud following his removal as Chief Executive Officer.

The provisions of this settlement include a lump-sum severance payment, a non-compete payment and the waiver of the continued employment requirement in relation to awards of free shares subject to performance conditions.

For good governance and transparency reasons, this settlement was submitted to the Board of Directors for general authorisation under the terms of Article L. 225-38 and, where applicable, Article L. 225-42-1 of the French Commercial Code, even though they do not formally apply to it.

The Board of Directors, after having ensured that the performance conditions it had decided to apply as necessary had been met, namely the completion of the mergers of Sopra Steria Group, Groupe Steria and Steria by 31 December 2014 and the achievement of more than 50% of the targets set for variable compensation in respect of the previous two years, authorised the payment of the aforementioned amounts.

As the settlement does not constitute predefined severance pay, it does not formally fall within the scope of the AFEP-MEDEF corporate governance code recommending that predefined severance pay be limited to two years' fixed and variable compensation. However, the amounts paid out under the settlement are, in particular, justified by the highly specific situation of François Enaud, who played a decisive role in the development of Steria, which he joined more than 30 years ago, holding executive management responsibilities for 17 of these years, and by his active involvement in the organisation of the new Sopra Steria combined group.

The cost of the settlement totalled €2.8 million.

4.3. French tax credit for competitiveness and jobs (CICE)

In respect of the 2015 financial year, Sopra Steria Group recorded a CICE tax credit of €17.701 million, recognised as a deduction from staff costs.

Sopra Steria Group sold its 2015 CICE tax credit receivables amounting to €22.306 million, including all such receivables relating to tax-consolidated entities.

Of this amount, €21.530 million had already been financed at the balance sheet date. The remaining €0.777 million, recognised under *Other receivables*, will be received in the first quarter of 2016.

The CICE is used in accordance with regulations in force (Article 244 quater of the French General Tax Code).

4.4. Financial income and expenses

(in thousands of euros)	2015	2014
Dividends received from equity interests	16,911	15,826
Interest on bank borrowings and similar charges	-17,692	-18,692
Interest on employee profit-sharing	-1,315	-1,530
Discounting of the pension provision	-1,052	-1,218
Interest received and paid on Group current accounts	443	3,298
Positive and negative foreign exchange impact (including provision)	-14,247	-11,118
Impairment of equity interests	8,785	-574
Other additions to and reversals of financial provisions	-	-33
Other financial income and expenses	3,052	-1,126
Merger deficit	-1,155	-21,275
FINANCIAL ITEMS	**-6,270**	**-36,442**

The detail of dividends received is listed in the table of subsidiaries and other equity interests (see Note 5.12).

Foreign exchange gains and losses mainly arise from transactions carried out in sterling during the year.

The loss on liquidation was recognised upon the liquidation, effective 28 December 2015, of the subsidiary Valoris Luxembourg.

4.5. Exceptional income and expenses

The main movements in exceptional income and expenses were:

- expenses related to the merger of the former Sopra and Steria groups in the amount of €33.652 million;
- an addition to provisions for taxes in the amount of €6.635 million;
- the reversal of an unused provision recognised for a commercial dispute in the amount of €8.083 million.

(in thousands of euros)	Expenses	Income
Disposal/scrapping of property, plant and equipment	493	12
Disposal of financial investments	378	2,908
Discontinued intangible assets	1,323	-
Provision for taxes	6,854	220
Restructuring costs:		
■ Actual expenses/income for the year	24,678	-
■ Additions to/Reversals of provisions	-	3,105
Expenses related to vacant premises		
■ Actual expenses/income for the year	2,175	-
■ Additions to/Reversals of provisions	12,460	675
Provision for commercial disputes	-	8,083
Losses on contracts	-	530
Other	737	306
EXCEPTIONAL ITEMS	**49,098**	**15,839**

4.6. Employee profit-sharing

The amount of legally prescribed employee profit-sharing was nil in 2015, due to the fact that net taxable profit was less than 5% of equity.

4.7. Incentives

Incentives for 2015 were provisioned in the amount of €5.519 million.

4.8. Corporate income tax

4.8.1. TAX CONSOLIDATION

Sopra Steria Group and its subsidiaries Sopra Banking Software, Sopra HR Software, Sopra I2S and Beamap have opted to file as a tax consolidation group as from financial year 2013. Each of the companies computes and recognises its own income tax charge as if it were taxed separately. Any tax savings that may result from this method benefit the parent company, Sopra Steria Group, on a temporary basis.

Sopra Steria Group recognised tax savings of €0.298 million in 2015 as a result of tax consolidation adjustments.

4.8.2. R&D TAX CREDIT

Sopra Steria Group recognised an R&D tax credit of €8.704 million in 2015.

4.8.3. BREAKDOWN OF TAX BETWEEN RECURRING AND EXCEPTIONAL OPERATIONS

Corporate income tax is broken down as follows:

(in thousands of euros)	2015	2014
Tax on recurring operations	912	800
Tax on exceptional operations	-	-
Tax related to tax consolidation	-298	-671
Tax charge from tax reassessments	-	100
R&D tax credit	-8,704	-18,524
Other tax credits	-196	-383
TOTAL	**-8,286**	**-18,678**

Tax on recurring operations includes the 3% contribution on distributed income (€1.161 million).

4.8.4. DEFERRED AND UNREALISED TAX ITEMS

	Basis							
	At 1 January 2015		Change in scope		Change		At 31 December 2015	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I. CERTAIN OR CONTINGENT DIFFERENCES								
Tax-driven provisions	-	-	-	-	-	-	-	-
Investment subsidies	-	-	-	-	-	-	-	-
Temporary non-deductible expenses								
To be deducted the following year								
■ employee profit-sharing	-	-	-	-	-	-	-	-
■ organic tax	2,396	-	-	-	-395	-	2,001	-
To be deducted thereafter								
■ provision for post-employment benefits	45,988	-	-278	-	6,890	-	52,600	-
■ provision for foreign exchange losses	4,989	-	-	-	-4,810	-	179	-
■ other	1,587	-	-	-	11,018	-	12,605	-
Temporary non-taxable income								
■ short-term capital gains	-	-	-	-	-	-	-	-
■ capital gains on mergers	-	-	-	-	-	-	-	-
■ deferred long-term capital gains	-	-	-	-	-	-	-	-
Deducted expenses (or taxed income) for tax purposes that has not been recognised								
■ foreign currency translation losses	-	4,988	-	-	-	-4,809	-	179
■ foreign currency translation gains	3,356	-	-	-	7,766	-	11,122	-
■ deferred charges	-	-	-	-	-	-	-	-
Other	150	-	-	-	-150	-	-	-
TOTAL	**58,466**	**4,988**	**-278**	**-**	**20,319**	**-4,809**	**78,507**	**179**
II. ITEMS TO BE OFFSET								
Losses that may be carried forward for tax offset	185,534	-	-	-	-15,023	-	170,511	-
Long-term capital losses	-	-	-	-	-	-	-	-
III. CONTINGENT TAX ITEMS								
Capital gains on non-depreciable assets contributed on merger	-	148,729	-	-	-	-	-	148,729
Special reserve for construction profits	-	-	-	-	-	-	-	-

5. Other information

5.1. Maturities of receivables and payables at the balance sheet date

5.1.1. RECEIVABLES

(in thousands of euros)	Gross amount	Within 1 year	More than 1 year
Non-current assets			
Receivables related to equity interests	-	-	-
Other financial investments	113,185	29,216	83,969
Current assets			
Doubtful debts and disputes	535	-	535
Other trade receivables	399,170	399,170	-
Staff costs and related accounts	305	305	-
Social security	338	338	-
State and local authorities			
■ Corporate income tax	316	316	-
■ VAT	14,458	14,458	-
■ Other tax	72,284	13,673	58,611
Group and associates	54,357	54,357	-
Other receivables	10,736	10,736	-
Prepaid expenses	5,094	5,031	63
TOTAL	**670,778**	**527,600**	**143,178**

5.1.2. PAYABLES

(in thousands of euros)	Gross amount	Within 1 year	More than 1 year and within 5 years	More than 5 years
Bank debt				
■ 2 years maximum at origin	-	-	-	-
■ More than 2 years at origin	278,099	30,900	247,199	-
Bond	180,000	-	180,000	-
Other financial debt	512,265	498,306	13,861	98
Trade payables	91,259	91,259	-	-
Staff costs and related accounts	102,577	102,577	-	-
Social security	117,947	117,947	-	-
State and local authorities				
■ Corporate income tax	-	-	-	-
■ VAT	99,235	99,235	-	-
■ Other tax	9,589	9,589	-	-
Liabilities in respect of fixed assets	5,023	5,023	-	-
Group and associates	133,198	133,198	-	-
Other liabilities	20,632	20,632	-	-
Deferred income	99,640	99,640	-	-
TOTAL	**1,649,464**	**1,208,306**	**441,060**	**98**

5.2. Information concerning related parties

(in thousands of euros)	Related parties
ASSETS	
Advances and payments on account for fixed assets	-
Equity interests	1,155,573
Receivables related to equity interests	-
Loans	86,888
Trade receivables	12,471
Other receivables	54,357
Translation adjustments – Asset	18
LIABILITIES	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Liabilities in respect of fixed assets	-
Trade accounts payable	19,230
Other liabilities	133,198
Translation adjustments – Liability	6,164
INCOME STATEMENT	
Income from equity interests	18,429
Other financial income	4,549
Financial expenses	114

5.3. Transactions with equity-accounted associates and non-consolidated entities

(in thousands of euros)	31/12/2015
Transactions between Sopra Steria Group and the Axway group	
Sales of goods and services	2,827
Purchases of goods and services	-1,136
Operating receivables	167
Operating payables	-106
Financial income	2,087
Transactions between Sopra Steria Group and the holding company Sopra GMT	
Sales of goods and services	36
Purchases of goods and services	-836
Operating receivables	1
Operating payables	-59
Financial income	-

5.4. Information on finance leases

5.4.1. ASSETS HELD UNDER FINANCE LEASES

(in thousands of euros)	Original value	Depreciation charge for the period	Depreciation charge accumulated	Net value
IT equipment	27,232	4,944	13,399	13,833

5.4.2. FINANCE LEASE COMMITMENTS

(in thousands of euros)	Actual lease payments for the period	Actual lease payments accumulated	Lease payments remaining less than 1 year	Lease payments remaining 1 to 5 years	Lease payments remaining Total payable	Residual purchase price
IT equipment	5,181	14,569	5,245	7,888	13,133	234

5.5. Off balance sheet commitments

5.5.1. OFF BALANCE SHEET COMMITMENTS GIVEN

(in thousands of euros)	31/12/2015
Endorsements and bank guarantees	36,774
Counter-guarantee on non-bank guarantees covering contracts*	534,477
Bank counter-guarantee	3,489
Nominal value of future equipment operating lease payments	7,742
Nominal value of future real estate operating lease payments	158,256
Nominal value of future finance lease payments	13,367
Foreign exchange hedge	198
Interest rate hedge	257,000
TOTAL COMMITMENTS GIVEN	**1,011,303**

* *With respect to the information technology service contracts it enters into with its clients, the group may, following formal requests by its clients, provide parent company guarantees to its subsidiaries in respect of the performance of their obligations under the contracts signed directly with their clients.*
To date, no use has ever been made of any such guarantee.

5.5.2. OFF BALANCE SHEET COMMITMENTS RECEIVED

(in thousands of euros)	31/12/2015
Endorsements and other bank guarantees	-
Cash facilities (overdrafts)	
■ authorised	164,000
■ utilised (balance sheet)	20,540
■ not utilised (off balance sheet)	143,460
Medium-term loan	
■ authorised	1,178,099
■ utilised (balance sheet)	278,099
■ not utilised (off balance sheet)	900,000
Nominal value of future real estate sub-lease payments	53,393
Net carrying amount of leased assets	13,833
Foreign exchange hedge	198
Interest rate hedge	257,000
TOTAL COMMITMENTS RECEIVED	**1,300,658**

Other off balance sheet commitments

As part of a cash pooling arrangement set up in 2012 between certain Group entities and BMG (Bank Mendes Gans), Steria SA acted as guarantor for the amounts borrowed by its subsidiaries.

Sopra Steria Group also acts as guarantor for the amount of the contribution payable by its UK subsidiaries in respect of pension plans in the event that those subsidiaries should default. Similarly, it acts as guarantor for the put option granted to the UK Cabinet Office to acquire the 25% not yet held in SSCL, in the event that the Sopra Steria Ltd subsidiary should default.

5.6. Retirement benefit obligations

5.6.1. AMOUNTS RECOGNISED IN THE BALANCE SHEET

(in thousands of euros)	31/12/2015
Present value of the obligation financed (with corridor)	45,987
Fair value of plan assets	-
Difference	-
Present value of the obligation financed	**45,987**
Unrecognised actuarial losses (difference)	6,477
Intra-group transfers and partial transfers of assets	-84
Unrecognised past service cost	220
Net liability on the balance sheet (provision after charge for the year)	**52,600**
Balance sheet amounts	
Liabilities	52,600
Assets	-
NET OBLIGATION IN THE BALANCE SHEET	**52,600**

5.6.2. AMOUNTS RECOGNISED IN THE INCOME STATEMENT

(in thousands of euros)	31/12/2015
Current service cost	5,785
Interest on obligation	1,052
Net actuarial losses recognised for the period	1,087
Past service cost	220
Losses/(gains) on curtailments and settlements	-
Total recognised under *Operating expenses*	**8,144**
Actual return on plan assets	-
Net liability at the beginning of the period (with corridor)	**45,987**
Net expense recognised in the income statement	6,697
Contributions	-
Intra-group transfers and partial transfers of assets	-84
NET LIABILITY AT THE END OF THE PERIOD	**52,600**

The calculation assumptions for this obligation were as follows:

- each employee is entitled to retirement benefits;
- the amount payable is calculated as set out in the collective bargaining agreement covering the category of employees in question;
- voluntary retirement age: 65;
- salary increase rate: 2.5%;
- discount rate: 2.41%.

5.7. Accrued income and expenses

(in thousands of euros)	
ACCRUED INCOME	
Trade accounts payable – Credit notes to be received	537
Trade accounts receivable	124,969
Tax and social charge receivables	338
Other receivables	137
Cash and cash equivalents	261
TOTAL	**126,242**
ACCRUED EXPENSES	
Accrued interest on financial debt	5,001
Trade accounts payable	48,082
Trade accounts receivable – Credit notes to be issued	11,318
Tax and social charge payables	146,116
Other liabilities	-
TOTAL	**210,517**

5.8. Workforce

The average workforce for 2015 comprised 12,211 employees, including 11,835 management-level staff.

The workforce at 31 December 2015 comprised 12,793 employees.

5.9. Exceptional events and legal disputes

There were employee and contractual risks and disputes at the balance sheet date that are not provisioned in the balance sheet because they constitute contingent liabilities. Uncertainties remain as to their amount and the timing of the outflow of resources.

Furthermore, there are no exceptional events or legal disputes that may have a material effect on the Company's financial position, revenue, business assets or net profit.

5.10. URSSAF reassessments

During the year, URSSAF personnel audited the social security returns filed by the former companies Steria SA and Groupe Steria SCA (entities having been merged into Sopra Steria Group in 2014) for the period from 1 January 2012 to 31 December 2014.

These two audits were completed before the end of the year and resulted in a total reassessment of €0.662 million.

5.11. Post balance sheet events

5.11.1. PLANNED BUSINESS COMBINATION WITH CASSIOPAE

Sopra Steria plans to acquire, through its subsidiary Sopra Banking Software, about 75% of KSEOP, the holding company of the Cassiopae group, a leading developer of software solutions for specialised finance and property management.

5.11.2. ESTABLISHMENT OF AN EMPLOYEE SHAREHOLDING PLAN

The Company has announced the implementation of an offer of shares reserved for employees of the Company and its majority-owned subsidiaries in France that are enrolled in the group savings plan (PEG) as well as employees of the Company's subsidiaries in Belgium, Denmark, Germany, Italy, Luxembourg, the Netherlands, Norway, Poland, Singapore, Spain, Sweden and Switzerland that are enrolled in the international group savings plan (PEGI).

In the United Kingdom and India, a share incentive plan (SIP) is being implemented under the specific legal conditions applying to SIPs.

Employees will be able to acquire Sopra Steria shares according to a "conventional" purchase model and receive a matching employer contribution of one free share per share purchased, within the limit of a gross value of €3,000.

The offer of Sopra Steria shares to Group employees will be carried out via the transfer of existing treasury shares, bought back in advance by Sopra Steria under a share buyback programme authorised by the shareholders at the General Meeting of 25 June 2015. It will involve a maximum of 200,000 shares in the Company, corresponding to 100,000 shares purchased by employees and 100,000 free shares awarded as the employer's matching contribution, plus a maximum of 8,500 free shares to be awarded under the SIP.

The share purchase price will be equal to 100% of the benchmark price, corresponding to the average of the opening prices for Sopra Steria shares on the Euronext Paris market over the 20 trading days preceding the date of the decision by the Chief Executive Officer.

5.12. Subsidiaries and other equity interests at 31 December 2015

Where applicable, euro figures were converted from local currencies using the period-end exchange rates.

Company *(in thousands of euros)*	Share capital	Other shareholders' equity	% of capital held	Carrying amount of shares held Gross	Net	Loans and advances granted by the company	Amount of guarantees and securities given	Revenue excluding VAT	Profit or loss	Dividends received by the company
Subsidiaries										
Sopra Banking Software (France)	161,867	-19,763	100	154,442	154,442	29,150	500	173,833	-15,781	-
Sopra HR Software (France)	13,110	9,808	100	3,171	3,171	-	-	156,490	4,311	2,622
Sopra Steria Holdings Ltd (United Kingdom)	24,310	253,908	100	82,106	82,106	-	-	-	-1	-
Sopra Group GmbH (Germany)	1,200	-845	100	11,485	6,000	4,518	-	17,502	-1,198	-
Sopra Steria Group (Italy)	3,660	-1,501	100	12,503	12,503	8,965	-	44	-1,165	-
Sopra Group Informatica SAU (Spain)	24,000	40,596	100	116,747	116,747	-	-	139,437	3,072	3,000
Sopra India Private Ltd (India)	240	18,470	100	5,366	5,366	-	-	29,886	4,476	-
Beamap (France)	10	792	100	2,775	2,775	-	-	2,628	242	300
Diamis (France)	3,235	1,058	40	1,294	1,294	-	-	6,827	734	130
Sopra Steria AB (Sweden)	762	-588	100	11,280	-	-	-	9,927	-2,645	-
Sopra Steria Schweiz A.G. (Switzerland)	4,250	6,336	99	12,061	12,061	-	5,076	48,216	2,585	3,954
Sopra Steria A/S (Denmark)	2,412	-1,463	100	9,531	9,036	-	536	22,926	-1,898	-
Sopra Steria Benelux (Belgium)	9,138	2,028	99	20,556	20,556	-	120	54,055	-1,641	-
Sopra Steria AS (Norway)	2,083	17,313	100	4,303	4,303	-	9,893	157,828	6,752	2,852
Sopra Steria GmbH (Germany)	10,000	10,087	100	171,668	171,668	-	20,000	211,280	-21,008	-
Sopra Steria Asia (Singapore)	1,297	4,437	100	1,190	1,190	-	8,388	11,226	1,491	620
Sopra Steria Infrastructure & Security Services (France)	15	-13,893	100	14,617	14,617	10,411	-	219,175	-13,859	-
Steria Medshore SAS (Morocco)	650	1,101	100	2,688	1,753	814	-	1,464	1,375	-
Sopra Steria Polska (Poland)	4,324	2,655	100	10,800	10,800	-	118	21,330	2,255	1,318
Sopra Steria UK Corporate Ltd (United Kingdom)	24,298	189,714	100	389,600	389,600	5,139	-	-	1,653	-
CIMPA	152	13,048	100	100,000	100,000	-	-	77,205	671	-
Sopra Steria Services	10	-1	100	10	10	-	-	-	-1	-
Equity interests										
Intest SA (France)	NA	NA	19	58	58	-	-	NA	NA	27
Axway Software	41,548	177,153	25	35,577	35,577	-	-	172,148	8,510	2,087

5.13. Summary of results for the last five financial years

(in thousands of euros)	2015	2014	2013	2012	2011
Financial position of the group at the year-end					
■ Share capital	20,447	20,372	11,920	11,893	11,893
■ Number of shares issued	20,447	20,372	11,920	11,893	11,893
■ Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
■ Revenue excluding VAT	1,289,104	1,447,462	853,281	819,228	850,278
■ Profit before tax, depreciation, amortisation and provisions	39,930	-108,916	56,399	32,010	236,532
■ Corporate income tax	-8,286	-18,678	5,313	8,406	21,143
■ Profit after tax, depreciation, amortisation and provisions	33,358	-118,714	40,947	34,841	173,288
■ Amount of profit distributed as dividends	34,759	38,706	22,647	20,219	22,598
Earnings per share					
■ Profit after tax but before depreciation, amortisation and provisions	2.36	-4.43	4.29	1.98	18.11
■ Profit after tax, depreciation, amortisation and provisions	1.63	-5.83	3.44	2.93	14.57
■ Dividend paid per share	1.70	1.90	1.90	1.70	1.90
Employee data					
■ Number of employees	12,793	15,213	8,901	8,395	8,654
■ Total payroll	580,995	699,464	382,987	358,743	363,402
■ Social benefit charges paid (social security, social bodies, etc.)	258,907	309,484	170,862	167,008	169,288

Statutory Auditors' report on the individual financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2015 on:

- the audit of the accompanying individual financial statements of Sopra Steria Group;
- the justification of our assessments;
- the specific verifications and information required by law.

The individual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE INDIVIDUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the individual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of material accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the individual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of 31 December 2015 and of the results of its operations for the financial year then ended, in accordance with French accounting principles.

II - JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- the assets of Sopra Steria Group include equity investments, for which the accounting policies are described in Note 2.5. Our work involved assessing the criteria used to estimate the book value of these securities. In the course of our assessments, we verified the rationale for the approach adopted as well as the consistency of all of the assumptions used and the resulting valuations;
- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected unit credit method, as indicated in Notes 2.8, 3.4.1 and 5.6 to the individual financial statements. In the course of our assessments, we examined the data used, assessed the actuarial assumptions retained and verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the note.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND DISCLOSURES

We have also performed the other specific verifications required by law in accordance with professional practice standards applicable in France.

We have no matters to report regarding the fair presentation and consistency with the individual financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the individual financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits granted to the company officers and any other commitments made to them, we have verified its consistency with the financial statements, or with the underlying information used to prepare those financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of that information.

Pursuant to the law, we have verified that the Management Report contains the applicable disclosures as to ownership and control, and the identity of the holders of share capital.

Paris and Courbevoie, 21 April 2016

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Bruno Pouget

Statutory Auditors' special report on regulated agreements and commitments

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby submit to you our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions as well as the grounds for the benefit to the Company of those agreements and commitments brought to our attention or that we may have discovered in the course of our audit. We are not required to express an opinion on their usefulness and appropriateness or ascertain whether any other such agreements and commitments exist. In accordance with the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the benefit of entering into such agreements when they are submitted for your approval.

Where applicable, it is also our responsibility to provide you with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the shareholders at a General Meeting.

We have carried out the procedures we deemed necessary in accordance with the professional guidelines of the Compagnie Nationale des Commissaires aux Comptes (CNCC, the French national institute of statutory auditors) relating to this engagement. These procedures consisted in verifying that the information given to us was consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL AT THE GENERAL MEETING

We hereby inform you that we were not informed of any agreements or commitments authorised during the financial year ended to be submitted for approval at the General Meeting subject to the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED AT A GENERAL MEETING

Agreements and commitments approved during previous years that remained in force during the year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments approved by the shareholders in previous financial years remained in force during the year.

