

MANAGEMENT REPORT 2017



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MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2017

GENERAL COMMENTS

Définitions

In this annual financial report, except where otherwise indicated:

- The terms the "**Company**" or "**HAULOTTE GROUP**" refer to **HAULOTTE GROUP** a French public limited company (*Société Anonyme*) with capital of €4,078,265.62 whose registered office is located at La Péronnière 42152 l'Horme, France, registered in Saint-Etienne (France) (RCS No. 332 822 485).
- The term "**Groupe**" refers to the Company and all companies consolidated by the latter.

Forward-looking statements

This annual financial report also includes forward-looking information about the Group's objectives and development priorities. These forward-looking statements are sometimes identified by the use of the future or conditional tense or forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or variations thereof or other comparable terminology. It should be noted that the realisation of these objectives and development forecasts do not represent historical data and as such should not be interpreted as providing assurance that the facts and data presented will occur, that the assumptions will be confirmed and the objectives reached. These represent objectives that by nature might not be achieved and the information presented in this annual financial report may prove to be erroneous without the Group being subject, in any manner whatsoever, to an obligation to update these statements, subject to the applicable regulation at notably, the AMF (*Autorité des Marchés Financiers*) General Regulation.

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RESPONSIBILITY FOR THE FRENCH VERSION OF ANNUAL FINANCIAL REPORT

Person making the responsibility statement

In accordance with article L.451-1-2 of the French monetary and financial code, we inform you that the person responsible for the annual financial report is Mr. Alexandre Saubot, Deputy Chief Executive Officer of Haulotte Group.

Responsibility statement

L'Horme, 30 April 2018

"I furthermore declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and the group formed by the companies included in the consolidated financial statements, and that the management report for the period, included herewith presents business trends, the results and financial position of the company and consolidated operations and the description of the main risks and uncertainties".



Alexandre Saubot

Deputy Chief Executive

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**MANAGEMENT REPORT INCLUDING THE REPORT ON THE
GROUP'S MANAGEMENT IN ACCORDANCE WITH ARTICLE
L.233-26 OF THE FRENCH COMMERCIAL CODE**

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PART 1 : ECONOMIC INFORMATION

1 - REVIEW OF OPERATIONS AND RESULTS FOR THE YEAR UNDER REVIEW

HAULOTTE GROUP is among the worldwide leaders in the market for self-propelled aerial work platforms both as a manufacturer of the main equipment categories (telescopic booms, articulating booms, scissor lifts, vertical masts) and as a global distributor.

Revenue for the Company grew 13% in 2017.

The commercial momentum in Europe was also displayed in most markets. The Asia-Pacific region ended the year with double-digit growth driven by a strong rebound in fourth-quarter sales in the Middle East and Asia. In North America, sales in aerial work platforms grew in the period, reflecting the Group's reinforced position in this market. Finally, despite the significant downturn in Mexico, sales in Latin America also posted gains highlighting improvements in other markets.

The fiscal year ended 31 December 2017 submitted for approval to the ordinary general meeting is the company's thirty-third year of operations since the Company's creation.

2 - PROGRESS MADE OR DIFFICULTIES ENCOUNTERED

Despite the increase in commodity prices and emerging pressures on the availability of components, Haulotte Group SA was successful in improving its operating results. This improvement was driven by the significant growth in volumes, and improved sales mix and the stronger value proposition.

This good operating performance was however offset by adverse euro-US dollar currency exchange rate trends and provisions for contingencies.

3 - PRESENTATION OF PARENT COMPANY FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES – RESULTS OF OPERATIONS THE COMPANY

3.1 Presentation of statutory accounts

Highlights of the statutory accounts of **HAULOTTE GROUP** SA for the financial year ended 31 December 2017 are presented below: (€ thousands):

FINANCIAL HIGHLIGHTS (€ '000s)	Fiscal 2017	Fiscal 2016	Change %
Revenue	244 466	215 588	+13,39%
Operating profit	(108)	(10 358)	+98,96%
Net financial income (expense)	15 928	4 972	+94,93%
Extraordinary profit (loss)	(9 339)	73	N/A
Net profit (loss)	9 283	(2 977)	N/A

Please refer to the notes to the annual financial statements for all additional explanations.

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3.2 Changes in the presentation of the annual accounts or methods of valuation applied in prior years

We inform you that the annual financial statements were prepared according to the same presentation and methods were used in prior periods. The evolution of the principles is provided in the summary of the main accounting procedures in the note n°2 of the annex of the statutory accounts.

3.3 Analysis of statutory results

Revenue for **HAULOTTE GROUP** SA in 2017 was up 13% from one year earlier.

The improvement in the 2017 net margin, in line with reported results, and efficiencies in the containment of committed fixed costs contributed to a return to breakeven for operating results, representing a significant increase from 2016.

Net financial income was particularly positive, reflecting notably the reversal of the provision of current account balances for certain subsidiaries given the improvement in their net equity.

The liquidation of our subsidiary, Haulotte Cantabria, which was no longer in activity, has lead to an impact of 6M€ of financial profit and 6M€ of exceptional loss.

In light of the above, results for the year represented a net profit of €9.3 million.

As required by article R.225-102 of the French commercial code, this report includes a table summarising the results of the Company over the last five years.

4 - COMPREHENSIVE ANALYSIS OF THE COMPANY'S REVENUE, EARNINGS AND FINANCIAL POSITION, AND NOTABLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF BUSINESS ACTIVITY

Readers are invited to refer to sections 1, 2 and 3 above and 16.2 and 7 below.

5 - ANALYSIS OF KEY INDICATORS OF A FINANCIAL AND NON-FINANCIAL NATURE RELATING TO THE COMPANY'S SPECIFIC BUSINESS, AND IN PARTICULAR INFORMATION RELATING TO ENVIRONMENTAL QUESTIONS AND PERSONNEL

Readers are invited to refer above to paragraphs 1, 2 and 3 and section 5 below in this report.

6 - KEY RISKS AND UNCERTAINTIES - THE COMPANY'S EXPOSURE TO RISKS CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES - INFORMATION ON MARKET RISKS

In accordance with the provisions of article L225-100-1 of the French commercial code, a description of key risks and uncertainties facing the Company is presented below.

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6.1 Key risks and uncertainties

Because the company outsources a significant share of its production, the sourcing capacities of its suppliers constitute a primary risk. To prevent risks of supply chain disruptions, the strategy widely adopted for a number of years for diversifying suppliers must be pursued. For several years the credit situation of suppliers considered to represent a higher risk has been monitored and specific measures have been taken to ensure that the industrial model remains constantly in sync with market demand.

The market risk is the second significant risk factor. On that basis, visibility has improved though caution continues to be necessary, against the backdrop of a global environment marked by continuing uncertainties.

Another significant risk is the sensitivity of sales to credit restrictions in financial markets. **HAULOTTE GROUP** proposes financing solutions to its customers either through a financing entity or, for a non-significant percentage of sales, direct financing, by maintaining receivable risks at a reasonable level.

6.2 The company's exposure to risks concerning price, credit, liquidity and capital resources

The major share of the company's sales is generated through its distribution subsidiaries. Despite fierce competition, these subsidiaries have successfully maintained the level of sale prices for new products.

In September 2014, the Group obtained a syndicated credit facility for 3.5 years, with an option for an additional 1.5 years, providing it a medium term refinancing facility for €18 million, a revolving credit facility for €52 million and an overdraft facility for €20 million. Haulotte Group wished to exercise this option for an extension and renegotiate certain provisions of this facility. These requests were accepted by the banks of the syndicate, resulting in the execution of a new amendment on 10 March 2017 integrating:

- the extension as initially provided for in the facility for the maturities of the revolving and the overdraft facilities at 30 September 2019,
- the extension of the refinancing facility becoming repayable in full on maturity at 30 September 2019,
- the floating rates remain indexed on Euribor for the refinancing and revolving facilities, and on Eonia for the overdraft facility,
- the ratios of the financing agreement remain unchanged, and will namely be measured every six months based on selected aggregates derived from the consolidated financial statements for the half-year periods ended 30 June and 31 December of each year (Group EBITDA, shareholders' equity, net debt, etc.),
- in exchange for this syndicated credit facility, the undertakings of the banking pool remain unchanged.

Based on the level of cash resources and credit lines open and available at 31 December 2017 in conjunction with cash forecasts for the first months of 2018, there are no reasons to question the Group's ability to meet its obligations.

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7 - USE OF FINANCIAL INSTRUMENTS - COMPANY FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The company has recourse to forward currency sales (mainly in USD and GBP).

The Company does not systematically hedge interest rate and foreign exchange risk.

However, transactions are carried out according to market opportunities. In such cases, they are destined to cover existing assets or liabilities rather than for speculative purposes.

8 - FORESEEABLE CHANGES IN THE COMPANY'S SITUATION AND OUTLOOK

Based on positive business trends in all markets and growth in the order book, **HAULOTTE GROUP** SA could be expected to achieve the growth in revenue approaching 8% in 2018.

In light of the Group's commitment to pursue development based on its new strategic plan, particular efforts in 2018 will be focused on this trend, notably at the level of research and development. On this basis, fixed cost will mechanically increase within **HAULOTTE GROUP** SA and its subsidiaries. These measures and investments may be expected to temporarily adversely impact Haulotte Group SA's net margin and operating profit in 2018 in order to ensure growth in revenue in 2018 and the years ahead in a market environment which remains positive.

We also expect net financial income in the period, with a positive effect of approximately €14 million originating partially from the reversal of impairment charges for subsidiary current accounts balances.

In light of these factors, net income is expected to be clearly positive in 2018.

9 - IMPORTANT POST-CLOSING EVENTS

No material event with a potential significant impact on the assessment of the situation of the company has occurred or was known to exist after the end of the reporting period.

10 - RESEARCH AND DEVELOPMENT OF THE COMPANY

The Company's research and development efforts stabilized in 2017.

It will be remembered that in 2016, a new telehandler, the 5210, and a new vertical mast, Star 6 were released. In 2017, a new articulating boom lift model, HA20 RTJ and a new telescopic boom model, HT28 RTJ, were introduced.

At the same time, the Group has expanded its research focusing on optimising operator safety.

All these innovations and improvements were developed by the Company's engineering department working in close collaboration with a panel of customers.

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The medium-term objective of these efforts is to accelerate the roll-out of new machines or renew our existing product ranges in the years ahead.

Research and development expenditures amounted to €11,547,000 in 2017.

11 - BREAKDOWN OF TRADE PAYABLES AND RECEIVABLES OF THE COMPANY BY MATURITY

In compliance with the provisions of articles L.441-6-1 paragraph 1 of the French commercial code, an aged trial breakdown of trade receivables and payables is provided below for the fiscal year ended 31 December 2017.

Trade payable	Statutory information on receivables and payables (Article D.441 I.-1 of the French commercial code*): Invoices received unpaid at the end of the reporting period in arrears			
	1 to 30 days	31 to 60 days	> 60 days	Total
(A) Portion in arrears				
Number of invoices concerned	774	2		776
Total amount of invoices concerned including VAT	327 877	6 311		334 188
% of total amount of purchases ex-VAT of the period	0,16%	0,00%	0,00%	210 296 081
(B) Invoices excluded from (A) relating to disputed payables				
Number of disputed supplier invoices		1 485		
Total number of subsidiary invoices involving a current account-related payables		228		
Amount of disputed invoices		3 132 086		
Amount of subsidiary invoices involving a current account-related payable		2 421 241		

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Accounts receivable	Statutory information on receivables and payables (Article D.441 I.-1 of the French commercial code*): Invoices issued and unpaid at the end of the reporting period in arrears			
	1 to 30 days	31 to 60 days	> 60 days	Total
(A) Portion in arrears				
Number of invoices concerned	40	48	104	192
Total amount of invoices concerned including VAT	154 013	238 237	1 737 492	2 129 742
% of revenue ex-VAT of the period	0,06%	0,10%	0,71%	244 466 351
(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries				
Number of disputed customer invoices		235		
Total number of subsidiary invoices involving a current account-related receivable		4 699		
Amount of disputed customer invoices		3 370 124		
Amount of subsidiary invoices involving a current account-related receivable		49 662 585		

12 - THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY THE COMPANY AND IN PARTICULAR THOSE RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

A. Objectives of the Company in the areas of internal control and risk management procedures

The purpose of the internal control procedures in force in the company is to:

- ensure that management and operating practices, and also employee behaviour, adhere to the framework defined by the guidelines given to the businesses of the company by the governing bodies, applicable laws and regulations, and the values, standards and internal rules of the company.
- ensure that the accounting, financial and management information provided to the Company's governing bodies provides a fair presentation of the operations and situation of the Company and its subsidiaries.

One of the objectives of internal control is to prevent and manage the risks resulting from the business operations of the company and its subsidiaries and the risk of error or fraud, in particular in the accounting and financial areas (operating, financial, compliance or other risks).

As with any control system, it is not possible to provide an absolute guarantee that these risks have been completely eliminated.

B. Summary of procedures in place

a) General organisation for the internal control and risk management procedures at the Company level

Each department at the headquarters and in the subsidiaries is responsible for implementing and monitoring internal control procedures.

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These internal control procedures are placed under the responsibility of the Group's Finance Department and Secretariat General who draws up the procedures, promotes their application and ensures their consistency and proper functioning. A core body of written internal procedures is available for consultation on the Company's intranet.

Accordingly, the different participants in the internal control process within the Company include:

- The Finance Department (with the Consolidation and Reporting, Financial Control, Credit Management and Internal Audit departments),
- The Secretariat General with the legal department and the human resources department and the Digital & Information Department),
- The Industrial Division (with the quality department).

b) Presentation of summarised internal control and risk management procedures adopted by the Company

The Finance Department:

• Internal audit

After completing a risk mapping initiative, the Group's executive committee created an internal audit department tasked with the following missions:

- reducing business-related risks,
- implementing procedures for reporting incidents recorded to Management,
- raising awareness of Haulotte entities and departments about the importance of respecting procedures,
- obtaining action plans from entities audited to comply with procedures,
- ensuring the implementation of the action plans proposed by the audited entities and the achievement of the expected outcome,
- improving and adapting procedures by taking into account observations made during audit assignments.

• The Financial Control department includes two units:

- an industrial financial control unit represented at each production site and for R&D, purchasing and quality functions by a dedicated team at the headquarters,
- a management control unit for the distribution subsidiaries, spearheaded from the headquarters and represented by a local financial controller in the main subsidiaries, ensuring financial oversight for the Group's different distribution and service subsidiaries. In addition, the regional financial controller is the intermediary between the Group and the controller for each subsidiary of its region. This division ensures the financial control functions for the support and equipment rental business functions.

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These teams contribute to implementing internal control procedures by:

- ensuring the security of assets, notably through inventory procedures,
- ensuring and assisting in the dissemination of the Group's accounting and management rules,
- ensuring that expenditures are incurred in accordance with the budget defined at the beginning of each period and within the framework of the rules for incurring expenses and delegations of authority defined by the Group.

• **The Cash Management department** which manages the following areas:

- cash management,
- credit management.

For cash, this department is responsible for managing relations with banks and bank balancing transactions, managing multi-currency cash positions, managing interest rate risk, optimising cash flows and monitoring the cash budget.

For credit management, the department:

- ensures that the principles defined for managing customer credit risk are correctly applied and controls the exposure of the Group's main customers. To this purpose, it monitors the evolution of accounts receivable for all subsidiaries, controls the levels of outstanding balances and reconciles the cash budget with outstanding trade receivables of subsidiaries,
- organises the collection, monitors outstanding financing amounts and consolidates all Group financial commitments.

• **The Consolidation and Reporting department** is responsible for producing the consolidated annual and interim financial accounts as well as monthly reporting.

This department assists the local financial managers with the reporting procedures and visits subsidiaries to ensure they are correctly applied.

• **The Group Accounting department** is responsible for the accounting for Haulotte Group SA. It is also responsible for coordinating and managing the tax policy at Group level.

• The finance department draws up **written procedures** covering the main subjects and financial flows within the Group. These procedures are disseminated to all financial contacts of the headquarters and subsidiaries and updated on a regular basis.

The Secretariat General:

• **The Group Legal Department**

Given the importance of the issues handled by the legal team, the Company has decided to reinforce its role by creating a full-fledged Legal Department in line with the company's other activities.

The Legal department continues to participate in "Safety Committees" meetings held on a regular basis (every two months, and more if required). These meetings bring together all parties concerned by the efficient management of technical and legal monitoring of incidents and accidents known to the Group and in which, the presence of one of our products was noted.

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The Legal department participates in "intellectual property committee" meetings also attended by the industrial division, the secretariat general, the marketing department and the intellectual property manager of the Group. These periodic meetings provide a mechanism for monitoring filings and intellectual property disputes for the entire Group. They also serve as a means to notify different participants of the existence of prior rights.

In addition, the Legal department continues to organise periodic training initiatives to raise awareness among teams about legal issues (commercial relations, contractual obligations, intellectual property, etc.).

Several internal communications actions are implemented by the Legal department, in collaboration with the financial, communications and DID teams, in order to inform and alert staff about the risks of and the measures to combat social engineering fraud.

The Legal department collaborates with all departments concerned with legal matters and provides its support to the Internal Audit department.

In addition, the Legal department regularly participates in meetings organized by Middenext offering a forum for exchange and discussing legislative and regulatory developments concerning listed companies and in consequence new obligations of the Company. It also participates in working meetings organized by the trade associations of its industry sector (FIM, CISMA).

