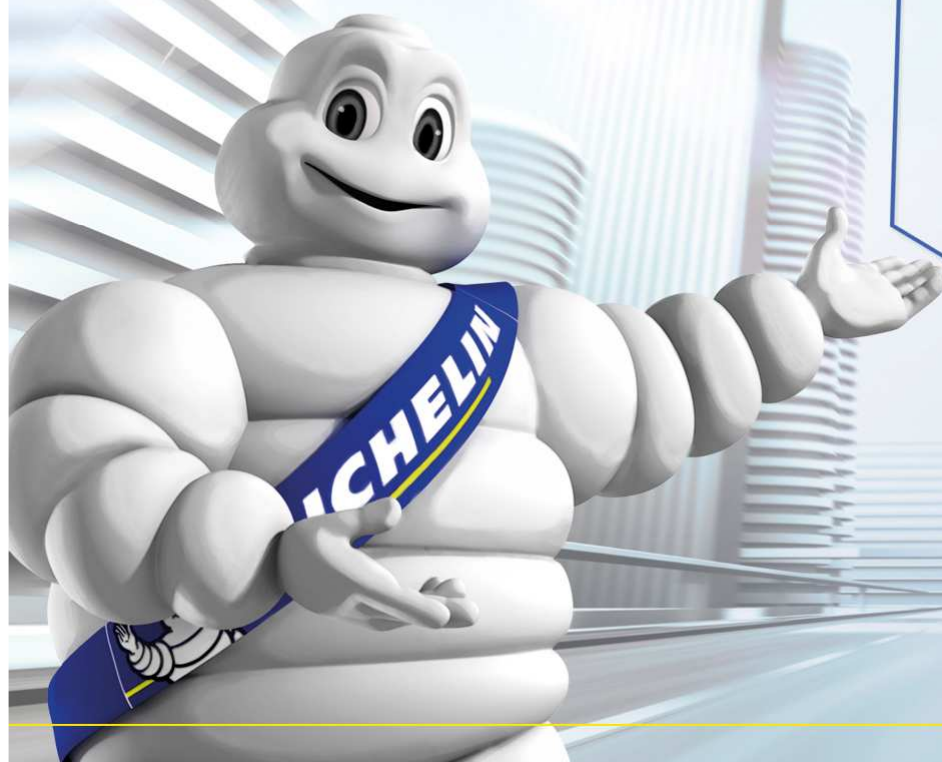


Michel ROLLIER
Chairman of the Supervisory Board
SUPERVISORY BOARD REPORT



Annual Shareholders Meeting
May 16, 2014





Role of the Supervisory Board

- ▶ Review the separate and consolidated financial statements
- ▶ Assess the quality of the Group's financial information
- ▶ Assess the Group's internal control and risk management systems
- ▶ Review strategic roadmaps and their implementation
- ▶ Ensure that shareholders' rights are respected



A responsible, structured approach

- ▶ **Strong values of accountability and integrity**
- ▶ **Clearly defined roles, with three lines of responsibility:**
 - **Operating unit managers**
 - **Support unit managers and risk managers**
 - **Internal Audit Department**



Internal control

- ▶ **Contributes to the efficiency and effectiveness of operations and the efficient utilization of resources**
- ▶ **Provides assurance concerning the protection of the Group's assets and the security of its accounting and financial transactions**



A rigorous system that is constantly improved

- ▶ **Definition of 16 processes**
- ▶ **A network of internal controllers**
- ▶ **A self-assessment system**
- ▶ **A review and control system**



Supervisory Board procedures

- ▶ **Review of quarterly results**
- ▶ **Review of risk management and internal control procedures**
- ▶ **Review of the Group's strategy, with regard to:**
 - **Competition**
 - **Markets**
 - **Materials**
 - **Innovation**