

# 2. Corporate Governance - Chairman's Report

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This section of the Registration Document contains all of the provisions of the report prepared by the Chairman of the Board of Directors, in accordance with Article L. 225-37 of the French Commercial Code, which includes the principles and rules of governance applied within the Board of Directors and Executive Management as well as internal audit and risk management procedures.

■ The section of the Chairman's Report on the organization and functioning of the Board of Directors and of the Executive Management, as well as on the methods for determining the compensation and benefits granted to corporate officers, was prepared on the basis of recommendations of the AFEP/MEDEF Code, revised in November 2015, and of the AMF and of the recommendations appearing in the High Committee on Corporate Governance's "Application Guide to the AFEP/MEDEF Code of Corporate Governance of Listed Companies", published in December 2015.

■ The section of the Chairman's Report on internal audit and risk management was prepared from work carried out by the departments responsible for Rallye's internal audit, based on internationally recognized "COSO" (Committee of Sponsoring Organizations of the Treadway Commission) guidelines, which are compatible with the AFEP and MEDEF recommendations.

The report was reviewed by the Appointments and Compensation Committee and by the Audit Committee, then approved by the Board of Directors at its meeting on March 8, 2016. It was made available to the shareholders prior to the Annual General Meeting.

It was also the subject of a report by the Statutory Auditors, under Article L. 225-235 of the French Commercial Code, with regard to the internal audit procedures relating to the preparation and processing of accounting and financial information, as well as a certification concerning the preparation of other disclosures.

## | Code of Corporate Governance

As part of the Company's approach to practicing good governance, the Board of Directors refers to the November 2015 version of the AFEP/MEDEF Code of Corporate Governance. The Company applies all the AFEP/MEDEF Code's recommendations as well as those listed in the "Application Guide to the AFEP/MEDEF Code of Corporate Governance of Listed Companies", published in December 2015.

Over the past year, the Company has continued to pay close attention to correctly applying corporate governance principles and to strengthening them.

The appointment of a female Independent Director at the Shareholders' Meeting on May 19, 2015 and her appointment as a member on the Appointments and Compensation Committee, two-thirds of which are independent members, was part of this strengthening process.

## | Board of Directors

### COMPOSITION OF THE BOARD OF DIRECTORS

On March 8, 2016, the date on which the financial statements for the year 2015 were approved, the Board of Directors consisted of eleven Directors:

- Jean-Charles Naouri, Chairman of the Board of Directors;
- Philippe Charrier <sup>(1)</sup>;
- Jean Chodron de Courcel <sup>(1)</sup>;
- Jacques Dumas;
- Catherine Fulconis <sup>(1)</sup>;
- Jean-Marie Grisard, representing Finatis;
- Sophie Guieysse <sup>(1)</sup>;
- Didier Lévêque, representing Foncière Euris;
- Odile Muracciole, representing Saris;
- Gabriel Naouri, representing Euris;
- Christian Paillot <sup>(1)</sup>.
- Non-voting observer, André Crestey.

The Board thus includes five Independent Directors (over 45%) and six representatives of the majority shareholder. There are three women Directors, accounting for 27% of the Board.

The membership of the Board of Directors was changed in 2015 following the appointment of Sophie Guieysse by the Shareholders' Meeting on May 19, 2015. She was also appointed to be a member of the Appointments and Compensation Committee.

Directors are chosen for their experience, diversity of experience and synergies.

The Board of Directors ensures that Board and Committee membership is balanced, particularly with regard to the presence of women, the representation of Independent Directors, and the diversity of their areas of expertise.

Within this context, the Appointments and Compensation Committee conducts annual reviews of the Board of Directors and its Special Committees, in which it periodically assesses their size and structure, and communicates its conclusions and recommendations to the Board of Directors.

The Appointments and Compensation Committee, in particular, assessed the following aspects of the Board of Directors' composition:

### The length of terms of office

The one-year terms of office of all the Directors expire at the Shareholders' Meeting on May 18, 2016.

(1) Independent Directors.

## Representation of Independent Directors

As part of its duties, the Appointments and Compensation Committee is in charge of monitoring the position of each Director with regard, if applicable, to the relationships that may exist between him/her and the Company or Group companies, which might compromise his/her freedom of judgment or might lead to potential conflicts of interest with the Company.

The Appointments and Compensation Committee conducted an annual review of the independence of Directors with regard to the assessment criteria proposed by the AFEP/MEDEF Code, detailed in the table below. The Committee presented its findings to the Board of Directors on March 8, 2016.

## Summary analysis of the position of each Director with regard to the independence criteria of the AFEP/MEDEF Code

Independence criteria of the AFEP/MEDEF Code:	Not to be an employee or a corporate officer of the Company, or an employee or Board member of the parent company or of a company it controls, and not to have been one during the previous five years;	Not to be a corporate officer of a company in which the Company (or an employee designated as such or a corporate officer of the Company) directly or indirectly holds a seat on the Board;	Not to be a customer, supplier, investment bank, lending bank of the Company	Not to have a close personal relationship with a corporate officer	Not to have been an Auditor of the Company during the previous five years	Not to have been a Board member of the Company for more than twelve years
<b>Independent Directors</b>						
Philippe Charrier	Y	Y	Y	Y	Y	Y
Jean Chodron de Courcel	Y	Y	Y	Y	Y	Y
Catherine Fulconis	Y	Y	Y	Y	Y	Y
Sophie Guieysse	Y <sup>(1)</sup>	Y	Y	Y	Y	Y
Christian Paillot	Y	Y	Y	Y	Y	Y
<b>Non-independent Directors</b>						
Jacques Dumas	N					N
Jean-Marie Grisard, representing Finatis	N					N
Didier Lévêque, representing Foncière Euris	N					
Odile Muracciole, representing Saris	N					
Jean-Charles Naouri	N					N
Gabriel Naouri, representing Euris	N			N		

(1) Sophie Guieysse was formerly a Director of Groupe GO Sport from April 4, 2011 until April 17, 2015, i.e. for less than 12 years. She has never held an executive position at Groupe GO Sport or at any other company in the consolidated Group. She therefore qualifies as an Independent Director, because her position in the past does not create any serious risk of a conflict of interest.

Note: non-compliance with the criteria is identified with an "N", and compliance with a "Y".

The Committee noted that Christian Paillot, appointed on April 15, 2004, reached the maximum 12-year period for performing the duties of a Director, as provided for in the AFEP/MEDEF Code.

The Committee noted that no Independent Directors have a business relationship with the Company or with one of the Group companies.

## The presence of women

The Board has three women Directors (27%).

As such, the Appointments and Compensation Committee has continued to select women Directors in order to reach, by the 2016 Shareholders' Meeting, the 40% threshold recommended by the AFEP/MEDEF Code and required by law.

## Directors holding more than one office

No Director whose re-appointment has been recommended to the Shareholders' Meeting on May 18, 2016 holds more than one office as provided for by law and AFEP/MEDEF Code.

In accordance with the recommendations of the AMEP/MEDEF Code, the executive corporate officer must obtain the Board of Directors' approval before accepting a term of office in a listed company.

## Non-voting observer (advisor to the Board)

The Company's by-laws allow for the appointment of one or more non-voting observers, chosen from among the shareholders. These observers are appointed for one year and attend Board Meetings; in this role, they share their observations and advice, and participate in discussions in an advisory capacity. There may not be more than five such observers in total.

## Employee representatives within the Board of Directors

The Board of Directors does not fall under Articles L. 225-23 (Directors elected by employee shareholders accounting for more than 3% of the share capital) or L. 225-27 (Directors elected by virtue of the by-law provisions instituted by the Company) of the French Commercial Code.

In order to prepare its recommendation to the Board of Directors, the Appointments and Compensation Committee will specifically review the application of the new provisions of Article L. 225-27-1, which was introduced by the Law of August 17, 2015 and provides for the appointment of employee shareholders, with voting rights, by no later than the end of the 2017 Annual Shareholders' Meeting.

## Proposed composition of the Board of Directors, subject to approval at the Shareholders' Meeting on May 18, 2016

Taking into account these different items, particularly those concerning balanced gender representation and independent members, and in accordance with the Appointments and Compensation Committee's opinion, the Board of Directors has decided to reduce the number of Directors from 11 to 10 and to submit the following for the approval of the Shareholders' Meeting:

- the renewal of the terms of office: of Catherine Fulconis and Sophie Guieysse; of Jean-Charles Naouri, Philippe Charrier, Jean Chodron de Courcel and Jacques Dumas; of Euris, represented by Gabriel Naouri; of Saris, represented by Odile Muracciole; of Foncière Euris, represented by Didier Lévêque; and of Finatis, with Virginie Grin serving as its permanent representative;
- the appointment of Jean-Marie Grisard as a non-voting observer to replace André Crestey and Christian Paillot, whose term of office will not be submitted for renewal.

As a result, at the end of the Shareholders' Meeting on May 18, 2016, the Board might comprise 10 members, including four women Directors and four Independent Directors (40%). It would also include two non-voting observers.

## STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

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

The requirements governing the preparation and organization of the work of the Board of Directors are defined by law, by the Company's by-laws, by the Board's internal regulations, and by the charters of the Special Committees set up within it.

### Organization and Operation of the Board of Directors

Since February 28, 2013, the functions of Chairman of the Board of Directors and Chief Executive Officer have been separated.

Didier Carlier holds the position of Chief Executive Officer, while Frank Hattab is the Deputy Managing Director. Jean-Charles Naouri is Chairman of the Board of Directors.

On May 18, 2016, the Board of Directors will be asked to deliberate on keeping the functions of Chairman of the Board of Directors separate from those of the Executive Management, and on renewing the terms of office: of the Chairman of the Board of Directors, Jean-Charles Naouri; of the Chief Executive Officer, Didier Carlier; and of the Deputy Managing Director, Franck Hattab.

### | Powers of the Chairman of the Board of Directors

Within the Board of Directors, the Chairman organizes and directs the activities of the Board, about which he reports to the Shareholders' Meeting.

He convenes meetings of the Board of Directors and is in charge of setting the agenda and producing the minutes of these meetings. He ensures proper functioning of the Company's operations and, in particular, that the Directors are able to perform their duties.

### | Internal regulations of the Board of Directors

The organization and operations of the Board of Directors are subject to the internal regulations adopted in December 2003, and last revised by the Board of Directors on May 13, 2014. They include and specify the different rules that are applicable by law, regulations and the Company's by-laws. They include the principles of "corporate governance" with which they ensure compliance.

The internal regulations describe the operation, powers, authorizations and duties of the Board of Directors and of its Special Committees: the Audit Committee and the Appointments and Compensation Committee. They describe the limits to the powers of the Executive Management.

The regulations lay down the code of ethics applicable to members of the Board of Directors, in particular: the obligation of confidentiality referred to in Article L. 465-1 of the French Monetary & Financial Code, and in Articles 621-1 *et seq.* of the General Regulations of the French Financial Markets Authority (AMF) on insider trading; and the obligation to observe a blackout period concerning any transactions in the Company's shares.

They also mention the registration of Directors on the list of permanent insiders drawn up by the Company as part of the regulatory provisions intended to improve the prevention of breaches and insider trading.

The internal regulations also include provisions governing the declarations required from corporate officers and from individuals with "close personal ties" to members of the Board of Directors with respect to their transactions in Company shares.

The internal regulations set out the principle of formal and regular assessments of the Board of Directors' operations.

They also spell out the terms and conditions for its meetings and deliberations and, in particular, enable Directors to attend Board meetings by videoconference and by any other means of telecommunication.

The internal regulations of the Board of Directors may be consulted on the Company's website at: <http://www.rallye.fr>.

### | Information Provided to Directors

In accordance with Article L. 225-35 of the French Commercial Code, the Chairman or Chief Executive Officer of the Company provides each member of the Board with all of the documents and information necessary for the performance of their duties.

Therefore, all the necessary information relating to the subjects to be discussed by the Board of Directors is provided to its members prior to each Board meeting. Accordingly, each Board member receives a preparatory file containing information and documents, provided that such documents are available and depending on the progress status of the files, relating to the subjects on the agenda.

Pursuant to the provisions of the Board of Directors' internal regulations, the Executive Management regularly a report to the Board of Directors describing the development of the Company's and its main subsidiaries' business activities, as well as the position of the indebtedness and lines of credit available to the Company.

When Directors start their term of office, they receive all the information necessary for the performance of their duties, and they can request any document they deem necessary. Meetings with the senior managers of the Company and its subsidiaries are also organized.

The Executive Management, the Chief Financial Officer and the Company Secretary are available to Directors to provide them with any relevant information or explanations.