• **The Human Resources department** with a corporate department and correspondents at each manufacturing site:

- The Security charter seeking to improve the safety of employees in their day-to-day activities, introduced in France was then expanded to other countries where the Group operates, in order to strengthen controls in this area. With this objective, the "Safety Challenges" were renewed.
- The Recruitment procedure in place continues to be applied.
- This department ensures the promotion of the Management Group Procedure, a set of essential Group rules in HR, Finance, Legal Affairs and Insurance areas.
- In the area of risk management, country and people review procedures have been implemented. The purpose of these reviews is to promote exchanges between teams of the headquarters and subsidiaries as well as the production sites and also to provide insight on employee morale and relations between employees and management.
 - The purpose of the country review is to provide a presentation of each subsidiary covering namely their organisation, operating procedures and key performance indicators for different departments.
 - The "people review" provides an opportunity for carrying out a review through exchanges with +1 and +2 reporting levels with the Human Resources departments for each of their staff.
- To benefit from an even more comprehensive view of available resources, the HR department uses a forward-looking employment and skills management tool covering all Group employees. The first step entailing its deployment in France was carried out in 2017 with international deployment planned for in the English speaking sites in 2018.

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• The Digital & Information Department (DID)

In 2017, the DID implemented a Single sign-on (SSO) system for which the first applications included mail, Sharepoint Online, Skype, Foerderis and proxy-web.

The DID is also continuing to define the security policies largely focusing on protecting access to systems and restricting access to identify named individuals and ensure the security of printing and information exchanges: an IT system security plan, a new IT charter, and communications initiatives on best practices targeting users are currently being developed.

The DID continues to actively participate in the working group for combating fraud and scamming (management of fraudulent emails, "fake president" frauds, etc.): in 2017, plenty of scamming attempts have been avoided.

Industrial Division:

The Quality function of the Group includes a Chief Quality Officer, a corporate quality manager, four quality project engineers and a quality and environment system coordinator.

Each industrial division (production site) has its own quality department coordinated by the quality manager of the site (division) with several functions represented: customer quality (aftermarket service), product quality assurance, the quality process for painting and assembling, suppliers and an environmental coordinator.

The quality department has reinforced the "customer satisfaction" approach through:

- The deployment and standardisation of the process approach within the company
- Implementation of a continuous improvement approach through projects relating to enhancing reliability and ageing equipment.
- Tools for eliminating risks at the level of all projects to improve the reliability of our manufactured products.
- The internal audit department (see b).

A procedure for monitoring and selecting suppliers and the integration of a new "Supplier Risk Management" function.

c) Risks associated with producing financial and accounting information

The Consolidation department is responsible for producing the interim and annual consolidated financial statements, under the oversight of the Group Finance Department and Executive Management.

This Department ensures the quality of the monthly accounting closings for the different Group companies, managed, according to the case, by local accounting departments or chartered accountants for small size subsidiaries, and their restatement according to applicable IFRSs.

The consistent application of Group accounting principles is ensured by the Consolidation department that is responsible for monitoring changes in standards.

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The most important accounting principles, and namely those which may have a material impact on the Group's accounts, are documented and distributed to all subsidiaries. These concern standards for recognising financing transactions, revenue recognition, the impairment or non-collection of trade receivables, provisions for inventories, rules for the depreciation and amortisation of fixed assets.

In accordance with local regulations, financial and accounting information is verified by local auditors. The Group's joint-auditors review the consolidated financial statements with the assistance of local auditors or undertake their own audit assignments if necessary.

In the last phase, financial and accounting information is approved by the Board of Directors for the first six-month period and annually, after being presented to the Board of Directors convened in the capacity of Audit Committee.

The Board of Directors also fulfils the functions of the Audit Committee. It ensures the efficacy of the internal control and risk management systems for financial areas, in addition to monitoring the process for producing financial information. It reports on its mission to the Board of Directors.

The entire process for producing and processing financial and accounting information described above contributes to managing and limiting risks in this area.

13 -SUMMARY OF DEALINGS IN THE PERIOD ENDED IN OWN SHARES BY EXECUTIVES AND PARTIES MENTIONED IN ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

In accordance with article L.621-18-2 of the French monetary and financial code and articles 223-22 to 223-26 of the AMF General Regulation, the Company was informed of the following transactions (disposals, subscriptions or exchanges) involving the Company's shares in the period ended:

Parties concerned	Type of transaction	Number of transactions	Month of transaction	Volume	Average price (€)	Total transaction amount(€)
Patrice Métairie Chief Industrial Officer	Disposal Acquisition	6	January 2017	977	14,90	14 900
		1	March 2017	1 100	13,00	14 300

14 - PRESENTATION OF THE BOARD OF DIRECTORS' ANNUAL REVIEW ON REGULATED AGREEMENTS REMAINING IN FORCE AND ITS FINDINGS

In accordance with proposition No. 27 of AMF recommendation 2012-05, we hereby inform you of the conclusions of the Board of Directors' meeting of March 13th, 2018 on its annual review of regulated agreements covered by article L.225-38 of the French commercial code in accordance with article L.225-40-1 of said code.

The Board of Directors reviewed these regulated agreements at its meeting of March 13th, 2018. After determining that these agreements continued to meet the criteria providing the basis for their initial authorization, this authorization was unanimously maintained by the Board.

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15 - INFORMATION ON DEALINGS BY THE COMPANY IN ITS OWN SHARES

The Company's ordinary and extraordinary meeting of 30 May 2017 granted the authority to the Board of Directors, which it may in turn delegate in accordance with applicable laws, for a period of eighteen months, as from the date of the general meeting, to acquire or have acquired shares of the Company in accordance with the provisions of articles L.225-209 et seq. of the French commercial code.

In accordance with article L.225-211, paragraph 2 of the French commercial code, we inform you that in the fiscal year ended 31 December 2017, information on trading by the Company in its shares is provided below:

Number of shares purchased in fiscal 2017	248 048
Average purchase price of own shares in fiscal 2017	14,89
Execution fees	N/A
Number of shares sold in fiscal 2015	282 380
Average sale price of own shares in fiscal 2015	15,09
Number of shares cancelled in fiscal 2015	0
Number of treasury shares recorded in the name of the Company at 31 December 2017	1 777 898
Percentage of treasury shares held at 31 December 2017	5,67%
Net carrying value of treasury shares at 31 December 2017	14 421 900
Nominal value of treasury shares at 31 December 2017	231 127
Nominal value of treasury shares at 31 December 2017 (price of €16.13 on this date)	28 677 495

The breakdown according to the purpose for the use of own shares at 31 December 2017 was as follows:

Purposes of share buy-backs	Number of shares
Ensuring the liquidity of the Company's shares through a liquidity agreement with an investment services provider, that complies with a code of conduct recognised by the French financial market regulator, the AMF (Autorité des Marchés Financiers)	79 493
Meeting the obligations resulting from stock option programs or other share grants to employees or directors or executives of the Company or affiliated companies	
Meeting the obligations arising from debt securities exchangeable into ownership interest	
Holding the shares for subsequent remittance to be tendered in payment or exchange in connection with possible acquisitions, spin-offs or contributions in accordance with market practices admitted by the AMF	1 629 558
Cancelling all or part of the shares thus acquired	68 847
TOTAL	1 777 898

No shares of the Company were reallocated for other purposes or objectives.

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PART 2: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

1 - OPERATIONS OF SUBSIDIARIES AND CONTROLLED COMPANIES

In accordance with the provisions of articles L.233-6 paragraph 2 and R.225-102 of the French commercial code, we hereby report to you on the operations and results of the Company and the subsidiaries that it controls:

At year-end, HAULOTTE GROUP exercised controlling interests in 36 subsidiaries. The results of these subsidiaries are summarised below (€ thousands):

Subsidiary	Percentage of holding	2017 revenue in € '000s	2016 revenue in € '000s	2017 net profit (loss) in € '000s	2016 net profit (loss) in € '000s
Haulotte France Sarl.	99,99%	75 571	59 849	1 340	1 053
Haulotte Services France Sarl	100% by HAULOTTE FRANCE SARL	-	-	-	-
Telescopelle SAS	100%	104	104	55	55
Haulotte Access Equipment Manufacturing (changzhou) co. Ltd	100%	26 478	25 895	1 929	2 131
Haulotte Argentina SA	100%	11 650	8 694	143	(508)
Haulotte Arges SRL	100%	107 507	89 820	11 335	9 299
Haulotte Australia Pty Ltd	100%	38 833	31 136	1 859	1 478
Haulotte Do Brazil Ltda	99,98%	4 443	5 715	(1 658)	4 044
Haulotte Hubarbeitsbuhnen GmbH	100%	44 809	46 195	1 607	1 171
Haulotte Iberica S.L	98,71%	34 256	21 760	2 689	(1 135)
Haulotte Italia S.R.L.	99%	29 369	22 204	794	373
Haulotte Mexico SA de CV ⁽²⁾	99,99%	9 073	11 401	626	395
Haulotte Middle East Fze	100%	10 940	11 934	994	706
Haulotte Netherlands B.V	100%	13 285	10 403	381	610
Haulotte Polska Sp Zoo	100%	13 617	11 966	1 157	737
Haulotte Scandinavia AB	100%	27 242	22 262	796	660
Haulotte Singapore Ltd	100%	18 683	16 276	980	891
Haulotte Trading (Shanghai) Co Ltd	100%	8 489	12 564	(737)	(2 324)
Haulotte UK Ltd	100%	16 008	23 647	344	(95)
Haulotte US Inc	100%	54 103	45 056	(3 445)	3 068
Haulotte Vostok OOO	100%	18 685	15 045	440	1 296
Horizon High Reach Limited	100%	8 175	8 521	1 399	2 032
Levanor Maquinaria de Elevacion SA	91%	-	-	(21)	(37)

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Mundielevacao, Aluger e Transporte de Plataformas Lda	90% by LEVANOR	-	-	21	(4)
NO.VE. Srl	100%	9 710	8 413	-	5
N.D.U maquinaria y plataformas elevadoras, S.L	100% by HAULOTTE IBERICA SL	-	-	-	10
Equipro / Bil-Jax ⁽¹⁾	100% by HAULOTTE US Inc.	57 544	60 532	(472)	2 816
Haulotte Chile SPA	100 %	-	-	-	-
Horizon High Reach Chile SPA	100%	5 910	4 169	902	963
Haulotte India Private Ltd	99,99%	9	8	29	17
Acarlar Dis Ticaret Ve Makina Sanayi A.s.	50%	23 943	21 495	2 278	1 921

⁽¹⁾ Including the following companies: BIL-Jax Inc, Equipro Inc., Bil-Jax Service Inc, Seaway Scaffold and Equipment Inc. and Scaffold Design and Erection Inc.

⁽²⁾ Including Haulotte Service SA of CV.

We inform you that the following two companies of the Group were wound up:

- Haulotte Cantabria, 99.996%-held by Haulotte Group and 0,004%-held by Haulotte Iberica was wound up on 22 December 2017,
- Haulotte Portugal Plataformas de Elavacao Uniperssoal Lda, a wholly-owned subsidiary of Haulotte Ibérica, was wound up on 28 December 2017.

2 - ACQUISITIONS OF SHAREHOLDINGS OR CONTROLLING INTERESTS

In accordance with articles L.233-6 paragraph 1 and L.247-1, I-1° of the French commercial code, we hereby inform you that the Company has not acquired any holdings in the period ended in any other company having its registered office in France representing more than one twentieth, one tenth, one fifth, one third, one half or two thirds of the capital or voting rights of the company or acquiring a controlling interest in such company, must notify the Company.

The Company also did not sell any of its holdings in this period.

3 - DISPOSALS OF SHAREHOLDINGS RELATED TO ADJUSTMENTS OF CROSS-SHAREHOLDINGS

In accordance with article R.233-19, paragraph 2 of the French commercial code, we inform you that the Company has not divested any shares for the purpose of eliminating cross-shareholdings prohibited by articles L.233-29 and L.233-30 of the French commercial code.

4 - OWN SHARES HELD THROUGH CONTROLLED COMPANIES

In accordance with article L.233-13 of the French commercial code, we inform you that no company directly or indirectly controlled by the Company holds own shares.

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5 - LIST OF EXISTING BRANCH OFFICES

In compliance with article L.232-1, II of the French commercial code, the list of branch offices as of today is disclosed below:

Address	City
Quartier Serve Bourdon	Lorette (42)
Rue d'Harfleur	Le Creusot (71)
104 rue de Courcelles	Reims (51)

PART 3: INFORMATION ON HOLDINGS IN THE CAPITAL

1 - CHANGES IN THE COMPANY'S SHARE CAPITAL DURING THE PERIOD

None.

2 - IDENTITY OF HOLDERS OF SIGNIFICANT SHAREHOLDINGS

In accordance with the provisions of article L 233-13 of the French commercial code and based on the information and notifications received pursuant to articles 233-7 and L 233-12 of the French Commercial Code, the identity of shareholders directly or indirectly owning over 5%, 10%, 15%, 20%, 25%, 30%, 33%, 50%, 66%, 90% or 95% of the share capital or voting rights on the closing date, i.e. on 31 December 2017, and modifications that might have been made in the period, are disclosed below:

Thresholds	Name of the shareholder	Percentage of holding	
		Capital	Voting rights
5% to 10%			
10% to 15%			
15% to 20%			
20% to 25%			
25% to 33% 1/3			
33% 1/3 to 50%			
50% to 66% 2/3	SOLEM SAS ⁽¹⁾	54,40%	70,05 %
66% 2/3 to 90%			
90% to 95%			
More than 95%			

⁽¹⁾ Based on a share capital made up of 31,371,274 shares representing theoretical 48,725,623 voting rights.

"By letter received 20 March 2017, Moneta Asset Management (36 rue Marbeuf, 75008 Paris), acting on behalf of the funds under its management, reported having crossed below, on 15 March 2017, the threshold of 5% of Haulotte Group's capital and to hold on behalf of these funds, 1,488,521 Haulotte Group shares representing the same number of voting rights, or 4.74% of the share capital and 3.05% of the voting rights of this company⁽²⁾.

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The crossing of this threshold resulted from the disposal of Haulotte Group shares on the market."

"By letter dated 1 June 2017, AXA Investment Managers (Tour Majunga, La Défense 9 – 6, place de la Pyramide – 92800 Puteaux), in connection with its portfolio management activities, reported having crossed above the disclosure thresholds provided for under the Articles of Association of 1% of the capital of HAULOTTE GROUP on 22 May 2017, and holding in consequence 329,453 shares and voting rights of the Company, representing 1.05% of its share capital and 0.68% of the voting rights."

"By letter dated 7 November 2017, Norges Bank Investment Management (Bankplassen 2, P.O Box 1179 Sentrum – NO-0107 Oslo), reported having crossed above the disclosure thresholds provided for under the Articles of Association of 1% of the capital of HAULOTTE GROUP on 6 September 2017, and holding in consequence 316,210 shares of the Company, representing 1.01% of its share capital."

"By letter dated 20 November 2017, AXA Investment Managers (Tour Majunga, La Défense 9 – 6, place de la Pyramide – 92800 Puteaux), in connection with its portfolio management activities, reported having crossed below the disclosure thresholds provided for under the Articles of Association of 1% of the capital of HAULOTTE GROUP on 16 November 2017, and holding in consequence 306,189 shares and voting rights of the Company, representing 0.98% of its share capital and 0.63 % of the voting rights."

3 - EMPLOYEE STOCK OWNERSHIP

In accordance with provisions of article L.225-102 of the French commercial code, we hereby inform you that no shares were held by employees of the Company or by personnel of affiliated companies within the meaning of article L.225-180 as part of an employee stock ownership plan provided for by articles L.443-1 to L.443-9 of the French labour code, and by employees and former employees in connection with a company savings plan (Plan d'Epargne d'Entreprise) governed by chapter III of the Law 88-1201 of 23 December 1988 on collective investment undertakings and the creation of debt investment funds. Also taken into account are registered shares held directly by employees in accordance with articles L.225-187 and L.225-196 of said Code according to the version previous to the entering into force of Law 2001-152 of 19 February 2001 on employee stock savings plans, article L.225-197-1 of this Code, article L.3324-10 of the French labour code, article 31-2 of Ordinance 2014-948 of 20 August 2014 on governance and equity transactions on companies with public participation and article 11 of the Privatisation Act 86-912 of 6 August 1986 in its version prior to its implementation by the aforementioned Ordinance 2014-948 of 20 August 2014.

4 - STOCK OPTIONS OR STOCK PURCHASE OPTIONS AND RESTRICTED SHARE (BONUS SHARE) GRANTS

We inform you that no stock options or stock purchase options were granted to employees of the Company in the fiscal year ended 31 December 2017.

No bonus shares were granted to employees of the Company for the period ended 31 December 2017.

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5 - INFORMATION ON THE COMPANY'S SHARE

At 31 December 2017, the Company's share capital was comprised of 31.371.274 shares.

The market capitalisation at 31 December 2017 was €506 million.

Information on share price trends and trading activity for the period is provided below:

Date	High (price)	High (date)	Low (price)	Low (date)	Closing price	Ave- rage price (ope- ning)	Ave- rage price (clo- sing)	Trading volume	Capital (€m)	Number of trading sessions
Jan.- 17	15,20	31/01/17	13,98	02/01/17	15,05	14,724	14,731	355 563	5,25	22
Feb.- 17	15,70	07/02/17	13,05	15/02/17	13,45	14,460	14,482	661 987	9,54	20
Mar.- 17	14,18	09/03/17	12,06	22/03/17	13,63	13,320	13,331	729 407	9,56	23
Apr.- 17	13,80	04/04/17	12,56	18/04/17	13,60	13,312	13,305	326 963	4,33	18
May- 17	15,34	30/05/17	13,49	02/05/17	15,20	14,542	14,609	691 736	10,06	22
Jun.- 17	16,18	16/06/17	14,90	30/06/17	14,94	15,536	15,533	522 645	8,12	22
Jul.- 17	15,35	26/07/17	14,00	06/07/17	14,86	14,756	14,744	211 202	3,11	21
Aug.- 17	15,23	01/08/17	14,23	11/08/17	15,07	14,845	14,858	192 326	2,87	23
Sep.- 17	16,00	29/09/17	14,72	13/09/17	16,00	15,335	15,363	398 222	6,11	21
Oct.- 17	17,52	06/10/17	15,39	19/10/17	15,65	16,294	16,305	665 614	10,90	22
Nov.- 17	15,73	02/11/17	14,00	21/11/17	15,20	15,023	15,024	798 959	11,84	22
Dec.- 17	16,35	19/12/17	14,92	01/12/17	16,13	15,880	15,956	514 487	8,15	19

In the period ended, the **HAULOTTE GROUP** esshare traded between a range of a high of €17.52 (6 October 2017) and a low of €12.06 (22 March 2017).