Tripartite framework agreements for assistance entered into between your Company, Sopra GMT (a shareholder in your Company) and Axway Software (an investee of your Company)

Under this agreement, Sopra GMT carried out services for your Company relating to strategic decision-making, coordination of the general policy between your Company and Axway Software, and the development of synergies between these two companies, and performs various strategy-related, consulting and assistance services particularly with respect to finance and control.

This agreement has an unspecified term and will end, in the event of termination, with prior notice of 12 months.

The charging of services to Sopra Steria Group is performed on the basis of actual costs plus a mark-up of 7% (excluding expenses relating to Sopra GMT's administration of its investments, estimated at around 5% of the company's total expenses).

Sopra Steria Group charges Sopra GMT fees for the provision of premises and IT resources as well as assistance for the group's functional departments.

Under this agreement, Sopra GMT charged your Company a net amount of €775,036 with respect to financial year 2015.

At its meeting on 25 February 2016, your Company's Board of Directors confirmed that this agreement still met the criteria under which it was authorised, and indicated that it would maintain the previously granted authorisation.

Persons concerned:

Name	Functions
Pierre Pasquier	Chairman of the Board of Directors of Sopra Steria Group Chairman and CEO of Sopra GMT
François Odin	Vice-Chairman of the Board of Directors of Sopra Steria Group Managing Director of Sopra GMT
Éric Pasquier	Director of Sopra Steria Group Director of Sopra GMT

Provision of premises agreement entered into by your Company and Axway Software, an investee of your Company

Your Company charges Axway Software for services provided under a provision of premises agreement.

For financial year 2015, your Company recognised a net income of €2,156,132 under this agreement.

At its meeting on 25 February 2016, your Company's Board of Directors confirmed that this agreement still met the criteria under which it was authorised, and indicated that it would maintain the previously granted authorisation.

Persons concerned:

Name	Functions
Pierre Pasquier	Chairman of the Board of Directors of Sopra Steria Group Chairman of the Board of Directors of Axway Software
Kathleen Clark-Bracco	Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group Vice-Chairman of the Board of Directors of Axway Software
Hervé Saint Sauveur	Director of Sopra Steria Group Director of Axway Software

Provision of IT resources agreement entered into by your Company and Axway Software, an investee of your Company

Your Company charges Axway Software for services provided under a provision of IT resources agreement.

For financial year 2015, your Company recognised a net income of €6,568 under this agreement.

At its meeting on 25 February 2016, your Company's Board of Directors approved the downgrading of this agreement to unregulated status after taking into account the fact that the provision of IT resources is charged at market conditions and that these services represent a small amount of income.

Persons concerned:

Name	Functions
Pierre Pasquier	Chairman of the Board of Directors of Sopra Steria Group Chairman of the Board of Directors of Axway Software
Kathleen Clark-Bracco	Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group Vice-Chairman of the Board of Directors of Axway Software
Hervé Saint Sauveur	Director of Sopra Steria Group Director of Axway Software

Agreements and commitments approved during the year under review

We were also informed of the execution, during the year under review, of the following agreements and commitments, already approved at the General Meeting of 25 June 2015 on the basis of the Special Report of the Statutory Auditors dated 27 April 2015.

Agreement entered into with Eric Hayat Conseil

This agreement relates to the provision to senior management of advisory and assistance services, particularly in relation to strategic deals connected with business development, in return for compensation calculated on the basis of €2,500 (excluding taxes) per day.

For the financial year ended 31 December 2015, your Company recognised an expense of €225,000 under this agreement.

At its meeting on 25 February 2016, your Company's Board of Directors confirmed that this agreement still met the criteria under which it was authorised, and indicated that it would maintain the previously granted authorisation.

Person concerned: Eric Hayat, Chairman of Eric Hayat Conseil and member of your Company's Board of Directors.

Settlement entered into with François Enaud

Your Company's Board of Directors authorised a settlement *(transaction)* with François Enaud following his removal as Chief Executive Officer.

The terms of this settlement included:

- a final and comprehensive lump-sum settlement payment *(indemnité transactionnelle)* made by your Company to François Enaud in the amount of €1,442,272;
- the resignation by François Enaud from his duties as a director;
- an 18-month non-compete obligation upon François Enaud, in return for gross compensation of €700,000;
- the waiver of the continued employment requirement in respect of the 33,500 free performance shares that had been allotted to him by Groupe Steria SCA, i.e. a maximum of 8,375 Sopra Steria Group shares, which were still in their vesting period, with the other initial conditions remaining applicable.

Person concerned: François Enaud, Director of Sopra Steria Group.

Courbevoie and Paris, 21 April 2016

Mazars	**Auditeurs & Conseils Associés**
represented by	represented by
Bruno Pouget	François Mahé

6 Sopra Steria Group and the stock market

1. General information

The group was listed on the Paris Stock Exchange on 27 March 1990. Its ISIN is FR0000050809.

Sopra Steria Group shares are listed on Compartment A of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD).

At 31 December 2015, Sopra Steria Group had share capital of €20,446,723 comprising 20,446,723 shares with a nominal value of €1.

In accordance with the decision made at the Combined General Meeting of 27 June 2014 pursuant to Article L. 225-123 of the French Commercial Code arising from the Act of 29 March 2014, double voting rights were introduced on 7 July 2014. Shares held in registered form for more than two years carry double voting rights; all other shares carry single voting rights.

Codes and classification of the Sopra Steria Group share

ISIN / Euronext code: FR0000050809

Ticker symbol: SOP

Market: Euronext Paris

CFI: ESEUFB

(E = Equities, S = Shares, E = Enhanced voting, U = Free, F = Fully paid, B = Bearer)

Instrument type: Stock

Compartment: A (Large Cap)

Characteristics of the Sopra Steria Group share

Industry: 9000, Technology

SuperSector: 9500, Technology

Sector: 9530, Software & Computer Services

Subsector: 9533, Computer Services

Eligible for Share Savings Plan

Eligible for Deferred Settlement Service

Main tickers for the Sopra Steria Group share

Euronext: SOP

Bloomberg: SOP:FP

Reuters: SOPR.PA

Main indices including the Sopra Steria Group share

SBF 120

CAC ALL-TRADABLE

CAC ALL SHARES

CAC MID & SMALL

CAC MID 60

CAC SOFT.& C. S.

CAC TECHNOLOGY

EURONEXT FAS IAS

NEXT 150

2. Current ownership

Shareholders	At 31/12/2015 Shares	At 31/12/2015 % of capital	At 31/12/2015 % of theoretical voting rights	At 31/12/2015 % of exercisable voting rights	At 31/12/2014 Shares	At 31/12/2014 % of capital	At 31/12/2014 % of theoretical voting rights	At 31/12/2014 % of exercisable voting rights	At 31/12/2013 Shares	At 31/12/2013 % of capital and theoretical voting rights	At 31/12/2013 % of exercisable voting rights
Sopra GMT [1]	4,034,409	19.7%	29.5%	29.8%	3,334,409	16.4%	25.4%	25.5%	3,334,409	28.0%	28.0%
Pasquier family	119,538	0.6%	1.0%	1.0%	131,038	0.6%	1.0%	1.0%	131,038	1.1%	1.1%
Odin family	241,800	1.2%	1.9%	2.0%	242,595	1.2%	1.9%	1.9%	242,595	2.0%	2.0%
Management	497,172	2.4%	3.8%	3.8%	511,720	2.5%	2.9%	2.9%	733,613	6.2%	6.2%
o/w Sopra Développement [2]	1	0.0%	0.0%	0.0%	1	0.0%	0.0%	0.0%	210,177	1.8%	1.8%
o/w SEI [3]	258,828	1.3%	2.1%	2.1%	258,828	1.3%	1.2%	1.2%	258,828	2.2%	2.2%
o/w managers [4]	238,343	1.2%	1.7%	1.7%	252,891	1.2%	1.7%	1.7%	264,608	2.2%	2.2%
Agreement between Sopra GMT, Pasquier and Odin families, and management	*4,892,919*	*23.9%*	*36.1%*	*36.6%*	*4,219,762*	*20.7%*	*31.2%*	*31.2%*	*4,441,655*	*37.3%*	*37.3%*
Soderi	1	0.0%	0.0%	0.0%	1	0.0%	0.0%	0.0%			
Agreement between Sopra GMT and Soderi	*4,034,410*	*19.7%*	*29.5%*	*29.8%*	*3,334,410*	*16.4%*	*25.4%*	*25.5%*	*NA [8]*	*NA*	*NA*
Geninfo (Société Générale group) [5]	0	0.0%	0.0%	0.0%	1,434,700	7.0%	10.9%	11.0%	1,434,700	12.0%	12.0%
Agreement between Sopra GMT, Pasquier and Odin families, and Geninfo	*NA*	*NA*	*NA*	*NA*	*5,142,742*	*25.2%*	*39.2%*	*39.3%*	*5,142,742*	*43.1%*	**43.2%**
Total agreements	**4,892,920**	**23.9%**	**36.1%**	**36.6%**	**5,654,463**	**27.8%**	**42.1%**	**42.1%**	**5,876,355**	**49.3%**	**49.3%**
Interests managed on behalf of employees	1,581,990	7.7%	6.5%	6.6%	1,779,925	8.7%	7.0%	7.0%			
o/w mutual funds (FCPE) and SIP Trust [6]	1,264,412	6.2%	5.2%	5.3%	1,441,904	7.1%	5.7%	5.7%			
o/w other UK trusts [7]	317,578	1.6%	1.3%	1.3%	338,021	1.7%	1.3%	1.3%			
Free float	13,663,313	66.8%	56.2%	56.9%	12,920,253	63.4%	50.8%	50.9%	6,039,028	50.7%	50.7%
Treasury shares	308,500	1.5%	1.2%	0.0%	17,148	0.1%	0.1%	0.0%	4,200	0.0%	
TOTAL	**20,446,723**	**100.0%**	**100.0%**	**100.0%**	**20,371,789**	**100.0%**	**100.0%**	**100.0%**	**11,919,583**	**100.0%**	**100.0%**

(1) Sopra GMT, a French société anonyme, is a holding company for Sopra Steria Group and Axway. It holds shares in Sopra Steria Group and Axway.
(2) Sopra Développement is a company formed by a group of senior managers whose corporate purpose is to hold shares in Sopra Steria Group and Axway.
(3) SEI Sopra Executive Investments is a company formed by a group of senior managers whose corporate purpose is to hold shares in Sopra Steria Group.
(4) These are the managers or former managers who signed the shareholders' agreement with Sopra GMT, the Pasquier and Odin families, SEI and Sopra Développement.
(5) Geninfo is a holding company wholly-owned by the Société Générale group. It acquired a holding in Sopra Steria Group in 1996 through a share exchange when Sopra Steria Group acquired SG2, the Systems Integration division of Société Générale.
(6) SIP Trust is a UK trust that manages shares purchased by employees under a Share Incentive Plan.
(7) The other UK trusts are trusts whose assets are held for the purpose of promoting employee share ownership.
(8) Not applicable

On 25 June 2015, Geninfo sold all its shares to Sopra GMT (700,000 shares), Sopra Steria Group (300,000 shares) and various investors (434,700 shares), thus terminating the shareholders' agreement between it, Sopra GMT and the Pasquier and Odin families.

Sopra GMT's ownership structure is as follows:

Sopra GMT ownership structure	31/12/2015		31/12/2014		31/12/2013	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pierre Pasquier family group	318,050	68.95%	318,050	68.95%	318,050	67.31%
François Odin family group	132,050	28.63%	132,050	28.63%	132,050	27.95%
Sopra Steria Group management	11,174	2.42%	11,174	2.42%	22,435	4.74%
TOTAL	**461,274**	**100.00%**	**461,274**	**100.00%**	**472,535**	**100.00%**

3. Employee share ownership

At 31 December 2015, employees of the Company and of related companies within the meaning of Article L. 225-180 of the French Commercial Code held a total of 1,173,071 Sopra Steria Group shares under Sopra and Steria employee savings plans, representing 5.7% of the share capital and 4.4% of voting rights.

This employee share ownership is mainly a result of the 2014 merger with Groupe Steria and the tendering by the FCPE Groupe Steriactions mutual fund of all of its Groupe Steria shares to the public exchange offer.

Groupe Steria had a high level of employee share ownership grouped together within Soderi. Astrid Anciaux, Chairman of the Supervisory Board of the FCPE Groupe Steriactions, is a director of Sopra Steria Group.

Furthermore, the interests managed on behalf of employees, including FCPE mutual funds, SIP Trust, which manages shares purchased by employees under a Share Incentive Plan in the United Kingdom and India, and other UK trusts whose assets are held for the purpose of promoting employee share ownership, represented 7.7% of the share capital at 31 December 2015.

4. Voting rights

In accordance with the decision made at the Combined General Meeting of 27 June 2014 pursuant to Article L. 225-123 of the French Commercial Code arising from the Act of 29 March 2014, double voting rights were introduced on 7 July 2014 for all fully paid-up shares held in registered form in the same shareholder's name for at least two years.

At 31 December 2015, the total number of voting rights that could be exercised at Ordinary and Extraordinary General Meetings was 24,711,313 and the total number of theoretical voting rights was 25,019,813.

5. Threshold crossings

In 2015, the following crossings of statutory shareholding thresholds were declared to and published by the Autorité des Marchés Financiers:

Date at which threshold(s) crossed	AMF declaration no.	Shareholder(s) having crossed the threshold(s)	Crossing of threshold(s) in capital	Crossing of threshold(s) in voting rights	Type	Number of shares	% of capital held	Number of voting rights	% of voting rights held
25/06/2015	215C0951	In concert: Sopra GMT – Odin – Pasquier – Management	*25%*		Decrease	4,916,059	*24.11%*	9,035,984	*36.20%*
25/06/2015	215C0951	Geninfo	*5%*	10% and 5%	Decrease	0	*0%*	0	*0%*

6. Shareholders' agreements

6.1. Agreement between Sopra GMT, Pierre Pasquier, François Odin and Geninfo

The shareholders' agreement signed on 4 July 2000, constituting an action in concert between Sopra GMT, Pierre Pasquier and François Odin on the one hand and Geninfo (Société Générale group) on the other, was terminated without prejudice to the action in concert existing in relation to Axway, owing solely to Geninfo's disposal of its entire stake in Sopra Steria Group, i.e. 1.4 million Sopra Steria Group shares representing 7.04% of the share capital, as part of a private placement executed on 25 June 2015.

6.2. Agreement between Sopra GMT, the Pasquier and Odin families and management

A shareholders' agreement constituting an action in concert was concluded, for a two-year term, on 7 December 2009 between the Pasquier and Odin family groups, Sopra GMT, Sopra Développement and a group of senior managers. It is automatically renewable for subsequent terms of two years.

This agreement includes the following main provisions:

- an undertaking by the parties to act in concert so as to implement shared strategies and, in general, to approve any significant decisions;
- an undertaking by the parties to act in concert in connection with the appointment of the members of Sopra Steria Group's management bodies and the renewal of these appointments, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT;
- an undertaking to act in concert so that the parties shall jointly hold, at all times, a minimum of 30% of the capital and voting rights of Sopra Steria Group;
- an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal corresponding to more than 0.20% of the capital or voting rights of Sopra Steria Group;
- an undertaking by the parties to act in concert in order to adopt a shared strategy in the event of any takeover bid or exchange offer relating to Sopra Steria Group shares;
- a pre-emptive right to the benefit of the Pasquier and Odin family groups and Sopra GMT in the event of any disposal (i) by a senior manager of Sopra Steria Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group and right of fourth refusal for Sopra Développement) or (ii) by Sopra Développement of Sopra Steria Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group and right of third refusal for the Odin family group). The exercise price for the pre-emptive right shall be equal to (i) the price agreed between the transferor and the transferee in the event of an off-market transfer, (ii) the average share price over the ten trading days preceding the announcement of the disposal in the event of a sale on the market, or (iii) the value determined for the shares in the context of the transaction, in all other cases.

The senior managers shall refrain from carrying out any transaction likely to entail the filing of a mandatory takeover bid or exchange offer.

A rider to this agreement was signed on 14 December 2012, extending the agreement to include Sopra Executive Investments (SEI), a company created by a group of Sopra Group senior managers. The main provisions of the agreement remain unchanged, with SEI granted a pre-emptive right having the same ranking as that of Sopra Développement.

6.3. Agreement between Sopra GMT and Soderi

Soderi is the company owned by Sopra Steria Group's employee shareholders from the former Steria. For many years, Soderi has overseen the structures that manage these employees' holdings. The chairman of the Supervisory Board of the FCPE Groupe Steriactions and the chairman of the UK-based Sopra Steria Employee Trust are members of Soderi's Board of Directors.

On 9 June 2014, Sopra GMT and Soderi entered into a shareholders' agreement under which they declare that they are acting in concert vis-à-vis Sopra Steria Group.

This shareholders' agreement was entered into for five (5) years with effect from the date of clearing and settlement of the Offer, and may be tacitly renewed for successive periods of three (3) years, unless terminated by either of the parties.

The shareholders' agreement mainly provides for the following undertakings:

- an undertaking by Sopra GMT not to exercise its double voting right at a General Meeting of Shareholders to approve a resolution not put forward or authorised by the Board of Directors;
- an undertaking by both parties not to propose at a General Meeting of Shareholders draft resolutions not authorised by the Board of Directors, unless a public tender offer for Sopra Steria Group is filed;
- an undertaking by Sopra GMT to confer with the representative of Soderi on the Board of Directors prior to any deliberation concerning certain important decisions (such as major deals affecting ownership, the group's activities or the annual presentation of the strategic plan to the Board of Directors).

The agreement also includes other stipulations, particularly concerning employee shareholding, with the aim of:

- encouraging employees to invest in the group's success through the most suitable mechanisms (investment and/or share ownership) to be discussed by the Board of Directors as and when the group's financial performance permits; and
- working to define a new vehicle to bring together employee shareholders in the new group.

7. Control

7.1. Breakdown of voting rights

At 31 December 2015:

- the group of shareholders acting in concert through the agreements referenced above, within which Sopra GMT, the group's holding company, is the main shareholder, held 36.1% of voting rights;
- the holdings managed on behalf of employees represented 6.5% of voting rights;
- no individual shareholder held more than 5% of voting rights aside from Sopra GMT.

The average percentage voting rights attaching to shares held by shareholders present or represented at Sopra Steria Group General Meetings since 2010 is approximately 83%.

7.2. Composition of the Board of Directors

At 31 December 2015, the group of shareholders acting in concert held eight out of a total of eighteen seats on the Board of Directors: four directors representing Sopra GMT, including the Chairman of the Board of Directors; one director representing Soderi under the agreement between Sopra GMT and Soderi; two other directors who are also members of Soderi's Board of Directors; and one director representing management. No other shareholders are specifically represented on the Board of Directors.

7.3. Measures to govern the control exercised by Sopra GMT

Various measures are in place to govern the effective control exercised by Sopra GMT:

- the undertaking given by Sopra GMT under the shareholders' agreement with Soderi not to exercise the double voting right attaching to its Sopra Steria Group shares to approve resolutions not adopted or authorised by the Board of Directors of Sopra Steria Group;
- the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the adoption of the AFEP-MEDEF code as the Company's corporate governance code;
- the presence on the Board of Directors of six independent directors, one non-voting member meeting all the independence criteria laid down in the AFEP-MEDEF code, two directors from outside the group of shareholders acting in concert and two directors representing the employees;
- the composition of the specialist committees, which include a majority of independent directors (Audit Committee / Compensation Committee) or, at the very least, directors from outside the group of shareholders acting in concert (Nomination, Ethics and Governance Committee);
- periodic assessment by the Board of Directors of its ability to meet the shareholders' expectations.

8. Share buyback programme

8.1. Implementation of the share buyback programme in 2015

This description of the implementation of the share buyback programme is given pursuant to Article L. 225-211 of the French Commercial Code.

Through Resolution 16 of the Combined General Meeting of 25 June 2015, the shareholders renewed the authorisation granted to the Board of Directors to buy back the Company's shares as set out in Article L. 225-209 of the French Commercial Code and the AMF's General Regulation, for an 18-month period expiring 24 December 2016.

During the year ended 31 December 2015, this share buyback programme was used as follows:

Between 1 January 2015 and 31 December 2015, Sopra Steria Group bought 463,469 shares under the liquidity agreement at an average price of €83.02 and sold 472,117 shares at an average price of €82.90. These purchases and sales were made solely for the purposes of the liquidity agreement.

On 25 June 2015, 300,000 shares were repurchased by the Company at a unit price of €77.25 from Geninfo (Société Générale group). These 300,000 shares were allocated in order to award or sell these shares to employees and/or company officers of the group, to cover share option plans and/or free share plans (or similar plans) for the benefit of group employees and/or company officers as well as all allotments of shares in connection with a company or group savings plan (or similar plan), in connection with company profit-sharing and/or all other forms of share allotment to the group's employees and/or company officers.

At 31 December 2015, Sopra Steria Group held 308,500 treasury shares, representing 1.5% of the share capital.

The par value of these 308,500 shares was €308,500 (i.e. €1 per share).

Their gross book value (acquisition cost) at 31 December 2015 was €24,076,848.30 (i.e. €78.04 per share).

8.2. Description of the 2016 share buyback programme

8.2.1. LEGAL FRAMEWORK

This description is provided in accordance with the provisions of Articles 241-2 et seq. of the General Regulation of the French securities regulator (Autorité des Marchés Financiers – AMF) as well as European Regulation 2273/2003 of 22 December 2003.

This programme will be submitted for approval at the General Meeting of 22 June 2016.

a. Number of shares and share of capital held by the Company

At 31 March 2016, the Company's capital was made up of 20,446,723 shares.

At that date, the Company held 315,500 treasury shares, representing 1.54% of the share capital.

b. Breakdown by purpose of treasury shares held by the Company

At 31 March 2016, the 315,500 treasury shares held by the Company broke down by purpose as follows:

- implementation of liquidity agreement: 15,500 shares;
- award or sale to employees and/or company officers of the group, coverage of share option plans and/or free share plans (or similar plans) for the benefit of group employees and/or company officers as well as all allotments of shares in connection with a company or group savings plan (or similar plan), in connection with company profit-sharing and/or all other forms of share allotment to the group's employees and/or company officers: 300,000 shares.

c. Objectives of the new share buyback programme

The objectives of the new share buyback programme to be submitted to shareholders at the General Meeting of 22 June 2016 are:

- to obtain market-making services to be rendered by an investment services provider acting in complete independence under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF;
- to award or sell shares in the Company to employees and/or company officers of the group, in order to cover share option plans and/or free share plans (or similar plans) for the benefit of group employees and/or company officers as well as all allotments of shares in connection with a company or group savings plan (or similar plan), in connection with company profit-sharing and/or all other forms of share allotment to the group's employees and/or company officers;
- to hold the shares bought back and subsequently exchange them or present them as consideration in a merger, spin-off or contribution of assets or, more generally, in external growth transactions, subject in any event to a limit of 5% of the number of shares representing the share capital;
- to deliver the shares bought back, upon the exercise of rights attaching to securities giving access to the Company's share capital through redemption, conversion, exchange, tender of warrants or any other means, as well as to execute any transaction covering the Company's obligations relating to those securities;
- to retire the shares thus repurchased, by way of a capital reduction;
- to implement any market practice that might be accepted by the AMF, and, more generally, to perform any operation that complies with regulations in force.

d. Maximum share of capital, maximum number and characteristics of capital stock: maximum share of the Company's capital that may be bought back and characteristics of capital stock

The maximum share of capital that may be bought back is equal to 10% of Sopra Steria Group's existing capital at the time that the buyback programme is implemented.