Between Board meetings, Directors receive all important information concerning the Company and the Group or when events affecting them significantly occur.

Once every six months, the Board of Directors also reviews the Group's off-balance-sheet commitments.

At least once a quarter, the Chief Executive Officer delivers to the Board of Directors a report of the business activities of the Company and its main subsidiaries, including particularly the revenue and changes in income, the schedule of borrowings, the position of the lines of credit available to the Company and the schedule of the Company's and its main subsidiaries' employees.

## Authorizations and Duties of the Board of Directors

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors decides on the general directions to be followed by the Company's business and sees to it that they are implemented. Subject to the powers expressly reserved to Shareholders' Meetings and within the limits of the Company's corporate purpose, the Board of Directors deals with all questions of interest to the Company's operations and by its deliberations governs the matters that concern it. It also carries out all the checks and audits it deems necessary.

The Board of Directors also reviews and approves the individual company and consolidated annual and semi-annual financial statements. It presents reports on the business activities and performance of the Company and its subsidiaries, and approves the Company's management forecasts. It also reviews the Chairman's Report for approval. It determines the Executive Management's combined or separate way of conducting business and therefore appoints its Chairman, Chief Executive Officer and Deputy Managing Director, whose compensation it sets. It awards stock options and bonus shares. It is called upon to deliberate every year with regard to the Company's policy on equal job opportunities and equal pay for men and women.

Certain significant transactions are subject to the Board's prior authorization due to their nature and/or amount, to limit the powers of the Executive Management.

## Activity of the Board of Directors during the past year

In 2015, the Board of Directors met six times. The rate of attendance of Directors at these meetings was 100%.

## Approval of the financial statements - Business of the Company and its subsidiaries

The Board of Directors has examined the financial statements for the year ended December 31, 2014, the financial statements for the first half of 2015, and the Company's management forecasts.

It approved the reports and the text of the resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2015. It also took note of the Group's business activity for each quarter, its number of employees, as well as its level of debt and available sources of funds.

The Board of Directors approved various transactions subject to its authorization. This included, in particular, the provision of guarantees for commitments made by the Company's subsidiaries while arranging financial and real estate transactions. It also reviewed lines of credit set up by the Company and subsidiaries within the holding company's scope.

The Board of Directors examined the policy for professional gender equality within the Company.

The Board was also informed about the operation to consolidate the Casino Group's businesses in Latin America, as well as its asset disposal plan.

The Board has also been given a special presentation about the Company's long term and real estate investment portfolios, and it has been kept abreast of any developments relating to them.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors has reviewed the regulated agreements concluded during past years that are still in effect.



## Compensation

The Board of Directors determined the 2015 fixed compensation and 2014 variable compensation of Didier Carlier, the Chief Executive Officer and of Franck Hattab, the Deputy Managing Director. It also defined the terms and conditions for determining their variable compensation for 2015, it being noted that the Chairman of the Board of Directors does not receive fixed or variable compensation for these duties.

The Board of Directors also determined the manner and terms of awards of a deferred and conditional bonus to the Chief Executive Officer and to the Deputy Manager Director.

It also examined the terms for allocating directors' fees to Directors, non-voting observers and members of the Board's technical committees. It decided on the award of bonus shares to the executives and employees of the Group and its affiliates, subject to the conditions of continued employment and performance.

## Corporate governance

The Board of Directors conducted the annual review of the Appointments and Compensation Committee's conclusions on the Company's situation with regard to applying corporate governance principles, and more specifically, concerning the composition and organization of the Board and its Special Committees, the independence of Directors and presence of women on the Board as part of the process of renewing the directorships that expired at the Shareholders' Meeting held on May 19, 2015.

In this respect, it recommended to the Ordinary Shareholders' Meeting the appointment of a new female Independent Director.

In connection with the renewal of terms of office of the Chief Executive Officer and the Deputy Managing Director, the Board of Directors maintained the limitation of the Executive Management's powers and renewed the specific annual authorizations for borrowings, lines of credit, other funding agreements and cash advance contracts, guarantees, endorsements and securities, transactions in equities, marketable securities and derivative products and bond issues.

The Board of Directors approved the Chairman's Report on the organization and operation of the Board of Directors and Executive Management, and on the internal audit and risk management procedures.

The Board of Directors was informed about all the work of its Committees, as described below.

## Special Committees of the Board of Directors

The Board of Directors is assisted by two Special Committees: the Audit Committee and the Appointments and Compensation Committee.

The Committees are composed exclusively of Directors. Committee members are nominated by the Board of Directors, which also appoints the Chairman of each committee.

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Managing Director are not members of any Committee.

The authorities and specific methods of operation of each Committee were defined by the Board of Directors when they were created, and incorporated into the internal regulations together with a specific charter for each of them.

## Audit Committee

### | Composition

The Audit Committee has three members, two of whom are independent (two-thirds): Philippe Charrier, Chairman and Christian Paillot, as well as Gabriel Naouri, who have been appointed for the duration of their terms as Directors.

All members of the Audit Committee hold or have held executive or management positions in the Company and as such have the financial or accounting expertise required under Article L. 823-19 of the French Commercial Code.

### | Duties

The Audit Committee provides support for the Board of Directors in its task of reviewing and approving the annual and semi-annual financial statements. It also assists the Board whenever an event occurs that is likely to have a significant impact on the position of the Company or its subsidiaries in terms of commitments and/or risks.

In this regard, in accordance with Article L. 823-19 of the French Commercial Code and under the responsibility of the Board of Directors, it monitors questions relating to the preparation and auditing of accounting and financial information. For the audit of the Company's annual and semi-annual financial statements, the Audit Committee meets at least two days before the Board Meeting convened to approve the statements.

Thus, it is charged with monitoring the preparation of financial information, the efficacy of internal audit and risk management systems, the legally required audit of annual and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors.

The Audit Committee has an organization and operations charter which confirms its powers and authorities with regard, in particular, to the analysis of management risks and to the detection and prevention of management irregularities.

### | Activities in 2015

The Audit Committee met twice in 2015, with all members in attendance at each meeting.

In connection with the approval of the semi-annual and annual financial statements, the Audit Committee verified the account closing process and took note of the Statutory Auditors' analysis that included, in particular, a review of all consolidation procedures and of the Company's financial statements. The Committee also reviewed off-balance-sheet commitments, risks and accounting options selected with regard to provisions, together with the applicable legal and accounting changes. It was informed about the audit plan and the fees paid in 2015 to the Statutory Auditors.

The Committee reviewed the Finance & Account Department's report on risks and off-balance sheet commitments, and Rallye's risk prevention documents, as well as the Chairman's Report on audit and risk management procedures.

The Audit Committee reviewed the regulated agreements concluded over the previous years that are still in effect, in accordance with the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code.

The Committee was informed about the Statutory Auditors' findings on procedures relating to the processing and preparation of accounting and financial information.

The Chairman of the Audit Committee reported to the Board on the work done at each of these meetings.

## The Appointments and Compensation Committee

### | Composition

The Appointments and Compensation Committee has three members, two of whom are independent: Jean Chodron de Courcel, Chairman, Sophie Guieysse and Jacques Dumas, who have been appointed for the duration of their terms as Directors.

The Chairman of the Board of Directors may attend committee meetings to present proposals related, in particular, to the compensation of senior managers and the granting of options and bonus shares.

The Chairman of the Board of Directors takes part in the selection process for new Directors.

### | Duties

The Appointments and Compensation Committee is charged, in particular, with helping the Board of Directors review candidates for senior management positions, select new Directors, define and monitor policies for senior management compensation and stock option and bonus share awards. If applicable, it also reviews the benefits and other forms of compensation of senior management. It also oversees the correct application of corporate governance rules and the absence of potential conflicts of interests.

The Appointments and Compensation Committee prepared an organization chart, confirming its powers and authorities with regard to the assessment the Board of Directors' performance and verifying that the corporate governance principles and code of ethics are being properly respected and applied, in particular those derived from the internal regulations of the Board of Directors.

### | Activities in 2015

The Appointments and Compensation Committee met four times in 2015, with all members in attendance at each meeting.

The Committee performed its annual review of the organization and operations of the Board of Directors and its Special Committees as well as of the correct application of corporate governance principles in accordance with the AFEP/MEDEF Code and the provisions of the internal regulations.

It examined the position of each Director with regard to dealings with Group companies that might compromise their freedom of judgment or entail conflicts of interest.

The Appointments and Compensation Committee expressed its recommendations regarding the proposed renewal of the terms of office of the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Managing Director, the Directors and the non-voting observer, and on the composition of the Special Committees.

It implemented the selection procedure for a new female Director and recommended a candidate to the Board of Directors.

The Committee approved the conditions for determining the 2015 fixed and variable compensation of the Chief Executive Officer and of the Deputy Managing Director as well as the terms and conditions for a conditional and a deferred bonus.

The Committee also reviewed the award of stock options and bonus shares to managerial staff and employees of the Company and related companies, as well as the Director's fees to be awarded to Board members, the non-voting observer, and members of the Special Committees.

To comply with AFEP/MEDEF Code recommendations on advisory shareholder votes, the Committee reviewed the components of the compensation due or awarded to the Chairman, the Chief Executive Officer and the Deputy Managing Director. The Committee reviewed the gender equality policy and reported on it to the Board of Directors.

It examined the Chairman's Report on the organization of the work of the Board of Directors, as well as the corporate governance-related information mentioned in the management report.

When the terms of office of the Chief Executive Officer and the Deputy Managing Director were renewed, the Committee formulated recommendations on maintaining the limitation on the powers of Executive Management and on the specific annual authorizations granted to it.

The Chairman of the Committee reported to the Board of Directors on the work of the Appointments and Compensation Committee.

## Assessment of the conditions under which the Board of Directors operates

Pursuant to the Code of Corporate Governance, the internal regulations provide for an annual discussion and regular assessment of the operations of the Board of Directors, to be performed by the Appointments and Compensation Committee, with the help, if desired, of an external consultant.

The latest assessment of the organization and operation of the Board of Directors was conducted during the last quarter of 2013, using the responses to a questionnaire sent to each Director.

The assessments and observations made by the members of the Board of Directors indicated that the organization and operations of the Board were entirely satisfactory with respect to proper corporate governance. The Directors had expressed a wish to increase the percentage of women on the Board of Directors and to be kept regularly informed on the sale of financial assets. The next Board of Directors assessment will be set up by the Appointments and Compensation Committee during the fourth quarter of 2016.

## TERMS OF OFFICE AND POSITIONS HELD BY BOARD OF DIRECTORS MEMBERS

### I. Directors Being Proposed for Reappointment at the Shareholders' Meeting

<b>Jean-Charles Naouri</b>		
Date of birth: March 8, 1949, 67 years old		
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
<b>Biography</b>		
A graduate of <i>École normale supérieure</i> (Sciences), Harvard University, and <i>École nationale d'administration</i> , Jean-Charles Naouri, <i>Inspecteur Général des Finances</i> , began his career with the Department of the Treasury. He was appointed Principal Private Secretary to the Minister of Social Affairs and National Solidarity in 1982, and later to the Minister of the Economy, Finance, and the Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991, then of Casino in 1998. Jean-Charles Naouri has been Chairman and Chief Executive Officer of Casino since March 2005.		
<b>Principal executive positions</b>		
Chairman and Chief Executive Officer of Casino Guichard-Perrachon (a listed company); Chairman of Euris.		
<b>Offices and positions held at the Company</b>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	October 25, 1993	Annual General Meeting of May 18, 2016
Chairman of the Board of Directors	April 2, 1998	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Within the Rallye/Euris Group</b>		<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ President and Director of the Board of Directors of Companhia Brasileira de Distribuição (a listed company in Brazil);</li> <li>■ Chairman and Chief Executive Officer of Casino Finance;</li> <li>■ Deputy Chairman of the Casino Corporate Foundation;</li> <li>■ Chairman of the Euris Foundation.</li> </ul>		<ul style="list-style-type: none"> <li>■ Director of Fimalac (listed company);</li> <li>■ Member of the Consultative Committee of the Banque de France;</li> <li>■ Chairman of the "Promotion des talents" association;</li> <li>■ Honorary Chairman and Director of <i>Institut de l'École normale supérieure</i>.</li> </ul>
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<b>Within the Rallye/Euris Group</b>		<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Chairman and Chief Executive Officer, then Chairman of the Board of Directors, then Chairman of the Supervisory Board and member of the Supervisory Board of Monoprix;</li> <li>■ Chief Executive Officer of Rallye (listed company);</li> <li>■ Chairman and Director of CNova N.V. (a listed company in the Netherlands);</li> <li>■ President and Director of the Board of Directors of Wilkes Participações (Brazil);</li> <li>■ Manager of SCI Penthievre Neuilly;</li> <li>■ Chairman of the Board of Directors of the Casino Corporate Foundation.</li> </ul>		None.
<b>Number of Rallye shares held: 369.</b>		