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PART 4: TAX INFORMATION

1 - SUMPTUARY EXPENSES AND DISALLOWED DEDUCTIONS

In compliance with the provisions of article 223 *quater* of the French general tax code, accounts of the period ended include non-deductible expenses according to article 39.4 of the French general tax code of 87,900 with a corresponding tax totalling €29,297.

2 - DIVIDENDS DISTRIBUTED BY THE COMPANY IN THE LAST THREE FISCAL YEARS

As required by article 243 bis of the French general tax code, information on dividends paid for the last three fiscal years is disclosed below:

	Dividends distributed (excluding treasury shares)	Distributed amount eligible for the 40 % tax basis reduction provided for under article 158 3 2 of the French general tax code	Distributed amount not eligible for the 40 % tax basis reduction provided for under article 158 3 2 of the French general tax code
Fiscal year ended 31 December 2016	6 506 408,92 €	6 506 408,92 €	Néant
Fiscal year ended 31 December 2015	6 480 761,11 €	6 480 761,11 €	Néant
Fiscal year ended 31 December 2014	6 465 923,20 €	6 465 923,20 €	Néant

PART 5: EMPLOYMENT-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION

In compliance with articles L225-102-1, paragraph 7 and R.225-105-2, II of the French commercial code, employment-related, social and environmental information in this report has been audited in compliance with the provisions of statute and regulations, by an independent third-party, whose opinion is enclosed with this report

In accordance with article R.225-105 of the French commercial code we hereby report to you on actions taken and policies adopted by the Company and its subsidiaries for the purpose of taking into account the impacts of its business on employment, the society and the environment and to fulfil its social commitments in favour of sustainable development.

1 - LET'S DARE

Haulotte wished to strengthen the engagement of its employees in order to adapt to the challenges faced by our Group.

Convinced that each employee has a critical role in the Group's success, a sustainable programme for Change was implemented designed to make employees a key driver of performance. This programme is organized through projects linked to the working environment, sharing and the appropriation of values, supporting managers and also harmonizing good HR practices that were deployed starting in 2017.

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This programme, called "Let's Dare Together" reflects the Group's overall vision defined as follows:

"Let's dare together to take up this challenge to become the provider of safer and value added solutions for working at heights and, in this way, offer the most complete customer experience."

This approach implies greater creativity, innovation, accountability, autonomy, risk-taking and engagement from all our company's stakeholders. A new collaborative and participative dynamic drawing on the strength of our Values.

1.1 Values

These values must guide our actions day-to-day: shared by all, they help us work together more efficiently, have a common language regardless of our country or department, and strengthen team spirit and cohesion. They represent a means for achieving our goal:

"Respect and Confidence"

Because we believe that each person is truly important, because we are committed to sharing relevant information, practices and actions that illustrate our loyalty and integrity and because we encourage and promote team spirit throughout the company.

"Engagement and Responsibility"

Because together we can create an environment where "thinking outside the box" and proposing innovative ideas will be encouraged. Because we learn from our errors and draw conclusions to improve, promote a collaborative approach where SMART engagements are aligned with our vision and we promote accountability so that employees can combine forces in fulfilling their contributions and duties.

"Seeking Excellence and Performance"

Because teamwork is a key success factor of the performance of our organization and by working together we are able to think bigger and go farther in creating innovative and customized solutions for which we are proud.

1.2 An ambitious "Change Management" programme

To transform these values into actions, a change management program was adopted and a dedicated "Empowerment" Department was created to spearhead this change and support the teams, notably through four projects initiated in 2017:

Building on shared values known and understood by all The Value Charter

The purpose of this Value Charter is to make our Values understandable to all by providing illustrations of our Values through concrete practices.

First launched in April 2017, this initiative involves meeting with 100 employees representing every country, department and type of company within 10 working groups.

The result of their collaborative work was validated by the Executive Committee in July 2017. The process for deploying and appropriating our values is now in progress with all employees and will continue in 2018.

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Developing a work environment promoting engagement of all employees The Engagement Survey

The purpose of this survey was twofold:

- Obtain an understanding based on a consultation with all 1,500 employees, of their perceptions of the strengths and areas for improvement of our Group through 58 questions,
- Identify the strengths and priority areas for improvement in order to focus the efforts of all on reinforcing the first and promoting the second.

Initiated in February 2017, this survey was a genuine success with a rate of participation of more than 92%. After being presented and analysed, the results were then transformed into more than 500 concrete actions for improvement developed from the working groups formed in each entity with volunteers coming from every department. Progress achieved in implementing these actions is monitored monthly.

A new survey will be carried out in 2018 to measure progress achieved and identify new priority areas for improvement.

Assisting our Managers, drivers and facilitators of change The Management Program

The Manager is the centrepiece of our system for change. It is for that reason necessary to support all line and staff managers, project heads, etc. providing key training on our values, communications, managerial behaviour, collaboration, etc. and in this way promote a common language, approach and tools.

A specific programme was adopted and tested in November/December with a target population to be subsequently rolled out for all Group managers.

Global HR policies The Harmonization of HR practices

Increasing the company's attractiveness, supporting young recruits in their integration process, developing the skills of all employees, encouraging their mobility, career development and addressing their working environment at the Group level imposes work on HR practices and their harmonization.

A common HR tool was deployed in 2017 (covering 40% of the workforce). This makes it possible to organize annual meetings, provide access to employment templates, organization chart, etc. and use information collected to facilitate mobility, career management, Group and local training, etc.

This tool will be deployed at the international level also in order to cover 60% of the Group workforce. Global actions linked to the process of recruitment, integration, mobility and skills management will also be strengthened at the Group level.

All these programs are perfectly aligned with policies that have already been implemented for some time, notably in the areas of recruitment, integration, training, social dialogue, health and safety of our staff as well as our Working Quality-Of-Life program already engaged and designed to balance measures for improving working conditions and the personal life of employees.

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2 - CORPORATE SOCIAL RESPONSIBILITY DISCLOSURES

As required by the provisions of article R.225-105-1 of the French commercial code, employment-related information for Haulotte Group SA (L'Horme, Lorette, Reims and Le Creusot) is presented below. This information is presented in the same form as prior years with information for subsidiaries aggregated by region:

2.1 Employment

2.1.1 Total workforce of Haulotte Group with a breakdown by gender, age and region

Workforce of Haulotte Group SA (sites of L'Horme, Lorette, Reims and Le Creusot):

	Women	Men	Total 2017	Total 2016	Total 2015
Management employees	54	191	245	235	223
Office, technical and supervisory staff	57	99	156	150	140
Plant workers	25	178	203	199	210
Work-study	7	9	16	19	11
Trainees	1	3	4	7	4
Total	144	480	624	610	588

Haulotte Group SA's workforce has been growing regularly since 2015.

The percentage of women has also continued to grow, increasing from 21.96% in 2016 to 23.07% in 2017.

Age breakdown of the Haulotte Group SA workforce:

Age breakdown	2017	2016
< 25 years	24	26
25 to 34 years	129	136
35 to 44 years	228	224
44 to 54 years	176	162
> 55 years	67	62
Total	624	610

The age pyramid of Haulotte Group SA remained largely stable between 2016 in 2017, with an average age remaining at 42.

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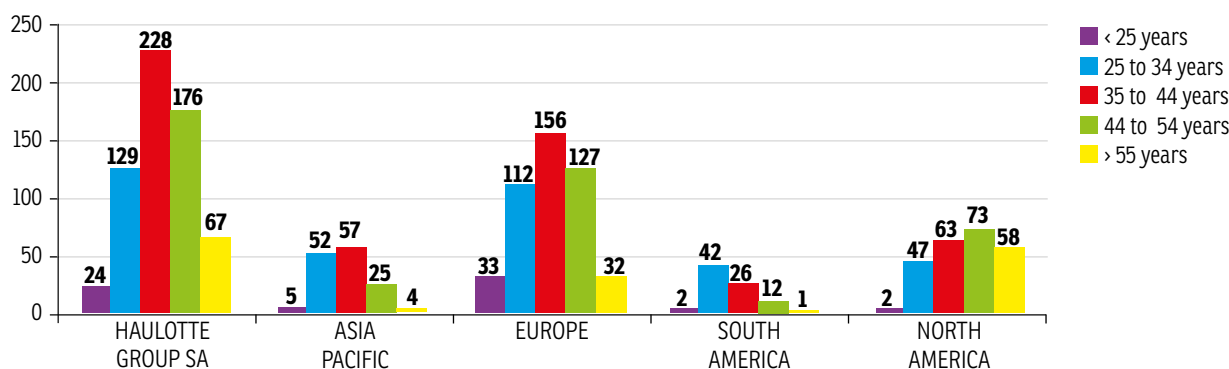
Workforce of Haulotte Group SA and Haulotte Group SA subsidiaries by region at 31 December 2017 vs. 31 December 2016:

	Women	Men	Total 2017	Women	Men	Total 2016	Change
HAULOTTE GROUP SA	144	480	624	134	476	610	+14
ASIA / PACIFIC	41	102	143	36	93	129	+14
EUROPE	101	359	460	91	380	471	- 11
SOUTH AMERICA	25	58	83	34	43	77	+6
NORTH AMERICA	44	199	243	40	188	228	+15
Total	355	1 198	1 553	335	1 180	1 515	+38

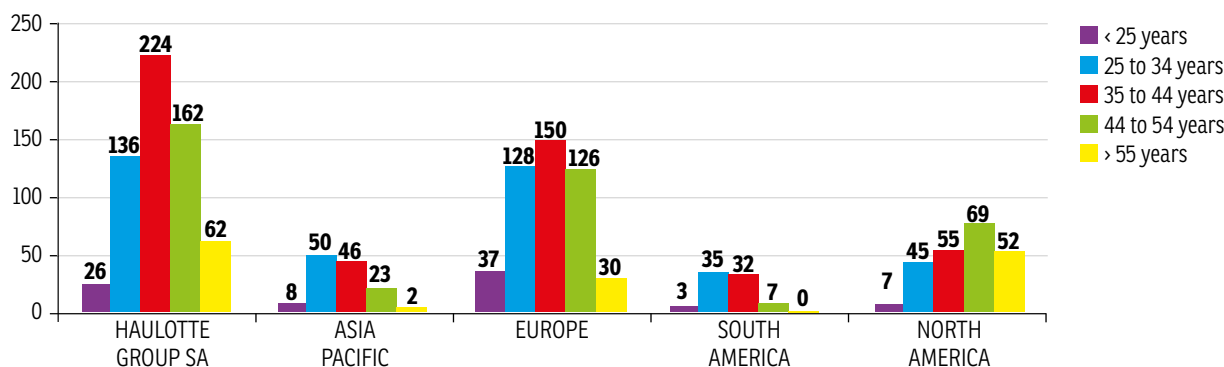
The age pyramid of Haulotte Group SA subsidiaries remained stable in the different regions between 2016 and 2017.

The percentage of women at Haulotte Group SA subsidiaries also increased in the different regions between 2016 and 2017.

2017 breakdown by region and age bracket (number of persons):



2016 breakdown by region and age bracket (number of persons):



Concerning the breakdown by age bracket and region, there were no significant changes between 2016 and 2017. Employees between 35 to 44 years of age continue to represent the largest age bracket at Haulotte Group SA.

The Asia-Pacific region continues to have a high proportion of young employees (25 to 34 years of age), in contrast to North America where employees between 45 to 54 continue to represent the largest age bracket.

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2.1.2 Recruitment and departures

Recruitment corresponds to the staff replacements or the creation of posts. A significant percentage of recruitments represent newly created positions linked to the company's development project.

Recruitment within Haulotte Group SA:

In number	2017	2016	2015
PERMANENT CONTRACTS	49	35	31
PERMANENT EMPLOYEES DEPARTING IN THE PERIOD	2	1	1
PERMANENT EMPLOYEES TRANSFERRED IN THE PERIOD	0	0	0
FIXED-TERM CONTRACTS	22	20	15
TRAINEES	41	43	23
APPRENTICES	6	6	2
VOCATIONAL TRAINING CONTRACTS	5	6	6
Total	125	111	78

Recruitment was dynamic in 2017 with 125 new employees including 49 with permanent contracts. We also transformed 22 precarious contracts into permanent contracts.

Departures within Haulotte Group SA:

In number	2017	2016	2015
DEPARTING PERMANENT EMPLOYEES	42	33	30
- Resignations	18	11	5
- Dismissals	2	3 (of which 1 fixed-term contract)	9
- End of trial period	2	1	3
- Retirement	8	5	7
- Death	1	2	1
- Negotiated termination	11	11	5
- Other reasons	0	1	0
END OF FIXED-TERM CONTRACTS	12	11	10
EARLY TERMINATION OF FIXED TERM CONTRACTS	2	2	3
END OF QUALIFICATION CONTRACT	5	0	1
END OF TRAINEESHIP	44	38	23
END OF WORK-STUDY PROGRAM	0	0	0
FIN D'ALTERNANCE	6	3	0
Total	111	88	67

In an employment market that was very dynamic in France in 2017, we noted a marginal decrease in the number of resignations.

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Recruitments and departures for subsidiaries by region:

	Recruitments 2017	Recruitments 2016	Dismissals 2017	Dismissals 2016
ASIA PACIFIC	36	24	22	19
EUROPE (excluding Haulotte Group SA)	124	141	135	68
LATIN AMERICA	19	10	12	19
NORTH AMERICA	62	40	47	49
Total	241	215	216	155

The largest influx of new employees was in Europe, mainly at the Romanian subsidiary (73 recruitments for Romania). North America also represents a region characterised by relatively high turnover.

Our main European subsidiary in Romania experienced recruitment difficulties in 2017 in response to the significant outflow in the same period linked to the country's economic environment. The number of resignations in Romania thus rose from 46 in 2016 to 97 in 2017.

2.2 Remuneration and compensation trends

2.2.1 Remuneration within Haulotte Group SA

Haulotte Group SA's compensation policy evolves each year in line with the economic environment and the results of the company and its subsidiaries.

- 2015 payroll: 22 984 070 €.
- 2016 payroll: 24 401 774 €.
- 2017 payroll: 25 014 864 €.

Every year, Haulotte Group SA conducts annual wage negotiations with its social partners. In 2017, a profit-sharing agreement was signed with all our labour organizations providing for a global increase in wages of 2,30%.

2.2.2 Statutory profit-sharing

In 2017, a profit-sharing amount for fiscal 2016 was paid in accordance with the Group agreement which covers Haulotte Group SA and its main French subsidiary.

2.2.3 Voluntary profit sharing plans

Haulotte Group SA and its main French subsidiary have signed a new agreement for a voluntary profit-sharing scheme for fiscal years 2017, 2018 and 2019. Based on results achieved, a payment was made under this scheme in 2017 for fiscal 2016.

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2.3 Work organisation

2.3.1 Organisation of working hours at Haulotte Group SA

The organization of working hours provided for by the agreement executed on 21 June 2016 offers Haulotte Group with flexibility to adapt to seasonal fluctuations in a volatile global market.

Procedures for organizing working hours at Haulotte Group SA are key factors for Haulotte Group SA's performance. This organization of working hours is today the result of a company-level agreement executed on 21 June 2016 with the social partners which enables the company to better adapt to fluctuating demand within its markets.

Working hours by socio-professional category break down as follows:

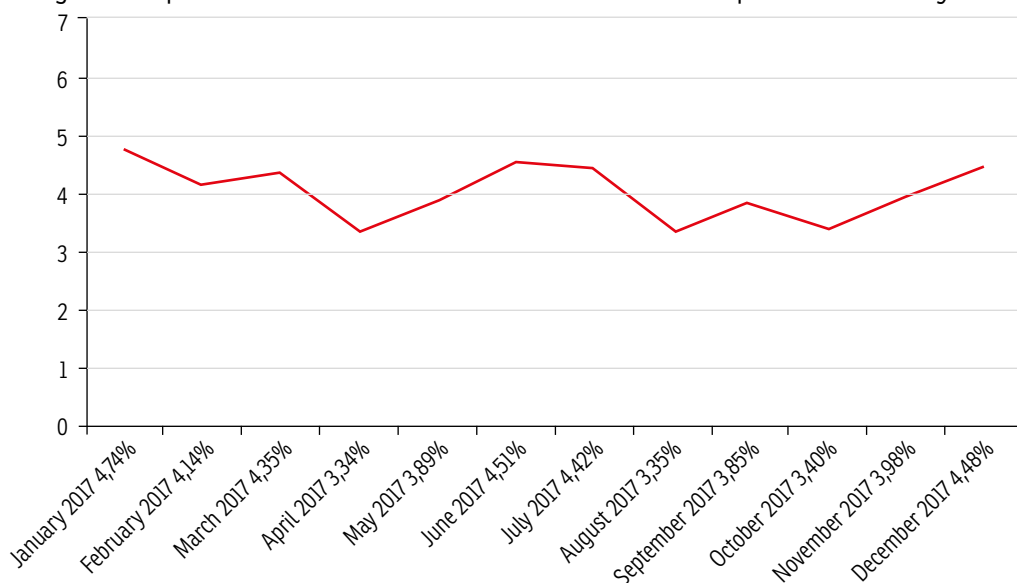
- Full-time non-management employees are paid on the basis of a 35 hour workweek in accordance with the French legal working hours.
- Managers work according to days-per-year arrangement on the basis of 218 days per year. To guarantee this fixed annual number of days, on top of the statutory five weeks of vacation, Managers are granted 10 additional days off.