The share capital is €20,446,723 divided into 20,446,723 shares, each with a par value of €1. On this basis, Sopra Steria Group would be authorised to acquire 10% of its share capital at most, i.e. 2,044,672 shares, not including shares already held.

This limit will be assessed on the date of the buybacks to take account of any capital increase or reduction operations that might occur during the programme period. The number of shares considered when calculating this limit corresponds to the number of shares purchased, less the number of shares resold during the programme period in connection with the liquidity objective.

e. Maximum purchase price

The maximum purchase price per share is €200 and the maximum number of shares that Sopra Steria Group may purchase under the buyback programme shall not exceed 2,044,672 (based on the share capital at 31 December 2015).

f. Buyback procedure details

The purchase, sale or transfer by the Company of its own shares may be conducted at any time (including during a public tender offer) and by any method, including over the counter, in blocks of shares or through the use of derivative financial instruments, on one or more occasions, in the proportions and during the periods determined at the discretion of the Board of Directors.

g. Length of buyback programme

The programme will run for 18 months as from approval of the resolution presented at the General Meeting of 22 June 2016, i.e. until 21 December 2017.

9. Changes in share capital

At 31 December 2015, Sopra Steria Group had share capital of €20,446,723 comprising 20,446,723 shares with a par value of €1 each. The following table shows changes in the share capital over the past five years:

				Number of shares		Contributions	
Year	**Description**	**Amount of capital post-operation**	**Nominal value**	**Created**	**Total**	**Nominal value**	**Premiums or reserves**
2011	Capital increase through the exercise of options	€47,415,780	€4	9,300	11,863,245	€37,200	€265,050
2011	Capital reduction not motivated by losses	€11,863,245	€1	0	11,863,245	-€35,589,735	€35,589,735
2011	Capital increase through the exercise of options	€11,893,486	€1	30,241	11,893,486	€30,241	€962,041
2012	None	€11,893,486	€1				
2013	Capital increase through the exercise of options	€11,919,583	€1	26,097	11,919,583	€26,097	€811,966
2014	Capital increase during the first phase of Sopra's public exchange offer for Steria	€18,531,485	€1	6,611,902	18,531,485	€6,611,902	€517,976,403
2014	Capital increase during the second phase of Sopra's public exchange offer for Steria	€19,429,720	€1	898,235	19,429,720	€898,235	€66,128,061
2014	Capital increase through the exercise of options	€19,456,285	€1	26,565	19,456,285	€26,565	€1,450,489
2014	Capital increase through the issuance of free shares for employees	€19,585,300	€1	129,015	19,585,300	€129,015	-€129,015
2014	Capital increase when Steria was absorbed into Sopra	€20,371,789	€1	786,489	20,371,789	€786,489	€58,941,611
2015	Capital increase through the exercise of options	€20,434,841	€1	63,052	20,434,841	€63,052	€2,216,615.26
2015	Capital increase through the issuance of free shares for employees	€20,446,723	€1	11,882	20,446,723	€11,882	-€11,882

10. Securities with an equity component – potential dilution

There are no other securities with an equity component other than those mentioned in Note 21 to the consolidated financial statements and Note 3.3 to the individual financial statements.

At 31 December 2015, if the maximum number of shares resulting from share subscription and/or purchase warrants and free performance shares had been issued, i.e. 128,777 shares, the resulting dilution would have been 0.63%, assuming that all performance criteria were fully met.

11. Information on transactions in securities by Directors or persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to Article 223-26 of the AMF's General Regulation, transactions relating to Sopra Steria Group shares in 2015 and referred to in Article L. 621-18-2 of the French Monetary and Financial Code were as follows:

Category [(1)]	Name	Function	Transaction type [(2)]	Transaction date	Number of securities	Unit price	Transaction amount
a	Sopra GMT	Director	A	25/06/2015	700,000	€77.25	€54,075,000

(1) Category a: members of the Board of Directors and the Chief Executive Officer.
(2) Type of transaction: A: Acquisition; D: Disposal; S: Subscription; E: Exchange; G: Gift; SO: exercise of stock options.

12. Authorisations to issue securities granted to the Board of Directors at the General Meetings of 27 June 2014 and 25 June 2015

12.1. Issue with pre-emptive subscription rights

Securities transaction concerned	Date of GM and resolution	Duration of delegation (Expiry)	Maximum issue amount	Maximum amount of capital increase	Use during the year
Capital increase (ordinary shares and other securities giving access to the share capital)	27 June 2014, Resolution 11	26 months (August 2016)	Nominal amount of €300 million, if securities giving access to the share capital are to be issued	€4 million	Not used
Capital increase (ordinary shares and other securities giving access to the share capital) in the event of oversubscription	27 June 2014, Resolution 12	26 months (August 2016)	15% of the amount of the capital increase under Resolution 11	15% of the amount of the capital increase under Resolution 11	Not used
Capital increase through the capitalisation of reserves or the issue of new shares	27 June 2014, Resolution 13	26 months (August 2016)	All available reserves	All available reserves	Not used

12.2. Issue without pre-emptive subscription rights

Securities transaction concerned	Resolution	Duration of delegation (Expiry)	Maximum issue amount	Maximum amount of capital increase	Use during the year
Capital increase (ordinary shares and other securities giving access to the share capital)	27 June 2014, Resolution 14	26 months (August 2016)	Nominal amount of €300 million, if securities giving access to the share capital are to be issued	€4 million	Not used
Capital increase (ordinary shares and other securities giving access to the share capital) in the event of oversubscription	27 June 2014, Resolution 15	26 months (August 2016)	15% of the amount of the capital increase under Resolution 14, up to a maximum of €300 million	15% of the amount of the capital increase under Resolution 14	Not used
Capital increase by way of an offering provided for under Article L. 411-2 of the French Monetary and Financial Code	27 June 2014, Resolution 16	26 months (August 2016)	Nominal amount of €300 million, if securities giving access to the share capital are to be issued	15% of the share capital	Not used
Capital increase as consideration for securities tendered in the event of a public exchange offer or contributions in kind	27 June 2014, Resolution 17	26 months (August 2016)	Nominal amount of €300 million, if securities giving access to the share capital are to be issued	10% of the share capital	Not used
Increase in the share capital in consideration of securities tendered in a public exchange offer for shares issued by a company whose shares are admitted to trading on a regulated market	27 June 2014, Resolution 18	26 months (August 2016)	2,489,833 shares possible following the issue of 7,510,137 shares in 2014 under the public exchange offer for Steria	€10 million	Not used
Issue of share subscription warrants to be granted to shareholders free of charge in the event of a tender offer ("Breton" warrants)	25 June 2015, Resolution 19	18 months (December 2016)	Nominal amount of €20,371,789	€20,371,789	Not used

12.3. Authorisations for issues reserved for employees and company officers without pre-emptive subscription rights

	Date of GM and resolution	Expiry date	Authorised percentage	Maximum number of shares	Use during the year
Capital increase for employees enrolled in a company savings plan	25 June 2015, Resolution 20	24/08/2017	5% (1)	1,018,589 (1)	Not used
Share subscription options	27 June 2014, Resolutions 20 and 21	26/08/2017	5% (1)	595,979 (1)	Not used
Warrants to purchase redeemable shares (BSAAR)	25 June 2015, Resolution 18	24/12/2016	5% (1)	1,018,589 (1)	Not used
Free shares	27 June 2014, Resolution 22	26/08/2017	5% (1)	595,979 (1)	Not used

(1) This upper limit , calculated on the basis of the share capital at the date of the authorisation, is cumulative for all issues reserved for employees and company officers.

13. Information required by Act 2006-387 of 31 March 2006 relating to public takeover offers

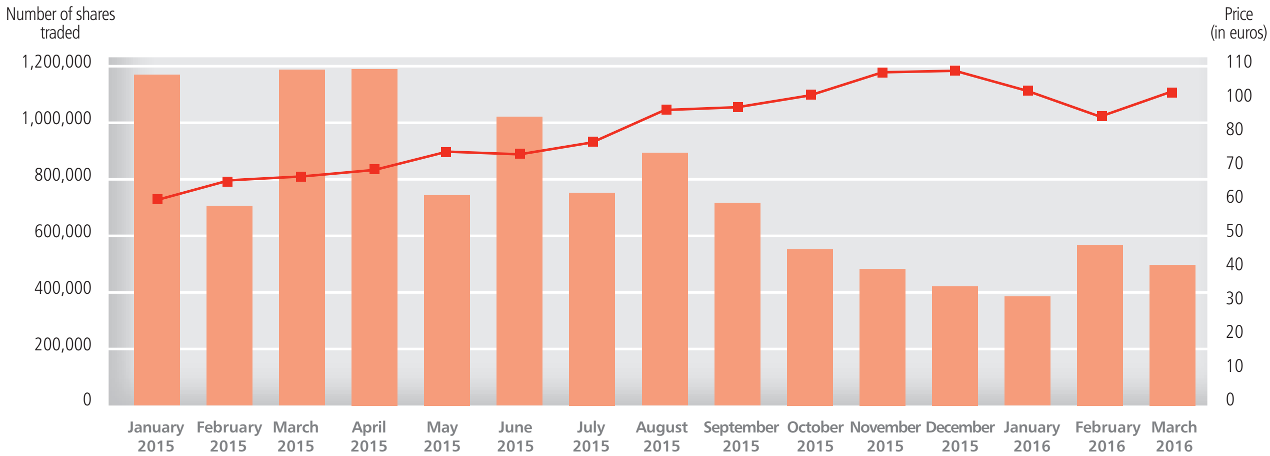
1. The Company's ownership structure is presented in Chapter 6, Section 2 of this Registration Document.
2. There are no restrictions in the Articles of Association:
   - on the exercise of voting rights; shares held in registered form for at least two years have double voting rights (Article 29 of the Articles of Association);
   - on transfers of shares: shares are freely tradable, other than as specified by applicable laws or regulations (Article 11 of the Articles of Association).

The Company has not been informed of any clauses of agreements pursuant to Article L. 233-11 of the French Commercial Code other than those set out in Section 6 of this chapter.

3. Any direct or indirect interests in the capital of the Company of which the latter has been informed pursuant to Articles L. 233-7 and L. 233-12 are presented in Section 2 of this chapter of the Registration Document.
4. There are no holders of securities conferring special controlling rights.
5. There is no control mechanism provided under an employee share ownership scheme.
6. Agreements between shareholders of which the Company is aware and which may give rise to restrictions on share transfers and voting rights are presented in Chapter 6, Sections 2 and 6 of this Registration Document.
7. The regulations applicable to the appointment and replacement of the members of the Board of Directors are set forth in Article 14 of the Articles of Association. The regulations relating to the amendment of the Company's Articles of Association are contained within Article 33 of the Articles of Association, which states that *"only shareholders voting at an Extraordinary General Meeting shall be authorised to amend any and all provisions of the Memorandum and Articles of Association"*.
8. The powers of the Board of Directors are described in Article 17 of the Articles of Association. *"The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders at a General Meeting."*

   In addition, the Board of Directors was granted delegated authority at the Combined General Meetings of 27 June 2014 (through Resolutions 10 to 24) and 25 June 2015 (through Resolutions 18 to 20).
9. Agreements concluded by the Company that might be amended or cease to apply in the event of a change of control the Company mainly concern the syndicated loan agreement signed in July 2014 and the Euro PP bond issued by Groupe Steria in April 2013.
10. There are no agreements providing for the payment of compensation to the members of the Board of Directors or to employees upon their resignation or their dismissal without just cause or should their employment contract be terminated due to a takeover bid, other than those stipulated in the related party agreements in the Statutory Auditors' special report on said agreements at the end of Chapter 5 of this Registration Document.

14. Monthly share prices and trading volumes on Euronext Paris



15. Share price performance

Month	Number of trading days	Price *(in euros)* High	Low	Average closing price	Trading volumes Number of shares traded	Capital *(in millions of euros)*
January 2015	21	70.00	63.06	65.84	1,169,673	76.54
February 2015	20	78.50	68.65	72.24	705,763	51.24
March 2015	22	78.28	67.31	73.48	1,187,376	86.24
April 2015	20	80.30	68.48	75.59	1,190,005	89.91
May 2015	20	84.44	77.31	81.52	744,262	60.46
June 2015	22	84.09	78.00	80.65	1,020,449	82.07
July 2015	23	88.95	78.27	84.51	752,480	63.49
August 2015	21	100.95	84.00	95.01	893,284	84.60
September 2015	22	99.88	88.65	95.92	716,396	69.08
October 2015	22	105.95	93.85	99.75	552,754	55.28
November 2015	21	112.40	102.25	107.24	483,386	52.07
December 2015	22	114.45	102.50	107.73	421,419	45.78
January 2016	20	108.00	95.77	101.19	385,044	39.08
February 2016	21	103.20	85.60	92.87	568,521	52.23
March 2016	21	105.95	89.65	101.11	497,776	50.31

16. Dividend per share

Financial year	Number of shares bearing a dividend	Dividend per share
2011	11,893,486	€1.90
2012	11,893,486	€1.70
2013	11,919,583	€1.90
2014	20,371,789	€1.90
2015	20,446,723	€1.70*

* *Amount proposed at the General Meeting of 22 June 2016.*

Dividends not collected before the five-year prescription period expires are paid to the French state.

7 Administrative and legal information

1. Sopra Steria Group at a glance

Corporate name: Sopra Steria Group

Until 2 September 2014, the name of the Company was "Sopra Group". As a result of the successful public exchange offer made by Sopra Group for the shares of Groupe Steria SCA (see press release dated 6 August 2014), the Board of Directors met on 3 September 2014, with Pierre Pasquier presiding, and recorded the entry into effect of several resolutions conditionally adopted at the General Meeting of 27 June 2014.

Among the consequences of the implementation of these resolutions was the change in the corporate name from "Sopra Group" to "Sopra Steria Group".

Registered office: PAE Les Glaisins, 74940 Annecy-le-Vieux – France

Head office: 9 bis, rue de Presbourg, 75116 Paris – France

Legal form: French *société anonyme* with a Board of Directors.

Date of incorporation: 5 January 1968, with a term of fifty years as from 25 January 1968, renewed at the General Meeting of 19 June 2012 for a subsequent term of ninety-nine years.

Corporate purpose: "The Company's purpose is:

To engage, in France and elsewhere, in consulting, expertise, research and training with regard to corporate organisation and information processing, in computer analysis and programming and in the performance of customised work.

The design and creation of automation and management systems, including the purchase and assembly of components and equipment, and appropriate software.

The creation or acquisition of and the operation of other businesses or establishments of a similar type.

And, generally, all commercial or financial transactions, movable or immovable, directly or indirectly related to said corporate purpose or in partnership or in association with other companies or persons" (Article 2 of the Articles of Association).

Commercial registration: 326 820 065 RCS Annecy

Place where legal documents may be consulted: registered office.

Financial year: from 1 January to 31 December of each year.

Appropriation of earnings according to the Articles of Association:

"In respect of profits for the year minus any prior year losses, at least five per cent is allocated to the legal reserve. Said allocation shall no longer be mandatory when this reserve represents one-tenth of the capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings.

The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned at the General Meeting between all shareholders in proportion to the number of shares that they own.

The General Meeting may also decide to distribute amounts deducted from the reserves at its disposal, expressly indicating the reserve items from which the deductions are made. However, dividends shall first be deducted from the profits for the financial year." (Excerpt from Article 37 of the Articles of Association).

2. Board of Directors

ARTICLE 14 OF THE ARTICLES OF ASSOCIATION – BOARD OF DIRECTORS

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

The term of office of directors is six years, expiring at the end of the Ordinary General Meeting convened to approve the financial statements for the previous financial year and held in the year in which their term of office comes to an end.

Exceptionally, the General Meeting may decide to shorten the first term of office of a director to 1 year, 2 years, 3 years, 4 years or 5 years in order to align his or her term of office with that of the other directors in office at the time of the appointment.

1. Directors appointed at the General Meeting

During the life of the Company, directors are appointed, reappointed or dismissed by the shareholders in Ordinary General Meetings.

No one can be appointed a director if, having exceeded the age of seventy-five years, his or her appointment results in more than one-third of Board members exceeding this age. Once this limit is exceeded, the oldest director is deemed to have resigned from office.

Directors may be natural or legal persons. When a legal person is appointed as director, the latter names a permanent representative who is subject to the same conditions, obligations and liabilities as all other Board members, without prejudice to the joint and several liability of the legal person thus represented.

In the event that one or more directors' positions become vacant, the Board of Directors may, between two General Meetings, carry out temporary appointments in accordance with the conditions set forth in Article L. 225-24 of the French Commercial Code. A director appointed to replace another director performs his or her duties for the remainder of the term of office of the individual previously serving in this position.

An employee of the Company may only be appointed as a director if his or her employment contract corresponds to an actual post. The number of directors tied to the Company by an employment contract cannot exceed one-third of the directors in office.

Each director must own at least one share.

2. Director representing the employees

As provided by law, whenever the number of members of the Board of Directors appointed at the General Meeting pursuant to Articles L. 225-17 and L. 225-18 of the French Commercial Code and in accordance with these Articles of Association is less than or equal to 12, a director representing the employees is nominated by the Company's works council.

Whenever this number is greater than 12, a second director representing the employees is nominated by the Company's works council. If this number should fall to 12 or below, the second director representing the employees shall continue to serve for his or her full term of office.

The director or directors representing the employees are not required to hold shares in the Company for the duration of their term of office.

Exceptionally, the first director(s) representing the employees will be appointed for a term of four years, expiring at the end of the General Meeting convened to approve the financial statements for the year ended 31 December 2017.

The provisions of this Article 14–2 shall cease to apply whenever, at the end of a financial year, the Company no longer fulfils the prerequisites for appointing directors representing the employees; however, any director representing the employees appointed under the terms of this article shall remain as such for his or full term of office.

Further to the provisions set out in paragraph 2 of Article L. 225-29 of the French Commercial Code, should the Company body designated in these Articles of Association fail to nominate a director representing the employees pursuant to the law and this article, the Board of Directors shall still be able to achieve a quorum.

ARTICLE 15 OF THE ARTICLES OF ASSOCIATION – ORGANISATION OF THE BOARD OF DIRECTORS

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board determines the Chairman's compensation.

The Chairman shall be appointed for a term that may not exceed his term of office as director. The Chairman may be reappointed. The Board may remove the Chairman from office at any time.

No one over the age of 85 May be appointed Chairman. If the Chairman in office exceeds this age, he or she shall automatically be deemed to have resigned.

The Board may appoint one or two Vice-Chairmen from among the directors.

It can also appoint a secretary who need not be a director or shareholder.

In the event of the Chairman's absence, Board meetings shall be chaired by any person specifically delegated for this purpose by the Chairman. In the absence of this individual, the Board meeting shall be chaired by one of the Vice-Chairmen.

ARTICLE 16 OF THE ARTICLES OF ASSOCIATION – DELIBERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman. The Chief Executive Officer, or if the Board has not met for more than two months, at least one-third of the directors, may request the Chairman, who is bound by such request, to convene a meeting of the Board of Directors on the basis of a predetermined agenda.

Convening notices are issued by any and all means including verbally.

Board meetings shall take place at the registered office or in any other place specified in the convening notice.

The Board can only validly conduct business in the presence of at least half the directors. Decisions are taken on the basis of a majority of votes of members present or represented.

In the event of a tie, the Chairman of the Board of Directors shall have the casting vote. If the Chairman of the Board of Directors is not present, the individual chairing the meeting in his absence shall have no casting vote in the event of a tie.

An attendance sheet is signed by the directors taking part in the Board meeting, either in person or by proxy.

Internal rules and regulations shall be defined for the Board of Directors.

These internal rules and regulations may include a provision whereby directors who participate in the meeting by videoconference or any other means of telecommunication that enables them to be identified as required by law, shall be considered to be present for the purpose of calculating the quorum and majority.

This provision shall not apply for the adoption of any of the following decisions:

- the approval of the parent company and consolidated financial statements and the drafting of the Management Report and group management report.

The deliberations of the Board of Directors are recorded in the form of minutes, which are prepared in accordance with the legal provisions in force and signed by the person having chaired the meeting and by at least one director. In the absence of the person having chaired the meeting, the minutes shall be signed by at least two directors.

Copies or extracts of these minutes shall be certified by the Chairman of the Board of Directors, the Chief Executive Officer, a director temporarily appointed to act as Chairman or an agent authorised for such purpose.

ARTICLE 17 OF THE ARTICLES OF ASSOCIATION – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting.

In its dealings with third parties, the Company is committed even by actions of the Board of Directors falling outside the scope of the corporate purpose, unless it can prove that the third party knew that the action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Articles of Association alone constitutes such proof.

The Board of Directors undertakes all the checks and verifications it deems necessary. Each director is entitled to receive all the documents and information necessary to carry out his duties.

The Board of Directors may confer on any and all proxy holders of its choice, any and all delegations of powers within the limits of those defined by the law and the present Articles of Association.

The Board may decide to set up committees to examine questions submitted to them by the Board or its Chairman.

ARTICLE 18 OF THE ARTICLES OF ASSOCIATION – POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he reports to the General Meeting. He ensures the smooth running of the Company's management bodies and, in particular, that the directors are able to carry out their duties.

ARTICLE 2 OF THE BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS – ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

1. Organising and directing the work of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors.

The Chairman of the Board of Directors sets the schedule and agenda for meetings of the Board of Directors.

2. Operations of the Company's management bodies, governance of the Company and control of Executive Management

The Chairman of the Board of Directors ensures the smooth running of the Company's management bodies, namely its Board of Directors and the latter's standing committees, the relations of these bodies with Executive Management and the implementation of best practices in corporate governance.

The Chairman of the Board of Directors makes sure that directors are able to carry out their duties, and that they have adequate information.

The Chairman of the Board of Directors ensures open lines of communication at all times between the Board of Directors and Executive Management. As such, the Chairman also keeps abreast of, and must be informed of, the group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities. To this end, the Chairman is kept informed of developments throughout the preparation of planned operations subject to prior approval by the Board of Directors and may offer comments on such plans.

He may draw on the expertise of the Board committees and their chairmen and enjoys unrestricted access to Executive Management.

3. Relations with shareholders

The Chairman provides information to shareholders at their General Meetings about the manner in which the work of the Board of Directors is prepared and organised as well as the internal control procedures put in place by the group.

The Chairman presides over General Meetings.

In collaboration with the Chief Executive Officer, the Chairman ensures the appropriate management of the Company's relations with its major shareholders.

4. Support provided to Executive Management

In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may take part in actions to address any issues of interest to the Company or the group, notably those relating to business activities, strategic decisions or projects (in particular involving investments or divestments), partnership agreements and relations with employee representative bodies, risks and financial disclosures.

In agreement with the Chief Executive Officer, he may also take part in any meetings.

5. Representation of the Company and the group

The Chairman of the Board of Directors represents the Board in its relations with third parties, apart from exceptional circumstances or in the case of specific assignments conferred upon individual directors. In coordination with the Chief Executive Officer, the Chairman of the Board of Directors makes every effort to promote the values and image of the group in all circumstances. In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may represent the group in its high-level relations, particularly with major partners or clients and government authorities, on the domestic and international fronts, and in terms of both internal and external communications.

In the absence of the Chairman of the Board of Directors, Board meetings shall be chaired by the individual delegated for this purpose by the Chairman and, in the absence of this individual, by one of the two Vice-Chairmen.

If the Chairman of the Board of Directors is not present, the individual chairing the meeting shall not have the casting vote in the event of a tie.