<b>Philippe Charrier</b>		
Date of birth: August 2, 1954, 61 years old.		
Business address: 111, rue Henri Barbusse - 95100 Argenteuil		
<b>Biography</b>		
Philippe Charrier graduated from the <i>École des Hautes Études Commerciales</i> and has a diploma in accounting (DECS). He joined the Financial Department of the Procter & Gamble Group in 1978, where he spent the majority of his career as Financial Director for France, Marketing Director for France, CEO for Morocco, and went on to serve as Chairman and Chief Executive Officer for France until 2006. From 2006 to 2010, he was Vice-Chairman and Chief Executive Officer of Oenobiol. From January 2011 to March 2016, he was firstly Chairman of Labco SAS before being appointed Chief Executive Officer of Labco SA in January 2012, then Chairman of the Board of Directors of Synlab Limited from September 2015 to March 2016. Since April 1, 2016, he has been Chairman and Chief Executive Officer of Alphident.		
<b>Principal position</b>		
Chairman and Chief Executive Officer of Alphident.		
<b>Offices and positions held at the Company</b>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	June 3, 2009	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Outside the Rallye Group</b>		
<ul style="list-style-type: none"> <li>■ Director and Chairman of the Board of Directors of Labco;</li> <li>■ Director and Chairman of Synlab Limited (UK);</li> <li>■ Chairman of the Board of Directors of Dental Emco;</li> <li>■ Director of Lafarge (listed company);</li> <li>■ Founding member of the business club "<i>Entreprise et handicap</i>";</li> <li>■ Director of UNAFAM National;</li> <li>■ Founder and Chairman of Clubhouse France.</li> </ul>		
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<ul style="list-style-type: none"> <li>■ Deputy Chairman, General Manager of Laboratoires Oenobiol;</li> <li>■ Director of the <i>Fondation Nestlé pour la Nutrition</i>;</li> <li>■ Chairman of UNAFAM National.</li> </ul>		
<b>Number of Rallye shares held: 1,363.</b>		

<b>Jean Chodron de Courcel</b>		
Date of birth: May 14, 1955, 61 years old.		
<b>Biography</b>		
Jean Chodron de Courcel is a graduate of HEC School of Management and an alumnus of the <i>École nationale d'administration</i> (the French public administration college). After holding various positions within the Government and on ministerial staffs, Jean Chodron de Courcel joined the Executive Management of the Schneider group in 1990, where he served as Chief Financial Officer from 1991 to 1995, then in 1997, he joined the executive management team of the Credit Agricole Indosuez group. From 1995 to 1997, he was Deputy Private Secretary to Prime Minister Alain Juppé. He was Deputy Managing Director of the Penauille Polyservices SA group. From 2008 to 2012, he held the positions of <i>Senior Advisor</i> , then that of <i>Vice Chairman -Europe</i> with Canaccord Genuity Hawkpoint. He has been the Manager of Semper Consulting since 2013.		
<b>Principal executive position</b>		
Manager of Semper Consulting.		
<b>Offices and positions held at the Company</b>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	June 9, 2004	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Outside the Rallye Group</b>		
<ul style="list-style-type: none"> <li>■ Manager of Semper Consulting.</li> </ul>		
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<b>Outside the Rallye Group</b>		
<ul style="list-style-type: none"> <li>■ Senior Advisor of Canaccord Genuity Hawkpoint;</li> <li>■ Deputy Chairman-Europe of Canaccord Genuity Hawkpoint.</li> </ul>		
<b>Number of Rallye shares held: 376.</b>		

<b>Jacques Dumas</b>		
Date of birth: May 15, 1952, 64 years old.		
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
<b>Biography</b>		
Jacques Dumas, who has a Master's Degree in Law, and is an alumnus of the Institut d'études politiques de Lyon, began his career as a lawyer, and then became Administrative Manager at the Compagnie Française de l'Afrique Occidentale - CFAO (from 1978 to 1986). In 1987, he was appointed Deputy Company Secretary of the Rallye group, then Manager of Legal Affairs at the Euris group (1994). He is currently Deputy General Manager at Euris, and Advisor to the Chairman of Casino, Guichard-Perrachon.		
<b>Principal executive positions</b>		
Advisor to the Chairman of Casino, Guichard-Perrachon (listed company); Deputy General Manager of Euris.		
<b>Offices and positions held at the Company</b>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	July 19, 1990	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Within the Rallye/Euris Group</b>		<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Member of the Supervisory Board of Monoprix;</li> <li>■ Permanent representative of Euris, Director of Finatis (listed company);</li> <li>■ Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon (listed company).</li> </ul>		<ul style="list-style-type: none"> <li>■ Manager of SCI Cognac-Parmentier and Longchamp-Thiers;</li> <li>■ Director of Mercialys (listed company).</li> </ul>
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ Chairman of GreenYellow;</li> <li>■ Chairman and member of the Supervisory Board of Leader Price Holding;</li> <li>■ Chairman and member of the Supervisory Board of Franprix Holding;</li> <li>■ Chairman and member of the Supervisory Board of Monoprix;</li> <li>■ Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix;</li> <li>■ Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix;</li> <li>■ Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;</li> <li>■ Permanent representative of Matignon Diderot on the Board of Directors of Finatis (listed company);</li> <li>■ Permanent representative of Messidor SNC on the Board of Directors of Cdiscount;</li> <li>■ Permanent representative of Germinal SNC, President of Théïadis;</li> <li>■ Permanent representative of Retail Leader Price Investissement (R.L.P.I.) on the Board of Directors of Clignancourt Discount.</li> </ul>		
<b>Number of Rallye shares held: 18,288.</b>		

<b>Catherine Fulconis</b>		
Date of birth: September 1, 1961, 54 years old.		
Business address: 12-16, rue Auger - 93500 Pantin		
<b>Biography</b>		
Catherine Fulconis is a graduate of the HEC School of Management. She started her career within the l'Oréal Group in 1985, in the Luxury Products division, and then successively held various international executive management positions over the years: Director of Marketing for Lancôme Care and Makeup from 1994 to 1998; Managing Director Parfums Lanvin and Paloma Picasso from 1998 to 2000; Managing Director Europe for Kiehl's and Shu Uemura from 2000 to 2003; Managing Director for the Strategic Development of the Luxury Products division from 2003 to 2005; Managing Director of Helena Rubinstein from 2005 to 2006.		
Catherine Fulconis joined Hermès in 2006, as Managing Director and Chair of the Executive Board of Hermès Parfums. She was then Chair and CEO of Hermès Parfums from 2010 to 2014. Since March 2, 2015, she has been CEO of Hermès Maroquinerie-Sellerie and Chairman of the Executive Board of Hermès Parfums.		
<b>Principal executive position</b>		
Chief Executive Officer of Hermès Maroquinerie-Sellerie.		
<b>Offices and positions held at the Company</b>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	May 13, 2014	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Outside the Rallye Group</b>		
None.		
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<b>Outside the Rallye Group</b>		
■ Director of the CEW association ( <i>Cosmetic Executive Women</i> ).		
<b>Number of Rallye shares held: 450.</b>		

<b>Sophie Guieysse</b>		
Date of birth: February 19, 1963, 53 years old.		
<b>Biography</b>		
Sophie Guieysse is a graduate of <i>École polytechnique</i> , the <i>École nationale des ponts et chaussées</i> and the <i>Collège des ingénieurs</i> . She began her career at the Ministry of Equipment where she held various operational positions. From 1993 to 1995, she worked as technical adviser in the office of Hervé de Charette, French Minister for Housing, then for Jean-Claude Gaudin, French Minister for Regional Development, Urban Planning and Integration (1995-1997). In 1997, she joined the LVMH Group as Head of Development and Organization, particularly in charge of human resources. In 2000, she became Human Resources Manager for the LVMH Watches and Jewelry division (France and Switzerland) and in 2001, Human Resources Manager for Sephora. She was appointed Human Resources Manager for the LVMH group in 2002. She was Human Resources Manager for the Canal+ group from 2005 to 2015.		
<b>Principal executive position</b>		
Independent Director.		
<b>Offices and positions held at the Company</b>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	May 19, 2015	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>	
None.	None.	
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>	
■ Director of Groupe GO Sport.	■ Director of the TVN Group (Polish company).	
<b>Number of Rallye shares held: 300.</b>		

### **Christian Paillot, whose appointment as a non-voting observer was proposed at the Shareholders' Meeting on May 18, 2016**

Date of birth: September 9, 1947, 68 years old.

#### **Biography**

Christian Paillot has spent most of his career in manufacturing and distributing photographic, video, and hi-fi equipment. He set up and developed the businesses of Akai, Konica and Samsung in France. Between 2010 and 2012, he was Deputy Chairman of the French Equestrian Federation, and until 2014, Member of the International Equestrian Federation and Deputy Chairman of the European Equestrian Federation. He is currently Chairman of Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

#### **Principal executive position**

Chairman of Paillot Equine Consulting Inc. and Martina LLC and Celina LLC.

#### **Offices and positions held at the Company**

Office/Position	Date of first appointment	End of term of office
Director	April 15, 2004	Annual General Meeting of May 18, 2016

#### **Other offices and positions held in 2015 and continuing as of March 8, 2016**

##### **Outside the Rallye Group**

- Chairman of Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

#### **Other offices and positions held in the past five years (not including the offices and positions listed above)**

##### **Outside the Rallye Group**

- Manager of Écurie du Haras de Plaisance;
- Manager of SCI Parim;
- Deputy Chairman of the French Federation for Equestrian Sports;
- Member of the International Equestrian Federation;
- Deputy Chairman of the European Equestrian Federation.

**Number of Rallye shares held: 1,055.**

### **Finatis**

French joint stock company (SA) with share capital of €84,852,900

Registered office: 83, rue du Faubourg-Saint-Honoré - 75008 Paris

No. 712 039 163 in the Trade and Companies Register of Paris.

#### **Offices and positions held at the Company**

Office/Position	Date of first appointment	End of term of office
Director	June 2, 1998	Annual General Meeting of May 18, 2016

#### **Other offices and positions held in 2015 and continuing as of March 8, 2016**

##### **Within the Rallye/Euris Group**

- Director of Carpinienne de Participations, Foncière Euris and Casino, Guichard-Perrachon (listed companies).

#### **Other offices and positions held in the past five years (not including the offices and positions listed above)**

None.

**Number of Rallye shares held: 295.**

<b>Permanent representative: Jean-Marie Grisard, whose appointment as non-voting observer was proposed at the Shareholders' Meeting on May 18, 2016</b>	
Date of birth: May 1, 1943, 73 years old.	
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris	
<b>Biography</b>	
A graduate of HEC School of Management, Jean-Marie Grisard began his career with the mining group Peñarroya-Le-Nickel-Imétal, where he held various positions in Paris and London. In 1982, he was appointed Financial Director of Francarep, which became Paris-Orléans. In 1988, he joined Euris as Company Secretary until 2008.	
<b>Principal executive position</b>	
Advisor to the Chairman of Casino, Guichard-Perrachon (listed company).	
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>	
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Director of Carpinienne de Participations (listed company);</li> <li>■ Director of the Euris Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Manager of Fregatinvest;</li> <li>■ Member of the Executive Committee and Deputy Treasurer of the association "Promotion des talents".</li> </ul>
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>	
<b>Within the Rallye/Euris Group</b>	
<ul style="list-style-type: none"> <li>■ Advisor to the Chairman of Euris;</li> <li>■ Permanent representative of Matignon Diderot on the Board of Directors of Casino, Guichard-Perrachon (listed company);</li> <li>■ Director of Euris North America Corporation - (ENAC), Euris Real Estate Corporation - (EREC), Euristates Inc. and Euris Limited.</li> </ul>	
<b>Number of Rallye shares held: 4,231.</b>	