For non-management employees, according to the establishment, a system for the accrual of supplementary vacation days to compensate hours worked beyond 35 hours (RTT or *Réduction Temps de Travail*) was implemented following the working hours agreement signed in 2016. Accordingly, the establishments of Reims and Creusot have a 36 hour workweek providing for 6 supplementary "RTT" vacation days per year,

The establishments of L'Horme and Lorette have a work week of 37 1/2 hours providing for the 14 supplementary "RTT" vacation days per year.

2.3.2 Absenteeism

The following chart represents the rate of absenteeism at Haulotte Group SA for financial year 2017:



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For information, the reasons taken into consideration in calculating absenteeism are as follows:

- Unjustified absences,
- Occupational accidents, fully covered or partially covered,
- Commuting accidents,
- Illnesses, declared or undeclared,
- Occupational illnesses,
- Tardiness.

The absenteeism rate is defined as the number of hours of absenteeism (according to the above grounds) divided by the theoretical number of hours worked.

The average rate of absenteeism for Haulotte Group SA in 2017 declined significantly in relation to 2016: 4.03% compared to 4.72% in 2016. Illness remains the primary cause of absenteeism with several cases of long-term sick leave.

Annual safety prevention plans deployed at each site produced results by notably decreasing the number of accidents at the Reims site which positively impacted our absenteeism rate.

With respect to Group subsidiaries, the necessary development of common rules of calculation is currently under study.

2.4 Labour relations

2.4.1 The organisation of dialogue between employees and management

The Employee Representatives' engagement in an environment of profound corporate transformation is essential for Haulotte Group. The Company is committed to maintaining quality dialogue with employees through its employee representation bodies, which has contributed to the signature of company-level agreements on a regular basis.

2.4.2 Report on collective agreements

In 2017, for Haulotte Group SA, six major agreements were signed:

- Agreement on the compulsory annual negotiations,
- Agreement providing for the gift of rest days to an employee with a seriously ill child,
- "Safety Challenge" agreement,
- 2017-2019 incentive plan agreement,
- Agreement relating to the additional profit-sharing arrangement,
- "PERCO" pension savings plan rules.

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In 2017, the Central Works Committee (CWC) met three times.

- On 12 April 2017, within the framework of an information meeting about the company's strategic orientations and economic situation.
- On 12 October 2017, within the framework of an information meeting about the company's industrial relations policy.

At these two annual consultations the Central Works Committee issued a positive recommendation.

- On 15 December 2017, for the replacement of an office on the company's board of directors.

In 2018, Management and the social partners are planning to initiate three new negotiations dealing with workplace quality of life, the job and skills planning agreement (GPEC) and profit-sharing.

2.5 Health and safety

2.5.1 Occupational health and safety conditions

The health and safety of employees and all external persons present at all its sites is a priority for Haulotte Group.

Haulotte Group is pursuing its efforts by deploying a risk reduction strategy, promoting a culture of prevention based on the practices adopted by every employee and by strengthening measures to protect the health of its employees and external persons in the workplace.

Managing and coordinating occupational health and safety on a day-to-day basis are spearheaded by the Human Resources Department in close coordination with managers of each production site and subsidiary of the Group.

The health and safety policy is reviewed each year and results in the issuance of an annual safety prevention plan for each site.

In addition to these prevention plans, the Company has been continuing actions already initiated:

- Safety training and systematic awareness-raising in the integration phases for every new employee with the distribution of Haulotte Group's new Safety Charter,
- Distribution of a safety and occupational health guide to all employees,
- Organization of the safety contest,
- Ergonomic improvements to workstations,
- Analysis of occupational accidents with the Health, Safety and Working Conditions Committee.

In addition, "safety days" that have been organized for the last six years, provide an opportunity to raise awareness of all staff at all sites and from every function about risks and practices to be adopted.

All measures adopted addressing the subject of safety within the Group are destined to develop and promote a culture for preventing occupational accidents and illnesses within the company.

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In 2018, the Group will initiate a process to obtain a simple certification (the new ISO 45001 occupational health and safety standard) for the entire Group encompassing both internal and external objectives:

- Internally, by harmonizing our working methods for optimizing safety, efficiency and comfort of our teams,
- Externally, by offering differentiation in the Haulotte customer experience destined to become a distinctive competitive advantage.

2.5.2 Occupational accidents, including in particular frequency and severity rates, as well as occupational illnesses

In 2017, the number of occupational accidents remain stable: 17 occupational accidents (excluding temporary personnel), the same number as in 2016.

The Frequency Rate (FR) was relatively stable (18.56 vs. 18.42 in 2016).

The Severity Rate (SR) in contrast declined significantly (from 1.01 in 2016 to 0.77 in 2017), with a 23% decrease in the number of lost time days.

In both cases, the Company remains below the national frequency and severity rates prevailing in the metallurgy industry.

For the entire Group, accidents reported (the figures below include temporary personnel) broke down as follows:

	Number of accidents 2017	Number of accidents 2016
ASIA / PACIFIC	0	1
EUROPE	6	5
LATIN AMERICA	2	3
NORTH AMERICA	1	6
HAULOTTE GROUP SA*		
*(temporary and permanent employees with lost time days)	32	31
TOTAL	41	46

Concerning occupational illnesses, one case was recorded in 2017.

2.6 Training

2.6.1 Training Priorities

Long convinced that training is a key driver of the performances expected by our staff and our Group, Haulotte Group continued its efforts devoted to training in 2017.

These included :

- **Training leading to certification and diplomas** for developing the skills of our staff, guaranteeing their employability and securing their professional career path, as part of an initiative to promote the personal training account system internally, and also the training considered a priority by the company. Measures in 2017: 206 training programs leading to certification and diplomas, representing 30% of our work force in France (185 employees and 3,205 training hours).

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- **Internal training for integration, products and business lines**, making use of a network of instructors present at our production sites and most of our subsidiaries, and on an e-learning platform implemented in 2011 and accessible to all. This platform provides a vehicle for optimising and capitalising on the different training material and actions carried out within the Group.

A process for job function integration is replicated across all manufacturing subsidiaries with a specific program incorporating safety and training into the business activity.

- **Outside training programmes related to our strategic priorities:**

- **Management Program** designed for managers and group leaders within the framework of the Let's Dare project.
- **Project Management** designed for project participants, to support our product development,
- **Business Relationships** designed for all business developers and sales administration staff worldwide to support our growth objectives,
- **Amélioration continue** of our manufacturing divisions (ergonomics, safety, lean management, 8D...),
- **Purchasing & Supply Chain** to optimize our purchasing and supply chain management,
- **Languages** to reinforce the international profiles of our teams,
- **Information Technology** to promote greater workplace efficiencies based on expertise in the use of these tools

2.6.2 Training commitments

	2016		2017	
	% of payroll	Amount	% of payroll	Amount
Mandatory contribution	1%	244 018 €	1%	250 149 €
Supplemental educational expenses	1,33%	325 307 €	0,98%	244 758 €
Training commitments	2,33%	569 325 €	1,98%	494 907 €
Grants received	1,23%	300 366 €	0,67%	168 294 €
Actual cost for the company	1,10%	268 959 €	1,31%	326 613 €

In 2017, training commitments in France represented:

- 7,520 hours of training compared to 9,239 in 2016 and 7,472 in 2015.
- Training was provided to 457 employees in 2017 compared to 391 in 2016 and 389 in 2015.

Of which:

- women represented 21% of employees that received training, unchanged in relation to in 2016 and 2015,
- plant workers accounted for 24% of training hours compared to 15% in 2016 and 18% in 2015,
- office workers, technicians and supervisory staff accounted for 31% of training hours compared 36% in 2016 and 31% in 2015,
- management employees accounted for 45% of training hours compared to 48% in 2016 and 51% in 2015.

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For the rest of the world, excluding France, changes in training measures break down as follows:

	Training hours completed 2017	Training hours completed 2016
ASIA / PACIFIC	2 180	1 319
EUROPE (Excluding France)	13 516	5 385
LATIN AMERICA	150	120
NORTH AMERICA	1 000	2 100

2.7 Equal opportunity and non-discrimination

2.7.1 Measures adopted to promote gender equality

Convinced that social and gender diversity constitutes a genuine source of value, performance, and innovation, Haulotte Group is continuing its efforts to promote equality in the treatment of men and women throughout their professional career.

A three-year workplace gender equality agreement was signed by Haulotte Group in 2015. This agreement is largely focused on equal opportunity in recruitment, internal career advancement, measures in schools promoting women in the workplace, training, wage equality, work-life balance, and taking into account the demands of parenting at all levels.

This principle of non-discrimination is applied both to the recruitment process and throughout the career to our subsidiaries, guaranteeing equal access to training and internal promotions.

As every year, an annual report was produced to compare the situation between men and women for each socio-professional category which is shared with labour partners.

Recruitment

The company ensures in particular that this principle of equal treatment is adopted through its recruitment policy.

Headcount trends

Over this same period, the percentage of women continued to grow marginally from 22% to 23%.

As a general rule, age and average seniority for men and women show identical trends.

Women employees are largely concentrated in the corporate support functions of the company.

Working conditions

While the percentage of women in the workforce has increased, women remain more represented in the categories of management employees and office, technical and supervisory personnel. The percentage of men is higher in the category of plant workers.

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The 2015 workplace equality agreement includes provisions dealing with the respective constraints of professional and family life including engagements in terms of working time adjustments in cases where a family situation requires the adoption of special measures. Related to this consideration, an agreement providing for the gift of rest days to an employee ("the Matthys law") was signed.

Requests for parental leave are systematically accepted. In 2017, 21 employees took parental leaves for periods of 11 consecutive days, in addition to the standard days of leave granted following the birth of a child.

The issue of balancing professional and personal life is also addressed in annual review meetings.

2.7.2 Measures adopted to promote the integration of disabled persons

Haulotte Group SA promotes the employment of persons with disabilities. In 2017, its workforce included 28 persons with disabilities (compared to 28 in 2016 and 26 in 2015).

The current number of employees with disabilities in conjunction with subcontracting selected work to sheltered work facilities, have enabled us to meet our overall legal obligations in this area. As a result, the company has not been required to pay the disabled workers tax for the last four years, reflecting these efforts for employment of persons with disabilities.

At all subsidiaries, there is no discrimination with regards to access to employment by disabled persons.

2.7.3 Policy implemented to combat discrimination

The Human Resources functions and management of subsidiaries and manufacturing sites ensure that non-discrimination practices are properly applied.

All Haulotte employees are provided with a professional conduct charter when they join the Group. This charter strictly prohibits all practices or behaviours that may be considered with respect to national laws as discrimination based on nationality, ethnic origin, religion, age or gender or as moral or sexual harassment.

2.7.4 Promoting and respecting ILO core conventions on the freedom of association and protection of the right to organise and negotiate collective bargaining agreements, eliminating employment and occupational discrimination, abolishing forced labour and the effective abolition of child labour are respected

The company's general policy complies with the general principles of international law (OECD, ILO, community law) and national laws that exclude in particular any form of discrimination, harassment, use of forced labour or child labour. In particular, the Group ensures that the dignity of its staff, subcontractors, temporary workers and suppliers is respected.

In countries qualified as "at risk" where the Group has operations, Haulotte Group knows all employees authorised to be present at the site through personnel lists transmitted on a monthly basis to the personnel department based in Lorette, France.

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In addition, the sites are regularly visited by Group staff in the performance of their functions. This staff is thus able to provide all necessary feedback on working conditions at the sites.

In parallel, French expatriate employees are present at each subsidiary or production site outside of France and ensure that the cultural values of Haulotte Group and the practices of the country, and therefore of the subsidiary or production site, are properly aligned.

3 - ENVIRONMENTAL INFORMATION

The Group maintains its proactive and energetic commitment to sustainable development: promoting progress, improving working methods, managing environmental risks and impacts, respecting local regulations, lines of action focusing on prevention, safety and health.

Action plans focusing on prevention, protection and social progress are in place at all Group divisions and subsidiaries. Continuing efforts to mobilize, empower and raise awareness about the environmental risks and impacts associated with the activities of every employee, are key success factors of the Group in the area of sustainable development.

The Group is confronted with the main environmental challenges: climate change, the quality and availability of natural resources (air, water, ground and energy), protecting biodiversity and ecosystems.

This management report concerns mainly the industrial divisions (production sites) as the entities using the most energy and generating the most waste, and therefore with the largest environmental impact. We have sought to provide a precise description of the four ISO 14001 certified sites: L'Horme, Le Creusot and Reims sites in France and Argeş in Romania (since the end of 2017) that account for nearly 80% of the sale of machines manufactured at our subsidiaries.

The Archbold and Changzhou sites are not included in the data consolidation process in order to ensure the adoption of an adapted and common organization and collection method.

Due to their non-significant impact on the environment, the distribution and rental subsidiaries are not yet included in the reporting boundary for data collection.

The environmental disclosures required by L.225-102-1 of the French commercial code are provided below:

3.1 General environmental policy

Haulotte Group has voluntarily implemented an environmental management system in accordance with ISO 14001 - V2015 that is being gradually deployed across all production sites and by 2022 will be adopted by all the Group's most important subsidiaries.

Our objectives with respect to environmental protection remain focused on managing risk in those areas where we operate, managing our energy consumption, preventing pollution and waste management and reduction.

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3.1.1 The Company's organisational structure to take into account environmental issues, and if need be, steps taken for environmental evaluation or certification

The general policy on the environment has led to ISO 14001 certification of its production sites:

- 2010 : L'Horme site, France,
- 2012 : Creusot site, France,
- 2013 : Reims site, France,
- 2017 : Argeş site, Romania.

Environmental responsibilities are fully defined at all levels of the Group's organization. Each plant manager is responsible for his site and, on that basis, the proper application of the Group's policy, its environmental management system and results. To address these priorities, the European and American divisions have dedicated teams. Environmental and/or safety coordinators in Europe or maintenance managers for the United States are tasked with applying local regulations and internal procedures for the environment. Coordination at the central level is ensured by the manager responsible for the quality and environmental management systems who reports to the Vice President of Quality and the Environment.

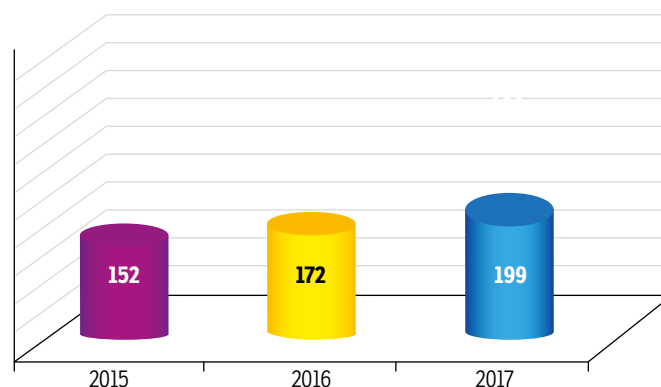
The French sites operate under special authorization in accordance with French environmental protection regulations (Installations Classées pour la Protection de l'Environnement or ICPE). Continuing compliance with obligations in this area is assured by means of a multi-sites and multi-country regulatory intelligence watch. Relations with the administration in charge of installations subject to environmental authorizations (ICPE) ensure constructive dialogue relating to trends for activity at production sites.

Finally, in compliance with ISO 14001, the four certified sites have developed procedures for addressing stakeholders' issues through a communications management system.

3.1.2 Training and employee information actions relating to environmental protection

As part of their integration process, new employees receive environmental training. Awareness-raising initiatives are continuing with field inspections by the environmental coordinators for the site. Furthermore, a certain number of employees have received training on the use of emergency kits and work-related risks of explosive atmospheres, chemicals and the loading and unloading of hazardous materials.

Number of persons having participated in at least one training programme on Safety / the Environment



Source: Internal and external training report records, 2017 data for training modules on "The environment for everyone", "Transporting hazardous materials", "Chemical products", "Explosive atmospheres (ATEX)", reporting boundary for French and Romanian production sites.

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Since 2015, training concerned mainly newly recruited employees and the issue of recycling.

For other employees, regular communications initiatives are carried out reminding and informing them of good practices.

In addition, all outside persons working at our sites are provided with information on our approach along with instructions and the Group Environmental Quality policy that they must respect.

3.1.3 Resources devoted to preventing environmental risks and pollution

The main environmental risks associated with Group activities concern accidental spillage, fire and explosion. The Group's approach for preventing and managing such risks is based on several lines of actions:

- identifying the risk areas at our sites,
- pollution control through confinement or reduction solutions (retention tanks, emergency kits, protected storage facilities, etc.),
- periodic verifications and maintenance of installations and protective systems (changing filters and cleaning the painting cabins, control of emissions, verification of extinguishers, etc.),
- pumping of our hydrocarbon separators and surface treatment baths,
- security and control through infrared thermography of electrical cabinets,
- exercises for testing responsiveness to emergency situations and general employee awareness-raising initiatives.

3.1.4 The amount of provisions and guarantees for environmental risks, subject to the condition that its disclosure would not constitute a serious prejudice to the Company with respect to litigation in progress

Haulotte Group does not set aside provisions for environmental risks. However, in the event of accidental pollution, an environmental damage insurance policy covers all production sites for such risks.

3.2 Pollution and waste management

Managing, reducing and recycling waste represents one of our objectives in the area of environmental protection.

A number of environmental preservation action plans have been drawn up in strict compliance with the laws and regulations that apply in the countries where the Group operates.

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3.2.1 Measures to prevent, reduce or repair serious adverse effects on the environment from emissions into air, water and soil

The Group has implemented a number of prevention measures:

- In connection with the quality and environment management systems, internal audits and field inspections are performed at regular intervals to ensure continuing improvements in our performances. These measures also provide ideal opportunities for maintaining a high level of employee awareness.
- Certified sites have produced an environmental analysis to identify significant environmental aspects related to the activity with potential for environmental impact. The results of this analysis highlight above all the key areas over which we possess the means of control. Annual objectives and targets approved by management are incorporated in the Quality Safety Environment management programs.
- In France, a Safety Advisor is appointed and oversees compliance with regulation governing hazardous materials used in production. Measures for improvement are implemented to secure the transport of hazardous materials from receipt at our sites to their evacuation by our waste management partners.
- Haulotte opens the doors of its manufacturing and commercial sites that are regularly visited by insurers, notably property insurers, to promote a continued spirit of partnership and trust. In this way, Haulotte works with its insurers to implement the recommendations developed pursuant to their visits.