Conditions for the exercise of the Chairman of the Board of Directors' prerogative powers

The duties assumed by the Chairman of the Board of Directors require the Chairman to devote his time to the Company. Thle initiatives undertaken and the actions carried out by the Chairman in the performance of his duties are taken into consideration by the Board of Directors in determining the Chairman's compensation.

The Chairman of the Board of Directors fulfils his responsibilities in recognition of those assumed by the Chief Executive Officer and the Board of Directors.

ARTICLE 20 OF THE ARTICLES OF ASSOCIATION – COMPENSATION OF SENIOR EXECUTIVES

1. The General Meeting may award directors a fixed annual sum in the form of directors' fees, which are treated as operating expenses; the amount remains unchanged until further notice. The apportionment of the sum between directors is determined by the Board of Directors.
2. The Board of Directors determines the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and any Deputy Chief Executive Officers, if appointed. Such compensation may be fixed and/or variable.
3. For assignments or mandates entrusted to directors, the Board of Directors may also award exceptional payments that will be submitted for shareholder approval at an Ordinary General Meeting.

Directors may not receive from the Company compensation, whether permanent or not, other than that set out in the previous paragraphs, unless they are tied to the Company by an employment contract under conditions authorised by law.

ARTICLE 21 OF THE ARTICLES OF ASSOCIATION – POSITIONS HELD CONCURRENTLY

A single individual may not serve as a director or supervisory board member of more than five *sociétés anonymes*.

Excluded from the aforementioned provisions are the appointments as director or supervisory board member held by this person in the companies controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company of which this individual is a director.

Pursuant to the above provisions, the positions of directors of companies whose shares are not traded on a regulated market or are controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the same company only count as one position, provided the number of such positions held does not exceed five.

A single individual may not serve as a chief executive officer, management board member or sole general manager of more than one *société anonyme*. Exceptionally, a second position as chief executive officer or an appointment as a management board member or sole general manager may be held in a company controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company of which this individual is chief executive officer. Another position as chief executive officer, management board member or sole general manager can be held in any company, provided such company's shares are not traded on a regulated market.

Any natural person in breach of the provisions in respect of concurrently held positions must relinquish one of the positions within three months of his appointment, or the position in question within three months of the event that led to the lapse of one of the conditions defined by law in the case of exceptions. On expiry of the three-month period, the person is automatically dismissed and must return the compensation received, although the validity of the deliberations in which he or she took part is not called into question.

3. Executive Management

ARTICLE 19 OF THE ARTICLES OF ASSOCIATION – EXECUTIVE MANAGEMENT

1. Operating procedures

Responsibility for the Executive Management of the Company is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors chooses one or other of the aforementioned methods of executive management.

The decision of the Board of Directors relating to the choice of management method is taken on the basis of a majority of directors present or represented. Shareholders and third parties are informed of this choice in the conditions provided for by the regulations in force.

The choice made by the Board of Directors applies for an unlimited period.

2. Executive Management

The Chief Executive Officer is a natural person who may or may not be a director.

The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his appointment. However, if the Chief Executive Officer is also a director, his term of office as Chief Executive Officer may not exceed that as director.

No one over the age of 77 May be appointed as Chief Executive Officer. Once the Chief Executive Officer has reached this age limit, he is deemed to have resigned from office.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he may be entitled to damages, except when he also serves as Chairman of the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and subject to those expressly granted to General Meetings and the Board of Directors by the law.

He represents the Company in its dealings with third parties. The Company is bound even by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can prove that the third party knew that such action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Articles of Association alone constitutes such proof.

3. Deputy Chief Executive Officers

On a proposal from the Chief Executive Officer, whether this position is held by the same person serving as Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Board of Directors may appoint as many as five Deputy Chief Executive Officers, who may or may not be selected from among its members.

The age limit is set at 65 years. Any Deputy Chief Executive Officer having reached this age limit is deemed to have resigned from office.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, Deputy Chief Executive Officers may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the Deputy Chief Executive Officers retain their duties and remits until the appointment of a new Chief Executive Officer, unless decided otherwise by the Board of Directors.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Deputy Chief Executive Officers. In their dealings with third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

ARTICLE 3 OF THE BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS – ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has authority over the entire group. He directs, administers and coordinates all of its activities. Together with the Chairman, he develops the group's strategy, which is subject to the approval of the Board of Directors, and ensures its implementation.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He or she represents the Company in its dealings with third parties. He or she chairs the group's Executive Committee.

The Chief Executive Officer exercises his or her powers within the limits of the corporate purpose, all applicable laws, the Articles of Association and these internal rules and regulations.

The Chief Executive Officer is also responsible for providing the Board of Directors and all its committees with any information they may require and for implementing all decisions taken by the Board.

Conditions for the exercise of the Chief Executive Officer's prerogative powers

The Chief Executive Officer works closely with the Chairman of the Board of Directors to ensure open lines of communication at all times between the Board of Directors and Executive Management. He also keeps the Chairman informed of the group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities.

The types of decisions identified in this section require the prior authorisation of the Board of Directors, or of the Chairman whenever the Board delegates its authority to him in this respect, under the conditions defined by the Board. The Chairman must report to the Board of Directors on any authorisations given by him in connection with these delegations. These decisions are prepared and discussed in advance by the Chief Executive Officer and the Chairman of the Board of Directors.

Under the aforementioned conditions, the decisions requiring prior approval by the Board of Directors are those that are highly strategic in nature or that are likely to have a significant impact on the financial position or commitments of the Company or any of its subsidiaries, and in particular decisions falling into two main categories, as listed below:

- decisions relating to strategy implementation:
  - adaptation of the group's business model,
  - the acquisition or disposal of companies or businesses, for transactions in amounts greater than €10 million,
  - any investment or divestment decision in an amount greater than €10 million,
  - entering into strategic alliances;
- decisions relating to organisational matters:
  - the appointment or dismissal of any member of the management team (Executive Committee members),
  - any significant change in the organisation.

4. General Meetings

ARTICLE 25 OF THE ARTICLES OF ASSOCIATION – GENERAL MEETINGS

General Meetings are convened and held under the conditions laid down by the law.

The decisions collectively made by the shareholders shall be taken in General Meetings characterised either as Ordinary General Meetings, Extraordinary General Meetings or Special General Meetings depending on the nature of the decision to be taken.

Special General Meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Meetings are binding for all the shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

ARTICLE 26 OF THE ARTICLES OF ASSOCIATION – VENUE AND PROCEDURE FOR CONVENING GENERAL MEETINGS

General Meetings shall be convened by the Board of Directors. Failing this, they may also be convened by the Statutory Auditors or by a court-appointed agent, in accordance with the law.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

General Meetings shall be convened by means of a notice published either in a journal authorised to publish legal announcements in the area where the registered office is located, or in the *Bulletin des annonces légales obligatoires* (BALO, the French journal of official legal announcements), at least two weeks before the General Meeting.

However, if all the shares are registered, these announcements are not mandatory, and the General Meeting may be convened by giving notice to each shareholder by registered letter, at the Company's expense.

At least thirty-five days before the date of any General Meeting of shareholders, the Company shall publish, in the BALO, the notice specified in Article R. 225-73 of the French Commercial Code.

Shareholders who have held registered shares for at least one month on the date a convening notice is published shall be invited to attend the General Meeting by ordinary letter.

However, they may give the Company a written authorisation to send these notifications by electronic mail instead of by letter. In this case, they must communicate their electronic address to the Company. They may, at any time, by registered letter, request that the Company send notifications by letter instead.

Shareholders may also ask to be notified of any General Meeting by registered letter if they have forwarded to the Company the amount necessary to cover the cost of sending such a letter.

When business cannot be conducted at a General Meeting because of the lack of the required quorum, a second General Meeting, and an adjourned second General Meeting, if necessary, shall be convened with at least six days' notice, in the same way as the first.

The notice and the letters inviting the shareholders to this second General Meeting shall feature the date and agenda of the first General Meeting. If the Meeting is postponed by court decision, the court may set an alternative date.

The notice and letters convening the Meeting must contain all the information required by law.

ARTICLE 27 OF THE ARTICLES OF ASSOCIATION – AGENDA

The agenda for the General Meeting is decided by the person(s) convening the Meeting.

One or more shareholders representing at least the portion of share capital required by law and acting in accordance with legal requirements and time periods, may request that specific items of business or draft resolutions be added to the General Meeting's agenda.

The works council may also request the inclusion of proposed resolutions in the agenda.

Items of business not appearing on the agenda may not be considered at the General Meeting. However, the General Meeting can in all circumstances dismiss and replace one or more directors.

ARTICLE 28 OF THE ARTICLES OF ASSOCIATION – ACCESS TO GENERAL MEETINGS – POWERS – COMPOSITION

The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the Meeting either in person or by proxy.

All shareholders have the right to participate in General Meetings provided they furnish proof, in accordance with legal requirements, that their shares are registered on accounts in their names or on their behalf in the name of their registered intermediary, pursuant to Article L. 228-1, paragraph 7, of the French Commercial Code, at 00.00 (midnight), Paris time, on the third business day before the Meeting, or on the registered share accounts kept by the Company, or on the bearer share accounts kept by an authorised intermediary.

Any shareholder may be represented by his or her spouse, the partner with whom he or she has entered into a *pacte civil de solidarité* (PACS, the French civil union contract), another shareholder or any other private individual or legal entity of his or her choice. If a shareholder does not name a proxy holder in a proxy form submitted, the chairman of the General Meeting shall vote in favour of proposed resolutions submitted for approval by the Board of Directors, and against any other proposed resolutions. For any other vote, the shareholder shall choose a proxy holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the Internet, which permits them to be identified as provided by the law.

Shareholders who participate in a General Meeting by videoconference or other means of telecommunication that enables them to be identified in a manner and in accordance with procedures in compliance with regulatory provisions shall be deemed present for the purposes of calculating the quorum and majority.

All shareholders may vote by mail by filling in a form addressed to the Company, under the conditions established by law and in regulations; to be taken into account, this form must reach the Company at least three days before the date of the General Meeting.

Two works council members, appointed by the works council as laid down by law, may attend General Meetings. At their request, they shall be heard during deliberations on all matters requiring a unanimous vote of the shareholders.

ARTICLE 29 OF THE ARTICLES OF ASSOCIATION – VOTING RIGHTS

The voting right attached to capital shares or dividend shares shall be proportional to the portion of the capital they represent. With the same par value, each share shall entitle the holder to the same number of votes, with a minimum of one vote.

However, double voting rights are allocated to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time. In the event of a capital increase by capitalisation of reserves, earnings or issue premiums, double voting rights shall be allocated upon issuance to registered shares freely granted to a shareholder in proportion to existing shares for which this shareholder was entitled to benefit from this right.

ARTICLE 30 OF THE ARTICLES OF ASSOCIATION – RIGHTS TO SHAREHOLDER INFORMATION – DISCLOSURE OBLIGATIONS

All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is established by law and in regulations.

Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds.

ARTICLE 31 OF THE ARTICLES OF ASSOCIATION – ATTENDANCE SHEET – OFFICERS – MINUTES

The attendance sheet, duly initialled by the shareholders present and by proxy holders and including the names of shareholders attending the General Meeting using a means of telecommunication, accompanied by the authorisations granted to proxy holders, and, where appropriate, voting forms, shall be certified as accurate by the officers of the Meeting.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman or by a director specifically delegated for this purpose by the Board. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy holders.

The officers of the Meeting thus appointed shall designate a secretary, who is not required to be a shareholder.

The minutes are drawn up and copies or extracts of these minutes are delivered and certified in accordance with the law.

ARTICLE 32 OF THE ARTICLES OF ASSOCIATION – ORDINARY GENERAL MEETINGS

An Ordinary General Meeting is a meeting called to take decisions which do not amend the Articles of Association.

This type of General Meeting shall be held at least once a year, within the time period required by law and regulations, to approve the financial statements for the previous year.

Ordinary General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting, represented by proxy or having voted by mail represent at least one-fifth of the total voting rights. No quorum is required when Ordinary General Meetings are convened for the second time.

The Meeting issues decisions by simple majority of the votes of the shareholders present or represented by proxy holders, including the votes of shareholders who have voted by mail.

ARTICLE 33 OF THE ARTICLES OF ASSOCIATION – EXTRAORDINARY GENERAL MEETINGS

The Extraordinary General Meeting alone shall be authorised to amend the Articles of Association. However, it may not increase shareholders' commitments, except in the case of transactions resulting from a duly completed regrouping of shares.

Extraordinary General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting or represented by proxy or having voted by mail represent at least one-quarter of the total voting rights, and one-fifth of the total voting rights when convened for the second time. In the event of this quorum not being reached at the second Meeting, it may be adjourned to a date not more than two months later than the date on which it was originally convened; the quorum of one-fifth is also required for the Meeting when adjourned in this manner.

The Meeting issues decisions by a majority of two-thirds of the votes of the shareholders present or represented by proxy holders, including the votes of shareholders who have voted by mail, except as otherwise provided by law.

ARTICLE 34 OF THE ARTICLES OF ASSOCIATION – SPECIAL GENERAL MEETINGS

When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary General Meeting open to all shareholders and also by a Special General Meeting of the holders of the category of shares in question.

Special General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting or represented by proxy represent at least one-third of the total voting rights, and one-fifth of the total voting rights when convened for the second time.

In all other respects, Special General Meetings are convened and conduct business in the same way as Extraordinary General Meetings.

5. Person responsible for the Registration Document and information on the auditing of the Company's financial statements

5.1. Person responsible for the Registration Document

Name and position of the person responsible for the Registration Document

Vincent Paris, Chief Executive Officer

5.2. Information relating to the Statutory Auditors

5.2.1. STATUTORY AUDITORS AND ALTERNATE AUDITORS

Statutory Auditors

- Auditeurs et Conseils Associés (1) – 31, rue Henri-Rochefort, F-75017 Paris

  Represented by François Mahé.

  Term of office expires at the General Meeting convened to approve the 2015 financial statements.

  First appointed: June 1986.

- Mazars – 61, rue Henri-Regnault, Tour Exaltis, F-92400 Courbevoie

  Represented by Bruno Pouget.

  Term of office expires at the General Meeting convened to approve the 2017 financial statements.

  First appointed: June 2000.

Alternate Auditors

- AEG Finances (1) – 4, rue de Châtillon, F-75014 Paris

  Term of office expires at the General Meeting convened to approve the 2015 financial statements.

- Jean-Louis Simon – 61, rue Henri-Regnault, Tour Exaltis, F-92400 Courbevoie

  Term of office expires at the General Meeting convened to approve the 2017 financial statements.

(1) It is planned to submit for approval at the General Meeting of 22 June 2016 the renewal of the engagement of Auditeurs & Conseils Associés as Statutory Auditor and the appointment of Pimpaneau & Associés as Alternate Auditor for a period of six financial years ending at the close of the General Meeting of 2022 (Resolution 11).

5.2.2. FEES OF STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

	Mazars						Auditeurs & Conseils Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Audit												
Statutory audit, certification, audit of the individual and consolidated financial statements												
■ Issuer	508	1,009	218	24%	48%	21%	293	479	166	34%	48%	34%
■ Fully consolidated subsidiaries	1,351	811	307	63%	39%	30%	439	458	249.4	50%	46%	52%
Other services relating directly to the statutory audit engagement												
■ Issuer	215	219	457	10%	11%	45%	92	36	6.5	10%	4%	1%
■ Fully consolidated subsidiaries	8	6	-	0%	0%	-	49	-	-	6%	-	-
Subtotal	**2,081**	**2,045**	**982**	**97%**	**98%**	**97%**	**872**	**973**	**422.7**	**100%**	**98%**	**87%**
Other services provided by the firms to fully consolidated subsidiaries												
Legal, tax, employee-related	53	44	33	3%	2%	3%	2	18	61	0%	2%	13%
Other	-	-	-	-	-	-	-	-	-	-	-	0%
Subtotal	**53**	**44**	**33**	**3%**	**2%**	**3%**	**2**	**18**	**61**	**0%**	**2%**	**13%**
TOTAL	**2,134**	**2,089**	**1,015**	**100%**	**100%**	**100%**	**874**	**991**	**483.7**	**100%**	**100%**	**100%**

Audit fees were also billed in 2015 by the EY network in the amount of €101k and by other local statutory audit firms in the amount of €85k.

6. Provisional reporting timetable

Publication date	Event	Meeting date
29 February 2016 before market open	2015 annual revenue and earnings	29 February 2016
3 May 2016 before market open	2016 Q1 revenue	-
	Annual General Meeting	22 June 2016
28 July 2016 before market open	2016 interim revenue and earnings	28 July 2016
3 November 2016 before market open	2016 Q3 revenue	-

The full-year and half-year results are presented at webcast meetings.

7. Inventory of regulatory disclosures in 2015

7.1 Press releases for ongoing disclosure obligation

- 06/08/2015 Sopra Steria First-half 2015: In advance on initial integration plan and promising results
- 31/07/2015 Shared Services Connected Limited (SSCL), joint venture between UK Cabinet Office and Sopra Steria, has been selected to provide shared services for the Metropolitan Police
- 29/07/2015 Airbus and Sopra Steria finalise their agreement on the acquisition of CIMPA
- 02/07/2015 Sopra Steria Group announces the appointment of Laurent Giovachini as Deputy CEO
- 30/06/2015 Sopra Group's Combined General Meeting of Thursday, 25 June 2015 approves all 23 resolutions on the agenda by a large majority
- 25/06/2015 Sopra Steria Group buys back 1.47% of its share capital
- 25/06/2015 Press release on the exit of Géninfo (Groupe Société Générale) from the share capital of Sopra Steria
- 29/04/2015 Sopra Steria Group: Publication of the 2014 Registration Document
- 23/04/2015 Sopra to provide French armed forces with future payroll system
- 17/04/2015 Sopra Steria Group: Update to the financial reporting calendar 2015
- 19/03/2015 Sopra Steria: proposed acquisition of CIMPA SAS
- 19/03/2015 Full-year results 2014
- 18/03/2015 Vincent Paris appointed CEO, John Torrie appointed Deputy CEO
- 27/02/2015 Combined revenue of Sopra Steria for 2014: €3.4 billion
- 16/01/2015 Sopra Steria Group: Financial calendar 2015
- 08/01/2015 Sopra Steria Group's new legal structure approved

7.2 Registration Document including the Annual Financial Report and updates

- 29/04/2015 Publication of the 2014 Registration Document including the Annual Financial Report

7.3 Interim financial report

- 25/09/2015 Publication of half-year financial report for 2015

7.4 Quarterly financial reporting

- 04/11/2015 Revenue for Q3 2015
- 28/04/2015 Revenue for 1st quarter 2015

7.5 Monthly disclosures of total voting rights and shares

- 12 monthly disclosure forms
- 20/05/2015 Filing at BALO publication date of prior notice of General Meeting of 25 June 2015

7.6. Descriptions of share buyback programmes and reports on the liquidity provider agreement

- 02/07/2015 Half yearly report on the liquidity contract with Oddo Corporate Finance
- 29/04/2015 Descriptions of share buyback programmes – Included in the Registration Document
- 27/02/2015 New means allocated to the liquidity contract with Oddo Corporate Finance
- 29/01/2015 Rider to the liquidity contract entered into with Oddo Corporate Finance
- 06/01/2015 Half yearly report on the liquidity contract with Oddo Corporate Finance

7.7 Reports on the manner in which the work of the Board of Directors is prepared and organised, and on internal control procedures

- 29/04/2015 Included in the Registration Document

7.8 Fees paid to the Statutory Auditors

- 29/04/2015 Included in the Registration Document

7.9 Announcements of information provided or made available with regard to meetings of the shareholders

- 29/05/2015 Combined General Meeting to be held on 25 June 2015: Availability of informational documents

7.10 Announcements specifying the procedures used to make prospectuses available

- 29/04/2015 Sopra Steria Group: Publication of the 2014 Registration Document
- 25/09/2015 Sopra Steria Group: Half-year financial report now available

8. Documents on display

The legal documents relating to the Company, in particular its Articles of Association, financial statements and reports presented to its General Meetings by the Board of Directors and the Statutory Auditors may be requested from the Director of Communication, 9 bis rue de Presbourg, F-75116 Paris. All published financial information is available on the group's website: www.soprasteria.com.

8 General Meeting of 22 June 2016

Agenda

Ordinary resolutions

- Approval of the individual financial statements for the financial year ended 31 December 2015; Approval of non-deductible expenses;
- Granting of final discharge to members of the Board of Directors;
- Approval of the consolidated financial statements for the financial year ended 31 December 2015;
- Appropriation of earnings and determination of the dividend;
- Approval of agreements governed by Article L. 225-38 et seq. of the French Commercial Code;
- Opinion on items of compensation due or attributed in respect of financial year 2015 to Pierre Pasquier;
- Opinion on items of compensation due or attributed in respect of financial year 2015 to François Enaud;
- Opinion on items of compensation due or attributed in respect of financial year 2015 to Vincent Paris;
- Appointment of Jessica Scale as a new director;
- Setting of directors' fees at €500,000;
- Reappointment of a Statutory Auditor and appointment of an Alternate Auditor;
- Authorisation granted to the Board of Directors, for a period of 18 months, to allow the Company to buy back its own shares pursuant to Article L. 225-209 of the French Commercial Code.

Extraordinary resolutions

- Authorisation granted to the Board of Directors, for a period of 26 months, to retire any shares that the Company may have acquired under the terms of share buyback programmes and to reduce the share capital accordingly;
- Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital, with pre-emptive subscription rights for existing shareholders, through the issuance of ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, up to a maximum aggregate nominal amount of €7 million;
- Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital, without pre-emptive subscription rights for existing shareholders, through the issuance of ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, via public offerings, up to a maximum aggregate nominal amount of €4 million;
- Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital, without pre-emptive subscription rights for existing shareholders, through the issuance of ordinary shares and/or any securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, via a private placement such as provided for by Article L. 411-2-II of the French Monetary and Financial Code, up to a maximum of 20% of the share capital;
- Determination of the issue price of ordinary shares and/or securities giving access to the share capital and/or giving a right to receive debt securities of the Company, up to a maximum of 10% of the share capital per year, in connection with a capital increase without pre-emptive subscription rights for existing shareholders;
- Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide, with or without pre-emptive subscription rights for existing shareholders, to increase the number of ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities to be issued by the Company, up to a maximum of 15% of the original issue;
- Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, without pre-emptive subscription rights for existing shareholders, as consideration for in-kind contributions, up to a maximum of 10% of the share capital;

- Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, without pre-emptive subscription rights for existing shareholders, as consideration for securities tendered in a public exchange offer, up to a maximum aggregate nominal amount of €4 million;
- Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital through the capitalisation of premiums, reserves, earnings or any other items for which capitalisation would be permitted;
- Delegation of authority to be granted to the Board of Directors, for a period of 18 months, to issue share subscription warrants to be allotted to the shareholders free of charge in the event of a takeover bid, up to a nominal amount equal to the amount of the share capital;
- Delegation of authority to the Board of Directors, for a period of 26 months, to decide to increase the share capital, without pre-emptive subscription rights for existing shareholders, via issues to persons employed by the Company or by a company of the Group, subject to enrollment in a company savings plan, up to a maximum of 3% of the share capital;
- Authorisation granted to the Board of Directors, for a period of 38 months, to award share subscription or purchase options to employees and/or officers of the Company or of a company in the Group, up to a maximum of 3% of the share capital;
- Authorisation granted to the Board of Directors, for a period of 38 months, to award free shares to employees and officers of the Company or of a company in the Group, up to a maximum of 3% of the share capital;
- Powers required to carry out formalities.