<b>Permanent representative of Finatis: Virginie Grin, as of May 18, 2016</b>	
Date of birth: September 21, 1967, 48 years	
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris	
<b>Biography</b>	
Virginie Grin is a graduate of HEC School of Management and holds a <i>diplôme d'études comptables et financières</i> (equivalent to a bachelor's degree in accounting and finance). She was Vice President of Turbo France Tours in 1989 and 1990, then Senior Task-Force Manager at the Ernst & Young Entrepreneurs firm from 1990 to 1994. She joined the Euris group in 1994 as Executive Assistant and was appointed Deputy Company Secretary in 2008.	
<b>Principal executive position</b>	
Deputy Company Secretary of Euris SAS	
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>	
<b>Within the Rallye/Euris Group</b>	
<ul style="list-style-type: none"> <li>■ Member of the Supervisory Board of Centrum Baltica SA, Centrum Poznan SA, Centrum Warta SA and Centrum Weiterstadt SA (Luxembourg);</li> <li>■ Director of Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC), Parande Brooklyn Corp. (United States) and Euris Limited (UK);</li> <li>■ Permanent representative of Saris SAS on the Board of Directors of Carpinienne de Participations SA (listed company);</li> <li>■ Permanent representative of Matignon Diderot (SAS) on the Board of Directors of Finatis SA (listed company);</li> <li>■ Treasurer and Secretary of Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC) and Parande Brooklyn Corp. (United States);</li> <li>■ Member of the Supervisory Board of Centrum Krakow SA (Luxembourg).</li> </ul>	
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>	
<b>Within the Rallye/Euris Group</b>	
<ul style="list-style-type: none"> <li>■ Member of the Supervisory Board of Centrum Development SA (February 23, 2011) and Centrum Leto SA (Luxembourg) (December 1, 2014);</li> <li>■ Permanent representative of Eurisma on the Board of Directors of Carpinienne de Participations (July 23, 2014).</li> </ul>	
<b>Number of Rallye shares held: 31,116.</b>	



<b>Foncière Euris</b>		
French joint stock company (SA) with share capital of €149,578,110.		
Registered office: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
No. 702 023 508 in the Trade and Companies Register of Paris.		
<i>Offices and positions held at the Company</i>		
Office/Position	Date of first appointment	End of term of office
Director	October 25, 1993	GSM of March 18, 2016
<i>Other offices and positions held in 2015 and continuing as of March 8, 2016</i>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ Chairman of Matignon Abbeville, Marigny Foncière and Mat-bel 2;</li> <li>■ Director of Casino, Guichard-Perrachon (listed company).</li> </ul>		
<i>Other offices and positions held in the past five years (not including the offices and positions listed above)</i>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ Chairman of Marigny Élysées, Matignon Bail, Matigon Corbeil Centre and Matignon Belfort;</li> <li>■ Manager of SCI Sofaret and SCI Les Herbiers.</li> </ul>		
<b>Number of Rallye shares held: 26,996,291.</b>		

<b>Permanent representative: Didier Lévêque, appointed on June 4, 2008</b>	
Date of birth: December 20, 1961, 54 years old.	
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris	
<b>Biography</b>	
Didier Lévêque is a graduate of HEC School of Management. From 1985 to 1989, he served as Research Analyst in the Finance Department of the Roussel-UCLAF Group. He joined Euris in 1989 as Deputy Company Secretary. He was appointed Company Secretary in 2008.	
<b>Principal executive positions</b>	
Company Secretary of Euris; Chairman and CEO of Finatis (listed company).	
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>	
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Chairman and CEO of Carpinienne de Participations (listed company), Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC), and Parande Brooklyn Corp. (United States);</li> <li>■ Deputy Chairman of the Board of Directors and Director of Cnova N.V. (a listed company in the Netherlands);</li> <li>■ Chairman of Par-Bel 2 and Matignon Diderot;</li> <li>■ Director of Euris Limited (United Kingdom);</li> <li>■ Member of the Supervisory Board of Centrum Baltica, Centrum Development, Centrum Krakow, Centrum Poznan, Centrum Warta and Centrum Weiterstadt (Luxembourg);</li> <li>■ Permanent representative of Finatis, Director of Foncière Euris (listed company);</li> <li>■ Permanent representative of Foncière Euris, Director of Casino, Guichard-Perrachon (listed company);</li> <li>■ Representative of Matignon Diderot, Manager of SCI Penthièvre Neuilly;</li> <li>■ Co-manager of Silberhorn (Luxembourg);</li> <li>■ Director and Treasurer of the Euris Foundation.</li> </ul>	None.
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>	
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Chairman of the Board of Directors of Cnova N.V. (a listed company in the Netherlands);</li> <li>■ Chairman of Matimmob 1;</li> <li>■ Member of the Supervisory Board of Centrum Leto;</li> <li>■ Permanent representative of Matignon Diderot, Director of Rallye (listed company).</li> <li>■ Permanent representative of Matignon Corbeil Centre, Director of Rallye (listed company).</li> </ul>	<ul style="list-style-type: none"> <li>■ Manager of SARL EMC Avenir 2.</li> </ul>
<b>Number of Rallye shares held: 83,337.</b>	

<b>Euris</b>		
French simplified joint stock company (SAS) with share capital of €164,806.		
Registered office: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
No. 348 847 062 in the Trade and Companies Register of Paris.		
<i>Offices and positions held at the Company</i>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	June 8, 2005	Annual General Meeting of May 18, 2016
<i>Other offices and positions held in 2015 and continuing as of March 8, 2016</i>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ Director of Finatis, Foncière Euris and Casino, Guichard-Perrachon (listed companies).</li> </ul>		
<i>Other offices and positions held in the past five years (not including the offices and positions listed above)</i>		
None.		
<b>Number of Rallye shares held: 355.</b>		

<b>Permanent representative: Gabriel Naouri, appointed on March 10, 2011</b>	
Date of birth: July 6, 1981, 34 years old.	
Business address: 148, rue de l'Université - 75007 Paris	
<i>Biography</i>	
Gabriel Naouri has a Master's in applied mathematics from the University of Paris Dauphine. In 2004, he joined the M&A Division of Rothschild & Cie in New York where he was involved in the sale of Swissport, world leader in airport services, then in 2006, he held a position at L'Oréal USA (New York) as Marketing Manager (in the Consumer Products Division). He joined the Group in early 2007, first at Rallye as a special assistant, then at Casino where he carried out various operating functions at stores, serving especially as hypermarket Manager. He served as Manager of Hypermarket Operations for the Île-de-France region, then Brand, Digital and Innovation Manager for Casino. In January 2014, he was appointed Deputy Manager of International Coordination for the Casino Group. He has also been an advisor at Euris since 2007.	
<i>Principal executive positions</i>	
Deputy Manager of International Coordination for the Casino Group;	
Advisor at Euris.	
<i>Other offices and positions held in 2015 and continuing as of March 8, 2016</i>	
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Director of Big C Thailand (listed company), Espace Big C Thang Long, Espace Big C Dong Nai, and Espace Big C Am Lac (Vietnam).</li> </ul>	<ul style="list-style-type: none"> <li>■ Manager of Financière GN;</li> <li>■ Director of TicTrac Limited (UK).</li> </ul>
<i>Other offices and positions held in the past five years (not including the offices and positions listed above)</i>	
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Director of Libertad (Argentina)</li> <li>■ Permanent representative of Casino Guichard-Perrachon, Director of Banque du Groupe Casino;</li> </ul>	<ul style="list-style-type: none"> <li>■ Manager of SNC Georges Pompidou.</li> </ul>
<b>Number of Rallye shares held: 34,097.</b>	

<b>Saris</b>		
French simplified joint stock company (SAS) with share capital of €2,100,000.		
Registered office: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
No. 344 212 063 in the Trade and Companies Register of Paris.		
<i>Offices and positions held at the Company</i>		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Director	July 29, 2014	Annual General Meeting of May 18, 2016
<i>Other offices and positions held in 2015 and continuing as of March 8, 2016</i>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ Director of Carpinienne de Participations (listed company).</li> </ul>		
<i>Other offices and positions held in the past five years (not including the offices and positions listed above)</i>		
None.		
<b>Number of Rallye shares held: 333.</b>		

<b>Permanent representative: Odile Muracciole, appointed on May 4, 2011</b>		
Date of birth: May 20, 1960, 55 years old		
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
<i>Biography</i>		
After receiving her advanced studies diploma in employment law, Odile Muracciole began her career as head of the Legal Department at the Alty Group, an independent oil company. She joined Euris in 1990 as Manager of Legal Affairs.		
<i>Principal executive position</i>		
Legal Manager of Euris.		
<i>Other offices and positions held in 2015 and continuing as of March 8, 2016</i>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ CEO of Matignon Abbeville, Parinvest, Pargest and Parande;</li> <li>■ Chair of Pargest Holding and Saris;</li> <li>■ Permanent representative of Finatis on the Board of Directors of Carpinienne de Participations (listed company);</li> <li>■ Permanent representative of Euris on the Board of Directors of Foncière Euris (listed company);</li> <li>■ Member of the Supervisory Board of Centrum Development (Luxembourg);</li> <li>■ Director of the Euris Foundation.</li> </ul>		
<i>Other offices and positions held in the past five years (not including the offices and positions listed above)</i>		
<b>Within the Rallye/Euris Group</b>		
<ul style="list-style-type: none"> <li>■ Chair of Eurisma;</li> <li>■ Permanent representative of Eurisma, Director of Rallye (listed company);</li> <li>■ Member of the Supervisory Board of Centrum Leto, Centrum Poznan and Centrum Weiterstadt Centrum Warta and Centrum Krakow (Luxembourg)</li> </ul>		
<b>Number of Rallye shares held: 38,734.</b>		

## II. Non-voting observer whose term of office ends at the Shareholders' Meeting on May 18, 2016

<b>André Crestey</b>		
Date of birth: February 22, 1939, 77 years old.		
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris		
<b>Biography</b>		
From 1977 to 1992, André Crestey was CEO of Euromarché. In 1992, he joined the Rallye Group where he successively held the positions of Chairman of the Executive Board, Chairman and CEO (1993), Deputy Chairman and CEO from 1998 to 2001 and Deputy Chairman from 2001 to 2013. Since 2013, he holds the position of non-voting observer for Rallye.		
<b>Office/Position</b>	<b>Date of first appointment</b>	<b>End of term of office</b>
Non-voting observer (advisor to the Board)	May 14, 2013	Annual General Meeting of May 18, 2016
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>		
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>	
<ul style="list-style-type: none"> <li>■ Director of Miramont Finance et Distribution and Groupe GO Sport.</li> </ul>	<ul style="list-style-type: none"> <li>■ Director of the <i>Fédération du Commerce et de la Distribution</i> ("FCD");</li> <li>■ Director of Périfem.</li> </ul>	
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>		
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>	
<ul style="list-style-type: none"> <li>■ Director and Deputy Chairman of Rallye (listed company).</li> </ul>	<ul style="list-style-type: none"> <li>■ Chairman of Périfem;</li> <li>■ Statutory Chairman of the FCD Association.</li> </ul>	
<b>Number of Rallye shares held: 27,511.</b>		



# Executive Management

## CHIEF EXECUTIVE OFFICER

<b>Didier Carlier</b>	
Date of birth: January 5, 1952, 64 years old.	
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris	
<b>Biography</b>	
Didier Carlier is a graduate of the <i>École Supérieure de Commerce de Reims</i> (Reims Management School) and is a certified public accountant. He started his career in 1975 with Arthur Andersen (Audit Department), rising to the position of Manager. He subsequently served as Company Secretary at Équipements Mécaniques Spécialisés and as Chief Administrative and Financial Officer at Hippopotamus. He joined the Rallye group in 1994, as Chief Administrative and Financial Officer, and was appointed Deputy General Manager in 2002. Since February 28, 2013, he has been CEO of Rallye.	
<b>Principal executive position</b>	
CEO of Rallye (listed company).	
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>	
<b>Within the Rallye/Euris Group</b>	<b>Outside the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Chairman and CEO of Miramont Finance et Distribution and La Bruyère;</li> <li>■ Chairman of Al pétrol, Cobivia, L'Habitation Moderne de Boulogne, Les Magasins Jean, Matignon Sablons and Parande;</li> <li>■ Chairman and Chief Executive of MFD Inc; USA;</li> <li>■ Representative of Parande, Chairman of Pargest and Parinvest;</li> <li>■ Permanent representative of Euris on the Board of Directors of Casino, Guichard-Perrachon (listed company);</li> <li>■ Permanent representative of Matignon Sablons, Director of Groupe GO Sport;</li> <li>■ Manager of SCI Kergorju, Les Sables and Perrières.</li> </ul>	<ul style="list-style-type: none"> <li>■ Manager of SC Dicaro.</li> </ul>
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>	
<b>Within the Rallye/Euris Group</b>	
<ul style="list-style-type: none"> <li>■ Chairman and CEO of Colisée Finance VI;</li> <li>■ Chairman of Kerrous, Marigny Percier, Colisée Finance III, Omnium de Commerce et de Participations, Colisée Finance IV, Colisée Finance V and Genty Immobilier et Participations;</li> <li>■ Managing Director of Club Sport Diffusion (Belgium) and Limpert Investments BV (Netherlands);</li> <li>■ Representative of Parande, Chairman of Pargest Holding;</li> <li>■ Permanent representative of Foncière Euris, Director of Rallye (listed company);</li> <li>■ Chairman of the US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC, and Summit I LLC.</li> <li>■ Permanent representative of Omnium de Commerce et de Participations, Director of Groupe GO Sport;</li> <li>■ Permanent representative of Matignon Diderot, Director of Rallye (listed company).</li> </ul>	
<b>Number of Rallye shares held: 88,405.</b>	