Measures to reduce and repair our discharges involve different lines of action:

- Maintenance services present at the production sites are tasked with servicing, repairing, adjusting, testing, and verifying equipment (machinery, vehicles, manufactured products, etc.) and installations. This allows us to be responsive and make preventive improvements through an exchange of information between persons responsible for maintenance at the sites.
- Continuous employee awareness-raising initiatives and preventive measures.
- Use of powder and high solid liquid paint containing less solvents. These paints make it possible to reduce emissions of volatile organic compounds (VOC).

3.2.2 Waste prevention, recycling and elimination measures

The Group also ensures that the production of waste is effectively managed at every stage of its activity, both at production sites and offices.

For production sites, waste management is organized in terms of a number of key steps:

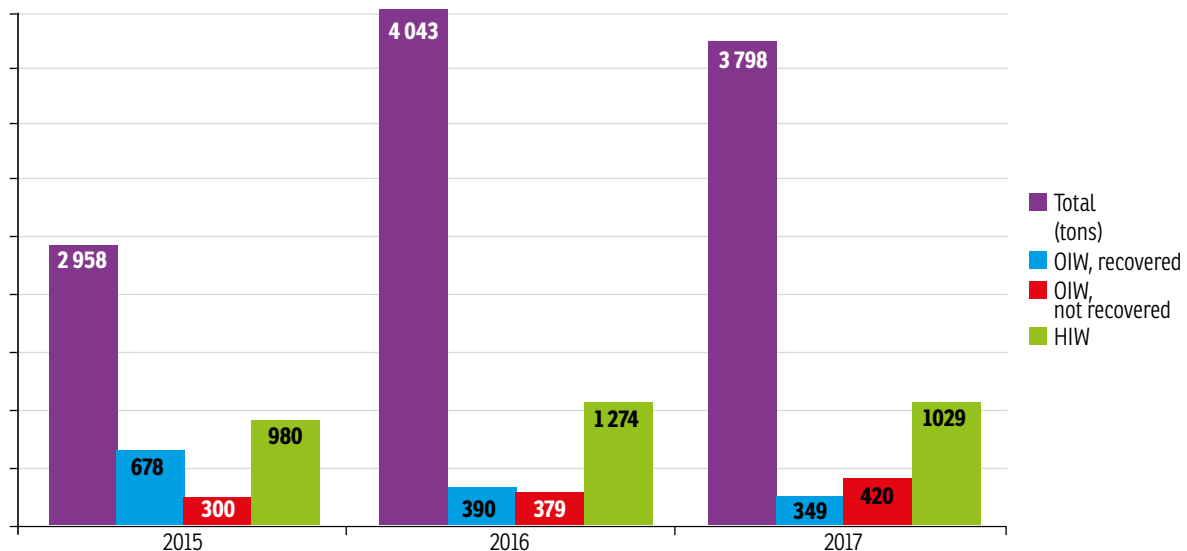
- identifying waste with instructions that are provided through environmental training programs,
- verifying the regulatory compliance of our waste management service providers,

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- a colour coding system: 1 waste = 1 bin = 1 colour This method contributes to developing environmentally responsible reflexes and improving on-site sorting.
- storage (storage containers for liquid waste, respecting the compatibility between products, identification for facilitating their evacuation, use of a cardboard compactor, etc.),
- traceability (hazardous waste tracking forms, registers, declarations),
- treatment, with a technical and regulatory knowledge of the waste processing channels, under the site's responsibility,
- periodic monitoring through field inspections.

Waste tonnage and breakdown by category



NHIW consists of non-hazardous industrial waste like wood, cardboard, metal, plastic, etc.

HIW is hazardous industrial waste such as packaging materials contaminated by paint, paint sludge, painting cabin filters, batteries, etc.

Source: Waste tracking registers, invoices, hazardous waste tracking documents, 2017 data, reporting boundary of French and Romanian production sites.

The waste elimination method depends on its composition: material or energy recovery, recycling, landfills or incineration.

In 2015, measures continued to monitor and improve waste separation procedures (audit, communication).

In 2016, production at the Romanian site increased by approximately 20%. This increase in production in turn was reflected in the total tonnage of waste.

In 2017, measures continued to focus on monitoring and improve waste separation procedures in line with an ecodesign policy.

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3.2.3 The management of noise pollution and other forms of pollution specific to an activity

The Group's activities do not generate any particular noise pollution and the Group complies with local regulations. Because the production sites are located in industrial zones and corridors, their activities do not generate disturbances to neighbouring populations.

3.2.4 Measures to combat food wastage

As Group companies do not have canteens, there is no food wastage to report.

3.3 Sustainable use of resources

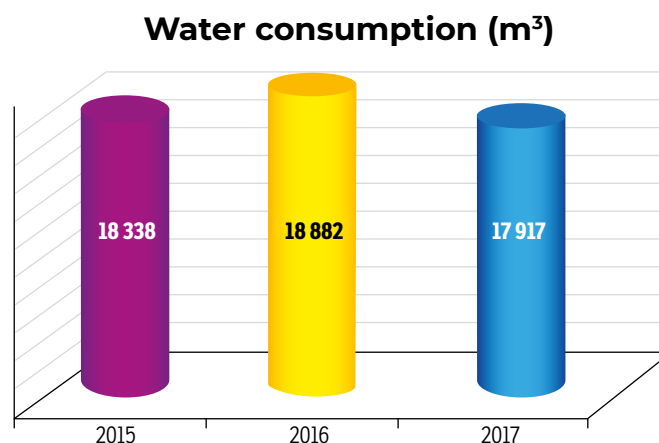
The Group's objective is to achieve greater efficiencies in managing energy and water consumption. Internal documents define the challenges and propose methodologies and lines of action as well as quantified objectives for reducing consumption.

3.3.1 Water consumption and supply in relation to local constraints

The water supply is assured through distribution networks.

Our main uses for water consumption are:

- Washing the aerial work platforms and telehandlers with high-pressure systems,
- The process of filling the surface treatment tunnel baths and water for rinsing on leaving the tunnel,
- Sanitary facilities.



Source: invoices for water, 2017 data, reporting boundary of French and Romanian production sites.

The gradual rise in water consumption results from the following factors:

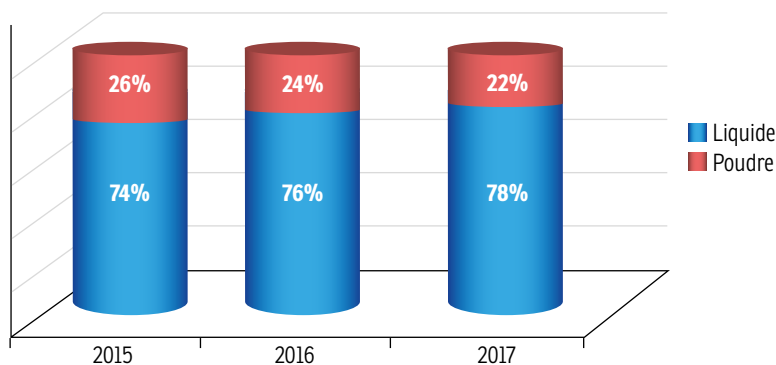
- An increase in the number of hours worked and the number of employees (Reims site),
- More frequent refilling of the surface treatment tunnel baths.

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3.3.2 The consumption of raw materials and measures taken for improving efficiencies in their use

Breakdown of paint consumption



*Percentages of liquid paint broken down by the consumption of liquid paint, hardeners and diluents.
Source : invoices, 2017 data, reporting boundary of French and Romanian production sites.*

Measures for improving and maintaining our performance in painting operations:

- During painting workstation training, particular attention is paid to optimizing the application of paint in order to effectively manage the electrostatic system which reduces paint wastage.
- Performing controls of the thickness of coats of paint,
- Monitoring consumption per m² of paint.

3.3.3 Energy consumption, energy performance measures and use of renewable energies

Our main sources of electrical consumption are from:

- Operating production and computer equipment,
- Lighting,
- Air conditioning.

Our main sources of gas consumption are:

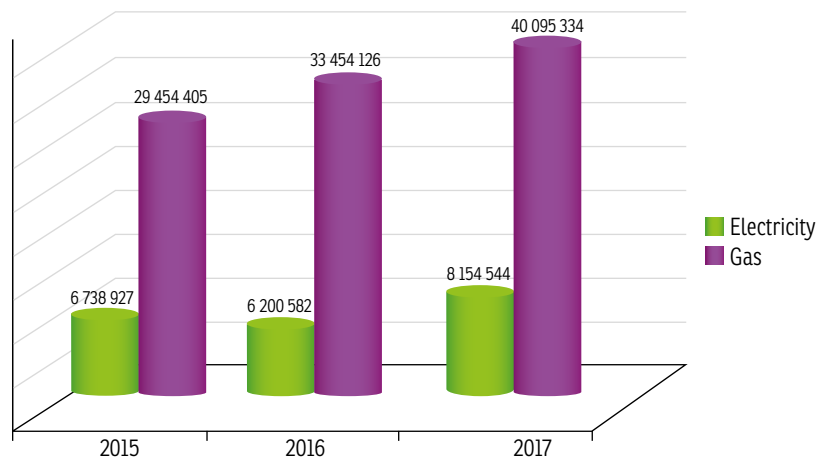
- Painting processes.
- Heating offices and production workshops.

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Changes in temperatures between winter and summer seasons directly impact our gas consumption,

Electricity and gas consumption (KW/h)



Source: invoices for natural gas, 2017 data, reporting boundary of French and Romanian production sites, 2017 gas estimate for Le Creusot.

Measures taken at some of our sites to improve energy performance include:

- Optimizing the start phase of the painting process,
- Monitoring gas consumption by equipment through secondary meters,
- Installation of LED lighting,
- The change in one of the boilers at the Reims site to achieve energy efficiencies and monitor consumption with a meter.

Renewable energies are not used.

The increase in gas consumption is linked to growth in production output.

3.3.4 Soil use

In France, the industrial sites are located in zones specifically set aside for industrial activities. The manufacturing process does not involve any use of soil resources.

In Romania, the site's location provides access to well water for the supply of the painting process while ensuring the decontamination process through a water treatment facility.

Environmental impacts are effectively kept under control by the preventive measures and mechanisms in place.

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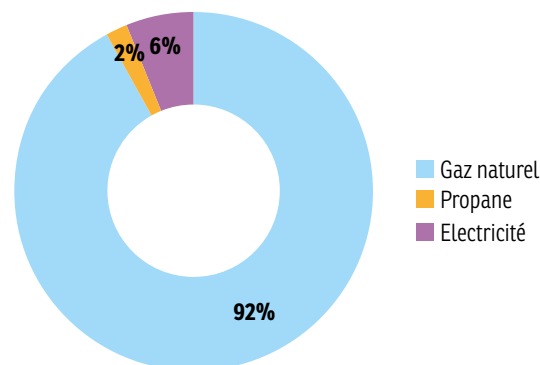
3.4 Climate change

3.4.1 Greenhouse gas emissions

In light of the manufacturing process involved, natural gas is the primary source of emissions.

Energy accounts for more than 90 % of our total emissions.

Breakdown of tons of CO2 emissions by energy



Source: Information from the GHG emissions audit, 2016 data, reporting boundary for the French production site and the Lorette replacement parts site.

The carbon footprint audit is carried out and updated every four years in compliance with applicable regulations. In consequence, a new audit was performed in 2017 (2016 data collection). The reporting boundary remained unchanged over the two periods. The next study is planned for 2021 (2020 data collection).

3.4.2 Adapting to the consequences of climate change

Haulotte's activity has only a limited impact on the environment, and in consequence, a marginal and non-significant impact on climate change. Furthermore, the commercial and industrial activity of Haulotte Group is not directly impacted by the consequences of climate change.

3.4.3 The circular economy

Metal materials are used in the manufacture of Haulotte machines and represent on average 82% of the machines' total weight. These metals are fully recyclable. The remaining 18% consists of liquids: oil, fuel, air-conditioning fluids, glass and polymeric materials that are recycled through specialised decontamination channels.

The wheels comprised of tires and foam represent final waste that is destroyed but cannot be processed for reintroduction into the circular economy. A portion of energy derived from their incineration is recovered. Since 2012, new projects are developing tires without foam for improved recycling.

3.5 Protection of biodiversity

3.5.1 Measures to preserve or develop biodiversity

None of our sites are located in a protected area defined by local environmental regulations.

Measures taken to protect the environment are also destined to promote biodiversity (limiting pollution, not discharging waters into the drainage systems, annual control of water and air discharges, waste management).

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4 - SOCIAL INFORMATION

The social disclosures required by L.225-102-1 of the French commercial code are provided below:

4.1 Territorial, economic and social impact of the Company on employment and regional development, and on neighbouring or local populations

The Group is committed to promoting local employment throughout the world. More generally, the Group's business focus on local service and customer proximity, is reflected in particular by opening subsidiaries in local markets and manufacturing divisions in each region (except in Latin America) to support these markets and use networks of local suppliers. This in turn allows it to optimise supply chain flows, lower costs and reduce environmental impacts.

In this way, since 2011 Haulotte Group has been a member of the ViaMéca Competitive Cluster. This structure is resolutely focused on mechanical engineering of today and tomorrow, broadly defined to encompass surface engineering, production and robotics systems, advanced manufacturing processes, functional engineering for applications and services. Its mission is to contribute to strengthening the competitiveness of companies operating in this sector in the Auvergne, Rhône-Alpes and Limousin regions by supporting their most innovative projects and developing increased dialogue between the world of industry, research institutions and public training organizations. ViaMéca membership gives the Group a better understanding of the ecoregional system (which includes more than 180 members) and the ability to find partners or suppliers to promote its research, development and innovation projects.

Highlighting this commitment to promote a better understanding and cooperate with local economic stakeholders and strengthen its territorial base, in 2013 the Group became a member of the Cluster's Committee and Board of Directors. Since February 2017, the Group also occupies one of the positions of Vice Chairman for the Cluster.

More generally, the Group is among the top ten employers of the Loire department and the Creusot – Monceau intercommunity region and the sixth largest employer of Le Creusot.

The Group's position within the regional economy has also been reinforced by closer ties with institutional stakeholders (regular meetings with Saint-Etienne metropolis, participation in the future inter-community organisation's work), support provided to their actions ("*Ambassadeurs Stéphanois*" initiative, the city's "French Tech" Label candidacy) and participation in the Club Gier business association grouping companies from the Gier valley industrial and urban region.

An ongoing relationship with the Loire region branch of France's Public Investment Bank (*Banque Publique d'Investissement* - BPI) (ex-OSEO) has provided foundations for building trust and support to the financing of innovation. Services proposed by the Chamber of Commerce and Industry of St Etienne Montbrison and also of Lyon, are also of increasing interest to Group employees, providing opportunities for monitoring developments in specialised fields (taxation, customs Incoterms, etc).

With respect to its international profile, Haulotte Group is one of the main exporters of the Loire region (source: CCI, French customs authorities). It will be remembered that in 2012, Haulotte Group was among the top 50 of the Rhône-Alpes Region, and 541st at the national level, excluding activities of its foreign

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subsidiaries. In the same spirit, according to the Economic Development Department of the St Etienne metropolis, Haulotte is among the department's top five "Intermediate Sized Companies", i.e. with a largely family-owned shareholder base, historically rooted in the Saint-Étienne region yet with a broad international reach (with exports accounting for more than 70% of sales).

4.2 Relations with stakeholders, including in particular associations promoting social integration, educational institutions, environmental defence groups, consumer associations and local populations

4.2.1 Conditions of dialogue with these stakeholders

Reflecting its commitment to developing close relations with both customers and local populations, the Group maintains ongoing dialogue with stakeholders having an interest in the Company's activities. This dialogue is enhanced by concrete and diverse initiatives with individuals, associations, higher education institutions or concerned interest groups.

To strengthen ties with local stakeholders, it has developed working relationships and exchanges with higher education institutions offering training opportunities in our industry expertise areas. Other initiatives are pending implementation with several high-level partners present in the nearby region. Such alliances will no doubt be made possible in the future by the birth and development of projects.

To strengthen its commitment to developing a culture of customer proximity, in 2016 Haulotte Group created an "Open Up" event bringing together its European customers and with the objective of creating a "Forward Thinking" club providing a forum for exploring the future of lifting activities. In 2017, the Group expanded the circle of participants to cover all its business regions (Europe, APAC and the Americas). In September, the 2017 edition of the "Open Up" event was held in the South of France, and welcomed one hundred customers coming from all corners of the globe.

The Group has also remained an active local stakeholder, becoming a partner of the 2017 Design Biennial that was held from 9 March to 9 April 2017 in Saint-Etienne (Loire). This partnership is also illustrated by the joint initiative with a designer focusing on the subject of the changing world of work.

In May 2017, the Group organized the APEX event in Amsterdam with all its European customers. This event provided an opportunity for the group to present a new model, the HT28RTJ Pro which recently completed its range of telescopic booms.

4.2.2 Partnerships or corporate sponsorship initiatives

Initiatives may take the form of partnerships with higher education institutions located near Group structures, notably by welcoming trainees and work-study program participants, the payment of apprenticeship taxes, discovery days, special joint initiatives with labour organisations, but also the occupational healthcare authorities or the Direccte (regional enterprise, competition, consumer, work and employment authorities), employer groups or by supporting local social projects.

In addition, the Group's spare parts workshop in Lorette collaborates with two sheltered work facilities (Etablissement et Service d'Aide par le Travail or ESAT), one in Saint-Etienne (Centre Départemental d'Aide par le Travail or CDAT) and the other near Grand Croix (Association des Amis de Parents d'Enfants Inadaptés or ADAPEI / Les Ateliers Gier). These two partnerships provide work throughout the year to two groups of seven employees supervised by a special instructor.