We hereby inform you that extraordinary resolutions require a quorum of one-quarter of the total voting shares and a two-thirds majority of the votes of the shareholders present or represented. The resolutions on the agenda of the Ordinary General Meeting require a quorum of one-fifth of the total voting shares and a majority of the votes of the shareholders present or represented. However, as an exception to the preceding, Resolutions 21 and 22, even though they are on the Extraordinary General Meeting agenda, require a quorum of one-fifth of the total voting shares and a majority of the votes of the shareholders present or represented.

1. Summary of resolutions

1.1. Approval of the individual and consolidated financial statements (Resolutions 1, 2 and 3)

The Board of Directors submits for your approval:

- the individual and consolidated financial statements of Sopra Group for the year ended 31 December 2015 as presented and discussed in the 2015 Registration Document;
- the list of non-tax-deductible expenses totalling €471,497 and the corresponding tax charge. These expenses consist of rental or lease payments and depreciation for company cars granted to 218 of the Company's executives.

You are also asked to give the members of the Board of Directors full and unconditional discharge from their duties for the aforementioned financial year.

1.2. Proposed appropriation of earnings (Resolution 4)

The Company's profit for 2015 totals €33,357,698.90. Taking into account the change in the share capital, which currently amounts to €20,446,723, the Board of Directors proposes that €852,714 be transferred to the legal reserve. Following this transfer, the legal reserve would be equal to €2,044,672.30.

Furthermore, from the remaining balance of the net profit (thus €32,504,984.90), retained earnings and the discretionary reserves in the amount of €1,667,011.70, the Board of Directors proposes that a dividend of €1.70 per share be paid in respect of the 2015 financial year, resulting in a total dividend of €34,759,429.10.

For individuals whose tax residence is in France, this dividend will automatically give rise, on a cumulative basis, excluding shares held in a PEA (*plan d'épargne en actions*, a French personal equity plan), to:

- a 21% withholding tax, which is subject to income tax reporting requirements. This deduction from the gross dividend amount has the status of a provisional payment of tax in respect of 2015 income. Any shareholder whose household has taxable income lower than the threshold (in respect of 2014 income) of €50,000 (single person) or €75,000 (couple filing jointly), and who has filed for an exemption from this withholding tax by sending a signed letter (no later than 30 November 2015 for dividends payable in 2016 in respect of the 2015 financial year), may be entitled to an exemption;
- social charges of 15.5%, including 5.1% corresponding to the deductible portion of the CSG (*contribution sociale généralisée*, or general social security contribution), which are also withheld.

This dividend would be paid on 7 July 2016. The ex-dividend date would therefore be 5 July 2016, before the market opens.

For information, the following amounts were distributed as ordinary dividends in respect of the previous three financial years:

(in euros)	2012	2013	2014
Total dividend*	20,218,926.20	22,647,207.70	38,706,399.10
Number of dividend-bearing shares	11,893,486	11,919,583	20,371,789
Dividend per share paid	1.70	1.90	1.90

* *It should be noted that, in accordance with the provisions of Article 158-3-2° of the French Tax Code, these dividend payments entitled individual shareholders with tax residence in France to a deduction of 40% of the entire dividend amount received.*

1.3. Regulated agreements (Resolution 5)

The Statutory Auditors have submitted their special report, included on page 216 to 218 of this Registration Document. You are invited to approve the conclusions of this report. It should be noted that there are no new regulated agreements to be put to your vote.

1.4. Opinion on items of compensation due or granted to executive company officers in respect of 2015 (Resolutions 6, 7 and 8)

The AFEP-MEDEF Code, to which the Company adheres, recommends that companies submit for shareholder approval the items of compensation due or granted to executive company officers in respect of the financial year just ended.

1.4.1 OPINION ON THE ITEMS OF COMPENSATION DUE OR GRANTED TO PIERRE PASQUIER (RESOLUTION 6)

You are asked to issue an opinion on the items of compensation due or granted in respect of the 2015 financial year to Pierre Pasquier, Chairman of the Board of Directors, as set out in the following table:

Item of compensation	Amount	Comments
Annual fixed compensation	€350,000	Pierre Pasquier's fixed compensation has not been revised since 2011.
Annual variable compensation	€170,100	The role of the Chairman of the Board of Directors justifies the fact that part of his or her compensation is conditional upon the achievement of targets set at the beginning of the year. Variable compensation is applied in a manner consistent with that used for the members of the Executive Committee. Variable compensation may amount to: ■ 40% of annual fixed compensation when the Group's profitability target as well as individual targets are met; ■ 60% of annual fixed compensation for very strong performance. Qualitative criteria are not used to release items of variable compensation, but may result in an upward or downward adjustment in the amount calculated from the main profitability target.
Variable deferred compensation	Not applicable	There are no plans to grant variable deferred compensation.
Multi-year variable compensation	Not applicable	There is no system for multi-year variable compensation.
Exceptional compensation	Not applicable	There are no plans to grant exceptional compensation.
Stock options, performance shares and any other long-term components of compensation	Not applicable	Pierre Pasquier has never been granted any share subscription options or performance shares, or any other long-term components of compensation.
Directors' fees	€23,779	Directors' fees are fully allocated to participants in meetings of the Board of Directors and its committees (voting and non-voting members), in proportion to their actual attendance at those meetings, whether in person or by telephone. Participation by chairmen in the meetings of their respective committees counts double.
Valuation of all benefits	€4,333	Company car.
Severance pay	Not applicable	No such commitment exists.
Non-compete payment	Not applicable	No such commitment exists.
Supplementary pension plan	Not applicable	Pierre Pasquier is not eligible for a supplementary pension plan.

1.4.2 OPINION ON THE ITEMS OF COMPENSATION DUE OR GRANTED TO FRANÇOIS ENAUD (RESOLUTION 7)

You are asked to issue an opinion on the items of compensation due or granted in respect of the 2015 financial year to François Enaud as Chief Executive Officer in 2015, covering the period from 1 January to 17 March 2015, the date on which his appointment as Chief Executive Officer ended, as set out in the following table:

Item of compensation	Amount	Comments
Annual fixed compensation	€86,970	In proportion to the time in office, as François Enaud's term ended on 17 March 2015.
Annual variable compensation	€39,728	In proportion to the time in office, as François Enaud's term ended on 17 March 2015.
Variable deferred compensation	Not applicable	
Multi-year variable compensation	Not applicable	
Exceptional compensation	Not applicable	
Stock options, performance shares and any other long-term components of compensation	Not applicable	
Directors' fees	€0	
Valuation of all benefits	€12,510	Company car.
Severance pay	€1,444,272	Lump-sum settlement payment. Agreement approved by Resolution 7 of the General Meeting of 25 June 2015.
Non-compete payment	€700,000	Agreement approved by Resolution 7 of the General Meeting of 25 June 2015.
Supplementary pension plan	Not applicable	

1.4.3 OPINION ON THE ITEMS OF COMPENSATION DUE OR GRANTED TO VINCENT PARIS (RESOLUTION 8)

You are asked to issue an opinion on the items of compensation due or granted in respect of the 2015 financial year to Vincent Paris, who was named Chief Executive Officer on 17 March 2015, as set out in the following table:

Item of compensation	Amount	Comments
Annual fixed compensation	€353,852	The fixed component of annual compensation paid to Vincent Paris was set at €400,000 effective 1 July 2015.
Annual variable compensation	€171,871	Variable compensation for the Chief Executive Officer is applied in a manner consistent with that used for the members of the Executive Committee. Variable compensation may amount to: ■ 40% of annual fixed compensation when the Group's profitability target as well as individual targets are met; ■ 60% of the annual fixed compensation for very strong performance (qualitative criteria are not used to release items of variable compensation, but may result in an upward or downward adjustment in the amount calculated from the main profitability target.
Variable deferred compensation	Not applicable	There are no plans to grant variable deferred compensation.
Multi-year variable compensation	Not applicable	There is no system for multi-year variable compensation.
Exceptional compensation	Not applicable	There are no plans to grant exceptional compensation.
Stock options, performance shares and any other long-term components of compensation	Not applicable	During the financial year, Vincent Paris was not granted any stock options or performance shares, nor any other long-term components of compensation.
Directors' fees	Not applicable	
Valuation of all benefits	€11,299	Company car; GSC unemployment insurance.
Severance pay	Not applicable	No such commitment exists.
Non-compete payment	Not applicable	No such commitment exists.
Supplementary pension plan	Not applicable	Vincent Paris is not eligible for a supplementary pension plan.

For more information, please refer to Section 4, "Policy for the compensation of company officers" in Chapter 2 of this Registration Document.

1.5. Appointment of a new director (Resolution 9)

By the terms of Resolution 9, it is proposed that you proceed with the appointment of Jessica Scale as a new director.

The proposed term of office for these new directors is two years from the date of this General Meeting and would thus expire at the conclusion of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

A brief profile of this candidate is provided below:

Jessica Scale – 53 years old, French and British national.

Currently serving as an independent consultant specialising in digital transformation, Jessica Scale was head of her class at the Paris Institute of Political Studies (Sciences Po Paris) and has a doctorate in political science. She has taught at Sciences Po Paris since 1990. After starting her career in strategy consulting (Bossard, PwC), she held various operational responsibilities at different tech companies (IBM Global Services, Unisys, Logica). With her highly international profile and strong entrepreneurial spirit, Jessica Scale is also the author of several works on strategy, communications and marketing.

The proposal to appoint Jessica Scale as a Board member, following a review of her qualifications by the Board of Directors and acting upon a recommendation from the Nomination, Ethics and Governance Committee, is motivated by:

- the recognition of her skills and experience;
- the desire to improve gender balance on the Board of Directors;
- the interest in increasing the number of independent directors.

During the review of this candidate by the Nomination, Ethics and Governance Committee and subsequently by the Board of Directors, it was noted that Jessica Scale meets all of the objective criteria for independence recommended by the AFEP-MEDEF Code.

Subject to the adoption of Resolution 9 at the General Meeting, the Board of Directors would have an additional independent director.

1.6. Setting of directors' fees (Resolution 10)

It is proposed that you set the total amount of directors' fees at €500,000 for the 2016 financial year. This amount, which is the same as that allocated in respect of the 2015 financial year, is apportioned annually in accordance with the Board's internal rules and regulations.

1.7. Appointment of a Statutory Auditor (Resolution 11)

By the terms of Resolution 11, in line with recommendations of the Audit Committee, which is responsible for coordinating the nomination procedure for the Statutory Auditors, the Board of Directors proposes that Auditeurs & Conseils Associés be re-appointed as Joint Statutory Auditor and Pimpaneau & Associés be appointed as Joint Alternate Auditor, each for a term of six financial years expiring at the conclusion of the General Meeting convened in 2022 to approve the financial statements for the year ending 31 December 2021.

1.8. Buyback by Sopra Steria Group of its own shares (Resolution 12)

By the terms of Resolution 12, you are asked to renew the authorisation granted to the Board of Directors at the General Meeting of 25 June 2015 permitting the Company to buy back its own shares, in accordance with applicable laws and regulations (Articles L. 225-209 et seq. of the French Commercial Code).

Under this authorisation, the number of shares bought back shall not exceed 10% of the share capital, which would be 2,044,672 shares on the basis of the current share capital. The maximum price per share that can be paid for the shares bought back is set at €200, it being specified that this price may be adjusted as a result of an increase or decrease in the number of shares representing the share capital, in particular due to the capitalisation of reserves, awards of free shares or reverse stock splits.

Shares may be bought back for the following purposes:

- to obtain market-making services from an investment services provider acting independently under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF;
- to grant or sell the shares bought back to employees or company officers of the Group using any award method authorised by law;
- to hold the shares bought back and subsequently exchange them or present them as consideration in a merger, spin-off or contribution of assets or, more generally, in external growth transactions, subject in any event to a limit of 5% of the number of shares representing the share capital;
- to deliver the shares in the Company upon the exercise of rights attaching to securities giving access to the Company's share capital through redemption, conversion, exchange, tender of warrants or any other means;
- to retire the shares bought back by way of a share capital reduction, subject to the approval of resolution 13;
- to implement any market practice accepted by the AMF and, more generally, to perform any operation that complies with regulations in force.

This authorisation would supersede the previous authorisation granted by Resolution 9 of the General Meeting of 25 June 2015 and would be valid for a period of eighteen (18) months with effect from the date of this General Meeting.

For information, the use made of the previous authorisation is discussed in Chapter 6, Section 8 of this Registration Document. During the 2015 financial year, this authorisation was used in connection with the liquidity provider agreement and the private placement on 25 June 2015 by Geninfo.

1.9. Potential retirement of treasury shares (Resolution 13)

It is requested that the shareholders authorise the Board of Directors to retire some or all of the shares acquired by the Company under the share buyback programme (Resolution 12), up to a maximum of 10% of the share capital, in accordance with the law.

This authorisation would be valid for a period of twenty-six (26) months.

This authorisation would supersede the previous authorisation granted at the General Meeting of 25 June 2015.

1.10. Delegation of financial authority to the Board of Directors (Resolutions 14 to 25)

The delegations of authority granted at the General Meeting of 27 June 2014 and the General Meeting of 25 June 2015 authorised the Board of Directors to proceed with the issue of shares and/or securities or debt instruments giving access to the share capital, with or without pre-emptive subscription rights for existing shareholders.

These delegations of authority, which give the Board of Directors the authorisations it needs to carry out various share capital transactions necessary for the Group's development and the financing of its operations, remain valid until 26 August 2016 and 24 December 2016, respectively, and therefore do not cover the entire period running until the General Meeting to be held in 2017. Although the delegations of authority relating to the granting of share subscription or purchase options and the awarding of free shares remain valid until 26 August 2017, it is proposed that you renew them, in particular to take advantage of the new scheme set out in the Macron Act.

Chapter 6, Section 12 of this Registration Document lists all of these delegations of authority and provides information on the use made of them by the Board of Directors in 2015.

We propose that you renew the delegations of authority granted in 2014 and 2015, so that the Board of Directors can initiate, as appropriate and at the most opportune time, whichever financial transactions among those covered by the delegations of authority are best suited to the needs of the Company.

1.10.1 CAPITAL INCREASE THROUGH ISSUANCE OF SHARES AND OTHER SECURITIES, WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

	Type of delegation		Nominal limit	Resolution
Capital increase WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS	Issue of shares and other securities giving access to the share capital and overallotment option	Overall limit €7m (Limit 1)	€7m (<35% of the share capital)	14
Capital increase WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS	Issue of shares and other securities giving access to the share capital by way of a public offering, with the possibility of a priority subscription period and overallotment option	o/w €4m (Limit 3)	€4m (<20% of the share capital)	15
	Issue of shares and other securities giving access to the share capital by way of private placement (Article L. 411-2 II of the French Monetary and Financial Code) and overallotment option		20% of the share capital (annual legal limit)	16
	Consideration for contributions in kind		10% of the share capital (annual legal limit)	19
	Consideration for securities contributed in the event of a public exchange offer initiated by the Company		€4m (<20% of the share capital)	20

1.10.1.1 Capital increases other than in consideration for contributions (Resolutions 14 to 18)

By the terms of Resolutions 14, 15 and 16, you are asked to delegate the necessary authority to the Board of Directors to give it enough flexibility if necessary, to increase the share capital through the issuance of shares or any other securities giving access to the share capital, as described below.

These capital increases would be subject to the following limits:

- €7 million, as a maximum aggregate nominal amount, whenever the transaction involves, immediately or in future, an issue of Sopra Steria Group shares [Limit 1], together with a sublimit of €4 million for capital increases without pre-emptive subscription rights for existing shareholders [Limit 3];
- €600 million if the transaction involves an issue of debt securities conferring future entitlement to Sopra Steria Group shares [Limit 2].

Resolution 14 would authorise one or several capital increases for existing shareholders (with pre-emptive subscription rights).

Resolutions 15 and 16 would open the Company's share capital to new shareholders (without pre-emptive subscription rights), by way of a public offering or an offering reserved either for qualified investors or for a limited circle of investors (via private placement as provided for by Article L. 411-2 of the French Monetary and Financial Code). Limit 3, which counts toward Limit 1, would restrict the nominal amount of these share capital increases.

The possibility of establishing a priority subscription period for existing shareholders to subscribe for said shares and other securities would also be delegated to the Board of Directors (Resolution 15).

The issue price of shares issued pursuant to Resolutions 15 and 16 would be at least equal to the weighted average of the share price over the three preceding trading days, with a maximum discount of 5%.

By the terms of Resolution 18, you are asked to grant a delegation of authority to the Board of Directors to attach an over-allotment clause to any of the transactions referred to above, which would become usable in the event of a demand for securities in excess of the number of securities originally to be issued, subject to the aforementioned aggregate limits and a maximum of 15% of the original issue, as required by law.

In the event of a capital increase pursuant to Resolutions 15 and 16, up to a maximum of 10% of the share capital, the Board of Directors may set the issue price (Resolution 17), which shall not be more than 5% less than the lowest of the following amounts:

(i) the weighted average share price on the regulated market of Euronext Paris for a maximum period of six months preceding the issue price determination date;

(ii) the volume-weighted average share price on the regulated market of Euronext Paris for the trading day preceding the issue price determination date;

(iii) the volume-weighted average share price on the regulated market of Euronext Paris for the current trading session on the day when the issue price is determined; and

(iv) the last known closing share price prior to the issue price determination date.

These delegations of authority would be valid for a period of twenty-six (26) months and would supersede those having the same purpose, granted on 27 June 2014.

1.10.1.2 Capital increases in consideration for contributions (Resolutions 19 and 20)

The delegations of authority proposed under Resolutions 19 and 20 would allow the Board of Directors to decide capital increases, without pre-emptive subscription rights for existing shareholders, in consideration for in-kind contributions or contributions decided in the context of a public exchange offer.

The financial capacity available to the Board of Directors would nevertheless be limited to:

- 10% of the share capital (legal limit), thus for information €2,044,672 on the basis of the current share capital, which would be capped in any event at a nominal amount of €4 million [Limit 3], as consideration for in-kind contributions (Resolution 19);
- a nominal amount of €4 million [Limit 3] as consideration for the tendered shares of a company that are admitted for trading on a regulated market, during a public exchange offer (Resolution 20).

These delegations of authority would be valid for a period of twenty-six (26) months and would supersede those having the same purpose, granted on 27 June 2014.

1.10.2 OTHER CAPITAL INCREASES (RESOLUTIONS 21 AND 22)

By the terms of Resolution 21, you are asked to grant the Board of Directors a delegation of authority to increase the share capital on one or several occasions through the capitalisation of reserves, issue premiums or any other items for which capitalisation would be permitted, limited to the amount of said reserves, premiums or other items.

These capital increases would be carried out either by issuing new shares that would be allotted to shareholders in proportion to their holdings or by raising the par value of the existing shares.

This delegation of authority would be valid for a period of twenty-six (26) months and would supersede that having the same purpose, granted on 27 June 2014.

By the terms of Resolution 22, you are asked to grant to the Board of Directors, in conjunction with a takeover bid, the possibility of issuing share subscription warrants to be allotted to the shareholders free of charge (*bons Breton*).

The amount of the capital increase would be limited to the amount of the share capital, thus for information €20,446,723 on the basis of the current share capital, and the maximum number of warrants to be issued could not be greater than the number of shares representing the share capital, thus for information 20,446,723 shares on the basis of the current share capital.

This delegation of authority would be valid for a period of eighteen (18) months and would supersede that having the same purpose, granted on 25 June 2015.

1.10.3 AUTHORISATIONS REQUESTED FOR THE PURPOSE OF GIVING GROUP EMPLOYEES AND/OR COMPANY OFFICERS THE OPPORTUNITY TO PARTICIPATE IN THE SHARE CAPITAL (RESOLUTIONS 23 TO 25)

	Type of delegation		Limit	Resolution
Capital increase for employees and company officers	Issue of shares and other securities reserved for employees who are members of an employee savings plan	**Overall limit 3% of the share capital**	**3% of the share capital**	**23**
	Award of share subscription or purchase options to employees and company officers		**3% of the share capital** (0.60% for executive company officers)	**24**
	Award of free shares to employees and company officers		**3% of the share capital** (0.15% for executive company officers)	**25**

The aim of the proposed terms of Resolutions 23, 24 and 25 is to allow the Board of Directors, as appropriate, to give employees of the Company and of the Group a stake in the development of Sopra Steria and to align the interests of company officers with those of shareholders by means of:

- a capital increase reserved for employees enrolled in a company or Group savings plan (in accordance with Article L. 225-129-6 of the French Commercial Code) (Resolution 23);
- the granting of share subscription or purchase options, it being specified that the options to be allotted to the company's executive company officers would be limited to 20% of the entire number of options that could be issued, thus 0.60% of the share capital, and would be subject to performance conditions (Resolution 24);
- the awarding of free shares, it being specified that (Resolution 25):
  - the free shares to be awarded to the company's executive company officers would be limited to 5% of the entire maximum number of free shares that could be awarded, thus 0.15% of the share capital, and would be subject to performance conditions,
  - shares awarded to employees may be exempted from performance conditions, up to a maximum of 10% of the entire number of free shares that could be awarded.

These authorisations would be subject to an overall limit of 3% of the share capital, thus for information €613,401 on the basis of the current share capital.

The authorisation provided for by Resolution 23 would be valid for a period of twenty-six (26) months and would supersede the earlier delegation of authority having the same purpose, granted on 27 June 2014.

The authorisations provided for by Resolutions 24 and 25 would be valid for a period of thirty-eight (38) months and would supersede the earlier delegations of authority having the same purpose, granted on 27 June 2014.

Please note that:

- share subscription options already granted and not yet exercised currently represent a maximum potential dilution of 0.34% of the current share capital;
- free shares awarded and not yet vested currently represent a maximum potential dilution of 0.29% of the current share capital;
- discussions are currently under way regarding a long-term incentive programme based on granting performance shares and aimed at aligning the interests of top-tier management with those of shareholders. Should such a programme be put in place, share vesting would be subject to strict performance conditions to be met for a period of several consecutive years.

2. Proposed resolutions

Ordinary resolutions

Resolution 1

(Approval of the individual financial statements for the financial year ended 31 December 2015; approval of non-deductible expenses)

The shareholders, having reviewed the Report of the Board of Directors, the report required by Article L. 225-37 of the French Commercial Code and the Statutory Auditors' reports, approve the individual financial statements for the year ended 31 December 2015, as presented at the General Meeting, showing a profit of €33,357,698.90.

In addition, the shareholders approve the transactions reflected in these financial statements and summarised in the aforementioned reports.

The shareholders also approve the expenses incurred during the year that are not deductible for tax purposes, covered by Article 39-4 of the French General Tax Code, amounting to €471,497, and the corresponding tax charge of €179,169.

Resolution 2

(Granting of final discharge to the members of the Board of Directors)

The shareholders grant the members of the Board of Directors full and unconditional discharge from their duties for the financial year ended 31 December 2015.

Resolution 3

(Approval of the consolidated financial statements for the financial year ended 31 December 2015)

The shareholders, having reviewed the Report of the Board of Directors, the report required by Article L. 225-37 of the French Commercial Code and the Statutory Auditors' reports, approve the consolidated financial statements for the year ended 31 December 2015, which show a consolidated net profit (attributable to owners of the parent) of €84,428,575, as well as the transactions reflected in these consolidated financial statements and/or summarised in the reports, including the report on group management included in the aforementioned Report of the Board of Directors.