## DEPUTY MANAGING DIRECTOR

<b>Franck Hattab</b>
Date of birth: November 14, 1971, 44 years old.
Business address: 83, rue du Faubourg-Saint-Honoré - 75008 Paris
<b>Biography</b>
Franck Hattab graduated from EDHEC and started his career in 1994 as a Credit Analyst at Société Générale. He later held the positions of Auditor at KPMG for three years before joining the Finance Department of Rallye in 1999 where he acts as the Chief Administrative and Financial officer. He has been Deputy General Manager of Rallye since February 28, 2013.
<b>Principal executive position</b>
Chief Financial Officer and Deputy General Manager of Rallye (listed company).
<b>Other offices and positions held in 2015 and continuing as of March 8, 2016</b>
<b>Within the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Permanent representative of Rallye (listed company) on the Board of Directors of Miramont Finance and Distribution;</li> <li>■ Permanent representative of Alpétrol, Director of Groupe GO Sport;</li> <li>■ Permanent representative of Matignon Sablons on the Board of Directors of La Bruyère.</li> </ul>
<b>Other offices and positions held in the past five years (not including the offices and positions listed above)</b>
<b>Within the Rallye/Euris Group</b>
<ul style="list-style-type: none"> <li>■ Permanent representative of Soparin on the Board of Directors of Colisée Finance II;</li> <li>■ Permanent representative of L'Habitation Moderne de Boulogne on the Board of Directors of Colisée Finance VI;</li> <li>■ Permanent representative of Kerrous on the Board of Directors of La Bruyère;</li> <li>■ Deputy Chairman of the US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC, and Summit I LLC.</li> </ul>
<b>Number of Rallye shares held: 51,156.</b>

## OTHER INFORMATION ABOUT THE DIRECTORS

There are no family ties between the members of the Board of Directors, with the exception of those between Jean-Charles Naouri and Gabriel Naouri.

To the Company's knowledge, none of the members of the Board of Directors, neither the Chief Executive Officer, nor the Deputy Managing Director, has, in the past five years, been found guilty of fraud or has, as a senior executive, been associated with bankruptcy, receivership or liquidation (as understood under French insolvency laws). Furthermore, no judgment and/or official public penalty (understood as a conviction for economic and financial matters) has been pronounced against them by any statutory or regulatory authority, and no court of law has prevented them from acting as members of an administrative, management or supervisory body of a listed company, nor from taking part in the management or supervision of a listed company's affairs.

## CONFLICTS OF INTEREST IN CORPORATE BODIES AND EXECUTIVE MANAGEMENT - REGULATED AGREEMENTS

As part of the day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries.

It also receives assistance from Euris, its ultimate controlling parent of which Jean-Charles Naouri is the main controlling shareholder and which provides ongoing strategic and development consulting services. The terms and conditions of these services are set forth in an agreement signed in 2003 and its two amendments dated June 16, 2008 and January 28, 2015, which were authorized by both Boards of Directors on October 15, 2003, June 4, 2008 and December 5, 2014 and were approved by their respective Shareholders' Meetings on June 9, 2004, June 3, 2009 and May 19, 2015 in accordance with the procedures for regulated agreements and commitments. The Company paid Euris total fees of €2.1 million excluding tax in 2015 following the amendment dated January 28, 2015 following the advice of an independent financial assessment.

Moreover, Euris provides strategic consulting services to Company subsidiaries, and particularly to the Casino Group. The Company and its subsidiaries also receive other technical and operational services concerning real estate matters, as well as seconded personnel and furnished offices from Euris and Foncière Euris (cf. Note 14 of the notes to the consolidated financial statements on page 166 of this Registration Document).

Jean-Charles Naouri, Jacques Dumas, Jean-Marie Grisard, Didier Lévêque, Gabriel Naouri and Odile Muracciole, Directors or permanent representatives of Group companies, as well as Didier Carlier, Chief Executive Officer, and Franck Hattab, Deputy Managing Director, have management functions and/or are members of the corporate bodies of companies within the Rallye and Euris groups and receive the corresponding compensation and/or directors' fees.

To the Company's knowledge, there are currently no other potential conflicts of interest between the duties owed to the Company by members of the Board of Directors and Executive Management and their private interests or other obligations. There are no arrangements or agreements signed with shareholders, customers, suppliers or others pursuant to which a member of the Board of Directors has been appointed in this capacity.

The tasks entrusted to the Audit Committee and the Appointments and Compensation Committee enable conflicts of interest to be prevented and ensure that control by the majority shareholder is not exercised in an abusive manner.

The Special Report of the Statutory Auditors concerning the agreements signed pursuant to the procedure for regulated agreements and commitments, between the Company and the Chairman, the Chief Executive Officer, the Deputy Managing Director, a Director or a shareholder holding more than 10% of the voting rights or the company controlling it, if said shareholder is a company, is set forth on page 198.

In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors reviewed the agreements signed and authorized in prior years which were still effective in the year just ended. These agreements were not noteworthy and remain in effect.

No agreements, other than those pertaining to ordinary business transactions and concluded on normal terms and conditions has been entered into, directly or through an intermediary, between a subsidiary of the Company and the Chief Executive Officer, a Director or a shareholder holding more than 10% of the Company's voting rights.

During 2015, the terms and conditions of Euris' compensation under the strategic consulting agreement signed in 2003 between Euris, the Group parent company, and Casino, Guichard-Perrachon, a Rallye Group subsidiary, was amended. This agreement is mentioned in the Statutory Auditors' report included in Casino Guichard-Perrachon's Registration Document.

No loans or guarantees have been set up or awarded by the Company to members of the Board of Directors, who are individuals.

## OTHER INFORMATION IN THE CHAIRMAN'S REPORT

### Methods for attending Shareholders' Meetings

Methods for attending Shareholders' Meetings are set forth in Articles 25, 27 and 28 of the by-laws (cf. Pages 215 and 216 of this Registration Document).

### Factors which may have an impact in the event of a public offer

The Company's capital structure and the direct or indirect interests in the Company's capital of which it is aware by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code are described on pages 25 *et seq.*

There are no statutory restrictions on the exercise of voting rights and share transfers, nor are there any agreements of which the Company is aware under Article L. 233-11 providing for preferential terms of sale or acquisition of shares, nor are there, to the Company's knowledge, any agreements between shareholders which might restrict share transfers or the exercise of voting rights.

The Company has not issued securities with special rights of control, and no mechanism for control is provided for in any employee stock ownership plan, when the rights of control are not exercised by the employees.

The rules which apply to appointing and replacing members of the Board of Directors, and to amending the Company's by-laws, are described in pages 213 *et seq.*

The powers of the Board of Directors are described on page 57.

With respect to the issuance of shares, the authorizations awarded to the Board of Directors are set forth on page 27 and, with regard to the repurchase of shares, the powers of the Board of Directors are described on page 25.

In addition, there are no agreements providing for compensation of the members of the Board of Directors, the executive officers or the employees should they resign or be dismissed without just cause or should their employment be terminated as a result of a public offer.

## THE CHIEF EXECUTIVE OFFICER AND THE DEPUTY MANAGING DIRECTOR

The Chairmanship of the Board of Directors, assumed by Jean-Charles Naouri, is separate from Executive Management, which is entrusted to Didier Carlier, as Chief Executive Officer, assisted by Franck Hattab, as Deputy Managing Director.

Didier Carlier and Franck Hattab's respective terms of office were renewed on May 19, 2015 for one year and will terminate at the end of the Shareholders' Meeting on May 18, 2016.

### Powers of Executive Management

The Chief Executive Officer and the Deputy Managing Director have the broadest powers to act on behalf of the Company in every circumstance, in accordance with Article L. 225-56 of the French Commercial Code. They exercise these powers within the limits of the Company's corporate purpose and subject to the powers expressly attributed by law to the Shareholders' Meetings and to the Board of Directors. They represent the Company in its dealings with third parties.

As part of the Company's good governance practices, certain transactions are subject to prior authorization by the Board of Directors due to their nature or their size. Limit thresholds have been set so that, pursuant to the law and the principles of corporate governance, decisions regarding the most significant transactions are taken by the Board of Directors.

Thus Executive Management may not, without the prior authorization of the Board of Directors, enter into:

- any transaction likely to impact the strategy of the Company or the companies that it controls, their financial structure or business scope, and in particular may not sign or terminate any agreement that may represent a significant commitment for the Group in future;
- any transaction if it exceeds one (1) million euros, and in particular:
  - any subscription or purchase of marketable securities, any immediate or deferred equity investment in any group or company, by action of law or *de facto*,
  - any contribution or exchange of assets, shares or securities, with or without payment of a compensating balance,
  - any acquisition of real estate assets or rights,
  - any contract signed with a view to granting or obtaining any loan, borrowing, credit or cash advance,
  - any derivatives transaction on equities, marketable securities, interest rate or currency hedges, such as Equity Swaps, Total Return Swaps (TRS) and options, including by the sale or purchase of call or put options,
  - any transaction or settlement relating to litigation,
  - any transfer of real property in kind or of rights in real estate,
  - any total or partial transfer of equity interests, marketable securities or any other asset or right,
  - any creation of sureties.

These limitations of powers concern Rallye, and the subsidiaries of the holding group, but not internal transactions between them and/or with their parent companies.

Furthermore, Executive Management has specific annual authorizations, as detailed below, particularly concerning: borrowings, credit lines and other funding and cash advance contracts; guarantees, endorsements and sureties; transactions on shares, marketable securities and derivative products and issues of bonds, which were renewed until the Shareholders' Meeting on May 18, 2016.

### Borrowings, credit lines, funding and cash advance contracts

Executive Management is authorized to negotiate and set up – and to renew, extend or replace – borrowings, including in the form of bonds and/or any other debt instrument, confirmed credit lines and any funding agreements (syndicated or not), as well as cash advances, within an overall annual limit of €1 billion.

### Guarantees, endorsements and sureties

Executive Management is authorized to provide guarantees, endorsements and sureties in the Company's name on behalf of its controlled subsidiaries in favor, particularly, of financial or banking institutions and of the Treasury Department, up to an overall annual limit of €100 million.

Executive Management is also authorized to grant pledges of securities relating to loans and credit lines, including those set up prior to February 28, 2013, up to a limit of 130% of the amount of the concerned loans, credit lines and of any other funding agreement.

### Transactions in equities, marketable securities and interest and currency rate derivative products

Executive Management is authorized to carry out the following transactions:

- interest rate transactions, up to a monthly limit of €500 million and an overall annual limit of €1.5 billion;
- foreign exchange transactions, up to a monthly limit of €300 million and an overall annual limit of €1 billion;
- transactions – either directly or using Equity Swaps, Total Return Swaps (TRS) and options – in equities, marketable securities, and short or long term investments (except controlling interests), subject to a monthly limit of €25 million (including, if applicable, the value of the underlying), and to an annual limit of €100 million;
- transactions of any nature (acquisitions, disposals, exchanges, commitments and similar transactions), either directly or through derivative products such as Equity Swaps, Total Return Swaps (TRS) and options, subject to an annual limit (including, if applicable, the value of the underlying) of €100 million.

## Bond issues

Executive Management is authorized to issue bonds, either as part of the EMTN program or any other debt instruments, with or without the right to be allocated marketable securities capable of giving access to the existing equity capital of the Company or to the existing securities of companies controlled by Rallye and, in this respect, to set their terms and conditions and to implement all related market transactions, up to a monthly limit of €500 million and an overall annual limit of €1 billion.

As part of this delegation of powers, Executive Management is authorized to buyback previously issued existing bonds. These buybacks may be carried out for cash, or for new bonds to be issued, up to the monthly and annual amounts of the limits set out above.

Independently, Executive Management is also authorized to issue commercial paper, up to a maximum outstanding amount of €750 million.

Note that short-term liquid investments, such as money-market funds, term deposits, and cash from borrowings, credit lines, funding contracts, cash advances or bond issues, are authorized up to the limit of the monthly and annual amounts set for the transactions with which they are associated.