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The persons originating from the second sheltered work facility (ADAPEI) provide services for packaging and packaging kits. On a regular basis, the Lorette site sends packaging work to other members of this ADAPEI that they can perform directly from the centre's workshop.

ADAPEI members perform a diverse range of assignments including warehouse inventory, parts management (assisting the reception, counting, storing, labelling, data entry, etc.) and managing returns to the subsidiaries.

Within the Reims site, a similar partnership has been developed with the company ACAPH, providing employment to several persons who produce the packaging kits and perform part assembly operations for electrical functions.

4.3 Outsourcing and suppliers

4.3.1 The manner in which the company's purchasing policy takes into account social and environmental issue

The Group implemented a "Purchasing" process to define, adapt and regularly approve its panel of suppliers and service providers.

For each potential new supplier, an approval process was developed involving the participation of a multidisciplinary team (Purchasing, Quality, Logistics, Project Management).

When new suppliers are audited, the Company ensures in particular their compliance with two criteria:

- That the supplier has defined and applied an Environmental Management System and is in consequence 14001 certified,
- That the rules of the International Labor Organization have been transcribed, applied by the company and required from its own partners.

The Group has significantly developed the conclusion of partnerships with its suppliers (the "Supplier Partnership Principles") in order to strengthen lasting and equitable relations. Indeed, the quality of the machines as well as the Group's ability to respond to customer demands within tight deadlines is dependent on building a solid and reliable network of suppliers.

In addition, an action plan is currently under study within the Group to strengthen its CSR policy with respect to its suppliers.

This plan is focused on the following three lines of action:

- The adoption of a "Sustainable Purchasing Charter" that will also be included with all Supplier Partnership Principles. The Group's aim is to strengthen its approach for sustainable development and continuing improvement. In that context it wants partners to share and adhere to its commitments in the areas of social, environmental and ethical responsibility,
- Strengthening the selection pre-audit process for a new supplier notably by adding CSR criteria to better assess the supplier's level of engagement,

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- Definition of key criteria to measure the environmental impact of industrial engineering suppliers.

In line with this objective, in February 2018, the Group created the function of "Supplier Risk Manager", reporting to the Quality Manager. The purpose of this function is to identify, assess and manage quality risk linked to components in order to prevent incidents and is focused on the following four areas:

- The products,
- The suppliers,
- Supplier relations processes,
- External factors.

Risk will be identified by analysing quality data of the plants as well as conducting audits to evaluate the suppliers' operational (quality) processes.

This mission will depend on the adoption of preventive measures (products/processes) at suppliers, based on risks identified according to the features and level of the partnership. Audits are regularly conducted as a way of monitoring and promoting improvements of suppliers to be included in the "best in class" category.

4.3.2 The importance of outsourcing and manner in which relations with suppliers and subcontractors are taken into account in the company's social and environmental responsibility

The Group's industrial strategy is concentrated on three priority areas:

- Design and industrialization,
- Assembly,
- Quality assurance and regulatory compliance.

As it is not possible for the internal organization to master all technologies used for our machines, the weld-fabricated, electrical and hydraulic components and sub-assemblies are consequently outsourced to specialized suppliers possessing expertise in these technologies.

4.3.3 Fair practices

Measures to prevent corruption

The Group's business conduct charter stipulates that no employee may accept a gift or a gratuity from a client or supplier other than promotional items of negligible value. The Group also prohibits making any form of unlawful payment to a customer or supplier to obtain a contract or commercial advantage.

No member of the Group's personnel may invest, directly or indirectly, in the capital of a supplier or customer when there exists contracts relations between the company and this supplier or customer. In addition, no employee must be subject to a conflict of interest.

Several internal audits have been performed, and are regularly carried out, to ensure the proper application of Group procedures and strict compliance with these guidelines.

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4.3.4 Measures in favour of consumer health and safety

Throughout the process covering the design, manufacture and sale of products, the Group attaches considerable importance to the health and safety of consumers, and ensures continuing improvements in materials. This priority involves the certification of sites (ISO 14001 environmental certification), compliance with laws and regulations (in particular regarding safety, certification and conformity of machines), and continuous monitoring of incidents or accidents that might have involved the presence of a Group product.

4.3.5 Other actions undertaken, with respect to section 3.3 of this report, in favour of human rights

Recalling that the Group is committed to ensuring compliance with local laws and regulations, it should be noted that HR and safety policies applied throughout the Group also concern ensuring equal access to employment opportunities, non-discrimination, remuneration, occupational safety (both physical and psychological), fully taking into account the human dimension (physical and psychological), and respecting specific local conditions. These core values are promoted by the Group both in France but also in every country where it is present.

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PART 6: GROUP MANAGEMENT REPORT

In accordance with the provisions of articles L.233-16 and L.225-100-2 of the French commercial code, we hereby report to you on the management of the Group for the period ended 31 December 2017.

1 - PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Companies included in the scope of consolidation are listed in paragraph 1 of section 2 of this report. The situation of these companies is described in paragraph 1 of part 1 and in the table contained in paragraph 1 of part 2 of this report.

The Group's financial statements have been prepared in accordance with IFRSs as adopted by the European Union on 31 December 2017.

2 - CHANGES IN THE PRESENTATION OF THE ANNUAL ACCOUNTS OR METHODS OF VALUATION APPLIED IN PRIOR YEARS

No changes were made in the presentation of the consolidated financial statements or methods of valuation applied in prior years. Changes in accounting methods are presented in the summary of significant accounting policies in Note 3 to the consolidated financial statements.

3 - REVIEW OF OPERATIONS AND RESULTS OF THE GROUP FOR THE YEAR UNDER REVIEW

In 2017, we registered growth in all our regions and core businesses at constant exchange rates. However, the main difficulties continue to be anticipating volatility in foreign exchange rates as well as access to raw materials (prices and availability). Geopolitical factors can also impact operating performances in selected local markets.

4 - COMPREHENSIVE ANALYSIS OF REVENUE, EARNINGS AND FINANCIAL POSITION OF CONSOLIDATED OPERATIONS, AND NOTABLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF THEIR BUSINESS ACTIVITY

Group results for the period break down as follows:

In millions of euros	FY 2017	FY 2016
Revenue	510,0	457,8
Current operating income	42,0	26,5
Operating profit	36,1	25,4
Profit before tax	21,1	26,0
NET INCOME OF CONSOLIDATED COMPANIES	17,7	23,3
Net income attributable to the Group	17,6	23,3

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Total revenue for 2017 rose to €510 million up from €457.8 million in 2016, representing growth of 12% at constant exchange rates from the prior year. Annual sales in Europe grew 19%.

The Asia-Pacific region ended the period with 7.5% growth in sales (at constant exchange rates). The Americas region was up 2.4% (at constant exchange rate).

On that basis, the Group registered growth in revenue at constant exchange rates, particularly for equipment sales (+13%) and rental (+16%).

Current operating income for the Group rose to €42.0 million from €26.5 million in 2016.

This performance reflects several factors in 2017, the most important being growth in sales volume and a favourable product mix, despite the increasingly competitive environment.

In 2017, non-current items concerned mainly litigation costs (net of allowances and reversals for litigation contingencies) representing a charge of €5.4 million compared to €0.8million in 2016.

Operating profit rose to €36.1 million, up from 25.4 million the previous year.

At 31 December 2017, consolidated net income for the period was €17.7million compared to €23.3 million in 2016.

Group net debt (including guarantees) decreased in the period from €74.8 million at 31 December 2016 to €57.8 million at 31 December 2017. This debt is primarily carried by **HAULOTTE GROUP** S.A., with in particular the syndicated credit facility of the Group, of which €30.9 million had been drawn at 31 December. New bilateral credit lines amounting to €5 million were negotiated in 2017. At 31 December 2017, the Group was in compliance with all its commitments with banks under the terms of its syndicated credit facility agreement.

5 - DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE COMPANY'S SUBSIDIARIES

The material risks and uncertainties that could have a material impact on the Group identified at 31 December 2017 relate on the one hand to market risk and the foreign exchange environment in which the Group operates and, on the other hand, items relating to its liquidity situation.

Performances in 2017 by region and business were mixed. Sales volumes remain sensitive to uncertainties linked to the macroeconomic environment and in consequence evolving market conditions.

Europe displayed continuing business momentum in most markets. The Asia-Pacific region registered a strong rebound in fourth-quarter sales in the Middle East and Asia. In North America, sales in aerial work platforms grew, reflecting the Group's reinforced position in this market. Sales were however lower for scaffolding equipment during the year, which ultimately prevented Haulotte Group from registering growth in this market. Finally, despite the significant downturn in Mexico, sales in Latin America registered gains, highlighting improvements in other markets.

The Group maintains its policy of a centralised management of foreign exchange and pays specific attention to the variation of foreign currencies on its main markets, as these could significantly affect its financial performance.

Readers are reminded that on 30 September 2014 the Group negotiated a syndicated credit facility for

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€90 million maturing on 30 March 2018. This agreement was extended for an additional 18 month period or until 30 September 2019 and subject to a bullet payment on maturity.

On 31 December 2017, the Group was in compliance with all commitments with its banks in connection with the syndicated credit facility.

Based on the level of cash resources and credit lines open and available at 31 December 2017 compared with cash forecasts for the first few months of 2018, the Group's liquidity position appears sound. Other credit lines concern an amount for repayment totalling €4.3 million for 2018.

6 - THE EXPOSURE OF SUBSIDIARIES TO RISK CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES

The Group exposure is largely limited to credit and liquidity risk.

6.1 Credit risk

Credit risk originates mainly from an exposure to customer credit, and in particular unsettled receivables and transactions in progress.

To mitigate this risk, the Group has implemented credit rating procedures (internal or independent) to evaluate the quality of the credit situation of its customers (new or existing) based on their financial situation, historical payment data at any other relevant factors.

Credit risk is also limited by the fact that in the event of a payment default by customers, **HAULOTTE GROUP** retains the possibility of recovering the goods representing the receivables. Provisions for receivables are determined according to this principle (and described in the consolidated financial statements).

6.2 Liquidity risk

HAULOTTE GROUP cash management is centralised. The corporate team manages current and budgeted financing needs for the parent company and subsidiaries.

All cash surpluses are invested in risk-free products at market conditions by the parent company comprised of money market funds and time deposit accounts.

Status of the syndicated credit facility

As a reminder, a new syndicated credit facility was obtained on September 30, 2014. At 31 December 2017, the Group was in compliance with all ratios. This agreement was extended for an additional 18 month period or until 30 September 2019 and subject to a bullet payment on maturity.

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Other financing

In the period, the Group continued to diversify its sources of financing, by obtaining new bilateral credit lines for a total amount of €5 million. Instalments for other credit lines amount to €4.3 million in 2018.

Based on available cash, including cash held by the Group shown in its financial statements, plus the undrawn amounts of its syndicated credit lines and a certain number of undrawn bilateral overdraft facilities, there are no reasons that might call into question the Group's ability to meet its liquidity requirements for the year ahead.

7 - INFORMATION ABOUT THE USE OF FINANCIAL INSTRUMENTS BY THE COMPANY WHEN THIS IS RELEVANT FOR THE MEASUREMENT OF ITS ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFITS OR LOSSES

Financial instruments used by the Group are destined to cover its foreign exchange and interest rate risks.

7.1 Exchange rate risk

A significant portion of **HAULOTTE GROUP** sales is in currencies other than the euro, and in particular the US dollar and the British pound. Sales are primarily in the functional currency of the subsidiaries of the Group, and as such do not generate transactional foreign exchange risk at their level.

The primary source of foreign exchange risks for **HAULOTTE GROUP** consequently results from intercompany invoicing flows when Group companies purchase products or services in a currency different from their functional currency (exports of manufacturing subsidiaries located in the euro area and exporting in the local currency of a sale subsidiary).

This exposure is managed by **HAULOTTE GROUP** SA. The transactional foreign exchange positions open in the balance sheet are partially hedged in the main currencies through simple financial instruments (forward exchange purchases and sales against the euro).

7.2 Interest rate risk

The Group uses in preference floating rate debt which provides greater flexibility. To hedge its interest rate risk, the Group seeks to take advantage of market opportunities based on interest rate trends. Interest rate risk is not systematically hedged.

For hedging market risks (interest rate and foreign exchange risks) **HAULOTTE GROUP** uses derivative instruments. These derivatives are destined to hedge the fair value of assets or liabilities recognised (fair value hedges) or future cash flows (cash flow hedges).

In compliance with the provisions of IAS 32 and 39, derivatives are measured at fair value.

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8 - FORESEEABLE CHANGES IN THE GROUP'S SITUATION AND OUTLOOK

Based on positive business trends in all markets and growth in the order book, Haulotte Group could be expected to reach growth in revenue approaching 10% in 2018. As it strengthens its commercial offering and accelerates its research and development programmes, and in light of rising raw commodity prices, Haulotte Group is expecting the current operating margin to remain stable.

9 - SIGNIFICANT EVENTS BETWEEN THE CLOSING DATE AND THE DATE OF PUBLICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

No material event with a potential significant impact on the assessment of the situation of the company has occurred or was known to exist after the end of the reporting period.

10 - RESEARCH AND DEVELOPMENT OF THE GROUP

Research and development have remained an important focus of Group efforts for several years. Innovation processes have been defined as one of the strategic processes of the Group.

The objective of this process is to propose new products or renew existing lines addressing the needs of its customers. Paragraph 10 of section 1 provides detailed information on the most important achievements of the period in this area. Research and development expenditures by the Group in the period amounted to €12,644,000.

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APPENDIX 1 – FIVE-YEAR FINANCIAL SUMMARY

Closing date	31/12/ 2017	31/12/ 2016	30/12/ 2015	30/12/ 2014	30/12/ 2013
Length of the fiscal year (months)	12	12	12	12	12
SHARE CAPITAL AT YEAR-END					
Common stock	4 078 266	4 078 266	4 063 765	4 057 837	4 057 837
Number of shares					
- ordinary shares	31 371 274	31 371 274	31 259 734	31 214 129	31 214 129
- treasury shares	1 777 898	1 812 230	1 814 303	1 837 823	1 837 823
- dividend-right shares	29 593 376	29 559 044	29 445 431	29 376 306	29 376 306
Maximum number of future shares to be created					
- from the conversion of bonds					
- from subscription rights					
OPERATIONS AND RESULTS					
Sales ex-VAT	244 466 351	215 588 260	232 272 603	216 876 915	172 218 956
Profit before income tax, profit-sharing depreciation and provisions	- 23 071 567	- 3 993 457	13 371 335	6 706 352	-22 946 984
Corporate income tax	-2 802 161	-2 335 951	-466 047	658 279	-1 035 718
Employee profit-sharing					
Allowances and Reversals of depreciation, amortisation and provisions, expense reclassifications	-29 551 919	1 319 162	12 224 854	3 866 118	-23 952 467
Net income	9 282 513	-2 976 667	1 612 528	2 181 955	2 041 202
Distributed profit		6 506 409	6 480 761	6 465 923	4 406 446
EARNINGS PER SHARE					
Profit after income tax, profit-sharing, and before depreciation, amortisation and provisions	-0,65	-0,05	0,44	0,19	-0,70
Profit after income tax, profit-sharing, depreciation, amortisation and provisions	0,30	-0,09	0,05	0,07	0,07
Distributed dividends	0,22	0,22	0,22	0,22	0,15
PERSONNEL					
Average number of employees for the fiscal year	618	598	578	569	557
Total payroll	25 641 354	25 212 616	23 930 881	22 768 996	21 211 881
Total benefits paid (social security, welfare benefits, etc.)	12 335 070	12 005 087	11 389 629	10 788 551	9 793 129

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APPENDIX 2 – CORPORATE GOVERNANCE REPORT PREPARED BY THE BOARD OF DIRECTORS

Dear shareholders,

Pursuant to the last paragraph of article L. 225-37 of the French Commercial Code, this corporate governance report contains the information referred to in articles L. 225-37-2 et seq. of the French Commercial Code.

The terms of this report were prepared and approved by the Board of Directors at their meeting on March 13, 2018.

1 - CORPORATE GOVERNANCE

Pursuant to paragraphs 5 to 9 of article L. 225-37-3 of the French Commercial Code, we hereby inform you of:

- the composition of the Board and the application of the principle of equal representation of men and women;
- the preparation and organization of the work of the Board;
- any limits that may be placed on the powers of the Chief Executive Officer;
- the reasons for disregarding the provisions of the MiddleNext corporate governance code to which the Company refers, if applicable; and
- the special procedures for shareholders' attendance at the General Meeting.

1.1 Composition of the Board and application of the principle of equal representation of men and women

1.1.1 Choice of corporate governance code

The Company has decided to refer to the MiddleNext Code published in December 2009 and revised in September 2016 as its corporate governance reference code pursuant to paragraph 8 of article L. 225-37-4 of the French Commercial Code. The Company felt that this code was most suited to its size and ownership structure.

This code is available on the MiddleNext website (www.middlenext.com).

At its meeting on March 13, 2018, pursuant to recommendation 19, the Board of Directors reviewed the key points of the MiddleNext code.

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1.1.2 Composition of the Board of Directors

The Company's Board of Directors is made up of the following six directors, including one independent director.

First name, surname, title or position of the directors	Year of first appointment	End of term of office	Independent director	Audit committee
Pierre Saubot Chairman of the Board of Directors - Chief Executive Officer	1989	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2017	No	
Director	1985	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2017		
Alexandre Saubot Deputy Chief Executive Officer	1999	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021	No	
Director	1999	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021 At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021		
Elisa Saubot Director	1998	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021	No	Member
Hadrien Saubot Director	2004	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021	No	Member
José Monfront Director	2004	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021	No	Member
Michel Bouton Director	2001	At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021	Yes	Member

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1.1.3 Management procedure

It should be noted that the Company has chosen to combine the positions of Chairman of the Board of Directors and Chief Executive Officer currently held by Mr. Pierre Saubot. This merging has been deemed most conducive to the smooth running of the Company.