Resolution 4

(Appropriation of earnings and determination of the dividend)

The shareholders, after acknowledging the consolidated net profit attributable to owners of the parent amounting to €84,428,575, note that the profit available for distribution amounts to €33,092,417.40 and agree to pay out, in the form of shareholder dividends, the sum of €34,759,429.10, determined as follows:

(a) Profit for the period	€33,357,698.90
(b) Transfer to the legal reserve	€852,714.00
(c) Balance (a - b)	*€32,504,984.90*
(d) Prior unappropriated retained earnings	€587,432.50
(e) Distributable profit (c + d)	*€33,092,417.40*
(f) Deduction from discretionary reserves	€1,667,011.70
(g) Amounts to be distributed (e + f)	*€34,759,429.10*

The legal reserve thus amounts to €2,044,672.30, 10% of the share capital.

As the number of shares representing the share capital at 31 December 2015 was 20,446,723, the dividend per share will be €1.70. The dividend payment date will be 7 July 2016.

In accordance with tax regulations in force, this dividend payment entitles individual shareholders with tax residence in France to a 40% deduction on the entire dividend amount for the calculation of income tax (Article 158-3-2° of the French General Tax Code).

Furthermore, for these same individuals having their tax residence in France, this dividend will automatically give rise, on a cumulative basis, excluding shares held in a PEA (*plan d'épargne en actions*, a French personal equity plan), to:

- a 21% withholding tax, which is subject to income tax reporting requirements. This deduction from the gross dividend amount has the status of a provisional payment of tax in respect of 2015 income. Any shareholder whose household has taxable income lower than the threshold (in respect of 2014 income) of €50,000 (single person) or €75,000 (couple filing jointly), and who has filed for an exemption from this withholding tax by sending a signed letter (no later than 30 November 2015 for dividends payable in 2016 in respect of the 2015 financial year), may be entitled to an exemption;
- social charges of 15.5%, including 5.1% corresponding to the deductible portion of the CSG (*contribution sociale généralisée*, or general social security contribution), which are also withheld.

The following amounts were distributed as dividends in respect of the previous three financial years:

	2012*	2013*	2014*
Total dividend	20,218,926.20	22,647,207.70	38,706,399.10
Number of dividend-bearing shares	11,893,486	11,919,583	20,371,789
Dividend per share paid	1.70	1.90	1.90

(*) This dividend payment entitles individual shareholders with tax residence in France to a 40% deduction on the entire dividend amount for the calculation of income tax (Article 158-3-2° of the French Tax Code).

Resolution 5

(Approval of agreements governed by Article L. 225-38 et seq. of the French Commercial Code)

The shareholders, having reviewed the Statutory Auditors' special report on agreements governed by Article L. 225-38 et seq. of the French Commercial Code, acknowledge the absence of any new agreements of this type subject to approval at this Meeting and approve the conclusions of the aforementioned report.

Resolution 6

(Opinion on items of compensation due or granted in respect of financial year 2015 to Pierre Pasquier)

The shareholders, consulted pursuant to Section 24.3 of the AFEP-MEDEF corporate governance code for listed companies, and having reviewed the Report of the Board of Directors, approve the items of compensation due or granted to Pierre Pasquier in respect of the 2015 financial year, as presented to them.

Resolution 7

(Opinion on items of compensation due or granted in respect of financial year 2015 to François Enaud)

The shareholders, consulted pursuant to Section 24.3 of the AFEP-MEDEF corporate governance code for listed companies, and having reviewed the Report of the Board of Directors, approve the items of compensation due or granted to François Enaud in respect of the 2015 financial year, as presented to them.

Resolution 8

(Opinion on items of compensation due or granted in respect of financial year 2015 to Vincent Paris)

The shareholders, consulted pursuant to Section 24.3 of the AFEP-MEDEF corporate governance code for listed companies, and having reviewed the Report of the Board of Directors, approve the items of compensation due or granted to Vincent Paris in respect of the 2015 financial year, as presented to them.

Resolution 9

(Appointment of Jessica Scale as a new director)

The shareholders, having reviewed the Report of the Board of Directors, agree to appoint Jessica Scale as a new director, for a two-year term pursuant to Article 14 of the Company's Articles of Association, which will thus expire at the conclusion of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Resolution 10

(Setting of directors' fees at €500,000)

The shareholders set at €500,000 the amount of directors' fees to be allocated between the members of the Board of Directors for the current financial year.

Resolution 11

(Reappointment of a joint Statutory Auditor and appointment of an Alternate Auditor)

The shareholders, having reviewed the Report of the Board of Directors, agree to:

- re-appoint Auditeurs & Conseil Associés, 31 rue Henri Rochefort, 75017 Paris, as Statutory Auditor; and
- appoint Pimpaneau & Associés, 31 rue Henri Rochefort, 75017 Paris, as joint Alternate Auditor, replacing AEG Finances SAS whose term of office is expiring;

each for a term of six years, thus expiring at the conclusion of the General Meeting convened to approve the financial statements for the year ending 31 December 2021.

Resolution 12

(Authorisation granted to the Board of Directors, for a period of 18 months, to allow the Company to buy back its own shares pursuant to Article L. 225-209 of the French Commercial Code)

In accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, EU regulations on market abuse, and Title IV, Book II of the General Regulation of the Autorité des Marchés Financiers (AMF, the French securities regulator) as well as its implementing instructions, the shareholders, having reviewed the Report of the Board of Directors:

- authorise the Board of Directors, with the ability to subdelegate this authority as provided by law and by the Company's Articles of Association, to buy back shares in the Company or arrange to have shares in the Company bought back, on one or more occasions and as and when it sees fit, up to a maximum of 10% of the total number of shares representing the Company's share capital at the time of the buyback;
- agree that shares may be bought back for the following purposes:
  - to obtain market-making services from an investment services provider acting independently under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF,
  - to award, sell or transfer shares in the Company to employees and/or company officers of the Group, in order to cover share purchase plans and/or free share plans (or equivalent plans) as

well as any allotments of shares under a company or Group savings plan (or equivalent plan) in connection with a profit-sharing mechanism, and/or all other forms of share allotment to the Group's employees and/or company officers,

- to hold the shares bought back and subsequently exchange them or present them as consideration in a merger, spin-off or contribution of assets or, more generally, in external growth transactions, subject in any event to a limit of 5% of the number of shares representing the share capital,
- to deliver the shares bought back, upon the exercise of rights attaching to securities giving access to the Company's share capital through redemption, conversion, exchange, tender of warrants or any other means, as well as to execute any transaction covering the Company's obligations relating to those securities,
- to retire the shares thus bought back, by way of a capital reduction, subject to the adoption at this General Meeting of Resolution 13 below,
- to implement any market practice accepted by the AMF and, more generally, to perform any operation that complies with regulations in force;

- agree that the maximum price per share paid for the shares bought back be set at €200, it being specified that, in the event of any share capital transactions, in particular the capitalisation of reserves, awards of free shares and/or stock splits or reverse stock splits, this price will be adjusted proportionally;
- agree that shares may be bought back by any means, such as on the stock market or over the counter, including block purchases or through the use of derivatives, at any time, even when a takeover bid is under way, subject to compliance with regulations in force;
- grant all powers to the Board of Directors, including the ability to subdelegate these powers, in order to implement this authorisation, to determine the terms and conditions of share buybacks, to make the necessary adjustments, to place any stock market orders, to enter into any and all agreements, to carry out all formalities and file all declarations with the AMF, and generally to take any and all other actions required;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of eighteen (18) months with effect from the date of this General Meeting;
- acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Extraordinary resolutions

Resolution 13

(Authorisation granted to the Board of Directors, for a period of 26 months, to retire any shares that the Company may have acquired under the terms of share buyback programmes and to reduce the share capital accordingly)

The shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- authorise the Board of Directors to retire, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, on one or more occasions, at its sole discretion, some or all of the treasury shares held by the Company that will have been bought back under any authorisation granted to the Board of Directors pursuant to said Article, up to a limit of 10% of the share capital at the date of the retirement of shares over each 24-month period;
- agree that the Company's share capital shall be reduced as a consequence of the retirement of these shares, as such retirement may be decided by the Board of Directors under the aforementioned conditions;
- grant all powers to the Board of Directors to perform the transaction(s) authorised under this resolution, and in particular to charge the difference between the redemption value of the retired shares and their par value against the distributable premiums and reserves of its choosing, amend the Articles of Association accordingly and carry out all legally required formalities;
- agree that this authorisation is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Resolution 14

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital, with pre-emptive subscription rights for existing shareholders, through the issuance of ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, up to a maximum aggregate nominal amount of €7 million)

In accordance with the provisions of the French Commercial Code, and in particular its Articles L. 225-129, L. 225-129-2, L. 228-91 and L. 228-92, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority, under the conditions laid down by law and by the Company's Articles of Association, to decide on the issuance in euros, on one or more occasions, in the amounts and at the times it sees fit, with pre-emptive subscription rights for existing shareholders, in France or abroad, of (i) ordinary shares in the Company, (ii) equity securities giving immediate and/or future access by any means to other equity securities and/or giving a right to be allotted debt securities of the Company, or (iii) debt securities that may give access or giving access, immediately and/or in future, to equity securities to be issued by the Company, whether free of charge or for consideration, it being specified that this last category of securities may also be denominated in foreign currencies or in units of account determined by reference to a basket of currencies and may be paid up, at the time of subscription, in cash, including by set-off of liquid and payable claims;
- agree that the aggregate nominal amount of capital increases (involving both the issuance of securities on the primary market and securities traded on the secondary market) which may be carried out immediately and/or in future shall not be greater than €7 million (or the equivalent of this amount in a foreign currency or in a unit of account defined with reference to a basket of currencies), it being specified that (i) this amount constitutes an overall limit for all capital increases carried out under the delegations of authority referred to in this resolution as well as in Resolutions 15, 16, 19 and 20 below, subject to their adoption at this General Meeting and (ii) this amount will be adjusted to reflect any additional shares to be issued in order to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law (hereinafter, "**Limit 1**");
- agree, in addition, that the amount of debt securities (including both the issuance of securities on the primary market and securities traded on the secondary market) which may be issued under this delegation of authority shall not exceed €600 million (or the equivalent of this amount in a foreign currency or in a unit of account defined with reference to a basket of currencies), it being specified that (i) this amount constitutes an overall limit encompassing the aggregate amount of any issues of debt securities carried out under the delegations of authority referred to in this resolution as well as those referred to in Resolutions 15, 16, 19 and 20 below, subject to their adoption at this General Meeting, (ii) any redemption premium above par would be added to this amount and (iii) this amount is independent and separate from the amount of debt securities whose issuance would be decided or authorised by the Board of Directors pursuant to the provisions of Articles L. 228-36-A, L. 228-40 and L. 228-92, paragraph 3 of the French Commercial Code (hereinafter, "**Limit 2**");
- acknowledge that existing shareholders have pre-emptive rights to subscribe for shares and/or other securities issued under the terms of this resolution, in proportion to the total value of their shares;
- acknowledge that, in the event of oversubscription, the Board of Directors may use the authorisation granted under Resolution 18 to increase the number of securities to be issued, subject to the adoption of said resolution at the General Meeting;

- agree that, pursuant to the provisions of Article L. 225-134 of the French Commercial Code, the Board of Directors may put in place a priority right for existing shareholders to subscribe for new shares in proportion to their holdings and to subscribe in addition for any shares not taken up by other existing shareholders, with the understanding that the number of shares available for the latter type of subscription may be reduced if the demand is too great to accommodate all requests. If subscriptions of the first type, followed by the second type to the extent possible, do not absorb the entirety of the capital increase as defined above, the Board of Directors may make use of one and/or the other of the following powers, in whatever order it sees fit:
  - it may limit the capital increase to the amount of subscriptions received, under the conditions laid down by Article L. 225-134 I. – 1° of the French Commercial Code,
  - it may freely distribute all or a portion of the unsubscribed shares among the shareholders,
  - it may offer all or a portion of the unsubscribed shares to the public;
- acknowledge that this delegation of authority automatically entails, to the benefit of the holders of any securities issued under this delegation of authority, the express waiver by the shareholders of their pre-emptive right to subscribe for the shares to which those securities confer entitlement;
- grant all powers to the Board of Directors, including the ability to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, in particular in order to:
  - determine the characteristics of securities to be issued and the amounts proposed for subscription and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery, and dividend or coupon rights of the securities, as well as all other procedures for their issuance, in accordance with applicable legal and regulatory limits,
  - carry out the planned issues and, where applicable, postpone them,
  - determine and proceed with any adjustments required to protect the rights of holders of securities giving access to the Company's share capital,
  - charge the costs incurred in connection with capital increases as well as the costs of the admission of the Company's shares to trading on a regulated market against the premiums pertaining to these capital increases and deduct from the total to be charged the amount required to bring the legal reserve up to one-tenth of the new share capital after the issue,
  - record the execution of the capital increase(s) and make the corresponding amendments to the Articles of Association, and more generally make any appropriate arrangements; enter into any agreements; request any authorisations; carry out any formalities necessary for the issuance, listing and management of securities issued under this delegation of authority and for the exercise of any associated rights; and take the necessary steps to ensure the success of the planned issues;
- agree that in the event of an issue of debt securities, the Board of Directors will have all powers, which it may subdelegate under the conditions laid down by law and by the Company's Articles of Association, in particular to decide on the terms, conditions and characteristics of these securities, notably including whether or not they are subordinated (and where applicable, their level of subordination), and to determine their interest rate, the mandatory or optional cases for suspension or non-payment of interest, their issue currency, whether they are fixed-term or perpetual debt securities, the fixed or variable redemption price with or without a premium, the methods of amortisation depending on market conditions, and the terms under which these securities will confer entitlement to ordinary shares in the Company;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 15

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital, without pre-emptive subscription rights for existing shareholders, through the issuance of ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, via public offerings, up to a maximum aggregate nominal amount of €4 million)

In accordance with the provisions of the French Commercial Code, and in particular its Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide on the issuance in euros, on one or more occasions, in the amounts and at the times it sees fit, without pre-emptive subscription rights for existing shareholders, in France or abroad, by way of public offerings, of (i) ordinary shares in the Company, (ii) equity securities giving immediate and/or future access by any means to other equity securities and/or giving a right to be allotted debt securities of the Company, or (iii) debt securities that may give access or giving access, immediately and/or in future, to equity securities to be issued by the Company, it being specified that this last category of securities may also be denominated in foreign currencies or in units of account determined by reference to a basket of currencies and may be paid up, at the time of subscription, in cash, including by set-off of liquid and payable claims. Any public offering decided under this delegation of authority may be combined, in the context of a single issue or several issues carried out simultaneously, with offerings referred to in Article L. 411-2-II of the French Monetary and Financial Code, decided pursuant to Resolution 16, subject to its adoption at this General Meeting;
- agree to exclude the pre-emptive right of existing shareholders to subscribe for the ordinary shares and other securities to be issued by way of public offerings under the terms of this delegation of authority and further delegate to the Board of Directors, pursuant to the provisions of Article L. 225-135 of the French Commercial Code, the option to put in place, for all or a portion of the issues, a priority right for existing shareholders to subscribe in proportion to their holdings and/or to subscribe for

any shares not taken up by other existing shareholders, with the understanding that the number of shares available for the latter type of subscription may be reduced if the demand is too great to accommodate all requests, within a time period and under the terms and conditions of exercise it will determine, this priority right not giving rise to the creation of tradable rights;

- agree that the aggregate nominal amount of capital increases that might be carried out immediately and/or in future under this delegation of authority shall not be greater than €4 million (or the equivalent of this amount in a foreign currency or in a unit of account defined with reference to a basket of currencies), it being specified that (i) this amount constitutes an overall limit for all capital increases carried out under the delegations of authority referred to in this resolution as well as in Resolutions 16, 19 and 20 below, subject to their adoption by the General Meeting and (ii) this amount would count towards Limit 1 defined above in Resolution 14 and would be adjusted to reflect any additional shares to be issued in order to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement (hereinafter, "**Limit 3**");
- agree, in addition, that the aggregate amount of any debt securities to be issued under this delegation of authority shall not exceed Limit 2 defined above in Resolution 14;
- agree that the issue price of shares will be equal to the weighted average of the share price on the regulated market of Euronext Paris over the three trading days preceding the determination of the subscription price, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights, it being specified that the issue price of securities giving access to the share capital will be such that the amount received immediately by the Company, plus any amount that might be received by the Company at a future date, will be, for each ordinary share issued as a result of the issuance of these securities, at least equal to the issue price of shares defined above;
- acknowledge that, in the event of oversubscription, the Board of Directors may make use of the authorisation granted under Resolution 18 to increase the number of securities to be issued, without pre-emptive rights for existing shareholders, subject to the adoption of said resolution at the General Meeting;
- acknowledge that the Board of Directors will need to prepare a supplementary report setting out the final terms of the issue and including an assessment of its actual impact on shareholders;
- agree that if the subscriptions obtained do not absorb the entirety of an issue as defined above, the Board of Directors may make use of the following powers:
  - it may limit the capital increase to the amount of subscriptions received, under the conditions laid down by Article L. 225-134 I. – 1° of the French Commercial Code,
  - it may freely distribute all or a portion of the unsubscribed securities,
  - it may offer all or a portion of the unsubscribed shares to the public;
- acknowledge that this delegation of authority automatically entails, to the benefit of the holders of any securities issued under this delegation of authority, the express waiver by the shareholders of their pre-emptive right to subscribe for the shares to which those securities confer entitlement;
- grant all powers to the Board of Directors, including the ability to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, in particular in order to:
  - determine the characteristics of securities to be issued and the amounts proposed for subscription and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery, and dividend or coupon rights of the securities, as well as all other procedures for their issuance, in accordance with applicable legal and regulatory limits,
  - carry out the planned issues and, where applicable, postpone them,
  - determine and proceed with any adjustments required to protect the rights of holders of securities giving access to the Company's share capital,
  - charge the costs incurred in connection with capital increases as well as the costs of the admission of the Company's shares to trading on a regulated market against the premiums pertaining to these capital increases and deduct from the total to be charged the amount required to bring the legal reserve up to one-tenth of the new share capital after the issue,
  - record the execution of the capital increase(s) and make the corresponding amendments to the Articles of Association, and more generally make any appropriate arrangements; enter into any agreements; request any authorisations; carry out any formalities necessary for the issuance, listing and management of securities issued under this delegation of authority and for the exercise of any associated rights; and take the necessary steps to ensure the success of the planned issues;
- agree that in the event of an issue of debt securities, the Board of Directors will have all powers, which it may subdelegate under the conditions laid down by law and by the Company's Articles of Association, in particular to decide on the terms, conditions and characteristics of these securities, notably including whether or not they are subordinated (and where applicable, their level of subordination), and to determine their interest rate, the mandatory or optional cases for suspension or non-payment of interest, their issue currency, whether they are fixed-term or perpetual debt securities, the fixed or variable redemption price with or without a premium, the methods of amortisation depending on market conditions, and the terms under which these securities will confer entitlement to ordinary shares in the Company;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 16

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital, without pre-emptive subscription rights for existing shareholders, through the issuance of shares or other securities giving access to the share capital and/or giving a right to be allotted debt securities of the Company, via a private placement such as provided for by Article L. 411-2-II of the French Monetary and Financial Code, up to a maximum of 20% of the share capital)

In accordance with the provisions of the French Commercial Code, and in particular its Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92, as well as the provisions of Article L. 411-2-II of the French Monetary and Financial Code, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide on the issuance in euros, on one or more occasions, in the amounts and at the times it sees fit, without pre-emptive subscription rights for existing shareholders, in France or abroad, via private placement as defined in Article L. 411-2-II of the French Monetary and Financial Code, of (i) shares in the Company, (ii) equity securities giving immediate and/or future access by any means to other equity securities and/or giving a right to be allotted debt securities of the Company, or (iii) debt securities that may give access or giving access, immediately and/or in future, to equity securities to be issued by the Company, it being specified that this last category of securities may also be denominated in foreign currencies or in units of account determined by reference to a basket of currencies and may be paid up, at the time of subscription, in cash, including by set-off of liquid and payable claims. Any private placement, as referred to in Article L. 411-2-II of the French Monetary and Financial Code, decided under this delegation of authority may be combined, in the context of a single issue or several issues carried out simultaneously, with public offerings decided pursuant to Resolution 15 above, subject to its adoption at this General Meeting;
- agree to exclude the pre-emptive right of existing shareholders to subscribe for shares or securities to be issued by way of private placement under the terms of this delegation of authority and to make them available for subscription only by the categories of persons identified by Article L. 411-2-II of the French Monetary and Financial Code and in particular by qualified investors or a limited circle of investors;
- agree that the issue price of shares will be equal to the weighted average of the share price on the regulated market of Euronext Paris over the three trading days preceding the determination of the subscription price for the capital increase, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights, it being specified that the issue price of securities giving access to the share capital will be such that the amount received immediately by the Company, plus any amount that might be received by the Company at a future date, will be, for each ordinary share issued as a result of the issuance of these securities, at least equal to the issue price defined above;
- acknowledge that, in the event of oversubscription, the Board of Directors may make use of the authorisation granted under Resolution 18 to increase the number of securities to be issued, without pre-emptive rights for existing shareholders, subject to the adoption of said resolution at the General Meeting;
- acknowledge that the Board of Directors will need to prepare a supplementary report setting out the final terms of the issue and including an assessment of its actual impact on shareholders;
- agree that if the subscriptions obtained do not absorb the entirety of an issue as defined above, the Board of Directors may make use of the following powers:
  - it may limit the capital increase to the amount of subscriptions received, under the conditions laid down by Article L. 225-134-I-1° of the French Commercial Code,
  - it may freely distribute all or a portion of the unsubscribed securities,
  - it may offer all or a portion of the unsubscribed shares to the public;
- agree that any capital increases decided under this delegation of authority shall not exceed 20% of the share capital per year (in relation to the amount of the share capital at the date when the Board of Directors makes use of this delegation of authority) and that, in any event, these capital increases, as well as any issues of debt securities, taken in their aggregate, must be implemented in observance of Limits 2 and 3 defined respectively in Resolutions 14 and 15 above;
- acknowledge that this delegation of authority automatically entails, to the benefit of the holders of any securities issued under this delegation of authority, the express waiver by the shareholders of their pre-emptive right to subscribe for the shares to which those securities confer entitlement;
- grant all powers to the Board of Directors, including the ability to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, in particular in order to:
  - determine the characteristics of securities to be issued and the amounts proposed for subscription and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery, and dividend or coupon rights of the securities, as well as all other procedures for their issuance, in accordance with applicable legal and regulatory limits,
  - carry out the planned issues and, where applicable, postpone them,
  - determine and proceed with any adjustments required to protect the rights of holders of securities giving access to the Company's share capital,
  - charge the costs incurred in connection with capital increases as well as the costs of the admission of the Company's shares to trading on a regulated market against the premiums pertaining to these capital increases and deduct from the total to be charged the amount required to bring the legal reserve up to one-tenth of the new share capital after the issue,
  - record the execution of the capital increase(s) and make the corresponding amendments to the Articles of Association, and more generally make any appropriate arrangements; enter into any agreements; request any authorisations; carry out any

formalities necessary for the issuance, listing and management of securities issued under this delegation of authority and for the exercise of any associated rights; and take the necessary steps to ensure the success of the planned issues;

- agree that in the event of an issue of debt securities, the Board of Directors will have all powers, which it may subdelegate under the conditions laid down by law and by the Company's Articles of Association, in particular to decide on the terms, conditions and characteristics of these securities, notably including whether or not they are subordinated (and where applicable, their level of subordination), and to determine their interest rate, the mandatory or optional cases for suspension or non-payment of interest, their issue currency, whether they are fixed-term or perpetual debt securities, the fixed or variable redemption price with or without a premium, the methods of amortisation depending on market conditions, and the terms under which these securities will confer entitlement to ordinary shares in the Company;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 17

(Determination of the issue price of shares and/or other securities giving access to the share capital and/or giving a right to receive debt securities of the Company, up to a maximum of 10% of the share capital per year, in connection with a capital increase without pre-emptive subscription rights for existing shareholders)

In accordance with the provisions of the French Commercial Code, and in particular of the second paragraph of its Article L. 225-136-1°, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report, authorise the Board of Directors, with the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, for each of the issues decided pursuant to Resolutions 15 and 16 above, to depart from the procedures for the determination of the issue price referred to in the aforementioned resolutions and to determine the issue price instead as follows:

- the issue price of ordinary shares shall be at least equal to the lowest of (i) the weighted average of the share price on the regulated market of Euronext Paris over a period of no longer than six months preceding the issue price determination date, (ii) the volume-weighted average price on the regulated market of Euronext Paris for the trading day preceding the issue price determination date, (iii) the volume-weighted average price on the regulated market of Euronext Paris for the current trading session on the day when the issue price is determined, and (iv) the last known closing share price prior to the issue price determination date, less, in each of the four cases, a maximum discount of 5%;
- the issue price of securities giving access to the share capital will be such that the amount received immediately by the Company, plus any amount that might be received by the Company at a future date, will be, for each ordinary share issued as a result of the issuance of these securities, at least equal to the issue price of shares defined in the previous paragraph.