## Compensation of all contracts or offices held

Executive Management is authorized to pay the fees and/or commissions due under employment contracts or term of office mandates up to a monthly limit of €3 million and an overall annual limit of €5 million.

Every transaction, executed pursuant to these specific authorizations, the amount of which exceeds €25 million, is subject to the express joint agreement of the Chief Executive Officer and the Deputy Managing Director.

## COMPENSATION RECEIVED BY EXECUTIVES AND OTHER CORPORATE OFFICERS

### Methods for determining the compensation and benefits awarded to executives and other corporate officers

#### Executive Management

The compensation paid to the Chief Executive Officer, Didier Carlier and to Deputy Managing Director, Franck Hattab includes both a fixed and variable portion. The basis for their determination is decided each year by the Board of Directors, after consulting with the Appointments and Compensation Committee, and as applicable, based on studies carried out by external consultants.

- The fixed compensation for 2015 is set at €510,000 gross (+5.15% compared to 2014) for the Chief Executive Officer, and at €312,000 gross (+5.12% compared to 2014) for the Deputy Managing Director.

- The variable compensation for 2015 for the Chief Executive Officer, Didier Carlier is based on the achievement of quantitative Group objectives, on qualitative individual targets and on a general assessment of managerial attitudes and behavior. The maximum amount of variable compensation, unchanged since 2012, was increased from €150,000 to €200,000 in 2015 (39% of fixed compensation) if objectives are met, and from €300,000 to €400,000 (78% of fixed compensation) if objectives are exceeded.
- Franck Hattab's 2015 variable compensation for his duties as Chief Administrative and Financial Officer was based on the achievement of quantitative Group objectives identical to those of the Chief Executive Officer, of qualitative individual targets and on a general assessment of managerial attitudes and behavior. The maximum amount of variable compensation was increased from €90,000 to €100,000 (32% of fixed compensation) if objectives are met, and from €180,000 to €200,000 (64% of fixed compensation) if objectives are exceeded.

The Group quantitative objectives were established in advance and defined precisely and are assessed on the basis of criteria relating to Rallye Group's key performance indicators: reduction in the cost of debt and improvement in the EBITDA/Consolidated finance charges ratio. Figures are not published for confidentiality reasons.

In December 2015, the Chief Executive Officer and the Deputy Managing Director were awarded a deferred and conditional bonus for a gross target amount of €208,000 for each of them. These bonuses will be paid at the end of a set period that terminates on December 15, 2018, subject to attendance and performance conditions.

#### Other corporate officers

The Shareholders' Meeting on May 19, 2010 set the total amount of directors' fees allocated to members of the Board of Directors and Special Committees at a maximum of €300,000. Based on recommendations from the Appointments and Compensation Committee, on May 19, 2015, the Board of Directors kept the same rules for sharing out directors' fees as used for the previous term of office.

Individual allowances for Directors, members of Special Committees and non-voting observers, unchanged since 2002, are as follows:

- directors' fees include a lump sum portion (€4,000) and a variable portion set on the basis of the attendance of Directors and non-voting observers at Board meetings (€16,000). The amount of directors' fees allocated to Directors representing the majority shareholder has been reduced by 50% (€10,000). The variable portion of absent Directors will not be reallocated;
- a supplementary attendance fee of €10,000 is paid to Committee members, and doubled for each Committee Chairman.

The total amount of directors' fees and compensation paid in May 2015 to Directors, to the non-voting observer, and to members of the Special Committees for the year just ended, totaled €230,000, compared to €217,600 for the previous term of office.



## The 2015 compensation of Jean-Charles Naouri as Chairman of the Board of Directors

### 1. Compensation and directors' fees due and paid by Rallye to the Chairman of the Board of Directors

The compensation, directors' fees and all types of benefits due and paid by Rallye to Jean-Charles Naouri, Chairman of the Board of Directors, for and during 2014 and 2015 are as follows:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due <sup>(1)</sup>	Amounts paid <sup>(2)</sup>	Amounts due <sup>(1)</sup>	Amounts paid <sup>(2)</sup>
Fixed compensation	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Deferred variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	8,800	8,800	10,000	10,000
Benefits in kind	-	-	-	-
<b>TOTAL</b>	<b>8,800</b>	<b>8,800</b>	<b>10,000</b>	<b>10,000</b>

(1) Compensation and directors' fees awarded in respect of the fiscal year, irrespective of the payment date.

(2) Total amount of compensation and directors' fees paid by the Company during the year.

### 2. Stock options for new or existing shares and bonus shares awarded by the Company and/or companies that it controls, that control it or that are controlled by the latter: none

Jean-Charles Naouri has not been awarded any stock options or bonus shares in Rallye, or in companies controlled by Rallye, or in the companies that control Rallye, or the companies that they in turn control.

### 3. Employment contract, supplementary pension, severance pay and non-compete clause allowance: none

Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions		Non-compete allowance	
Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X

### 4. Summary table of compensation owed and paid by the Company and the companies that it controls or that control it or that are controlled by the latter

The table below shows the compensation, directors' fees and all types of benefits due and paid to the Chairman of the Board of Directors for and during 2014 and 2015, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	1,499,800	2,015,112 <sup>(1)</sup>	1,328,508	1,337,639 <sup>(2)</sup>
Valuation of options awarded during the fiscal year	No grant		No grant	
Valuation of bonus shares awarded during the fiscal year	No grant		No grant	
<b>TOTAL</b>	<b>1,499,800</b>	<b>2,015,112</b>	<b>1,328,508</b>	<b>1,337,639</b>

(1) Compensation and/or directors' fees paid in 2014 by Casino, Guichard-Perrachon (€995,312 in compensation, including €515,312 for 2013 variable compensation and €12,500 for directors' fees); Rallye (€8,800 for directors' fees); and Euris (including €520,000 in fixed compensation and €478,500 in variable compensation for 2014).

(2) Compensation and/or directors' fees paid in 2015 by Casino, Guichard-Perrachon (€480,000 for fixed compensation and €12,500 for directors' fees); Rallye (€10,000 for directors' fees); Cnova (€15,139 in directors' fees for 2014 and 2015); and Euris (€520,000 of which for fixed compensation and €300,000 for 2015 variable compensation).

## 2015 Compensation of Didier Carlier, Chief Executive Officer

### 1. Compensation and directors' fees due and paid by Rallye to the Chief Executive Officer

The compensation, directors' fees and all types of benefits due and paid by Rallye to the Chief Executive Officer for and during 2014 and 2015, are as follows:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due <sup>(3)</sup>	Amounts paid <sup>(4)</sup>	Amounts due <sup>(3)</sup>	Amounts paid <sup>(4)</sup>
Fixed compensation <sup>(1)</sup>	485,000	485,000	510,000	510,000
Annual variable compensation <sup>(2)</sup>	251,190	225,422	269,682	251,190
Multi-annual variable compensation	-	-	-	-
Non-recurring compensation	-	-	-	-
Directors' fees	8,800	8,800	-	-
Benefits in kind	-	-	-	-
<b>TOTAL</b>	<b>744,990</b>	<b>719,222</b>	<b>779,682</b>	<b>761,190</b>

(1) Gross compensation before taxes and charges.

(2) The basis for determining 2015 variable compensation is detailed on page 75 of this Registration Document.

(3) Compensation awarded for the year irrespective of the payment date.

(4) Total compensation paid by the Company during the year.

On December 15, 2015, Didier Carlier was awarded a deferred and conditional bonus in a target amount of €208,000, which will be paid to him at the end of a period that terminates on December 15, 2018, subject attendance and performance conditions.

### 2. Stock options for new or existing shares and bonus shares awarded by the Company and/or companies that it controls, that control it or that are controlled by the latter

In 2015, no stock options for new or existing shares or bonus shares were awarded to Didier Carlier by Rallye, or by the companies that it controls or companies controlling it or the companies that are controlled by the latter.

### 3. Employment contract, supplementary pensions, severance pay and non-compete clause

Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions as a senior executive, corporate officer		Non-compete allowance	
Yes	No	Yes	No	Yes	No	Yes	No
X <sup>(1)</sup>		X <sup>(2)</sup>			X		X

(1) Didier Carlier's employment contract dated May 4, 1994 was suspended on February 28, 2013 when he was appointed as Chief Executive Officer.

(2) Didier Carlier is a member of the Group mandatory pension and supplementary pension plan set up inside the Group for all Group employees. He also benefits from the defined-benefits supplementary pension plan in force in the Company.

#### 4. Summary table of compensation owed and paid by the Company and the companies that it controls or that control it or that are controlled by the latter

The table below shows the compensation, directors' fees and benefits in kind owed and paid to the Chief Executive Officer for and during 2014 and 2015, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	761,490	734,347 <sup>(1)</sup>	<b>779,682</b>	<b>777,690 <sup>(2)</sup></b>
Valuation of options awarded during the fiscal year		No grant		<b>No grant</b>
Valuation of bonus shares awarded during the fiscal year		No grant		<b>No grant</b>
<b>TOTAL</b>	<b>761,490</b>	<b>734,347</b>	<b>779,682</b>	<b>777,690</b>

(1) Compensation and/or directors' fees and/or benefits of any kind paid by Casino, Guichard-Perrachon (€11,125 for directors' fees); Rallye (€719,222, €8,800 of which for directors' fees); and Groupe GO Sport (€4,000 for directors' fees).

(2) Compensation and/or directors' fees and/or benefits of any kind paid by Casino, Guichard-Perrachon (€12,500 for directors' fees); Rallye (€761,190); and Groupe GO Sport (€4,000 for directors' fees).

### 2015 Compensation of Franck Hattab as Deputy Managing Director and Chief Administrative and Financial Officer

#### 1. Compensation and directors' fees due and paid by Rallye for his duties as Deputy Managing Director and for his salaried functions as Chief Administrative and Financial Officer

Compensation, directors' fees and benefits of any kind due and paid by Rallye to Franck Hattab, for and during 2014 and 2015, are as follows:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts owed <sup>(3)</sup>	Amounts paid <sup>(4)</sup>	Amounts due <sup>(3)</sup>	Amounts paid <sup>(4)</sup>
Fixed compensation <sup>(1)</sup>	296,800	296,800	<b>312,000</b>	<b>312,000</b>
Annual variable compensation <sup>(2)</sup>	118,989	72,804	<b>134,591</b>	<b>118,989</b>
Multi-annual variable compensation	-	-	-	-
Non-recurring compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	-	-	-	-
<b>TOTAL</b>	<b>415,789</b>	<b>369,604</b>	<b>446,591</b>	<b>430,989</b>

(1) Gross compensation before taxes and charges. For his salaried duties as Chief Administrative and Financial Officer, Franck Hattab received fixed compensation of €285,600 in 2014 and €300,800 in 2015, and fixed compensation for his duties as Deputy Managing Director since February 28, 2013 of €11,200 in 2014 and in 2015.

(2) The basis for determining 2015 variable compensation is detailed on page 75 of this Registration Document.

(3) Compensation awarded for the year irrespective of the payment date.

(4) Total compensation paid by the Company during the year.

On December 15, 2015, Franck Hattab was awarded a deferred and conditional bonus of a target amount of €208,000, which will be paid to him at the end of a period terminating on December 15, 2018, subject to attendance and performance conditions.

## 2. Stock options for new or existing shares and bonus shares awarded by the Company and/or companies that it controls, that control it or that are controlled by the latter

In 2015, no stock options for new or existing shares or bonus shares were allocated to Franck Hattab by Rallye, or by the companies that it controls or companies controlling it or the companies they in turn control.

## 3. Employment contract, supplementary pensions, severance pay and non-compete clause

Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions as senior executive, corporate officer		Allowances relating to a non-compete clause	
Yes	No	Yes	No	Yes	No	Yes	No
X <sup>(1)</sup>		X <sup>(2)</sup>			X		X

(1) Since March 1, 1999 Franck Hattab has mainly exercised the salaried functions of Chief Administrative and Financial Officer. As the Deputy Managing Director, he assists the Chief Executive Officer.

(2) Franck Hattab is a member of the Group mandatory pension and supplementary pension plan set up within the Group for all Group employees. He also benefits from the defined benefits supplementary pension plan in force within the Group.

## 4. Summary table of compensation due and paid by the Company and the companies that it controls or that are controlled by the latter

The table below shows the compensation, directors' fees and benefits in kind due and paid to Franck Hattab for 2014 and 2015, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	419,789	373,604 <sup>(1)</sup>	446,591	434,989 <sup>(2)</sup>
Valuation of options awarded during the fiscal year	No grant		No grant	
Valuation of bonus shares awarded during the fiscal year	No grant		No grant	
<b>TOTAL</b>	<b>419,789</b>	<b>373,604</b>	<b>446,591</b>	<b>434,989</b>

(1) Compensation and/or directors' fees and/or fringe benefits paid by Rallye (€369,604), and by Groupe GO Sport (€4,000 for directors' fees).