1.1.4 Application of the principle of equal representation of men and women

The Board of Directors has one woman among its six members. In order to comply with article L. 225-18-1 of the French Commercial Code, your board of Directors submit for your approval the appointment of two women directors to the next annual general meeting scheduled on May 29th, 2018.

1.1.5 Independent directors

The definition of independent director is that adopted pursuant to recommendation 3 of the MiddleNext code, namely:

- is not now, nor has been within the past five years, an employee or executive director of the company or a company in its group;
- is not now, nor has been within the past two years, in a significant business relationship with the company or its group (client, supplier, competitor, service provider, creditor, banker, etc.);
- is not a majority shareholder in the company and does not hold a significant percentage of voting rights;
- does not have a close relationship or family ties to a director or majority shareholder;
- has not, within the past six years, been an auditor of the company.

At its meeting on March 13, 2018, the Board of Directors reviewed the situation of its members with regard to these independence criteria and felt that one of them, Mr. Michel Bouton, was independent according to the definition given by the MiddleNext code.

The Board of Directors has considered this issue and the appointment of two directors who meet, at this time, the criteria of independence according to the recommendation 3 of the MiddleNext code will be submit to your approval during the next annual general meeting scheduled on May 29th, 2018.

1.1.6 Duration of terms of office

The duration of the term of office of members of the Board of Directors is set at six (6) years. The Company believes that this duration complies with recommendation 9 of the MiddleNext code. To date, given its size and composition, the Company has not considered it necessary to propose an amendment allowing for the gradual renewal of the terms of office of the directors.

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1.1.7 Code of Conduct

Pursuant to recommendation 1 of the MiddleNext code, all members of the Board of Directors are made aware of their responsibilities at the time of their appointment and are encouraged to follow the Code of Conduct applicable to their office. At the start of their term of office, they agree to the Board's rules of procedure and, in particular, undertake to:

- comply with the legal regulations on combining offices,
- comply with current regulations,
- inform the Board of any conflicts of interest that arise after their appointment,
- attend Board meetings and General Meetings regularly,
- ensure they have all the necessary information on the agenda of Board meetings before making any decisions, and,
- maintain confidentiality.

On the date of this report, the Chief Executive Officer and Deputy Chief Executive Officer have not accepted any other directorships in listed companies outside the Group, including foreign companies.

1.1.8 Review of the known conflicts of interests

According to article 4.3 of the Board's rules of procedure, each director is required to reveal any situation indicating a conflict of interests or a possible conflict of interests between the corporate interest and its personal interest, direct or indirect, or the shareholder interest or the group of shareholders he represents.

In such situation, the director concerned must:

- Inform the Board of Directors as soon as he is aware of such situation,
- Consider the consequences of the situation on its mandate. As the case may be, he will have to:
 - Either refrain from voting on the corresponding resolution,
 - Or not to attend the meeting of the Board of Directors at which he will be in a situation of conflict of interests,
 - Or, in the extreme situation, resign of its mandate of director.

1.1.9 Selection of members of the Board of Directors

When each member of the Board of Directors is appointed or their term of office is renewed, information on their skills and experience and a list of offices held is disclosed in the report presented by the Board of Directors to the General Meeting setting out the draft resolutions subject to their approval. This information is posted online on the Company's website. The appointment or renewal of the term of office of each member of the Board of Directors is the subject of a separate resolution, pursuant to recommendation 8 of the MiddleNext code.

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1.1.10 Duties of the Board of Directors

For more information on the duties of the Board of Directors, we invite you to refer to article 2 of the Board's rules of procedure, available on the Company's website.

1.1.11 Assessment of the work and operation of the Board

To ensure compliance with recommendation 11 of the MiddleNext code, the Board has introduced a self-assessment questionnaire on its work and operation. The Board is currently studying the responses given by directors.

1.1.12 Establishment of committees

Pursuant to recommendation 6 of the MiddleNext code, we hereby inform you of the Company's choice of specialist committee.

1.1.12.1 Audit committee

On March 9, 2011, the Board of Directors decided to set up an audit committee for an unlimited period pursuant to article L. 823-20 of the French Commercial Code.

The operation and responsibilities of the Company's audit committee are described in article 6 of the Company's rules of procedure, available on the Company's website.

1.1.12.2 Composition

On the date of this report, the Board of Directors, when meeting to fulfil the duties of the audit committee, is made up of the four following directors:

- Mr. Michel Bouton, independent director and Chairman of the audit committee;
- Mr. José Monfront;
- Mr. Hadrien Saubot, and
- Ms. Elisa Saubot.

1.1.12.3 Meeting of the Audit committee

During the year 2017, three meetings of the Audit committee have been held with an annual global attendance rate of 83%.

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

As provided for by law and the Company's Articles of Association, decisions are made by quorum and majority.

Pursuant to recommendation 7 of the MiddleNext code, the Board of Directors has adopted rules of procedure including the eight sections referred to in this recommendation, available on the Company's website.

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The rules of procedure initially adopted by the Board of Directors at their meeting on March 11, 2009, then amended at their meetings on March 9, 2011 and January 20, 2017, stipulate in particular that with the exception of the transactions referred to in articles L. 232-1 and L. 233-16 of the French Commercial Code and, if applicable, the Articles of Association, members of the Board of Directors are deemed to be present for quorum and majority purposes if they attend the Board meeting by video conference or telecommunication in such a way that they can be identified and participate effectively.

The means used must allow the identification and effective participation of participants.

1.2.1 Procedure for convening meetings

Directors are invited to attend meetings in accordance with article 13 of the Company's Articles of Association.

Pursuant to article L. 823-17 of the French Commercial Code, the auditors are invited to attend Board meetings to review and approve the annual and half-yearly accounts.

1.2.2 Procedure for the presentation of documents and information necessary for decision-making

At every Board meeting, members of the Board of Directors receive all documents and information that may help them reach an informed decision and fulfil their duties.

1.2.3 Board of Directors' activity report for the financial year ending December 31, 2017

The minutes of each meeting are the responsibility of the Chairman of the Board of Directors and the Deputy Chief Executive Officer. They are recorded in the minute book after being signed by the Chairman and a director.

During the financial year ending December 31, 2017, the Company's Board of Directors met five times on the dates listed below, with an annual global attendance rate of 67%.

Date of meeting	Number of directors present or represented	Main topics discussed
January 20, 2017	5	Amendment to the Board's rules of procedure; Composition of the audit committee and appointment of the Chairman of the audit committee; Prior approval of agreements reached between the Company and the company JM Consulting

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March 14, 2017	3	<p>Review and approval of the individual and consolidated accounts for the financial year ending December 31, 2016</p> <p>Review of agreements authorized in previous financial years and carried over into 2016</p> <p>Focus on the remuneration policy for corporate officers – Approval of the terms of the report prepared pursuant to article L. 225-37-2 of the French Commercial Code</p> <p>Review of the independence of members of the Board of Directors</p> <p>Review of the procedure for assessing the organization and preparation of the work of the Board of Directors</p> <p>Review of the key points of MiddleNext</p>
May 9, 2017	4	<p>Amendment to the agenda of the General Meeting of May 30, 2017 – Addition of new resolutions</p> <p>Approval of the explanatory statement regarding the new resolutions included on the agenda</p>
May 9, 2017	3	<p>Implementation of the authorization granted by the General Meeting of May 30, 2017 to trade in Company shares pursuant to article L. 225-209 of the French Commercial Code</p>
September 5, 2017	5	<p>Review and approval of the half-yearly accounts prepared on June 30, 2017</p> <p>Preparation of the half-yearly activity report pursuant to section III of article L. 451-1-2 of the French Monetary and Financial Code</p>

1.3 Limits placed by the Board of Directors on the powers of the Chief Executive Officer

There are no limits placed on the powers of the Chief Executive Officer of the Company other than those set out in law.

He therefore has wide-ranging powers to act on behalf of the Company in all circumstances. He exercises these powers within the limits of the corporate purpose and subject to the powers expressly granted by law to shareholders' meetings and the Board of Directors. He represents the Company in its relationships with third parties.

1.4 Shareholders' attendance at General Meetings

Pursuant to article L. 225-37 of the French Commercial Code, article 16 of the Company's Articles of Association sets out the special procedures relating to shareholders' attendance at General Meetings (the Articles of Association are available at the Company's head office and the Registry of the Commercial Court).

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2 - LIST OF DIRECTORSHIPS AND OTHER POSITIONS HELD IN ANY COMPANY DURING THE FINANCIAL YEAR ENDING DECEMBER 31, 2017

In order to comply with paragraph 1 of article L. 225-37-4 of the French Commercial Code, we hereby publish the list of directorships and other positions held by each director in any company during the financial year ending December 31, 2017.

Director	Directorships and other positions held in the Company	Directorships and other positions held outside the Company
Pierre Saubot	<ul style="list-style-type: none"> • Chairman of the Board of Directors • Chief Executive Officer Director 	<ul style="list-style-type: none"> • Chief Executive Officer of the company SOLEM SAS • Manager of Société Commerciale du Cinquau Co-Manager of SCI LANCELOT
Alexandre Saubot	<ul style="list-style-type: none"> • Deputy Chief Executive Officer • Director 	<ul style="list-style-type: none"> • Chairman of the company SOLEM SAS • Representative of HAULOTTE GROUP Chairman of the company TELESCOPELLE SAS • Manager of the company HAULOTTE FRANCE SARL • Manager of the company HAULOTTE SERVICES FRANCE SARL • Co-Manager of SCI LANCELOT • Director of Haulotte Netherlands BV • Director of Haulotte Iberica • Director of Haulotte Portugal¹ • Director of Haulotte Scandinavia • Director of Haulotte Italia • Manager of Haulotte GmbH • Director of Haulotte Polska • Director of Haulotte UK • Director of Haulotte Australia • Chairman of Haulotte US • Director of Haulotte Singapore • Representative of the HAULOTTE GROUP and sole director of Haulotte Cantabria² • Director of Haulotte Arges • Chairman of Haulotte Trading (Shanghai) Co. Ltd • Director of Haulotte Mexico • Chairman of Nove Srl • Director of Haulotte Middle East • Representative of the HAULOTTE GROUP and sole director of Horizon High Reach Limited • Director of Haulotte India • Director of Levanor • Director of MundiElevacao • Chairman of the Board of Directors of Haulotte Access Equipment Manufacturing (Changzhou); • Vice-Chairman of the Board of Directors of Acarlar • President of the "Union des Industries et Métiers de la Metallurgie"

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Elisa Saubot	• Director	• Chief Executive Officer of the company SOLEM SAS
Hadrien Saubot	• Director	• Chief Executive Officer of the company SOLEM SAS
José Monfront	• Director	• Director of the company Haulotte Trading (Shanghai) Co. Ltd. • Director of Haulotte India • Director of Haulotte Access Equipment Manufacturing (Changzhou) • Chairman of the company JM Consulting
Michel Bouton	• Director	• Chairman of the company ESCAL ³ • Chairman of the company SOVIBUS ⁴

⁽¹⁾ Following the liquidation of the company Haulotte Portugal on December 28, 2017, Mr. Alexandre Saubot's term of office as a director of this company ended on the same date..

⁽²⁾ Following the liquidation of the company Haulotte Cantabria on December 22, 2017, Mr. Alexandre Saubot's term of office as a representative of the Haulotte Group in this company ended on the same date.

⁽³⁾ End date of term of office as Chairman of the company ESCAL: July 12, 2017.

⁽⁴⁾ End date of term of office as Chairman of the company SOVIBUS: March 6, 2017.

3 - REMUNERATION OF DIRECTORS PAID IN THE FINANCIAL YEAR ENDING DECEMBER 31, 2017 (ARTICLE L. 225-37-3 OF THE FRENCH COMMERCIAL CODE)

In order to comply with article L. 225-37-3 of the French Commercial Code, and on the basis of the information available to us, we hereby publish the total remuneration and benefits in kind paid by the Company in the financial year ending December 31, 2017, including in the form of the allocation of equity securities, debt instruments or securities granting access to capital or entitlement to the allocation of debt securities of the Company or the companies mentioned in articles L. 228-13 and L. 228-93. The following remuneration and benefits include those received from controlled companies, within the meaning of article L. 233-16, and the company that controls the Company.

We hereby inform you that:

- all directors are entitled, upon presentation of receipts, to be reimbursed for travel and accommodation expenses and costs incurred in the exercise of their duties and undertaken in the Company's interests;
- no commitments of any kind are made by the Company to its corporate officers regarding items of remuneration, compensation or benefits payable or likely to be payable as a result of the appointment, termination or change of duties of one or more corporate officers or following the exercise of these duties, in particular pension liabilities and other life annuities; and
- pursuant to paragraph 2 of article L. 225-45 of the French Commercial Code, the payment of attendance fees to directors is suspended.

The following tables have been prepared with reference to the September 2016 version of the MiddleNext corporate governance code, approved as a reference code by the AMF [French Financial Markets Authority]. All sections not included in the following tables compared to the template tables provided by the MiddleNext corporate governance code are deemed non-applicable.

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Table 1: Summary of the remuneration of each executive director

Mr. Pierre Saubot Chief Executive Officer	Financial year ending December 31, 2016 Amounts paid (gross)	Financial year ending December 31, 2017 Amounts paid (gross)
Fixed annual remuneration paid by the company Solem ⁵ for the office of Chief Executive Officer of this company	€86 434	€86 632
Variable annual remuneration ⁶ paid by the company Solem for the office of Chief Executive Officer of this company	€1 500	€1 500
TOTAL	€87 934	€88 132

Mr. Alexandre Saubot Deputy Chief Executive Officer	Financial year ending December 31, 2016 Amounts paid (gross)	Financial year ending December 31, 2017 Amounts paid (gross)
Fixed annual remuneration paid by the company Solem ⁵ for the office of Chairman of this company	€325 774	€326 521
Variable annual remuneration ⁶ paid by the company Solem ⁶ for the office of Chairman of this company	€82 000	€82 000
TOTAL	€407 774	€408 521

Table 2: Attendance fees (and other remuneration) received by non-executive directors

Mrs. Elisa Saubot Director	Financial year ending December 31, 2016 Amounts paid (gross)	Financial year ending December 31, 2017 Amounts paid (gross)
Fixed annual remuneration paid by the company Solem ⁵ for the office of Chief Executive Officer of this company	€55 978	€55 978
Variable annual remuneration ⁶ paid by the company Solem for the office of Chief Executive Officer of this company	€3 500	€3 500
TOTAL	€59 478	€59 478

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Mr. Hadrien Saubot Director	Financial year ending December 31, 2016 Amounts paid (gross)	Financial year ending December 31, 2017 Amounts paid (gross)
Fixed annual remuneration paid by the company Solem ⁵ for the office of Chief Executive Officer of this company	€55 978	€55 978
Variable annual remuneration ⁶ paid by the company Solem for the office of Chief Executive Officer of this company	€9 000	€ 9 000
TOTAL	€64 978	€64 978

Mr. José Monfront Director	Financial year ending December 31, 2016 Amounts paid (gross)	Financial year ending December 31, 2017 Amounts paid (gross)
None ⁷	-	None
TOTAL	-	None

Mr. Michel Bouton Director	Financial year ending December 31, 2016 Amounts paid (gross)	Financial year ending December 31, 2017 Amounts paid (gross)
None	None	None
TOTAL	None	None

⁽⁵⁾ Solem, a simplified joint-stock company with capital of €476,735.25, whose registered office is located at 187, route de Saint Leu in Epinay-sur-Seine (93806) and registered under the unique identification number 332 978 162 in the RCS [Trade and Companies Register] of Bobigny, is the controlling company of Haulotte Group within the meaning of article L. 233-16 of the French Commercial Code.

⁽⁶⁾ The criteria according to which variable annual remuneration is paid are set each year by the company Solem according to the profits of the Haulotte Group for the previous financial year, as listed in Solem's consolidated accounts.

⁽⁷⁾ We invite you to refer to the special report of the Company auditor, which sets out in detail the items of remuneration paid to the company JM Consulting, of which Mr. José Monfront is Chairman.

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Table 3: Summary of compensation or benefits paid to directors

The following table provides additional information on the conditions of remuneration and other benefits paid to officers:

Executive Directors	Employment Contract		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of the termination or change of duties		Compensation related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre SAUBOT Chairman and Chief Executive Officer Start date of renewed appointment: 03/07/2012 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2017 Director Start date of renewed appointment: 05/24/2012 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2017		X		X		X		X

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Executive Directors	Employment Contract		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of the termination or change of duties		Compensation related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Alexandre SAUBOT Deputy Chief Executive Officer Start date of renewed appointment: 03/08/2016 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021		X		X		X		X
Director Start date of renewed appointment: 05/24/2016 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021								
Elisa SAVARY Director Start date of renewed appointment: 05/24/2016 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021		X		X		X		X

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Executive Directors	Employment Contract		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of the termination or change of duties		Compensation related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Hadrien SAUBOT Director Start date of renewed appointment: 05/24/2016 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021		X		X		X		X
José MONFRONT Director Start date of renewed appointment: 05/24/2016 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021		X		X		X		X
Michel BOUTON Director Start date of renewed appointment: 05/24/2016 End date of term of office: At the end of the General Meeting called to approve the accounts for the year ending December 31, 2021		X		X		X		X

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4 - REMUNERATION OF EXECUTIVE DIRECTORS AND MOTIONS FOR RESOLUTIONS (ARTICLES L. 225-37-2 AND L. 225-100 OF THE FRENCH COMMERCIAL CODE)

4.1 Approval of the remuneration policy for the Chief Executive Officer and Deputy Chief Executive Officer for the financial year ending December 31, 2018 (resolution 8)

Noting that no remuneration or benefits in kind within the meaning of articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code are paid by the Company to the Chief Executive Officer or Deputy Chief Executive Officer as a result of the office they hold in the Company, the Board of Directors has decided that it is not necessary to submit for approval to the Shareholders' General Meeting the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional items making up the total remuneration and benefits in kind payable to the Chief Executive Officer and Deputy Chief Executive Officer as a result of the office they hold in the financial year ending December 31, 2018.