At each issue date, the total number of shares and other securities issued under the delegation of authority granted by this resolution, over the 12-month period preceding the issue, shall not exceed 10% of the shares representing the Company's share capital at that date.

The shareholders agree that the Board of Directors will have all powers to put this resolution into effect under the terms of the resolution pursuant to which the original issue is decided.

Resolution 18

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide, with or without pre-emptive subscription rights for existing shareholders, to increase the number of ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities to be issued by the Company, up to a maximum of 15% of the original issue)

In accordance with Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide to increase the number of ordinary shares or other securities to be issued, in the event that any of the issues decided pursuant to Resolutions 14, 15 and 16 above are oversubscribed, up to the limits set forth in the resolution in question, at the same price as that used for the original issue, during a period of 30 days with effect from the expiry date of the subscription period of the original issue and for a maximum of 15% of the total amount of that issue;
- agree that the Board of Directors will have all powers to put this resolution into effect under the terms of the resolution pursuant to which the original issue is decided;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 19

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities, without pre-emptive subscription rights for existing shareholders, as consideration for in-kind contributions, up to a maximum of 10% of the share capital)

In accordance with the provisions of the French Commercial Code, and in particular of the sixth paragraph of its Article L. 225-147, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide, on the basis of the report of the independent auditor appointed to analyse the non-cash contributions referred to in the first and second paragraphs of Article L. 225-147 of the French Commercial Code, on the issuance of (i) ordinary shares in the Company, (ii) equity securities giving immediate and/or future access by any means to other equity securities and/or giving a right to be alotted debt securities of the Company, or (iii) debt securities of the Company that may give access or giving access, immediately or in future, to instruments to be issued by the Company, with a view to providing consideration for in-kind contributions comprising equity instruments or other securities giving access to the share capital of another company, tendered to the Company in cases where the provisions of Article L. 225-148 of the French Commercial Code do not apply;

- agree to exclude, as necessary, the pre-emptive right of existing shareholders to subscribe for the shares and other securities to be issued under this delegation of authority, which are to serve exclusively as consideration for in-kind contributions;
- agree that any capital increases that might be carried out under this delegation of authority, taken in their aggregate, must not exceed 10% of the share capital at the time of the issue and, in any event, must remain within Limits 2 and 3 defined respectively in Resolutions 14 and 15 above;
- agree that the Board of Directors will have all powers to implement this delegation of authority, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, and in particular in order to:
  - approve the valuation of the in-kind contributions, review and adopt the report of the independent auditor and, in relation to said contributions, record their completion; charge all fees, duties and expenses against premiums; determine the number, form and characteristics of the securities to be issued; record the execution of capital increases and make the corresponding amendments to the Articles of Association; proceed with the listing of the securities to be issued; and charge any related amounts, where applicable, to the contribution premium accounts, in particular the amounts necessary to bring the legal reserve up to one-tenth of the new share capital after each issue and the amount of any costs incurred in carrying out the issues,
  - determine and proceed with any adjustments required to protect the rights of holders of securities giving access to the Company's share capital, and
  - make any appropriate arrangements, enter into any agreements, request any authorisations, carry out any formalities, and take the necessary steps to ensure the success of the planned issues;
- agree that in the event of an issue of debt securities, the Board of Directors will have all powers, which it may subdelegate under the conditions laid down by law and by the Company's Articles of Association, in particular to decide on the terms, conditions and characteristics of these securities, notably including whether or not they are subordinated (and where applicable, their level of subordination), and to determine their interest rate, the mandatory or optional cases for suspension or non-payment of interest, their issue currency, whether they are fixed-term or perpetual debt securities, the fixed or variable redemption price with or without a premium, the methods of amortisation depending on market conditions, and the terms under which these securities will confer entitlement to ordinary shares in the Company;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 20

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities giving access to the share capital and/or giving a right to be allotted debt securities, without pre-emptive subscription rights for existing shareholders, as consideration for securities tendered in a public exchange offer, up to a maximum aggregate nominal amount of €4 million)

In accordance with the provisions of the French Commercial Code, and in particular its Articles L. 225-129 to L. 225-129-6, L. 225-148, L. 228-91 and L. 228-92, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide on the issuance, in the amounts and at the times it sees fit, in France and/or abroad, of (i) ordinary shares of the Company, (ii) equity securities giving immediate and/or future access by any means to other equity securities and/or giving a right to be allotted debt securities of the Company, or (iii) debt securities that may give access or giving access, immediately or in future, to securities to be issued by the Company, as consideration for securities tendered in a public exchange offer initiated by the Company in France or abroad, in accordance with local rules (including any transaction with the same effect as a public exchange offer or that can be deemed equivalent), involving the securities of a company whose shares are admitted for trading on one of the regulated markets referred to in Article L. 225-148 of the French Commercial Code;
- agree that the aggregate nominal amount of any capital increases to be carried out by issuing shares or other securities shall not exceed Limit 3 defined in Resolution 15 above or, in the event of an issue of debt securities, Limit 2 defined in Resolution 14 above;
- agree to exclude, as necessary, the pre-emptive right of existing shareholders to subscribe for the shares and other securities to be issued under this delegation of authority, which are to serve exclusively as consideration for securities tendered to a takeover bid with an exchange component initiated by the Company;
- acknowledge that this delegation of authority automatically entails, to the benefit of the holders of any securities issued under this delegation of authority, the waiver by the shareholders of their pre-emptive right to subscribe for the shares to which those securities confer entitlement;
- grant the Board of Directors all powers to implement this delegation of authority, including the ability to subdelegate this

authority under the conditions laid down by law and by the Company's Articles of Association, and in particular in order to:

- set the terms, the amounts and the procedures for any issue, as well as the exchange ratio and the amount of any equalisation payment, record the number of securities tendered in the exchange, determine the prices, dates, periods and the terms and conditions of subscription, payment, delivery, and dividend or coupon rights of the securities, as well as any other terms and conditions of their issue, in accordance with applicable legal and regulatory limits,
- record in a "merger premium" item on the liabilities side of the balance sheet, to which the rights of all shareholders shall apply, the difference between the issue price of the new ordinary shares and their par value,
- determine and proceed with any adjustments required to protect the rights of holders of securities giving access to the Company's share capital,
- charge the costs incurred in connection with capital increases as well as the costs of the admission of the Company's shares to trading on a regulated market against the premiums pertaining to these capital increases and deduct from the total to be charged the amount required to bring the legal reserve up to one-tenth of the new share capital after the issue,
- record the execution of the capital increase(s) and make the corresponding amendments to the Articles of Association, and more generally make any appropriate arrangements; enter into any agreements; request any authorisations; carry out any formalities necessary for the issuance, listing and management of securities issued under this delegation of authority and for the exercise of any associated rights; and take the necessary steps to ensure the success of the planned issues;

- agree that in the event of an issue of debt securities, the Board of Directors will have all powers, which it may subdelegate under the conditions laid down by law and by this resolution, in particular to decide on the terms, conditions and characteristics of these securities, notably including whether or not they are subordinated (and where applicable, their level of subordination), and to determine their interest rate, the mandatory or optional cases for suspension or non-payment of interest, their issue currency, whether they are fixed-term or perpetual debt securities, the fixed or variable redemption price with or without a premium, the methods of amortisation depending on market conditions, and the terms under which these securities will confer entitlement to shares in the Company;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 21

(Delegation of authority granted to the Board of Directors, for a period of 26 months, to decide to increase the share capital through the capitalisation of premiums, reserves, earnings or any other items for which capitalisation would be permitted)

In accordance with the provisions of the French Commercial Code, and in particular its Articles L. 225-128, L. 225-129, L. 225-129-2 and L. 225-130, the shareholders, having reviewed the Report of the Board of Directors:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide on one or more capital increases through the successive or simultaneous capitalisation of all or a portion of premiums, reserves, earnings or any other items for which capitalisation is permitted by law and by the Articles of Association, by issuing new ordinary shares to be allotted free of charge, by increasing the par value of existing shares, or through a combination of these two approaches;
- agree that fractional rights will be neither tradable nor transferable, and that the corresponding new ordinary shares will be sold. The proceeds of such sales will be allotted to the holders of the rights under the terms and conditions set out in applicable law and regulations;
- agree that the aggregate amount of any resulting capital increases, adjusted to reflect any additional capital necessary to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement, shall not exceed the total of the reserves, premiums, earnings or other items for which capitalisation would be permitted, referred to above and in existence at the date of the capital increase, and that this limit applies independently of Limits 1, 2 and 3 defined in Resolutions 14 and 15 above;
- grant all powers to the Board of Directors to:
  - determine the amount and nature of the items to be capitalised, the number of new ordinary shares to be issued and/or the amount by which the par value of existing ordinary shares is to be increased, and the date of attachment of dividend rights for the new ordinary shares, as well as the terms and conditions of any sale or transfer of fractional shares,
  - charge the costs incurred in connection with capital increases as well as the costs of the admission of the Company's shares to trading on a regulated market against the premiums pertaining to these capital increases and deduct from the total to be charged the amount required to bring the legal reserve up to one-tenth of the new share capital after the issue,
  - record the execution of the capital increase(s) thus decided and make the corresponding amendments to the Articles of Association, and more generally make any appropriate arrangements; enter into any agreements; request any authorisations; carry out any formalities necessary for the issuance, listing and management of securities issued under this delegation of authority and for the exercise of any associated rights; and take the necessary steps to ensure the success of the planned issues;

- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 22

(Delegation of authority to be granted to the Board of Directors, for a period of 18 months, to issue share subscription warrants to be allotted to the shareholders free of charge in the event of a takeover bid, up to a nominal amount equal to the amount of the share capital)

In accordance with the provisions of the French Commercial Code, and in particular its Articles L. 233-32-II and L. 233-33, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate to the Board of Directors the authority to carry out, within the existing legal and regulatory limits, during a takeover bid for the Company's shares, one or more issues of warrants entitling the holder to subscribe for one or more Company shares on preferential terms, and to freely allot said warrants to all shareholders of the Company who are shareholders before the takeover bid expires. These warrants will automatically lapse as soon as the takeover bid or any other potential competing offer fails, lapses or is withdrawn;
- agree that the maximum nominal amount of any capital increase resulting from the exercise of these subscription warrants shall not exceed the amount of the share capital at the date of the issue of these warrants, and that the maximum number of subscription warrants issued shall not be greater than the number of shares representing the share capital when the warrants are issued, and that these limits apply independently of Limits 1, 2 and 3 defined in Resolutions 14 and 15 above;
- acknowledge that this resolution automatically entails the waiver by the shareholders of their pre-emptive right to subscribe for the ordinary shares in the Company to which the subscription warrants issued pursuant to this resolution may confer entitlement;
- agree that the Board of Directors will have all powers, including the ability to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, in particular to determine the terms for the exercise of these subscription warrants, which must be relative to the terms of the offer or of any potential competing offer, as well as the other characteristics of these warrants, including the exercise price and methods for setting this price, in addition to, generally speaking, the characteristics and terms of any issue it decides to carry out on the basis of this delegation of authority, which it may defer or waive; to set the terms of any capital increase resulting from the exercise of these subscription warrants; to record the execution of any capital increase so brought about; to make the corresponding amendments to the Articles of Association; and more generally to make any appropriate arrangements, request any authorisations, carry out any formalities and take the necessary steps to ensure the success of the planned issues;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of eighteen (18) months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 23

(Delegation of authority to the Board of Directors, for a period of 26 months, to decide to increase the share capital, without pre-emptive subscription rights for existing shareholders, via issues to persons employed by the Company or by a company of the Group, subject to enrollment in a company savings plan, up to a maximum of 3% of the share capital)

In accordance with the provisions of Articles L. 3332-18 et seq. of the French Labour Code as well as the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- delegate the authority to the Board of Directors, including the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, to decide on the issuance, on one or more occasions, in the amounts and at the times it sees fit, of (i) ordinary shares or (ii) equity securities giving immediate or future access by any means to other equity securities of the Company, reserved for employees enrolled in a savings plan offered by the Company or by any related French or foreign companies or groups as defined by Article L. 225-180 of the French Commercial Code (the "**Recipients**"), under the conditions laid down by Article L. 3332-19 of the French Labour Code;
- agree to exclude, in favour of the Recipients, the pre-emptive right of existing shareholders to subscribe for the ordinary shares or other securities that may be issued under this delegation of authority;
- agree that this delegation of authority shall not give access to a total number of shares representing more than 3% of the Company's share capital (in relation to the amount of the share capital at the date when the Board of Directors makes use of this delegation of authority), it being specified that (i) any issue or allotment carried out pursuant to Resolutions 24 and 25 below, subject to their adoption at this General Meeting, will count towards this limit of 3% such that the issues or allotments carried out pursuant to Resolutions 23, 24 and 25, taken in their aggregate, will be subject to an overall limit of 3% and (ii) this is in addition to any additional number of shares to be issued in order to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement;
- agree that if the subscriptions obtained do not absorb the entirety of an issue of securities, the capital increase will be limited to the amount of subscriptions received;
- agree that the subscription price will be set in compliance with laws and regulations and agree to set the maximum discount for the subscription price of an issue offered in connection with an employee savings plan, which is the case for the securities issued under this delegation of authority, at 5% of the average price of the Company's shares on the regulated market of Euronext

Paris over the 20 trading days preceding the date of the decision setting the opening date of the subscription period. However, the shareholders expressly authorise the Board of Directors to reduce the aforementioned discount, within legal and regulatory limits;

- agree that the Board of Directors may provide for the allotment of ordinary shares, whether to be issued or already issued, or of securities giving access to the Company's share capital, whether to be issued or already issued, to the Recipients free of charge, in lieu of all or a portion of the employer contribution and/or the discount applied to the subscription price, within the limits set forth in Articles L. 3332-11 and L. 3332-21 of the French Labour Code, it being specified that the maximum aggregate nominal amount of capital increases that may be carried out in line with these allotments will count towards the limit of 3% of the Company's share capital referred to above;
- consequently grant all powers to the Board of Directors, with the option to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, to put this authorisation into effect, subject to the limits and conditions set out above, in particular so as to:
  - determine the characteristics of securities to be issued and the amounts proposed for subscription and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery, and dividend or coupon rights of the securities, in accordance with applicable legal and regulatory limits,
  - determine, if necessary, the nature of the securities to be allotted free of charge, as well as the terms and conditions of their allotment,
  - draw up the list of companies whose employees will be recipients of the issues carried out under this delegation of authority,
  - determine whether subscriptions may be made directly by the recipients or only through UCITS mutual funds,
  - charge any costs incurred in connection with capital increases against the premiums pertaining to those capital increases and deduct from the total to be charged the amount required to bring the legal reserve up to one-tenth of the new share capital after each capital increase,
  - record the execution of capital increases at the value of shares actually subscribed or of other securities issued under the terms of this authorisation,
  - enter into any agreements and, either directly or via an agent, complete all procedures and formalities, including formalities subsequent to capital increases and consequential amendments to the Articles of Association and, more generally, take all necessary steps,
  - in general terms, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take any steps and complete any formalities required for the issuance, listing and management of securities issued under the terms of this authorisation and for the exercise of any associated rights;
- agree that this delegation of authority to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of authority supersedes, in relation to the unused portion, any previous delegation of authority having the same purpose.

Resolution 24

(Authorisation granted to the Board of Directors, for a period of 38 months, to award share subscription or purchase options to employees and/or officers of the Company or of a company in the Group, up to a maximum of 3% of the share capital)

In accordance with the provisions of Articles L. 225-177 to L. 225-186-1 of the French Commercial Code, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- authorise the Board of Directors to grant, on one or more occasions, options giving a right either to subscribe for new ordinary shares in the Company, to be issued in connection with a capital increase, or to purchase existing ordinary shares bought back by the Company in accordance with the law, to employees and/or officers of the Company or of any related companies or groups as provided for by Article L. 225-180 of the French Commercial Code, it being specified that executive company officers shall not together receive more than 20% of the total number of options to be allotted pursuant to this resolution;
- agree that this authorisation shall not give access to a total number of shares representing more than 3% of the Company's share capital (in relation to the amount of the share capital at the date of the decision to grant the options taken by the Board of Directors), it being specified that (i) any issue or allotment carried out pursuant to Resolutions 23 or 25, subject to their adoption at this General Meeting, will count towards this limit of 3% such that the issues or allotments carried out pursuant to Resolutions 23, 24 and 25, taken in their aggregate, will be subject to an overall limit of 3% and (ii) this is in addition to any additional number of ordinary shares to be issued in order to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement;
- agree that, subject to any adjustments that may need to be made in the event of any future transaction regulated by law, with respect to share subscription options, the subscription price shall be set at the average share price over the 20 trading days preceding its determination. With respect to share purchase options, the price shall not be less than 80% of the average purchase price of treasury shares held by the Company as provided for by Articles L. 225-208 and L. 225-209 of the French Commercial Code;
- agree that the options granted may be exercised within a maximum period of eight years following their grant date;
- acknowledge that this authorisation automatically entails, to the benefit of option recipients, the express waiver by the shareholders of their pre-emptive right to subscribe for the ordinary shares to be issued in line with the exercise of the options;

- grant the Board of Directors all powers, with the ability to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, to set all of the terms and conditions under which the options will be granted, including:
  - the identities, the qualifications and the number of years of service of the Recipients,
  - the number of shares for which the Recipients will be entitled to subscribe,
  - and, in particular, the conditions tied to the performance of the Company, the Group or its entities that will apply to the granting of options to the company's executive company officers and, if applicable, those that would apply to the granting of options to employees, as well as the criteria according to which the options will be granted and any mandatory holding requirements,

these conditions being determined in compliance with any legal and regulatory obligations applicable to the options granted to senior executives, notably in accordance with the provisions of Articles L. 225-185 and L. 225-186-1 of the French Commercial Code,

  - record the execution of capital increases at the amount of shares actually subscribed through the exercise of share subscription options (it being understood that payments may be made in cash or by set-off of liquid and payable claims), make the corresponding amendments to the Articles of Association, complete all formalities required for capital increases and, at the sole discretion of the Board of Directors, as it sees fit, charge against issue premiums any costs incurred in carrying out the issues and deduct from these charges the amounts necessary to be transferred to the legal reserve,
  - in general terms, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take any steps and complete any formalities required for the issuance, listing and management of securities issued under the terms of this authorisation and for the exercise of any associated rights;
- agree that this authorisation granted to the Board of Directors is to be valid for a period of 38 months with effect from the date of this General Meeting;
- acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Resolution 25

(Authorisation granted to the Board of Directors, for a period of 38 months, to award free shares to employees and officers of the Company or of a company in the Group, up to a maximum of 3% of the share capital)

In accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, the shareholders, having reviewed the Report of the Board of Directors and the Statutory Auditors' special report:

- authorise the Board of Directors to proceed, on one or more occasions, with awards of free shares, which may, at its discretion, be either existing or newly issued shares in the Company, to employees or eligible officers (as defined in Article L. 225-197-1-II, paragraph 1 of the French Commercial Code) of the Company or of any related companies as stipulated in Article L. 225-197-2 of the French Commercial Code, or to certain categories of these individuals;
- agree that this authorisation shall not give access to a total number of shares representing more than 3% of the Company's share capital (in relation to the amount of the share capital at the date of the decision to award free shares taken by the Board of Directors), it being specified that (i) any issue or award carried out pursuant to Resolutions 23 and 24, subject to their adoption at this General Meeting, will count towards this limit of 3% such that the issues or awards carried out pursuant to Resolutions 23, 24 and 25, taken in their aggregate, will be subject to an overall limit of 3% and (ii) this is in addition to any additional number of shares to be issued in order to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement;
- agree that the number of shares awarded to executive company officers shall not represent more than 5% of the limit of 3% set in the previous paragraph;
- agree that (a) awarded shares will vest at the conclusion of a vesting period whose length will be set by the Board of Directors, it being understood that this period shall not be shorter than one year, with effect from the date of the award decision and (b) the recipients will be required, if the Board of Directors considers it useful or necessary, to hold said shares for the duration of the holding period or periods set freely by the Board of Directors, it being specified that the cumulative duration of the vesting periods and the holding periods, if applicable, shall not be less than two years. However, inasmuch as the vesting period for all or a portion of one or more awards of shares would be at least two years, the shareholders authorise the Board of Directors not to require any holding period for the shares in question;
- agree that, in the event of disability of the recipient under the second or third category set out in Article L. 341-4 of the French Social Security Code, the shares granted to that recipient will vest before the remaining term of the vesting period has expired, and will be immediately transferable;
- acknowledge that, with regard to the shares to be issued, (i) this authorisation entails, at the conclusion of the vesting period, an increase in the share capital through the capitalisation of reserves, earnings, issue premiums or any other items for which capitalisation would be permitted, on behalf of the recipients of said shares, as well as the associated waiver by shareholders, in favour of the recipients of awards, of their right to the portion of reserves, earnings, premiums or other items for which capitalisation would be permitted thus capitalised and (ii) this authorisation automatically entails the waiver by shareholders, in favour of the recipients of the said shares, of their pre-emptive right to subscribe for these shares. The corresponding capital increase will be deemed to have been completed upon the vesting of the shares in question to the recipients;

- accordingly, grant all powers to the Board of Directors, within the limits set out above, to put this resolution into effect and, in particular to:
  - determine the identity of the recipients of shares to be awarded and the number of shares to be awarded to each,
  - decide on the holding requirements that may apply by law in regard to eligible company officers, in accordance with the last paragraph of Article L. 225-197-1-II of the French Commercial Code,
  - set the dates and terms governing the awards of shares, including in particular the length of the vesting period, and of the holding period, where applicable,
  - and, in particular, determine the conditions tied to the performance of the Company, the Group or its entities that will apply to the awarding of shares to the company's executive company officers and, if applicable, those that would apply to the awarding of shares to the employees, as well as the criteria according to which the shares will be awarded, on the understanding that if shares are awarded without performance conditions, these shares shall not be awarded to the company's executive company officers and shall not exceed 10% of the awards authorised at the General Meeting,
  - determine whether the shares to be awarded free of charge are to be existing or newly issued shares and (i) in the event of the issue of new shares, record the existence of sufficient reserves and proceed on the occasion of each award with the transfer to an inaccessible reserve account of the amounts necessary for the payment of the new shares to be awarded, increase the share capital through the capitalisation of reserves, earnings, premiums or any other items whose capitalisation would be permitted, determine the nature and amounts of reserves, earnings or premiums to be capitalised with a view to the payment of said shares, record the execution of capital increases, determine the date when the newly issued shares will begin to carry dividend rights, which may be retroactive, make the corresponding amendments to the Articles of Association and (ii) in the event of the awarding of existing shares, proceed with the acquisition of the necessary shares under the conditions laid down by law, and take all necessary steps to ensure the successful completion of the transactions,
  - allow the option, where applicable, during the vesting period, to adjust the number of free shares awarded in accordance with any share capital transactions by the Company, so as to protect the rights of recipients, it being specified that any shares awarded pursuant to such adjustments will be deemed to have been awarded on the same date as the shares originally awarded,
  - more generally, with the ability to subdelegate this authority under the conditions laid down by law and by the Company's Articles of Association, take any steps and complete any formalities useful for the issuance, listing and management of the securities issued under this delegation of authority and for the exercise of any associated rights to ensure that the planned share awards are successfully completed;
- agree that this authorisation granted to the Board of Directors is to be valid for a period of 38 months with effect from the date of this General Meeting;
- acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Resolution 26

(Powers required to carry out formalities)
The shareholders grant all powers to the bearer of an original or copy of the minutes of this Meeting to carry out all legally required formalities.