(2) Compensation and/or directors' fees and/or benefits of any kind paid by Rallye (€430,989), and by Groupe GO Sport (€4,000 for directors' fees).

## Shareholders' Meeting advisory vote on senior executive corporate officer compensation

Pursuant to the AFEP/MEDEF recommendations, the Company's Shareholders' Meeting on May 18, 2016 will be required to vote on the items of compensation due or awarded in 2015 to the Chairman of the Board of Directors, the Chief Executive Officer and to the

Deputy Managing Director. For this purpose, a specific document summarizing all of these items and any relevant information relating to them is presented on page 201.

## Compensation received by other corporate officers

The total amount of compensation and directors' fees paid to Company officers other than Jean-Charles Naouri, Didier Carlier and Franck Hattab by the Company, the companies it controls, the companies that control it or the companies controlled by the latter, is as follows:

(In €)	Directors' fees and compensation paid			
	In 2014		In 2015	
	Directors' fees	Other compensation	Directors' fees	Other compensation <sup>(1)</sup>
Philippe CHARRIER	40,000	-	40,000	-
Jean CHODRON de COURCEL	40,000	-	40,000	-
André CRESTEY (non-voting observer)	20,000	79,000	20,000	64,000
Jacques DUMAS	20,000	866,833 <sup>(2)</sup>	20,000	891,487 <sup>(2)</sup>
Catherine FULCONIS			20,000	
Jean-Marie GRISARD <sup>(3)</sup>	10,000		10,000	
Didier LÉVÊQUE	10,000	719,527 <sup>(4)</sup>	10,000	796,198 <sup>(4)</sup>
Odile MURACCIOLE	10,000	398,000 <sup>(5)</sup>	10,000	480,000 <sup>(5)</sup>
Gabriel NAOURI <sup>(6)</sup>	10,000	727,411	20,000	755,618
Christian PAILLOT	30,000	-	30,000	-

(1) Directors' fees and/or compensation and benefits of any kind paid by the companies that Rallye controls, companies that control it, or companies controlled by the latter.

(2) Excluding the non-recurring gross bonuses of €450,000 in 2014 and €1,100,000 in 2015.

(3) Jean-Marie Grisard is also a manager of Frégatinvest, which received €57,500 excluding taxes annually in consulting fees from Euris and Casino, in 2014; and €55,000 excluding taxes in 2015, from Casino.

(4) Excluding the non-recurring gross bonuses of €256,000 in 2014 and €219,000 in 2015.

(5) Excluding the non-recurring gross bonuses of €50,000 in 2014 and €75,000 in 2015.

(6) Representative of Euris, the Group parent company, which received a total of €5.9 million excluding taxes (of which €2.1 million excluding taxes were from Rallye) for providing ongoing strategy consulting services to the Rallye Group parent companies and their subsidiaries.



## STOCK OPTIONS AND BONUS SHARES AWARDED TO CORPORATE OFFICERS AND OPTIONS EXERCISED

No stock options for new or existing shares were awarded in 2015 by Rallye to the Company's executives and employees of related companies who are also corporate officers, nor to the companies that it controls.

The bonus shares awarded in 2015 by the Company to executives and employees of the Company and related companies who are also corporate officers are as follows:

Officer	Date of award	Valuation of the shares according to the method used for the consolidated financial statements	Vesting date of the shares <sup>(1)</sup>	Date after which the shares may be sold	Number of bonus shares awarded
Jacques DUMAS	12/15/2015	€7.851	12/15/2018	12/15/2020	2,604
Didier LÉVÊQUE	12/15/2015	€7.851	12/15/2018	12/15/2020	9,847
Odile MURACCIOLE	12/15/2015	€7.851	12/15/2018	12/15/2020	9,300

(1) The vesting of the awarded bonus shares is subject to the condition of the beneficiary's employment in the Group on the date of vesting of the shares, and to two performance criteria: 50% depends on coverage of financial costs by EBITDA; and 50% depends on the level of the cost of debt.

In 2015, employees of the Company and of related companies, who are also corporate officers, exercised stock options on Rallye shares as follows:

Officer	Date of award	Number of remaining options awarded	Number of options exercised	Exercise price
Didier LÉVÊQUE	9/6/2010	10,694	9,000	€26.44

The bonus shares definitively awarded in 2015 by the Company to employees of the Company and of related companies who are also corporate officers are as follows:

Officer	Date of award	Vesting date of the shares <sup>(1)</sup>	Number of bonus shares originally awarded	Number of bonus shares vested <sup>(1)</sup>	Date after which the shares may be sold
Didier CARLIER	5/23/2012	5/23/2015	12,500	12,500	5/23/2017
Jacques DUMAS	5/23/2012	5/23/2015	3,750	3,750	5/23/2017
Franck HATTAB	5/23/2012	5/23/2015	9,375	9,375	5/23/2017
Didier LÉVÊQUE	5/23/2012	5/23/2015	14,180	14,180	5/23/2017
Odile MURACCIOLE	5/23/2012	5/23/2015	9,951	9,951	5/23/2017

(1) The vesting of the awarded bonus shares is subject to the condition of the beneficiary's employment in the Group on the date of vesting of the shares, and to two performance criteria: 50% depends on coverage of financial costs by EBITDA; and 50% depends on the level of the cost of debt.

## Internal audit procedures implemented by Rallye

The information below, obtained during the various tasks performed by the departments responsible for Rallye's internal audit procedures and validated by Executive Management, have enabled the preparation of a factual description of the audit environment and implemented procedures.

### 1. DEFINITION AND OBJECTIVES OF INTERNAL AUDIT PROCEDURES

#### Reference guidelines used

For the development and preparation of this report and for the description of internal audit, Rallye chose to refer to the COSO <sup>(1)</sup> guidelines, recognized internationally and compatible with the AFEP/MEDEF recommendations <sup>(2)</sup>.

Under the COSO guidelines, internal audit is defined as a process implemented by all levels of an organization's management and is intended to provide reasonable assurance regarding the achievement of the following objectives:

- compliance with applicable laws and regulations;
- application of instructions and guidelines set by Executive Management;
- the smooth operation of processes, especially those relating to the protection of assets and the value of capital;
- the reliability of financial and accounting information.

#### Objectives

Rallye's internal audit process is a system that helps provide reasonable assurance regarding the control of its operations, ensuring the effectiveness of its transactions, and the efficient use of its resources, in accordance with applicable laws and regulations, and internal standards and regulations applicable to the Company, and seeks particularly, although without being able to provide an absolute guarantee, to achieve the following objectives:

- the proper functioning of the Company's internal processes, particularly those that promote the protection of its assets in compliance with the guidelines and policies defined by Rallye's Executive Management;
- the reliability of accounting, financial and management information published internally and externally;
- the control of risks resulting from its status as a company the securities of which are traded in a regulated market.

#### The audit environment

The Company's audit environment consists mainly of the principles of corporate governance and Group organization, carefully designed and rigorously applied. The aim is for all risks to be managed as a whole and for a reasonable assessment to be made of the potential risks of any kind with which the Group may be faced.

### 2. DESCRIPTION OF THE AUDIT PROCEDURES IMPLEMENTED

The scope of internal audit of accounts and finance includes the parent company and the operational subsidiaries included in the Group's consolidated financial statements, the main ones being the Casino Group and Groupe GO Sport (the latter use an internal audit system and are responsible for implementing their own system).

#### General organization of internal audit

The internal audit procedures are part of the general policy framework set out by the Board of Directors and implemented under the direct responsibility of the Company's senior managers.

The main actors involved in managing the internal audit system are as follows:

#### Executive Management - Administration and finance department

Executive Management defines the general Internal Audit principles and ensures their proper implementation in order to achieve the required level of Internal Audit.

Rallye's Administration and finance department, which reports to Executive Management, supervises all the Company's staff departments. Its main responsibility is to assist and monitor line staff in their administrative, financial and legal activities. To do so, it sets the mandatory operating rules for all entities, defines and deploys tools, procedures and best practices, specifically in the following areas: management, accounting and consolidation, finance and cash management, tax, legal, financial communications, information systems and insurance.

#### Board of Directors - Audit Committee

The Board of Directors has always asserted that, together with Executive Management, it considers Internal Audit and its principal areas of application as very important.

Pursuant to the Company's by-laws and internal rules and regulations, the Board of Directors and its Audit Committee are responsible for internal audit through the opinions and recommendations that they express to Executive Management and through the analyses and investigations which they perform or commission.

(1) Committee Of Sponsoring Organizations of the Treadway Commission.

(2) Recommendations of AFEP (the French association of private companies) and MEDEF (the French movement of companies) dated December 17, 2003, known as "Application of the provisions of the financial security law regarding the Chairman's Report on internal audit procedures implemented by the Company".

## Statutory Auditors - External consultants

The Statutory Auditors certify the individual and consolidated financial statements, in accordance with legal and regulatory requirements. They also examine the Company's semi-annual consolidated results and verify the information given in the semi-annual report. They are consulted regularly regarding the accounting treatment of ongoing operations. They are also informed of how internal audit procedures are organized and applied in practice and, if necessary, they may issue recommendations.

## Disseminating information internally

The Group ensures that the relevant information is properly disseminated and provided to those concerned so that they can fulfill their responsibilities, in compliance with Group standards.

With the objective of providing reliable financial information and communication, Rallye strives to ensure that the entire organization respects certain guidelines when performing its duties: the consolidated and accounting procedure manual, the general accounting plan, the code of ethics described in the Board of Directors' internal rules and regulations, the Audit Committee charter and the Appointments and Compensation Committee charter.

## Identifying and assessing risks

The Group identifies and assesses the main risks that might hinder the achievement of its objectives. It takes measures to limit the probability of occurrence and the effects of such risks, thereby promoting an environment of risk control.

The Group's exposure to risks inherent in its business activities and the provisions designed to control them are partially detailed in Note 11.6 "Financial risk management policies and objectives" to the 2015 consolidated financial statements.

The main risks related to the Group's financial instruments are discussed: interest and exchange rate risk, credit risk, liquidity risk and securities risk.

Risks specific to Rallye's holding activity, risks specific to the main controlled investments (Casino and Groupe GO Sport), legal risks as well as the description of the insurance policy are detailed in the "Risk factors and insurance" chapter of the Management Report.

## Audit activities

In order to enhance its control over identified risks, the Group has put in place audit procedures both for operational processes and financial information.

Within the Company, internal audit procedures are centralized. Because Rallye is a holding company, the implemented procedures relate mainly to the preparation and processing of financial and accounting information designed to ensure that the consolidated financial statements are reliable and that its subsidiaries are monitored.

## At operating subsidiary level

Each Rallye subsidiary has its own internal audit department charged with ensuring the effectiveness of the internal audit activities and procedures in order to obtain reasonable assurance that the subsidiary's own risks are under control.

The Chairman of Casino, Guichard-Perrachon prepared a report on internal audit which shareholders may consult.

Discrepancies were identified within the Brazilian subsidiary, Cnova N.V., with regard to inventory management, product returns and tracking damaged products in its distribution centers. Investigative work conducted by external consulting firms hired by Cnova N.V.'s Board of Directors in December 2015 confirmed an overvaluation of part of the inventory and receivables relating to damaged or returned products.

In addition, the Brazilian subsidiary's management also informed the investigative team of irregularities which were found primarily in accounts payable and were made for several years up to the end of 2014, resulting from incorrect entries made over the years by members of Cnova Brazil's Finance and Accounting Department. Furthermore, these irregularities were covered up by falsifying supporting documents submitted to the Statutory Auditors.

The Statutory Auditors consider that the amount of the required financial adjustments and the number of irregularities during previous years is significant enough to justify correcting previous financial statements, under SEC regulations.

During 2015, the Finance Department:

- put an end to the irregularities, primarily in accounts payable, by strengthening internal audit through rolling out an internal audit environment that complies with the American Sarbanes-Oxley regulations;
- identified the corrections needed; and
- strengthened controls.

Inventory management and product return procedures were also reviewed and strengthened, the persons involved in the misconduct were dismissed and a dedicated team was created to monitor replacement orders and second sales.

The investigation is still in progress and additional controls are also being analyzed and put in place.

The Group audits the quality of the information supplied by its subsidiaries, particularly by the joint exercise of tasks within the corporate bodies and also through meetings of the various audit and appointments and compensation Committees, which, together with senior management, receive the support of all the staff departments in the subsidiaries.