4.2 Approval of items of remuneration paid or allocated to the Chief Executive Officer and Deputy Chief Executive Officer in the financial year ending December 31, 2017

Pursuant to article L. 225-100 of the French Commercial Code, taking into account the vote of the General Meeting of May 30, 2017 on the remuneration policy under consideration for the financial year ending December 31, 2017, you are hereby asked to approve the fixed, variable and exceptional items making up the total remuneration and benefits in kind paid or allocated to Mr. Pierre Saubot as a result of his office as Chief Executive Officer of the Company (resolution 9) and Mr. Alexandre Saubot as a result of his office as Deputy Chief Executive Officer of the Company (resolution 10) for the financial year ending December 31, 2017, presented below:

Mr. Pierre Saubot, Chief Executive Officer

Items of remuneration allocated for the financial year ending December 31, 2017 (Article R. 225-29-1 of the French Commercial Code)	Amount	Comments
Fixed annual remuneration	None	None
Variable annual remuneration	None	In the absence of variable annual and multi-annual remuneration and exceptional remuneration allocated to Mr. Pierre Saubot as a result of the office held for the financial year ending December 31, 2017, we ask you to note the absence of any payment to this end (resolution 9)
Variable multi-annual remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the exercise of duties	None	None
Allocation of stock or share purchase options	None	None

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Free allocation of shares	None	None
Remuneration, compensation or benefits payable or likely to be payable as a result of the appointment	None	None
Commitments mentioned in paragraphs one and six of article L. 225-42-1 of the French Commercial Code	None	None
Items of remuneration and benefits in kind payable or likely to be payable under agreements reached, directly or through an intermediary, as a result of the office held, with Haulotte Group, any company controlled by it within the meaning of article L. 233-16, any company it controls within the meaning of the same article, or any company placed under the same control as itself, within the meaning of this article	None	None
All other items of remuneration payable as a result of the office held	None	None
Benefits in kind granted as a result of the office held	None	None

Mr. Alexandre Saubot, Chief Executive Officer

Items of remuneration allocated for the financial year ending December 31, 2017 (Article R. 225-29-1 of the French Commercial Code)	Amount	Comments
Fixed annual remuneration	None	In the absence of variable annual and multi-annual remuneration and exceptional remuneration allocated to Mr. Alexandre Saubot as a result of the office held for the financial year ending December 31, 2017, we ask you to note the absence of any payment to this end (resolution 10)
Variable annual remuneration	None	
Variable multi-annual remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the exercise of duties	None	None
Allocation of stock or share purchase options	None	None
Free allocation of shares	None	None

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Remuneration, compensation or benefits payable or likely to be payable as a result of the appointment	None	None
Commitments mentioned in paragraphs one and six of article L. 225-42-1 of the French Commercial Code	None	None
Items of remuneration and benefits in kind payable or likely to be payable under agreements reached, directly or through an intermediary, as a result of the office held, with Haulotte Group, any company controlled by it within the meaning of article L. 233-16, any company it controls within the meaning of the same article, or any company placed under the same control as itself, within the meaning of this article	None	None
All other items of remuneration payable as a result of the office held	None	None
Benefits in kind granted as a result of the office held	None	None

5 - AGREEMENTS REFERRED TO IN PARAGRAPH 2 OF ARTICLE L. 225-37-4 OF THE FRENCH COMMERCIAL CODE

In order to comply with paragraph 2 of article L. 225-37-4 of the French Commercial Code, we hereby remind you that, except in the case of agreements on current transactions reached under normal conditions, this report must mention agreements entered into, directly or through an intermediary, during the financial year between:

- as party of the first part, a director or shareholder with a holding of more than 10% of the voting rights of a company,
- and, as party of the other part, another company in which the first party directly or indirectly holds more than half of the capital.

No agreements of this kind were entered into in the financial year ending December 31, 2017.

6 - ITEMS LIKELY TO AFFECT A TAKEOVER BID OR PUBLIC EXCHANGE OFFER

Pursuant to article L. 225-37-5 of the French Commercial Code, we hereby inform you of items likely to affect a takeover bid or public exchange offer:

6.1 Capital structure

As of December 31, 2017, the Company's capital and voting rights were majority owned by the company Solem5, which is in turn owned by the Saubot family.

We invite you to refer to section 3 of the management report of the Board of Directors to which this report is attached.

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6.2 Statutory restrictions on the exercise of voting rights and share transfers or clauses brought to the Company's attention pursuant to article L. 233-11 of the French Commercial Code

We hereby inform you that article 9 (Transfer and transmission of shares) of the Company's Articles of Association obliges all individuals and legal entities who come to hold or cease to hold a proportion equal to 1% of the share capital or voting rights, or any multiple of this percentage, to inform the Company within fifteen days of exceeding the holding threshold.

If this declaration is not made, the Articles of Association stipulate that shares exceeding the proportion that should have been declared are deprived of voting rights if this is requested by one or more shareholders holding 5% of the share capital (recorded in the minutes of the General Meeting).

6.3 Direct or indirect participation in the capital of the Company of which it is aware under articles L. 233-7 and L. 233-12 of the French Commercial Code

We invite you to refer to section 3 of the management report of the Board of Directors to which this report is attached.

6.4 List of holders of all securities with special control rights and description of these securities

All Company shares entitle owners to attend shareholders' meetings, with voting rights, in accordance with the law and regulations.

All shares entitle holders to ownership of company assets, profit-sharing and a liquidation dividend, proportional to the amount of capital they represent.

Pursuant to article 16 of the Articles of Association, all fully paid shares for which there is evidence of registration in the name of the same shareholder for at least four (4) years are allocated voting rights double those granted to other shares, taking into account the amount of capital they represent.

This right is also granted as from their issue to registered shares allocated free of charge to a shareholder on the basis of existing shares for which they are entitled to this right in the event of a capital increase through incorporation of reserves, profits or share premiums.

6.5 Powers of the Board of Directors, in particular the issuance and buyback of shares

We invite you to refer to section 1 of the management report of the Board of Directors to which this report is attached and the summary table of delegations of authority and powers granted by the General Meeting to the Board of Directors.

6.6 Agreements reached by the Company that are amended or terminated in the event of a change of control of the Company

There are agreements reached by the Company that include change of control clauses. This is the case in particular in contracts signed by the company with some service providers or financial bodies.

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7 - SUMMARY TABLE OF DELEGATIONS CURRENTLY IN FORCE GRANTED BY THE SHAREHOLDERS' GENERAL MEETING RELATING TO CAPITAL INCREASES, PURSUANT TO ARTICLES L. 225-129-1 AND L. 225-129-2

Attached to this report, pursuant to paragraph 3 of article L. 225-37-4 of the French Commercial Code, is a summary table of delegations currently in force granted by the Shareholders' General Meeting relating to capital increases, pursuant to articles L. 225-129-1 and L. 225-129-2, showing the use of these delegations during the financial year.

Nature of the delegation of authority or powers granted to the Company's Board of Directors pursuant to articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code	Date of the EGM	Validity period Expiry	Maximum nominal amount of the capital increase likely to be made, immediately and/or over time (excluding the issuance of debt securities)	In-crease(s) made during the financial year	Residual amount as of December 31, 2017
Delegation of authority to be granted to the Board of Directors for the purposes of increasing capital through the issuance of ordinary shares or any other securities granting access to capital while maintaining shareholders' preferential subscription rights	05/30/2017 Resolution 9	26 months 07/30/2019	1 223 479,69 euros (for the exchange value of this amount in the event of issuance in another currency), it being specified that: - the maximum nominal amount of the capital increase likely to be made immediately or over time under this delegation shall be included in the overall ceiling set out in resolution fifteen below; - where applicable, the nominal value of shares to be issued shall be added to this ceiling to protect the rights of holders of securities and other rights granting access to capital, pursuant to the law and, where applicable, relevant contractual provisions	None	1 223 479,69 euros (or the exchange value of this amount in the event of issuance in another currency), it being specified that: - the maximum nominal amount of the capital increase likely to be made immediately or over time under this delegation shall be included in the overall ceiling set out in resolution fifteen below; - where applicable, the nominal value of shares to be issued shall be added to this ceiling to protect the rights of holders of securities and other rights granting access to capital, pursuant to the law and, where applicable, relevant contractual provisions

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Delegation of authority to be granted to the Board of Directors for the purposes of increasing capital through the issuance of ordinary shares or any other securities granting access to capital with waiver of shareholders' preferential subscription rights	05/30/2017 Resolution 10	26 months 07/30/2019	815 653,12 euros (or the exchange value of this amount in the event of issuance in another currency), it being specified that: - the maximum nominal amount of the capital increase likely to be made immediately or over time under this delegation shall be included in the overall ceiling set out in resolution fifteen below; - where applicable, the nominal value of shares to be issued shall be added to this ceiling to protect the rights of holders of securities and other rights granting access to capital, pursuant to the law and, where applicable, relevant contractual provisions	None	815 653,12 euros (or the exchange value of this amount in the event of issuance in another currency), it being specified that: - the maximum nominal amount of the capital increase likely to be made immediately or over time under this delegation shall be included in the overall ceiling set out in resolution fifteen below; - where applicable, the nominal value of shares to be issued shall be added to this ceiling to protect the rights of holders of securities and other rights granting access to capital, pursuant to the law and, where applicable, relevant contractual provisions
Delegation of authority to be granted to the Board of Directors for the purposes of increasing capital through the issuance of ordinary shares or any other securities granting access to capital with waiver of shareholders' preferential subscription rights within the framework of an offer for the benefit of qualified investors or a limited number of investors, as referred to in section II of article L. 411-2 of the French Commercial Code	05/30/2017 Resolution 11	26 months 07/30/2019	815 653,12 euros , in any event, the amount may not exceed the limits set out in the regulations applicable on the day of issuance (for information purposes only, on the day of the Combined General Meeting of May 30, 2017, the issuance of capital securities made by way of an offer referred to in section II of article L. 411-2 of the French Monetary and Financial Code was limited to 20% of the Company's capital per 12-month period, this capital being valued on the day of the decision of the Board of Directors to use this delegation), it being specified that: - where applicable, the additional amount of shares to be issued shall be added to this amount to protect the rights of holders of securities and other rights granting access to shares, pursuant to the law and, where applicable, relevant contractual provisions; - the nominal amount of any increase in share capital likely to be made in this way shall be included in the overall ceiling set out in resolution fifteen below	None	815 653,12 euros , in any event, the amount may not exceed the limits set out in the regulations applicable on the day of issuance (for information purposes only, on the day of the Combined General Meeting of May 30, 2017, the issuance of capital securities made by way of an offer referred to in section II of article L. 411-2 of the French Monetary and Financial Code was limited to 20% of the Company's capital per 12-month period, this capital being valued on the day of the decision of the Board of Directors to use this delegation), it being specified that: - where applicable, the additional amount of shares to be issued shall be added to this amount to protect the rights of holders of securities and other rights granting access to shares, pursuant to the law and, where applicable, relevant contractual provisions; - the nominal amount of any increase in share capital likely to be made in this way shall be included in the overall ceiling set out in resolution fifteen below

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Delegation of authority to be granted to the Board of Directors for the purposes of increasing the number of securities to be issued in the event of a capital increase with or without preferential subscription rights, as referred to in resolution eleven	05/30/2017 Resolution 13	26 months 07/30/2019	<p>Power to increase the number of shares or securities to be issued in the event of an over-subscription within the framework of increases in the Company's capital with or without preferential subscription rights decided pursuant to resolutions nine to eleven above, under the conditions set out in article L. 225-135-1 and R. 225-118 of the French Commercial Code (i.e. on the day of the Combined General Meeting of May 30, 2017, within thirty days of the closing of the subscription, at the same price as that set for the initial issuance and up to a limit of 15% of the initial issuance), these shares conferring the same rights as existing shares.</p> <p>The nominal amount of any increase in share capital decided pursuant to this delegation within the framework of increases in the Company's capital with or without preferential subscription rights decided pursuant to resolutions nine to eleven above shall be included in the overall ceiling set out in resolution fifteen below. Where applicable, the additional amount of shares or securities to be issued shall be added to this amount to protect the rights of holders of securities granting access to capital and other rights granting access to capital, pursuant to the law and, where applicable, relevant contractual provisions</p>	None	<p>Power to increase the number of shares or securities to be issued in the event of an over-subscription within the framework of increases in the Company's capital with or without preferential subscription rights decided pursuant to resolutions nine to eleven above, under the conditions set out in article L. 225-135-1 and R. 225-118 of the French Commercial Code (i.e. on the day of the Combined General Meeting of May 30, 2017, within thirty days of the closing of the subscription, at the same price as that set for the initial issuance and up to a limit of 15% of the initial issuance), these shares conferring the same rights as existing shares.</p> <p>The nominal amount of any increase in share capital decided pursuant to this delegation within the framework of increases in the Company's capital with or without preferential subscription rights decided pursuant to resolutions nine to eleven above shall be included in the overall ceiling set out in resolution fifteen below. Where applicable, the additional amount of shares or securities to be issued shall be added to this amount to protect the rights of holders of securities granting access to capital and other rights granting access to capital, pursuant to the law and, where applicable, relevant contractual provisions</p>
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Delegation of authority conferred on the Board of Directors for the purposes of increasing share capital in order to pay for contributions in kind of capital securities or securities granting access to capital granted to the company, up to a limit of 10% of share capital, and in order to pay for contributions of securities made for the benefit of the company within the framework of a public exchange offer	05/24/2016 Resolution 20	26 months 07/24/2018	Pursuant to paragraph 6 of article L. 225-147 of the French Commercial Code and up to a limit of 10% of share capital as adjusted according to transactions that may affect it after the date of the General Meeting. Pursuant to article L. 225-148 of the French Commercial Code, pay for contributions of securities made, for the benefit of the company, within the framework of a public exchange offer initiated in France or abroad by the company on the securities of a company whose shares are listed on a regulated market, as referred to in this article. This may not exceed the unused proportion of the overall ceiling set out in resolution fifteen below	None	Pursuant to article L. 225-147 of the French Commercial Code and up to a limit of 10% of share capital as adjusted according to transactions that may affect it after the date of the General Meeting. Pursuant to article L. 225-148 of the French Commercial Code, pay for contributions of securities made, for the benefit of the company, within the framework of a public exchange offer initiated in France or abroad by the company on the securities of a company whose shares are listed on a regulated market, as referred to in this article. This may not exceed the unused proportion of the overall ceiling set out in resolution fifteen below
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Overall limit on the amount of issuances made under (i) resolution twenty adopted by the Combined General Meeting of May 24, 2016 above and (ii) resolutions nine to eleven and thirteen to fourteen adopted by the Combined General Meeting of May 30, 2017	05/30/2017 Resolution 15	-	The maximum nominal amount of capital increases likely to be made pursuant to delegations conferred under the terms of (i) resolution twenty adopted by the General Meeting of May 24, 2016 and (ii) resolutions nine to eleven and thirteen to fourteen adopted by the Combined General Meeting of May 30, 2017 is set at 3,900,000 euros (or the exchange value on the date of issuance of this amount in foreign currency or a unit of account established by reference to multiple currencies), it being specified that the additional amount of shares to be issued shall be added to this ceiling to protect the rights of holders of securities and other rights granting access to these shares, pursuant to the law and, where applicable, relevant contractual provisions	None	<p>The maximum nominal amount of capital increases likely to be made pursuant to delegations conferred under the terms of (i) resolution twenty adopted by the General Meeting of May 24, 2016 and (ii) resolutions nine to eleven and thirteen to fourteen adopted by the Combined General Meeting of May 30, 2017 is set at 3,900,000 euros (or the exchange value on the date of issuance of this amount in foreign currency or a unit of account established by reference to multiple currencies), it being specified that the additional amount of shares to be issued shall be added to this ceiling to protect the rights of holders of securities and other rights granting access to these shares, pursuant to the law and, where applicable, relevant contractual provisions</p> <p>The maximum nominal amount of the debt securities that may be issued pursuant to delegations conferred under the terms of resolutions nine to eleven adopted by the General meeting of May 30, 2017 is set to 2.855.000 euros (or the exchange value on the date of issuance of this amount in foreign currency or a unit of account established by reference to multiple currencies), it being specified that this ceiling doesn't not apply to the debt securities whose issuance is decided or authorized by the Board of Directors in accordance of the article L. 228-40 of the French Commercial Code.</p>
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Delegation of authority to be conferred on the Board of Directors for the purposes of increasing capital through the incorporation of bonuses, reserves, profits and other items	05/24/2016 Resolution 22	26 months 07/24/2018	6 022 312,25 euros Where applicable, the additional amount of shares to be issued shall be added to this amount to protect the rights of holders of securities granting access to these shares, pursuant to legal and regulatory provisions and, where applicable, relevant contractual provisions, it being specified that this ceiling is set independently and is distinct from that referred to in resolution fifteen of the Combined General Meeting of May 24, 2016 (which became resolution fourteen of the Combined General Meeting of May 30, 2017)	None	6 022 312,25 euros Where applicable, the additional amount of shares to be issued shall be added to this amount to protect the rights of holders of securities granting access to these shares, pursuant to legal and regulatory provisions and, where applicable, relevant contractual provisions, it being specified that this ceiling is set independently and is distinct from that referred to in resolution fifteen of the Combined General Meeting of May 24, 2016 (which became resolution fourteen of the Combined General Meeting of May 30, 2017)
Authorization granted to the Board of Directors in application of the articles L.225-197-1 to L.225-197-6 of the French Commercial Code to proceed of a free attribution of existing shares or shares to be issued for the benefit of all or some employees and/or corporate officers identified in the article L.225-197-1, II of the French Commercial Code.	05/30/ 2017 Resolution 16	38 months 07/30/2020	0,5% of the capital of the Company existing at the date of decision of their attribution	None	0,5% of the capital of the Company existing at the date of decision of their attribution