3. Special reports of the Board of Directors

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON THE AWARDING OF FREE SHARES – YEAR ENDED 31 DECEMBER 2015

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, we are pleased to present our report on the transactions made pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-3 of said Code relating to the awarding of free shares.

1) Awards of free shares in 2015

We remind you that Resolution 23 of the Extraordinary General Meeting of 27 June 2014 authorised the Board of Directors to proceed with awards of free shares to both employees and officers of the Company or its Group, under the following terms and conditions:

- Recipients: employees and/or eligible company officers (as defined in Article L 225-197-1-II of the French Commercial Code) of the Company or of any related companies as defined by Article L. 225-197-2 of the French Commercial Code, or certain categories of these individuals.
- Maximum number of shares: the maximum number of shares shall not exceed 5% of the share capital at the date of the award decision, it being specified that this 5% limit is an overall limit relating to all issues to employees and company officers for which authorisation is given to the Board.
- Validity of the authorisation: 38 months, thus until 26 August 2017. This authorisation supersedes the previous one having the same purpose.

No free shares were awarded in 2015 by the Company, by any related companies as provided for by Article L. 225-197-2 of the French Commercial Code or by any companies it controls as defined by Article L. 233-16 of said Code.

2) Vesting of free shares in 2015

The following decisions were taken by the Chief Executive Officer, as delegated by the Board of Directors:

- Decision of the Chief Executive Officer dated 2 July 2015 making use of the subdelegation given by the Board on 19 June 2012, pursuant to the delegation of authority granted at the Combined General Meeting of 19 June 2012: advance award of 30 free shares under the free share plan adopted by the Board on 19 June 2012 to the beneficiaries of two deceased British recipients and corresponding capital increase in the amount of €30 through the capitalisation of reserves.

Under the merger agreement approved at the Extraordinary General Meeting of 19 December 2014, as Sopra Steria Group was automatically subrogated to Groupe Steria in its obligations to the awardees of Groupe Steria free performance shares not yet vested at the date of the completion of the merger between Sopra Steria Group and Groupe Steria, at the end of the financial year on 31 December 2014:

- Decision of the Chief Executive Officer dated 2 July 2015 making use of the subdelegation given by the Board on 25 June 2015: vesting of 9,398 free shares pursuant to the "France" rules of the free share plan adopted by Groupe Steria on 2 July 2012 and corresponding capital increase in the amount of €9,398 through the capitalisation of reserves;
- Decision of the Chief Executive Officer dated 29 July 2015 making use of the subdelegation given by the Board on 25 June 2015: vesting of 704 free shares pursuant to the rules of the free share plan adopted by Groupe Steria on 29 July 2011 and awarded to employees other than those in France or Spain and corresponding capital increase in the amount of €704 through the capitalisation of reserves;
- Decision of the Chief Executive Officer dated 29 July 2015 making use of the subdelegation given by the Board on 25 June 2015: vesting of 1,750 free shares pursuant to the rules of the free share plan adopted by Groupe Steria on 1 August 2012 and awarded to François Enaud and corresponding capital increase in the amount of €1,750 through the capitalisation of reserves.

It should be noted that no officer of the Company received an award of free shares in connection with his or her office held in the Company.

A total of 4,880 free performance shares awarded by the Company vested in 2015 for the ten employees other than company officers having been awarded the largest number of free shares. These shares had a par value, corresponding to their share price at their vesting date, 29 July 2015, of €86.98 each.

The Board of Directors

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON THE GRANTING OF SHARE SUBSCRIPTION AND/OR PURCHASE OPTIONS – YEAR ENDED 31 DECEMBER 2015

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, we are pleased to present our report on the transactions made pursuant to the provisions of Articles L. 225-177 to L. 225-186 of said Code relating to the granting of stock options.

1) Granting of stock options in 2015

We remind you that Resolutions 20 and 21 of the Extraordinary General Meeting of 27 June 2014 authorised the Board of Directors to proceed with grants of share subscription and/or purchase options to both employees and officers of the Company or its Group, under the following terms and conditions:

- Recipients: employees and/or officers of the Company or of any related companies or groups as defined in Article L. 225-180 of the French Commercial Code.
- Maximum number of shares: the maximum number of shares to which these options would give access shall not exceed 5% of the share capital at the date of the grant decision, it being specified that this 5% limit is an overall limit relating to all issues to employees and company officers for which authorisation is given to the Board.
- Subscription/purchase price: the subscription price is set at the average of the listed share price over the 20 trading days preceding the grant decision; the purchase price shall not be less than 80% of the average purchase price of treasury shares held by the Company.
- Validity of the plan: maximum of eight years.
- Validity of the authorisation: 38 months, thus until 26 August 2017. This authorisation supersedes the previous one having the same purpose.

No share subscription or purchase options were granted in 2015 by the Company, by any related companies as provided for by Article L. 225-180 of the French Commercial Code or by any companies it controls as defined by Article L. 233-16 of said Code.

2) Share subscription options exercised in 2015

2.1) Options exercised in 2015 by officers of the Company

No shares were subscribed for or purchased by the officers of the Company in 2015 via the exercise of options having been granted by the Company, by any related companies as provided for by Article L. 225-180 of the French Commercial Code or by any companies it controls as defined by Article L. 233-16 of said Code.

2.2) Options exercised in 2015 by employees of the Company

In 2015, 63,052 share subscription options were exercised, resulting in subscriptions for 63,052 newly issued shares for a total amount of €2,279,667.26, thus an average subscription price per share of €36.15, giving rise to a capital increase in the amount of €63,052 and an issue premium of €2,216,615.26. Of these 63,052 options, 7,523 were exercised by current employees of the Group at an average subscription price of €41.16 per share, and 55,529 options were exercised by former employees of the Group.

No shares were subscribed for or purchased by employees that were not officers of the Company in 2015 via the exercise of options granted by related companies or groups as provided for by Article L. 225-180 of the French Commercial Code.

The Board of Directors

Statement by the person responsible for the Registration Document

I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of operations of the parent company and of all entities included in the scope of consolidation. Relevant information in the Management Report, detailed in the cross-reference table on pages 273 and 274 entitled "Information regarding the Management Report", provides a true and fair presentation of the development of the businesses, results of operations and financial positions of the parent company and of all entities included in the scope of consolidation, as well as a description of the main risks and uncertainties to which these companies are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified, in accordance with professional standards and doctrine applicable in France, the financial and accounting information provided in this Registration Document and that they have read the document as a whole.

The reports of the Statutory Auditors on the consolidated and individual company financial statements for the year ended 31 December 2015 provided in this Registration Document are included on pages 185 and 215, respectively.

Historical financial information for 2013 and 2014 is included in this Registration Document, excerpted from pages 117 to 196 of the 2013 Registration Document and pages 115 to 226 of the 2014 Registration Document, respectively. The reports of the Statutory Auditors on this historical financial information are included on page 173 of the 2013 Registration Document and on page 189 of the 2014 Registration Document.

Paris, 22 April 2016

Vincent Paris

Chief Executive Officer

Cross-reference table for the Registration Document

In order to enhance the readability of the Annual Report filed as a Registration Document, the following theme-based table allows the reader to identify the main headings required by Commission Regulation (EC) No. 809/2004 of 29 April 2004.

13. Profit forecasts and estimates		NA	NA
14. Administrative, management and supervisory bodies and Executive Management			
14.1	Information concerning members	10, 41-49	About, 2
14.2	Conflicts of interest	49, 53	2
15. Remuneration and benefits			
15.1	Remuneration and benefits in kind	54, 63-69, 181	2, 4 (Note 31)
15.2	Provisions for pension, retirement or similar benefits	160-161, 200	4 (Note 23), 5
16. Board practices			
16.1	Expiry date of the current terms of office	41-49	2
16.2	Members of the administrative, management or supervisory bodies' service contracts	49	2
16.3	Information on the Company's Audit Committee and Compensation Committee	50-52	2
16.4	Statement of compliance with corporate governance rules in force in France	55	2
17. Employees			
17.1	Number of employees	4, 14, 26, 80-81, 139	1, About, 3, 4 (Note 4)
17.2	Shareholdings and stock options	63-65, 67-68, 154-156, 198-199 221-222, 226, 228	2, 4, 5, 6
17.3	Arrangements for involving the employees in the capital of the Company	155, 199, 222	4, 5, 6
18. Major shareholders			
18.1	Shareholders owning more than 5% of the share capital	221	6
18.2	Existence of different voting rights	221-222	6
18.3	Direct or indirect control	224	6
18.4	Any arrangements, the operation of which may result in a change of control	223	6
19. Related-party transactions		216-218	5
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses			
20.1	Historical financial information	117-184	4
20.2	Pro forma financial information	NA	NA
20.3	Financial statements	188-214	5
20.4	Auditing of historical annual financial information	185, 215	4, 5
20.5	Date of latest financial information	117-184	4
20.6	Interim and other financial information	32	1
20.7	Dividend distribution policy	12, 230, 246	About, 6, 8
20.8	Legal and arbitration proceedings	36-37, 166, 184	About, 1, 4 (Notes 24 and 33)
20.9	Significant change in financial or trading position	184, 212	4 (Note 34), 5
21. Additional information			
21.1	Share capital	220, 226	6
21.2	Memorandum and articles of association	232-239	7
22. Material contracts		34	1
23. Third-party information, statements by experts and declarations of any interest			
23.1	Identity	115-116	3
23.2	Statement	115-116	3
24. Documents on display		242	7
25. Information on holdings		23-213	1, 5

Information regarding the Management Report

This Registration Document includes all the items of the Management Report required by legal and regulatory provisions. The table below presents the items in Sopra Steria Group's Management Report at 31 December 2015:

Reference texts		Business overview and comments on the financial year	Pages
CCom*	L. 225-100, L. 225-100-2, L. 232-1, L. 233-6 and L. 233-26	Objective, exhaustive analysis of the course of business, performance and financial position of the Company and Group; financial key performance indicators	14-22, 25-32
CCom	L. 225-100 and L. 225-100-2	Non-financial key performance indicators relating specifically to the Company's business, including disclosures on environmental and labour issues	71-114
CCom	L. 233-6	Significant equity interests acquired during the financial year in companies whose registered offices are on French soil	29
CCom	L. 232-1 and L. 233-26-32	Foreseeable developments in Company and Group affairs; major events occurring between the balance sheet date and the date at which the report was approved for publication	31-32
CCom	L. 225-100 and L. 225-100-2	Description of main risks and uncertainties to which the Company is exposed	33-37
CCom	L. 225-100 and L. 225-100-2	Use of financial instruments by the business: targets and policy pertaining to the management of financial risks and the Company's exposure to price, credit, liquidity, and cash flow risks	35, 171-174
CCom	L. 225-102-1, L. 225-102-2 and R. 225-104 and 105	Disclosures pertaining to the social and environmental consequences of doing business (including "Seveso" sites), corporate commitments to sustainable development, anti-discrimination efforts and promoting diversity	71-114
CCom	L. 232-1	Research and development activities	21, 30
CGI**	243 bis	Dividends distributed in respect of the past three financial years; amount of earnings distributed in respect of those years that is eligible for the 40% tax exemption	230

Reference texts		Corporate governance and compensation	
CCom	L. 225-102-1	List of all corporate offices and positions held in any company by each company officer during the financial year	41-49
CCom	L. 225-102-1	Total compensation and benefits of any type paid during the financial year to each company officer; commitments of any type made by the Company to its company officers, whether in the form of compensation, indemnities or benefits owed or potentially owed in respect of or subsequent to their appointment, termination or reappointment to a different position	63-69
CCom	L. 225-184	Options granted, subscribed for or purchased during the financial year by the company officers and each of the Company's top ten non-officer employees; options granted to all employees, by category	63-65, 67-68, 199
CCom	L. 225-185 L. 225-197-1	Conditions for the exercise and holding of options by senior executive officers; conditions for the holding of bonus shares allotted to senior executive officers	67-68, 154-156
CMF***	L. 621-18-2	Transactions by senior executives and related persons involving Company securities	227

* *CCom = Code du commerce (French Commercial Code).*

** *CGI = Code général des impôts (French General Tax Code).*

*** *CMF = Code monétaire et financier (French Monetary and Financial Code).*

Reference texts		Disclosures pertaining to the Company and share capital	
CCom	L. 225-100-3	Rules for the appointment and replacement of members of the Board of Directors or Management Board, and for the modification of the Company's Articles of Association; powers of the Board of Directors or Management Board, including the issue and purchase of shares	229, 233-239
CCom	L. 225-211	Breakdown of purchases and sales of treasury shares over the financial year	224 -225
CCom	R. 228-90	Potential adjustments for securities conferring access to the share capital in the event of share buybacks or financial transactions	224-225
CCom	L. 225-100	Table summarising current delegations of authority granted by a Shareholders' Meeting to the Board of Directors or Management Board, pertaining to an increase in share capital	227-228
CCom	L. 225-100-3 and L. 233-13	Company ownership structure and changes in ownership	221, 226
CCom	L. 225-100-3	Restrictions under the Company's Articles of Association on the exercise of voting rights and share transfers, or clauses of agreements brought to the Company's attention	229
CCom	L. 225-100-3	Direct or indirect stakes held in the Company's capital and of which the Company is aware	221
CCom	L. 225-102	Statement of employee stakes in share capital at financial year-end; portion of capital corresponding to shares held by personnel under a PEE company savings plan and by employees and former employees in FCPE enterprise mutual funds	222
CCom	L. 225-100-3	Control mechanisms planned for a potential employee share ownership programme, when control rights are not exercised by the employees	NA
CCom	L. 225-100-3	List of all holders of shares with special control rights, and a description thereof	NA
CCom	L. 225-100-3	Shareholders' agreements of which the Company is aware and which may lead to restrictions on the transfer of shares and the exercise of voting rights	223
CCom	L. 225-100-3	Agreements entered into by the Company that are modified or terminated in the event of a change in control over the Company, unless this disclosure, where not required by law, would seriously harm the Company's interests	173, 223, 229
CCom	L. 225-100-3	Agreements providing for indemnities payable to members of the Board of Directors or Management Board or employees if they resign or are dismissed without just cause or if their position is terminated due to a public offer	69, 181, 203, 216-218, 229
CCom	L. 464-2	Pecuniary sanctions or injunctions for anti-competitive practices	NA

Reference texts		Items relating to the financial statements	
CCom	R. 225-102	Results of the Company over the past five financial years	214

Cross-reference table for the Annual Financial Report

This Registration Document includes all the items of the Annual Financial Report as mentioned in Articles L. 451-1-2 of the French Monetary and Financial Code and required by Article 222-3 of the AMF's General Regulation. The table below lists the items in the Annual Financial Report:

Cross-referencing table: Sopra Steria's compliance with Grenelle 2/Global Reporting Initiative (GRI)/ ISO 26000 indicators

WORKFORCE-RELATED COMPONENT

Grenelle 2	2015 Sopra Steria CSR-SD Report		GRI 4	ISO 26000
	Page no.	Section		
Action taken and guidelines followed by the Company to take into account the social consequences of its activity	79 93	2.1 Group culture 3.1 Stakeholder dialogue		6.2 Organisational governance 6.4 Labour practices
a) Employment				
■ Total workforce	80	2.2.1 Workforce	G4 - 10	6.4 Labour practices 6.4.3 Employment and employment relationships
■ Breakdown of employees by gender, age and geographic region				
■ Hirings and dismissals	81	2.2.2 Recruitment	G4 - LA1	
■ Remuneration and trends	86	2.5 Remuneration policy		
b) Work organisation				
■ Organisation of the work schedule	86	2.6 Work organisation	G4 - LA6	6.4 Labour practices 6.4.7 Workplace health and safety
■ Absences				
c) Employee relations				
■ Organisation of dialogue between employees and management, in particular procedures for informing and consulting with the staff and negotiating with employees	87	2.7 Labour-management dialogue		6.4 Labour practices 6.4.5 Labour-management dialogue
■ Overview of collective bargaining agreements				
d) Health and safety				
■ Workplace health and safety conditions	88	2.8 Health and safety	G4 - LA5	6.4 Labour practices 6.4.7 Workplace health and safety
■ Overview of agreements signed with labour organisations or employee representatives with regard to workplace health and safety			G4 - LA8	
■ Workplace accidents, particularly their frequency and severity, and occupational illnesses			G4 - LA6	
■ Occupational illnesses				
e) Training				
■ Policies implemented with respect to training	83	2.3 Induction and training policy	G4 - LA10 G4 - LA11	6.4 Labour practices 6.4.3 Employment and employment relationships
■ Total number of training days and hours	85	2.4 Talent development policy	G4 - LA9	

Grenelle 2	2015 Sopra Steria CSR-SD Report		GRI 4	ISO 26000
	Page no.	Section		
f) Equal treatment				
■ Measures taken to promote gender equality	89	2.9 Anti-discrimination policy 2.9.2 Professional gender equality	G4 - LA13	6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work
■ Measures taken to promote the employment and professional integration of disabled individuals	89	2.9 Anti-discrimination policy 2.9.1 Employment of disabled individuals		
■ Anti-discrimination policy	89	2.9 Anti-discrimination policy	G4 - HR3	
g) Promoting and complying with the provisions of ILO conventions concerning:				
■ the respect for freedom of association and right to collective bargaining	91 91	2.10 Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO) 2.10.1 Upholding the freedom of association	G4 - HR4	
■ the elimination of discrimination in employment and professions	89	2.9 Anti-discrimination policy	G4 - HR3	
■ the elimination of forced or compulsory labour ■ the effective abolition of child labour	91	2.10.2 Repudiation of forced child labour		

ENVIRONMENTAL COMPONENT

Grenelle 2	2015 Sopra Steria CSR-SD Report Page no.	2015 Sopra Steria CSR-SD Report Section	GRI 4	ISO 26000
a) General environmental policy				
■ The Company's organisation to take environmental issues into consideration, and where applicable, environmental assessment or certification processes	104 105 105	5.1 Environmental policy 5.3 Environmental Management System 5.4.1 Organisation to take environmental issues into consideration	G4 - 1 G4 - 34	6.2 Organisational governance
■ Employee training and information initiatives on protecting the environment	105	5.4.2 Raising environmental awareness among employees		
■ Resources dedicated to preventing environmental risks and pollution	104	5.3 Environmental Management System		
■ Amount of provisions and coverage for environmental risks, provided that such information is not liable to seriously harm the Company in any ongoing litigation		This subject does not relate to Sopra Steria's activities		
b) Pollution and waste management				
■ Measures to prevent, reduce or remedy waste in the air, water and soil that seriously affect the environment	105 106 107 109 111	5.5.1 Travel and commuting policy 5.5.3 Carbon footprint 5.6 Offices and energy consumption 5.7 IT infrastructures and data centres 5.8 Product life cycle management	G4 - EN23 G4 - EN15 G4 - EN16	6.5.3 Preventing pollution
■ Measures to prevent, recycle and eliminate waste	97 111	3.3.3 Responsible purchasing of goods and services 5.8 Product life cycle management		
■ Consideration of noise and other forms of pollution specific to an activity		This subject does not relate to Sopra Steria's activities		

Grenelle 2	2015 Sopra Steria CSR-SD Report Page no.	2015 Sopra Steria CSR-SD Report Section	GRI 4	ISO 26000
c) Sustainable use of resources				
■ Water consumption and water supply according to local constraints	109	5.6.5 Water consumption	G4 - EN3 G4 - EN6 G4 - EN19 G4 - EN15 G4 - EN16	
■ Consumption of raw materials and measures taken to improve efficient use of these resources	109 107 97	5.7 IT infrastructures and data centres 5.6 Offices and energy consumption 3.5 Solutions and services		
■ Energy consumption, measures taken to improve energy efficiency and renewable energy use	107 109	5.6 Offices and energy consumption 5.6.4 Renewable energy supply		
■ Land use		This subject does not relate to Sopra Steria's activities		
■ Food waste prevention	79	This subject does not directly relate to Sopra Steria		
d) Climate change				
■ Greenhouse gas emissions ■ Adapting to the consequences of climate change	106 107 110	5.5.3 Carbon footprint 5.6.3 Managing energy consumption at offices and on-site data centres 5.7.3 Optimising energy consumption at on-site and off-site data centres	G4 - EN15 G4 - EN16 G4 - EN30 G4 - EN19 G4 - EN3 G4 - EN4 G4 - EN6	6.5.5 Mitigating and adapting to climate change
e) Protecting biodiversity				
■ Measures taken to protect or develop biodiversity		This subject does not relate to Sopra Steria's activities		

SOCIETAL COMPONENT

Grenelle 2	2015 Sopra Steria CSR-SD Report – Page no.	2015 Sopra Steria CSR-SD Report – Section	GRI 4	ISO 26000
a) Regional, economic and social impact of the activity				
■ Employment and regional development	82 91	2.2.3 Educational partnership policy 2.11 Regional impact	G4 - EC7	6.8 Community involvement and development
■ Residents and local populations	99	4 Community engagement		
b) Relations with persons or organisations that have interests in the Company's activities				
■ Conditions for dialogue with these persons or organisations	93	3.1 Stakeholder dialogue	G4 - 15 G4 - 16 G4 - 24 G4 - 25	
■ Partnerships and sponsorship actions	99	4 Community engagement		
c) Subcontracting and suppliers				
■ Taking into account social and environmental issues in the purchasing policy	96 97	3.3.1 Responsible purchasing charter 3.3.3 Responsible purchasing of goods and services		6.6.6 Promoting social responsibility in the value chain
■ Extent of subcontracting and communication of social and environmental responsibility commitments in the context of relations with suppliers and subcontractors	96	3.3.2 Assessing suppliers	G4 - EN32	
d) Fair operating practices				
■ Action taken to prevent corruption	96	3.2 Business ethics	G4 - 56 to G4 - 58 G4 - SO4	6.6 Fair operating practices
■ Measures taken to promote consumer health and safety		This subject does not relate to Sopra Steria's activities		
e) Other action taken to promote human rights				
	72 99	1. Sopra Steria: committed to a more sustainable world 4 Community engagement		
Other indicators mentioned in the report			G4-3 G4-4 G4-5 G4-6 G4-7 G4-8 G4-17 G4-18 G4-23 G4-28 G4-29 G4-30 G4-31 G4-33	

The environmental management system governing the printing of this document is ISO 14001:2004 certified.

Designed & published by LABRADOR +33 (0)1 53 06 30 80

Sopra Steria Group

Head Office
9 bis, rue de Presbourg
FR-75116 Paris
Tel.: +33(0)1 40 67 29 29
Fax: +33(0)1 40 67 29 30
accueil@soprasteria.com

---

www.soprasteria.com