This audit is also ensured thanks to the familiarity of Rallye's central audit department with the various information systems, as well as by holding monthly meetings.

The Company's legal department performs any necessary specific investigations or examinations that it deems necessary to prevent and detect any legal irregularity or anomaly in Group management. Executive Management and the Administration and finance department regularly communicate regarding the status of the main disputes that may affect the subsidiaries, and also regarding the risks incurred.

## At Rallye's central level

### | Procedures for monitoring operating risks

#### Cash management, finance and expenditures

In the Administration and finance department, the cash management team is responsible for applying the Group's finance policy, which includes optimized balance sheet and financial debt management, the financing strategy, control of financial costs, the profitability of cash surpluses and investments, improvement of the financial structure, and a conservative policy for managing solvency, liquidity, market and counterparty risks.



Company cash must be invested in instruments with a maturity matched to the planned term of the investment and must never be invested in speculative or risky instruments.

Executive Management receives reports of weekly cash flows and the status of the credit lines, along with their respective terms and conditions.

To facilitate and strengthen control over the Company's expenditure, an authorization procedure for investments and overheads has been introduced. The procedure clearly identifies the persons with the authority to grant prior authorizations for any commitment or payment.

**Tax**

The Head of Tax, who works in the Administration and finance department, coordinates the preparation of tax returns by ensuring compliance with applicable tax regulations and legislation.

**Financial control**

Financial control, a unit of the Administration and finance department, is responsible for coordinating the budget process and its revised estimates established during the year, together with the three-year strategic plan. It helps prepare accounting and financial information by drafting monthly management reports, as well as all the analyses required by Executive Management. It also monitors investments and cash flows, as well as the management indicators specific to the business of the Company and its subsidiaries.

**Market risk monitoring**

Marketing risk monitoring is described in the management report of this Registration Document in the "Risk factors and insurance" chapter. In light of the priorities that emerge, those responsible regularly make adjustments to the control measures pertaining to them.

**Investment portfolio**

Investments and divestments require prior approval to ensure that they comply with the Group's strategy and profitability criteria. Weekly reports showing the changes in the investment portfolio are sent to Executive Management.

**Payroll and compensation**

The Administration and finance department is responsible for payroll organization and management.

The Group's legal department regularly monitors changes in legal and social information affecting payroll management.

The Appointments and Compensation Committee reviews compensation for senior managers, which is then submitted for approval to the Board of Directors. Compensation for all other employees is validated by Executive Management.

**| Procedures for producing and processing financial and accounting data**

The Internal Audit of accounts and finance covers the processes used to gather accounting data: the financial information production process, the accounts closing process and communication actions.

The Internal Audit system for accounts and finance is designed to ensure:

- compliance with accounting regulations and correct application of the principles on which the financial statements are prepared;
- application of the guidelines set forth by Executive Management with respect to financial information;
- the protection of assets;
- the quality of the feedback of information that contributes to the preparation of the published accounts and ensures the reliability of their centralized processing for the Group with a view to their dissemination and use for steering purposes;
- monitoring of the production of financial, accounting and management components, including the prevention of fraud.

**Accounting and financial organization**

**The Administration and finance department**

The heads of the Administration and finance department ensure that the accounting and finance functions are correctly directed, under the supervision of Executive Management, in the following areas: accounting, consolidation, management, financial services and cash management.

The processing and centralizing of cash flows and the hedging of currency and interest rate risks is the responsibility of the Finance Department, which identifies the commitments and facilitates their recognition in the accounts.

**Accounting standards**

The Group has compiled accounting rules and principles that must be applied by all consolidated subsidiaries to ensure the delivery of consistent and reliable financial reports.

These accounting rules are regularly updated to reflect changes in accounting regulations and reporting standards:

- accounting standards define the principles to be used to process operations consistently. They clarify, in particular, the terms for recording balance sheet items as well as identifying and measuring off-balance sheet commitments. They are compliant with IFRS, the reporting standards for consolidated financial statements. The Group's accounts department is constantly gathering intelligence on new accounting standards in the pipeline in order to inform Executive Management and anticipate their impacts on the Group's financial statements;
- the chart of accounts provides the definitions and procedures for preparing the reports required for the preparation of the financial statements.

### Key performance indicators

A monthly system for reporting the various key performance indicators is used to continuously and consistently track changes in the performance of each subsidiary and to ensure that they are in line with the objectives set.

### Audit Committee

The role and duties of the Audit Committee are described above on page 58. These duties are compliant with Article L. 823-19 of the French Commercial Code (order dated December 2008 on the methods for applying the 8th European Directive on statutory audits of financial statements).

### Preparation of accounting and financial reporting

#### Accounts closing and consolidation

The Group's Administration and finance department is responsible for preparing the financial statements. These can be a source of financial risk, particularly as regards the accounting records, the consolidation process, and the recognition of off-balance sheet commitments.

The risks regarding the preparation of accounting and financial information are managed by monitoring regulatory texts, anticipating any problems, communicating with the Statutory Auditors and an appropriate timetable.

The account closing process is covered by specific instructions and an appropriate information feedback system that allows the processing of coherent, exhaustive and reliable information based on a consistent methodology and within the appropriate deadlines depending on the schedule defined by the Board of Directors and its Special Committees.

For drawing up the consolidated financial statements, validation procedures are applied to each stage of the feedback and processing of information. These procedures are designed to specifically check the correct adjustment and elimination of internal transactions; the verification of consolidation operations; the correct application of accounting standards; the quality and consistency of consolidated and published accounting and financial data.

The consolidation of financial statements is conducted centrally every six months by the consolidation team on the basis of information provided by the subsidiaries. The team performs an overall review of the Group's financial statements, and prepares a file that includes all the restatements and eliminations made, and documents the checks performed, thereby ensuring traceability.

In addition, the consolidation team is also responsible for updating consolidation procedures, including subsidiaries within the scope of consolidation, processing information and maintaining the consolidation tools.

#### The Statutory Auditors

All the accounting and financial data prepared by the consolidated subsidiaries is subject, as a minimum, to a limited review for semi-annual reports and to a full audit for annual reports, by the external auditors. The Chief Executive Officer issues a letter of representation to personally vouch for the accuracy, reliability and completeness of the financial disclosures.

After jointly reviewing all the financial statements and the methods used to prepare them, the Statutory Auditors certify the Group's consolidated financial statements. They certify the accuracy, fairness and true presentation of the Company's consolidated and individual financial statements in a report to the shareholders of the Group. They are previously informed of the accounts preparation process and present a summary of their work to the heads of the Group's accounting and finance units and to the Audit Committee for the semi-annual position and the annual closing.

#### IT system security

Selected software programs are compatible with accounting and financial requirements. The information systems managers are working to enhance the task separation solutions and to improve the verification of access rights.

In order to ensure the effectiveness of internal audit procedures as well as the security and integrity of all data and data processing in the face of a possible major incident, whether accidental or due to acts of malfeasance, the entire system is secured by a system providing authorization and protected access to the network, data backup procedures and physical protection of the data center.

#### Financial communications

The Administration and finance department is responsible for coordinating the information distributed to the financial community and ensuring that this information accurately and transparently reflects the Group's position, activity and outlook.

Financial Communications managers draw up a precise schedule for the release of current information about the Group to financial markets. This schedule is consistent with the requirements of market authorities. The managers constantly gather intelligence and check, with the assistance of the legal department, that the communication is made within the required time scales, in accordance with rules and regulations and in compliance with the principle of equal access to information for all shareholders.

By working closely with Executive Management, the Board of Directors and Statutory Auditors, the Financial Communications managers draft and coordinate the distribution of this information through various means (annual and semi-annual reports, road shows, website, etc.).

When signing their employment contract, each employee signs an attachment relating to ethics, which, in particular, prescribes an obligation to observe a blackout period in order to avoid finding themselves, or placing the Company, in a situation which constitutes a stock market offense.

The internal audit system is not set in stone, and evolves in order to allow Executive Management to take into account significant risks to the Company in an appropriate manner. The Board of Directors is informed of any changes to this system and can monitor its functioning based on information provided to it by Executive Management.



## Audit of the financial statements

### STATUTORY AUDITORS

In compliance with legal requirements, Rallye appoints two regular and two alternate Statutory Auditors:

#### Regular Statutory Auditors

##### KPMG

**Signing partner:** Catherine Chassaing (since October 2013).

**Date of first appointment:** June 29, 1993.

**Latest term of office expires:** at the end of the 2019 Annual General Meeting of Shareholders.

##### Ernst & Young et Autres

**Signing partner:** Pierre Bourgeois (since May 2010).

**Date of first appointment:** June 1, 1999.

**Latest term of office expires:** at the end of the 2017 Annual General Meeting of Shareholders.

In accordance with Article L. 822-14 of the French Commercial Code, Ernst & Young et Autres' signing partner, Pierre Bourgeois, was replaced by Henri-Pierre Navas at the end of the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2015.

#### Alternate Statutory Auditors

##### KPMG Audit ID

Alternate for KPMG.

**Date of first appointment:** May 19, 2010.

**Latest term of office expires:** at the end of the 2019 Annual General Meeting of Shareholders.

##### Auditex

Alternate for Ernst & Young et Autres.

**Date of first appointment:** May 4, 2011.

**Latest term of office expires:** at the end of the 2017 Annual General Meeting of Shareholders.

One or the other of these audit firms are Statutory Auditors of the Company's main subsidiaries.

### FEES PAID TO STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS BY THE GROUP IN 2014 AND 2015

(In € thousand)

	Ernst & Young				KPMG			
	Amount		%		Amount		%	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Audit</b>								
<b>Statutory auditing, Auditor's opinion, examination of Company and consolidated financial statements</b>								
Issuer	247	212	4	4	236	201	28	19
Fully consolidated subsidiaries	5,884	5,570	91	92	347	371	42	35
<b>Other assignments and services directly connected to the Statutory Auditors' assignment</b>								
Issuer	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	305	157	4	2	28	364	3	35
<b>Sub-total</b>	<b>6,436</b>	<b>5,940</b>	<b>99</b>	<b>98</b>	<b>611</b>	<b>936</b>	<b>73</b>	<b>89</b>
<b>Other services provided by the networks to fully consolidated subsidiaries</b>								
Legal, tax, corporate	-	31	-	1	150	87	19	8
Other	60	58	1	1	70	33	8	3
<b>Sub-total</b>	<b>60</b>	<b>89</b>	<b>1</b>	<b>2</b>	<b>220</b>	<b>120</b>	<b>27</b>	<b>11</b>
<b>TOTAL</b>	<b>6,496</b>	<b>6,029</b>	<b>100</b>	<b>100</b>	<b>831</b>	<b>1,056</b>	<b>100</b>	<b>100</b>

# Statutory Auditors' Report

*prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report by the Chairman of the Board of Directors of Rallye*

**Year ended December 31, 2015**

To Whom It May Concern,

In our capacity as Rallye's Statutory Auditors, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2015.

The Chairman is responsible for preparing and submitting to the Board of Directors for approval a report on the internal audit and risk management procedures in place at the Company, and providing other information required by Article L. 225-37 of the French Commercial Code relating particularly to corporate governance measures.

Our responsibility is to:

- inform you of our observations concerning the information contained in the Chairman's Report with respect to the internal audit and risk management procedures relating to the preparation and processing of accounting and financial information; and
- certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, without however being required to verify the fairness of this other information.

We carried out our work in accordance with the professional standards applicable in France.

## INFORMATION CONCERNING THE INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES RELATING TO PREPARING AND PROCESSING FINANCIAL AND ACCOUNTING INFORMATION

Professional standards require us to implement procedures designed to assess the fairness of the information contained in the Chairman's Report on the internal audit and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures consist, in particular, of:

- obtaining an understanding of the internal audit and risk management procedures that relate to the preparation and processing of financial and accounting information supporting the information presented in the Chairman's Report, and of the existing documentation;
- obtaining an understanding of the work that enabled the preparation of this information and of the existing documentation;
- determining whether any major weaknesses in the internal audit procedures relating to the preparation and processing of financial and accounting information, which we might have found as part of our assignment, have been appropriately disclosed in the Chairman's Report.

Based on this work, we have no comment to make on the information concerning the Company's internal audit and risk management procedures relating to the preparation and processing of financial and accounting information contained in the Report of the Chairman of the Board, prepared in accordance with Article L. 225-37 of the French Commercial Code.

## OTHER INFORMATION

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

Paris-La Défense, March 15, 2016

The Statutory Auditors

**KPMG Audit**

Department of KPMG S.A.

Catherine Chassaing

Partner

**Ernst & Young et Autres**

Pierre Bourgeois

Partner